

[Shrimati Basava Rajeswari]

craft based at Hyderabad Airport goes to Cuddapah, Rajmundry on Tuesday, Thursday and Saturday in a week and returns to Hyderabad at 12.50 P.M. On those days, it is not at all utilised for the rest of the day. I would suggest that Dornier 228 can be operated during spare time available from Hyderabad to Raichur and Bellary and return to Bangalore and Hyderabad via Bellary and Raichur. I am sure that within no time the traffic will pick up and Government may have to introduce daily services of Vayudoot to and fro from Hyderabad to Bangalore.

14.22 hrs.

DISCUSSION ON THE NEW  
TEXTILE POLICY (CONTD.)

[English]

MR. DEPUTY-SPEAKER : We will now go to the next item. The House will now take up further Discussion under Rule 193 on the new Textile Policy announced by the Government on 6th June, 1985. Hon. Members, we have already exhausted the allotted time for this item. Therefore, I would request the hon. Members to cooperate with me. I would request that each Member may take only five minutes because many Members are interested to take part in this debate. I would request the Members to be very brief. After four minutes, I will ring the bell and from the fifth minute onwards, your speech will not be recorded. Therefore, I would request you to make only the points. Now, Mr. Y. S. Mahajan to speak.

SHRI Y. S. MAHAJAN (Jalgaon) : Mr. Deputy-Speaker, Sir, the Textile Policy announced by the Government is realistic and calculated to secure the development and rapid growth of the industry in a balanced manner. The

consumer has shown a decided preference for blended and polyester filament fabrics. By allowing full flexibility in the use of various fibres and promising adequate availability of man-made fibres through increased domestic production supplemented, if necessary, by imports, the policy statement expresses the Government's determination to satisfy the consumers' preferences. In this way, the new policy seeks also to restructure the industry with a long term perspective. The whole policy would be guided by the objective of providing clothing for our increasing population at a reasonable price.

The Textile industry is the biggest industry in India. It provides employed to 1.2 million people in the organised mill sector, constituting 17% of the aggregate factory labour in the country, 3.2 million people in the powerloom sector. and 7.2 million people in the handloom sector. From the point of view of employment, the handloom sector constitutes the biggest sector. The Policy Committee has, therefore, made a number of proposals calculated to improve the earnings and welfare of the weavers. They will be given help for modernisation of their looms and provided with technological and other inputs for improving productivity and the quality and finish of their products. I believe that the provisions made in this behalf are adequate and sound.

The organised mill sector, which attracts more attention than others suffers from managerial and structural weaknesses. The policy statement proposes certain measures for the revival of sick units. The idea is to make a detailed and objective study of the causes of sickness in the case of each sick unit and if it is potentially viable, to prepare a package of measures for its rehabilitation and work out a suitable financial package and hand over the job to a nodal agency for completion.

If the unit is not likely to be viable in the immediate future, the policy suggests that the mill may be closed

down. As a rule, the policy says, no attempt would be made by the Government to nationalise it or take over its management. There is no reason why the taxpayer's money should be wasted on attempts to revive units which are fundamentally unsound, or of which the management have made a mess. If wrong investments have been made or the change of circumstances has made the unit obsolete, economic wisdom demands that they should be written off. In economic life, by-gones are by-gones. Managements which are guilty of exploitation or financial manipulation should be punished. Further, I suggest that the idea that as a rule, nationalisation or take-over should not be resorted to, should not be enforced rigidly because in some cases, there may be no other alternative.

In my place at Jalgaon in Maharashtra, there is a textile mill which was closed down eleven months ago. I request the hon. Minister to make a proper enquiry into the affairs of this unit. When the mill was taken over by the management, its debts were Rs. 80 lakhs, and when it was closed down, the debts were Rs. 11 crores. Government of Maharashtra has gone into the feasibility of running this mill and its technical Committee has said that the unit is viable. Government of Maharashtra is anxious to run this Mill on cooperative lines. I understand that they have written to the Central Government. I trust that the Central Government will consider the proposal of the Maharashtra Government favourably.

It is an open secret that many mill owners in Bombay plan to close down their units and make a fast buck by selling the land, the price of which has risen phenomenally. This is an anti-social activity. I hope, the Government will be watchful and see that the interests of the workers are protected if necessary, by selling the lands and providing relief to the workers for rehabilitation.

Another important factor which is responsible for the present difficulties

of the textile industry is inadequate modernisation and failure to renovate old and obsolete plant and machinery. In this matter, the policy statement makes certain proposals for modernisation of the whole industry, right from the ginning, handlooms, powerlooms, spinning, weaving and other sections in the textile industry. The whole question of modernization has to be handed over to a Central agency. The whole programme will be financed by the IDBI or out of a special fund created for this purpose. I believe, this approach is to strengthen the competition among the units in the industry and create an environment for reduction in cost and improvement in quality.

The powerloom sector plays a significant role in the textile industry. The recommendations in this regard provide for compulsory registration and for treating them at par with the organised industry so far as taxation is concerned.

The powerloom sector is a rapidly growing and vigorous part of the industry. Every year, 40000 new powerlooms are established at the rate of 125 per day. With its vigorous growth and low cost, there is no reason to fear that the powerloom sector will suffer in comparison with the mill sector. A lot of criticism is made against this policy, but I believe that if we have patience, if we wait for two or three years till this policy is converted into concrete measures, the industry will be integrated and modernised, with full fibre flexibility and increased competition, will grow vigorously and will be able to face competition in international market. With these words, I support the new Textile Policy.

14.31 hrs.

SHRI S. JAIPAL REDDY (Mahbubnagar) : Mr. Deputy-Speaker, Sir, the new Textile Policy is a quintessential illustration and a clinching demonstration of the new economic philosophy and the new budget philosophy of the present Government. To put it in a nutshell, it offers crocodile tears to the

[Shri S. Jaipal Reddey]

handloom sector and gives all concessions to the mill sector. It indicates that the Government has taken a silent but an all important decision to put all the eggs in (a) heavy sector, (b) capital intensive and imported high-technology, and (c) private sector. Sir, as a corollary to a commitment, to these three major unarticulate premises, the Government is prepared to bear tremendous social cost.

I may now refer to the enormous social cost that the Government will have to bear in regard to this. Firstly, labour in the entire sector would have to be retrenched mercilessly. Secondly, small scale sector, in the instant case handloom sector, would have to be starved out. Thirdly, the product could be such as to cater only to fanciful urges of the middle and upper classes, to a total neglect of minimum needs of the toiling masses. Fourthly, the proclaimed priorities of the Seventh Plan such as food, work and productivity could be observed only in the breach. And lastly, economic growth could be pursued without any reference whatsoever, to the objective of employment generation in the country. This policy document is said to be based on a secret report of the Experts Committee. But then, the textile tycoons made it very clear that their memorandum was received by the Experts Committee. One expert, Shri L. C. Jain offered to tender evidence before the Committee but this Committee had no time to receive the evidence. Shri C. V. Radhakrishnan, Secretary General of the Indian Cotton Mills Federation proudly proclaimed in an article which appeared in the *Indian Express* that all the demands of their association had been met and in the same article, he also listed the demands that had been conceded: firstly, the demand for parity with powerlooms, (which I welcome incidentally); secondly freedom for fibre use, (which I do not welcome); thirdly adequate availment of fibres, which I do not welcome; fourthly, liberal and

concessional imports of machinery for modernisation, (which I do not welcome): fifthly closure of unviable or non-revivable units; sixthly, permission to retrench labour indiscriminately; and lastly Sir, release of the mills from the obligation to produce control cloth. Sir, with this policy, the last nail has been driven into the coffin of the handloom sector. The process of driving the last nail has started well with the Budget itself. When the Finance Minister stepped up the duty on Cone Yarn by about 25 per cent. But when the excise differential between the mill cloth and power cloth was abolished, I welcomed it. But the increase in excise duty on cone yarn. It only encourages further diversion of the Hank Yarn from the Handloom Sector to the Powerloom Sector.

According to Late Prof. Raj Krishna, the Powerloom Sector was knocking away 50 per cent of Hank Yarn meant for Handloom. He calculated that 155 million kg. of Hank Yarn was being diverted from the Handloom Sector to the Powerloom Sector. This increase in Excise Duty can only further accelerate that process. Why did the Government abolish the excise differential between the Powerloom and the Mill Sector? If it was done not to protect the Handlooms, but to protect the Mill Sector. In the first place, it is wrong in principle, that the Commodity Taxation be imposed on intermediate products rather than final products.

Now, I come to the state of Handloom Sector. According to 1961 census, total workers engaged in Handloom Industry were 21.35 lakhs. But according to 1981 census, the number of total workers instead of increasing with the increase in population came down to 14.74 lakhs. But the Government do not agree with the census figures, instead they have given a totally inflated figure, based on the delivery of the Hank Yarn cloth and on the basis of the inflated figures at the Cooperative Sector. Therefore, I request the Government of India to

revise its textile policy. Otherwise Shri Rajiv Gandhi will have presided over the liquidation of the Handloom Sector. He will have given a decent burial to the employment-oriented Gandhian economic philosophy. In this regard, I would like to make a few suggestions by way of conclusions, in regard to the changes that must be considered in Textile Policy. Firstly the increase in Excise Duty on Cone Yarn should be withdrawn immediately. Secondly, the decision to permit millowners....(Interruptions).

The decision to permit the mill owners to resort to indiscriminate import of machinery should be reversed. Thirdly, the decision to permit millowners to close down mills and retrench workers on the pretext of mills being unviable or non-revivable units should be reversed. The subsidy to Handloom Sector for production of controlled cloth must be substantially increased. Otherwise there would be no point in trying to shift the burden of production of controlled cloth to the Handloom Sector. For this purpose Mills should be subjected to special cess, I hope the Government will do all this. Otherwise, they will stand condemned in the eyes of millions of Handloom Weavers in this country.

SHRI UTTAM RATHOD (Hingoli):  
Mr. Deputy Speaker, Sir, I cannot support the new Textile Policy that has been propounded by our new Minister, for the simple reason that on Page 2, Paragraph 10(1), you will find that it has been mentioned :

“Full fibre flexibility as between Cotton and man-made fibres/yarn would be provided to the textile industry”.

Then about the fiscal levies on man-made fibres/yarn and on intermediates used as inputs. Further, they say : “...progressively reduced in such a manner as to facilitate absorption of increased domestic production, so that the benefit flows to the consumer in the form of lower prices of synthetic and blended fibres”.

As a cotton grower, I feel the present policy threatens the very existence of the cultivators who grow cotton in the rain-fed areas. You will find that 80% of the cotton in the country is produced in the rain-fed areas ; and they are the people for whom cotton is the only cash crop. By implementing this policy, Government is trying to protect the interests of the rich people, and not of the poor people. So, I oppose it ; and I would request the Government to reconsider these things, in the interest of the cultivators who are almost 70% in this country.

What has the Government done ? There is only one paragraph about cotton in this whole book. They say : “We will give remunerative prices”. In its last Report, the Committee on Public Undertakings asked them to link prices of raw cotton with the finished goods. They have evaded it. Why did they not do that thing this time ? What was the harm ? When you are giving all the facilities for man-made fibre to the rich people, why can't you give us that much ? On the contrary, you say : ‘We will give you remunerative prices’, as if you are giving us some doles. Why ? You want to produce everything mechanically, i.e. through sophisticated machines. That means unemployment for the people.

I have to say on thing, viz. that everything produced by machines is not progress. There was a time when most of the people said ; ‘We must use Amulspray’. Now you find that people have gone back, and people say : ‘Mother's milk is the best milk. So, breastfeed is the best feed’. That is what we have started propagating. It is all right for those people who can afford it. They can purchase in the black market ; they can take smuggled goods. But why do you kill the poor cultivators of cotton ? In case you want to implement this, I want to warn you: “You must give us alternative crops, i.e. a cash crop for people who are cultivating cotton in the rain-fed areas. Unless you give that, we shall not allow it.” It is going against our

[Shri Uttam Rathod]

interests ; so, Government should take cognisance of this, and think about it.

They say : 'We will produce more, and things will become cheaper. Did we not try this in the case of cement ? We gave so many licences, and mini-cement plants were also put up. What is the price of cement per bag ? Rs. 70/- to Rs. 75/-. So, merely by producing more, you cannot reduce prices. We can fool ourselves for some time ; but not all the people, all the time. Unfortunately, there is only one exception, viz. the planners. They never believed in this. They go on fooling themselves, and they want to fool others also. But we do not want to be fooled in this case.

In the end, I would say, as a cotton grower, I oppose this particular policy.

SHRI RAM SINGH YADAV : Government does not want to reduce the price of cotton. Where has it been laid down ?

SHRI UTTAM RATHOD : But why don't you link it ? We have been specifically asking for it. They have said that remunerative price will be given. A.P.C. fixed some price. You give Rs 4/- or Rs. 5/- more and you say that it is remunerative, which it is not, in fact.

SHRI GURUDAS KAMAT : *Rose.*

SHRI UTTAM RATHOD : No, Mr. Kamat ; You come from Bombay. You don't speak about us. Most of the mills are situated at your place, and they have been closed down. All the people want to shift their mills. You have one more excuse, viz. pollution. You can shift the mills, and construct buildings. That will give you money.

So, as a cotton grower, that too from a rain-fed area, I cannot support this. I am sorry. Thank you.

SHRI PRIYA RANJAN DAS MUNSI (Howrah) : Sir, I do not oppose the Textile Policy as such ; but I request the hon. Minister to review and re-examine certain things within the ambit of this policy, if possible.

First of all, I will deal with the mills. The time is too short. I cannot expose everything at the moment. But in Bombay, a new monster has come up in the textile industry called Dhiru Bhai Ambani and Vimal. He has become the Allauddin and his magic lamp has been able to get more than 12,000 shareholders which can only be called in a stadium for a meeting of the shareholders. I am not zealous of him not do I represent anybody's views. On the earlier occasion also investigations were made against the Birlas, Modi and others about the misuse of raw-materials, cheating of the excise duty, etc. I only request the hon. Minister, if he agrees, to make investigation on three issues in regard to Reliance Textile Industry. (1) The licences that they have acquired for the last 1½ years, whether those licences were exclusively given to him. When those licences got matured, the particular subsidy from the government also came to those licences. When he got those licences, it was in his knowledge that the subsidy will come after six or eight months. (2) Is it a fact that for the last 1½ years, large scale cheating and frauding with the government in terms of excise duty was done in this unit ? Raw-materials were found used into finished product, without giving any excise duty. The matter is lying with the Finance Ministry, and the Textile Ministry should take note of it also. If the Minister wants to make any investigation, I am a responsible member of this House, I take full responsibility to provide information and to expose it, because in the name of flourishing industry, this particular unit is also harming the government in the terms of revenue and creating terror and panic in the entire textile industry of the country. If the Minister feels that he is not in a mood to do it, I will refer the matter to the Com-

mittee on Petitions. The large unit of the NTC Eastern India belongs to my constituency Howrah, Central Cotton Mill. I was told a few months back that the condition was every bad there. I paid a visit there. I would like to inform the Minister that, right from the day of its take over till to this day, not a single loom was changed, no modernisation programme was there. The Chairman paid a visit there. There was no modernisation programme, not a single loom was changed. Till last week while I was there during the time of production I was told that workers cannot produce the total capacity because they did not get raw-material supplied more than one-fourth of the total capacity of the production. How can he blame the workers that the sickness of the unit is because of the workers. You have to inspect it and take appropriate action for the viability of the unit and see that modernisation work is taking effect.

In the entire country, there is a fear now among the handloom weavers after this policy was announced...

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLIES AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : I am sorry you have been misled by somebody.

SHRI PRIYA RANJAN DAS MUNSI : The fear is for two things. I hope the Minister will take note of it. In the mill sector, in the textile policy, you are very specific as to what kind of concession you will give, how you will give. But in the handloom sector your assurance is very simple and a little vague, not very specific, for instance, you said, reservation of articles, according to the Act passed in this Parliament, you will do. Tell me here in this House which are the departments which will make compulsory the use of the handloom? Are the Government Departments, the hospitals? None of them. What is the point of giving an assurance? How can you ensure that the weavers will get justice if their production is reserved?

There is no announcement where articles are to be reserved. This kind of assurance I have been hearing for the last one decade. If you go to the Government Offices, if you go to hospitals, you will hardly find any handloom or khadi. So, you please clarify this point. This is my fear. How are you going to reserve article and for which sector?

SHRI CHANDRASHEKHAR SINGH : Reservation applies to production not to use.

SHRI PRIYA RANJAN DAS MUNSI : If the use is not there, how can you ensure production? If the use is not there, then it will be produced and kept in the Boat Club Maidan. Then how the weavers will be protected? Is that your contention that production should be reserved and use is not there. I am sorry, if that is your contention, then my fear is genuine.

SHRI CHANDRASHEKHAR SINGH : That is the intention of the Act which we have passed here. You must understand what we have passed.

SHRI PRIYA RANJAN DAS MUNSI : That is why, I said at the outset that you may kindly review it.

SHRI CHANDRASHEKHARSINGH : We cannot review it. How can we review the Act which has been passed only in the last session?

SHRI PRIYA RANJAN DAS MUNSI : If something has been passed, Mr. Minister, you know that the Government can examine it, they can review it. There is no bar for the House to review it. If we can amend the Constitution a thousand times, why not the Act? We can review it. What is wrong in it?

Lastly, I will mention one thing about Khadi and conclude. For Khadi and handloom you have a Development Commissioner. My suggestion is, you create a statutory body called the

[Shri Priya Ranjan Das Munsi]

Khadi Development Authority. Let that authority deal with Khadi, yarn, production, cooperation and negotiations with the State Governments.

About Khadi, I will conclude by saying that it is really a mass-oriented programme and it is also employment oriented. But I am sorry to mention one thing. Please do not keep anybody in the Khadi board or in the industry who has got a relative or relatives also in the Khadi industry and business. What I repeat is, I can cite one hundred examples where one family is holding benami nine Khadi units and getting certificates even in the district of Murshidabad from where I come, in West Bengal. At the same time many more deserving people are asking for certificates to start Khadi units and they are not getting them. The State Department simply refuses to certify. I am sorry to say that corruption is also going on in the name of recognition. A big empire is being created in the name of Khadi. One family has got a further, his children, his nephews, everybody in the same industry, and even in the Khadi Board. This is against the Gandhian philosophy and the approach of the Government. You kindly check this and see that this is stopped immediately.

Again, I would urge upon the hon. Minister to ensure that Khadi is used by the Government departments. Khadi products should also be used by the Government departments.

**SHRI CHANDRASHEKHAR SINGH** : I am very sorry that you did not know even the basic things.

[*Translation*]

**SHRI BANWARI LAL PUROHIT** (Nagpur) : Mr. Deputy-Speaker, Sir, I am in a dilemma whether to support or to oppose the Textile Policy because many things are not clear in it. After going through the Textile Policy I fail to find how it is in consonance with the policy of our Hon. Prime Minister

and of our Government of ensuring maximum benefit of the plans to the poorest of the poor and lifting them above the poverty line. Today, in our country, the handloom weaver is the poorest and what has been done for him in this policy is not clear.

It is all right that you have reserved the manufacture of the entire controlled cloth for the handloom sector, but we would like to be enlightened by you about cloth length to be produced by a single handloom and the wage which would be earned by the worker engaged therein. Have you conducted any study in this regard? I feel he should get a minimum wage of Rs. 20 per day in these days of galloping prices. We shall be satisfied if you convince us by your calculations that he will get a minimum wage of Rs. 20 per day by working on a single handloom. Then there is the question of sale of handloom cloth. Who will purchase that cloth?

The new Textile Policy framed by you does not make it very clear how you propose to protect the interest of the handloom worker. Unless you enlighten us in unambiguous terms, I shall not be able to support your policy.

From the policy it is not clear how much yarn they would get, whether they will have a guaranteed yarn supply, whether you propose to set up some corporation to purchase their finished goods. Nothing is clear. What organisation you are going to set up to protect the interests of the handloom weavers? You should clarify all these aspects. Unless you tell us in categorical terms how you propose to safeguard the interest of each and every handloom, we are unable to make anything out of this Policy of yours.

We feel that the poor handloom worker will not benefit; rather injustice would continue to be meted out to him. We are not opposed to big textile mills. The textile industry should be modernised and new machines should be installed. This is necessary.

I would plead with the Industry Minister to let a mill be closed if the industrialist owning the mill so desires. The workers are capable of running such mills in the cooperative sector. Those mills, particularly in Bombay and Vidabha, have huge assets in the form of vacant land that if you give that land to the workers to run the mill in the cooperative sector, Government would get sufficient amount through sale of the land with which modernisation could be effected. Do not allow the mill owners to make huge profits. You study the working of the textile mills in Bombay and you will know the position. Therefore, your need not be afraid of these mill-owners. Do not give in to their threats. You look after the interests of the workers. This is my submission.

The hon. Member who spoke just before me complained that cotton does not find any mention in the Textile Policy. Have you guaranteed the minimum procurement price for raw cotton to be purchased from the farmers? The entire economy of Maharashtra depends on cotton, which is the largest cash crop in Maharashtra and Gujarat. Cotton is also now being grown in Rajasthan and Madhya Pradesh and your policy is totally silent about cotton. You have not made any mention in your policy about whether the prices of cotton will increase or decline as a result of this Policy. I am afraid your Policy will have adverse effect on the cotton producer. The farmer has been complaining that he is not getting even half of the cost of production. Then how do you propose to protect his interest? I would, therefore, plead that you should first yourself be clear in your mind about this policy and when you are clear then explain it to us. You have placed this policy before the people in an ambiguous manner which neither you understand, nor do we. You did not analyse the consequences or repercussions of the policy before making it public. People had been waiting patiently for long expecting a textile policy that will bring about radical changes in the textile sector, but I am sorry to say that

nothing of that kind has happened and the policy that has been laid down, is not intelligible. So, my submission is that wherever changes are necessary you must carry them out. How much amount you propose to give to the handloom industry as subsidy? How much minimum wage you want to give to the handloom worker? Please explain all these things to us. In a country in which handloom industry used to be the backbone of its economy, which had been producing the world famous Dhaka Muslin and due to which the country was known for its prosperity, the condition of handlooms is quite deplorable. Therefore, I would request the hon. Minister to consider it seriously. The handloom industry should not be neglected in this manner and we expect full safeguards for this industry.

[English]

SHRI V. S. KRISHNA IYER (Bangalore South) : First of all, I come to sericulture. It is enunciated in the Textile Policy. I am sorry to say that only a passing reference has been made about it. It is a very important industry in our country. India is one of the major silk producing countries next to China, Japan and Korea. 80 per cent of the silk produced in our country is from Karnataka. It is very unfortunate that in the policy statement no mention has been made how this sericulture industry will be developed in our country. On the other hand, the present policy of the Government is to import silk from China. This import is killing our silk industry. Indian silks are popular all over the world. I am a witness to the fact that whenever outsiders come to Bangalore, they do not fail to visit silk shop in our city. Whether they purchase sarees or not, at least they purchase a scarf. But the Government of India think that Indian silk is inferior to China. What is behind silk? There is the farmer who grows mulberry. There is the rearer who breeds silk worms. And there is the reeler and the weaker. So many things are included in that. But we are killing with one arrow all these things. It

[Shri V. S. Krishna Iyer]

is unfortunate to be so. I urge upon the Government of India to see that there should be a ban on the import of raw silk. What is the effect of import? It affects our raw silk which is sold at a distressed sale.

I am very happy that a Ruling party Member has also spoken about the cotton growers.

15.00 hrs.

Cotton is the base for the textile industry, but what is the status you have given to it? What you are doing is you are encouraging man-made fibre and you have not started any scheme for supporting cotton growers. What is the fate of cotton growers? In Karnataka, thousands of bales of cotton are lying without demand. The hon. Member Shrimati Basava Rajeswari also referred to it. So, there should be some concrete encouragement for the cotton growers.

Then, the new policy says that there is no limitation re : use of fibres for the mill magnates. They can use either cotton fibre or man-made fibre. What is the meaning of man-made fibre? Where does it come from? What is the raw material used for the man-made fibre? The most important raw material used for the man-made fibre is Eucalyptus wood and bamboo. What will happen to our forests then? Already we are speaking of deforestation. The Prime Minister has been speaking about ecological balance in our country. In our own State, Karnataka, we do not get Eucalyptus and bamboo for our paper industry which also is an important industry. Everything is taken away by Harihar Polyfibres which is manufacturing this man-made fibre. So, I earnestly urge upon the hon. Minister that he should protect the interests of the cotton growers, the farmers, while formulating the new policy. This unlimited use of man-made fibre should be stopped. There should be some limitation for

using synthetic fibre. The first preference should be for the cotton fibre.

Lastly, I come to my pet subject, that is, *Khadi*. I am glad that our hon. Member Shri P. R. Das Munsri also mentioned about it. But he mentioned about the irregularities in the Khadi Board. That is a different matter. Irregularity is there after independence ...(*Interruption*).

AN HON. MEMBER : It is increasing.

SHRI V. S. KRISHNA IYER : That depends in the entire moral atmosphere prevailing. When Gandhi Ji was alive before independence, we were all Congressmen. At that time we used to attach more importance to morality and principles. But now-a-days morality has gone down. I do not blame anybody—the atmosphere is like that. But we should try to go back to that period.

So far as *Khadi* is concerned, even in the statement there is only a lip sympathy. No concrete suggestions have been put forward in the statement, even though the Government of India realises that *khadi* generates employment. But still they are only maintaining the status quo. I suggest that there should be a massive programme for giving encouragement to *Khadi*.

SHRI MADHUSUDAN VAIRALE (Akola) : Mr. Deputy Speaker, Sir, I am not in a puzzle whether to support or not to support the policy. I would rather put it the other way. I will not oppose it. I will suggest that there is a lot of scope for the improvement and for much more progress in the textile policy. I felt very sad when majority of the speakers on this subject spoke about the organised sector of the society, that is, either textile industry, or mill workers or handloom weavers. They are more or less in the organised sector...(*Interruption*).

SHRI S. JAIPAL REDDY : Handlooms are not organised.

**SHRI MADHUSUDAN VAIRALE :**  
Well, then I join hands with you.

The most unorganised sector in this country is the cultivator and the farmer. The farmer is the base of the economy of this country. I have a feeling that sufficient attention has not been paid to the cotton farmers while drafting this policy. In these 8 pages document, very mercilessly 11 lines have been devoted to the cotton cultivators of this country. I come from an cotton-growing area, I am a cotton grower myself, and we must remember that whenever we discuss about Indian economy, we must keep in mind that our economy is mainly based on rains, that is, it is based mainly on dry-land farming which is about 80 per cent in this country. If we cannot talk the language of 80 per cent people of this country, I do not think we have any moral right to call ourselves the representatives of the people and sit in this House. So, I claim to speak on behalf of them. But, while appreciating the good points in this policy, I would like to point out that out of all cotton grown in the country, 60 per cent of cotton of the cotton grown is in Maharashtra. Out of this 60% of cotton, 90 per cent is grown in five districts of Vidharba. The constant complaint of the cultivators of this region is that production of cotton is going down and that its production is not up to the national level. The question is : why is it going down ? It is going down mainly because it is a rain-fed area and that it is dry-land cultivation. It depends upon the vagaries of nature.

I am thankful to our senior Member, Prof. Ranga, who made a mention the other day in the House about the economic protection to these cotton growers. About this I may also point out that while those who talk of national economy they belong to more organised sector and they can organise lobbies to secure concessions, but the people like farmers, who are not organised, they do not have any lobby and they cannot give patronage to the academicians or to the so called econo-

mists to prove their case. That is why the cotton growers in this country, most of the time, are unable to draw the sympathies from the white-collared intellectuals who sit on the 25th floor and try to write about the dry-land farming difficulties. I do not think it is conducive to the national economy. I will cite an example. There is no parity of prices in the national economy in regard to the raw materials and the finished goods. Today, if I go to market, I can get Raymond cloth or anything like that at Rs. 1,200 per metre ; and if I sell one acre of my dry-land, it fetches only Rs. 2,500. If this kind of parity exists in prices in the national economy, I think we are going to face much more difficult problems. Our planners must look into this. Just now I was talking to my colleague. He says in his area Madhya Pradesh the price of one acre of dry land is about Rs. 4,000. It means 50 per cent of a scooter can be purchased only after selling one acre of land. This situation has to be changed.

Sir, it will be wrong to blame the textile Ministry for all this state of affairs. Unless there is a proper coordination between the Agriculture Ministry, Textile Ministry, Commerce Ministry and the Finance Ministry, this problem cannot be solved properly.

One of the Public Undertakings Committee in its report had unanimously recommended that the Government should draw some linkage between the raw material and its finished product. The reply of the Ministry was that it was not possible. In 1976, the Government of India had formed a committee. That committee had prepared a report in regard to all this, but that was later shelved.

Now, the NTC Mills are with us. I must appreciate their increased efficiency. Now, we have got official figures and we can establish linkage between the price of the finished products and the raw materials of the textiles as we have done in the field of sugar.

[Shri Madhusudan Vairale]

Sir, I must compliment the hon. Minister, because whenever we go to him with some problem, he listens to us sympathetically. He has initiated some action in favour of the cotton cultivators.

Sir, there is a move to import cotton in India. In May this year, hon. Minister has stated in Bombay that there was an increase in export of textiles of 43 per cent from India. It is a welcome sign. When we are in this condition, why should we talk of importing cotton from outside? From Maharashtra Cotton Federation as well as from Gujarat and from C.C.I. there is a demand that more cotton should be allowed to be exported. I have no doubt that Government will consider it sympathetically. I would appeal to the Minister that all the three concerned Ministries should sit together and finalise it. There is the Cotton Monopoly Scheme in Maharashtra. Every year we have to go to the Finance Department for the continuance of the Scheme. This creates uncertainty. This question has to be finalised and settled once for all by making this Scheme permanent. I have no doubt that we, the representatives of the people, and our Government and our Minister and our policy-makers also will do the needful in this matter and try to serve the people. With these words I conclude.

[*Translation*]

SHRI SHANTI DHARIWAL (Kota) : Mr. Deputy Speaker, Sir, through you, I would like to tell the hon. Minister that broadly I support this policy; but I also want to put forth some suggestions before him which I want him to consider and try to improve the Textile Policy as far as possible.

The textile workers are second in strength in the country—the strength of the agricultural labour is equally large—and they have already been suffering.

In this policy you have given full powers to the management and the workers have been totally ignored. This is very clear. You have shifted the burden of manufacturing the controlled cloth to the handloom industry because the textile mills manufacturing this cloth used to become sick—sick to the extent of non-recovery. You have now shifted this burden of sickness to the handloom workers. This is wrong and the handloom worker will not be able to bear it and this industry will languish gradually. So, the heavy responsibility of manufacturing controlled cloth that you have thrust upon the handloom industry should be withdrawn. You have brought at par the levy and excise duty on the powerlooms and textile mill which is wrong. The powerlooms will not be able to compete with the mills and they will incur heavy losses. Instead of giving them some concessions, you have brought them at par with the mills. It is often seen that the mill owners try to ensure that government take over the mills with old technology and old machinery so as to escape the responsibility of making payments that are required to be made to old hands and they gradually succeed also in their effort. My submission is that when Governments decided to take over a sick mill, they should invariably ascertain the date when the mill was set up and then take over those industrial units also which have been set up with profit earned from that particular mill and which are running in profit so as to teach a lesson to the millowner.

Government have not given any thought to the question of setting up of processing and dyeing houses for powerlooms. I submit that all the spinning mills in the powerloom sector should be in the cooperative sector and processing and dyeing houses should be opened near the powerloom units and they should also be in the cooperative sector so as to remove the difficulty being experienced by powerlooms now because at present the dyeing and processing facilities are available at a distance of 200 to 400

kilometres. Government should pay more attention to processing and dyeing houses.

In the end, I would request you that the burden of manufacturing controlled cloth, which you have placed on the handloom industry, should again be shifted to the mills without fearing that they would grow sick. Government should ponder over the fact how much loss this country would incur if the financial condition of the handloom industry, which is a cottage industry, and which employs lakhs of workers, worsens due to the burden of manufacturing this controlled cloth.

**SHRI KALI PRASAD PANDEY** (Gopalganj) : Mr. Deputy Speaker, Sir, in regard to the Textile Policy, the hon. Members from the ruling party as well as from the opposition are of the opinion that the handloom sector has been neglected in the Budget. This is the first Budget which has been generally supported by the hon. members from the ruling party but not from the bottom of their heart.

In an agricultural country like India, the handloom industry generates employment for crores of people and produces cloth for the common man. We have been talking of keeping maximum balance between the hand-made and mill-made cloth to help the poor section of the society. But the new Textile Policy does not indicate how many people will be benefited by it. It would be wrong to think that reduced prices will boost sale.

Last time the House was informed that the Textile Policy would ensure availability of cloth in the country at reasonable prices but the policy could not be implemented due to several factors. It appears that the mill owners always influenced this policy. The mill-owners have been controlling the textile policy of the country and as a result 100 textile mills became sick during the last 10 years and Government was compelled to take them over. The Factories Act enacted during the

British rule is not being implemented fully even now. 70,000 workers have been rendered jobless in Bombay, 30 mills have been closed down in Gujarat and 50,000 worker are sitting idle in Ahmedabad. Government will have to spend Rs. 150 crores, if they take over these mills. At present 1.50 lakh workers are jobless and no provision has been incorporated in this policy to provide them with employment. Government have indicated that 11 lakh workers had been rendered jobless till 1984. What action is proposed to be taken for providing them with jobs? The national textile mills have suffered a loss of Rs. 619 crores till 1985 and you have spent Rs. 300 crores on their modernisation. Who is responsible for it? The Budget is silent about it.

In the present textile policy it has been decided to give all possible incentives to the handloom industry and to reserve manufacture of controlled cloth for this sector. Therefore, more Central assistance needs to be provided for the handloom weavers and poor consumers

I come from North Bihar and would like to draw the attention of Shri Chandrashekharji, who has also been the Chief Minister of Bihar, to the letter I had written to him about the Durga Textile Mills in border district Gopalganj which employs at least 400 workers and where more than 300 workers have been rendered unemployed. No action has so far been taken in this regard. The benefit of relief worth crores of rupees being given by the Government must percolate to the workers. You will have to take some positive steps in this direction so that the benefit of the relief given by you reaches the workers. The burden of manufacturing controlled cloth has been placed on the handloom sector. The production of controlled cloth is not profitable and, therefore, no mill is prepared to manufacture this cloth.

The machinery in textile mills in India has become obsolete and the

[Shri Kali Prasad Pandey]

mill owners have not taken steps to modernise them which is their duty and it is not proper to penalise the workers for this.

With these words, I conclude.

[English]

SHRI N. TOMBI SINGH (Inner Manipur) ; Mr. Deputy-Speaker, Sir, I do not hesitate to support the new textile policy. Sir, I do not consider that any policy is foolproof. During the last seven years, we have had many policies including the new policy. Beginning with the first policy that was announced in 1978, there was some special mention for the protection of the interests of the handloom weavers Khadi and sericulture industry. If we judge the interest of the Government and the emphasis of the Government by the number of lines, number of words and the number of pages in the policy statement, I think, handloom is the most favoured subject. But I have to point out that policies are being changed without giving a chance to the implementing agencies to acclimatize themselves properly. Every policy has got its own merits and demerits. I think, when Chandrastekhar Singhji is the Minister of Textiles, we feel that we are safe in his hands. But we are afraid that without giving full trail to this new policy, in spite of certain lapses as I have pointed out, if again a new policy comes up, then it is a jugglery of words and we do not like to encourage this trend.

Coming to the policy of handloom, I represent a constituency where every family irrespective of the social status—because we had been a Princely State—beginning with the King down to his servants and the lowest in the society are engaged in looms. Particularly, every woman member of the society must be a weaver and we are proud of having women weavers. I represent that constituency. Therefore, I think, this obsession will be observed by you. I will be needing

your indulgence in that. In that area, handloom has survived and is in existence not because of any subsidies, not because of any assistance but it has survived only because our own people, we the members of the society, uses handloom cloth whether for profit or no profit.

I recall in the last session, in reply to my supplementary question, our hon. Minister has promised that he would visit our area, our State. I do not know which one he meant. I do not know also whether he has visited that State. But I am very unhappy as also other Members from the North-eastern States. Perhaps, he visited Shillong, I think. But in Shillong you do not see anything of Manipur ; you do not see anything of Agartala ; you do not see anything of Assam ; and you do not see anything of Mizoram. I would like to draw your attention to my constituency where, as I have stated, handloom exists on sentimental grounds and traditional grounds and not on economic or other grounds. Now, you have to go a little deeper into the problems of these weavers. I think, there might be similar conditions in other areas also. I cannot commit for other areas.

The difficulty has been in getting yarn at reasonable prices. In the first Policy in 1978, mention was made that the main difficulty with the handloom and khadi weavers was particularly non-availability of yarn at reasonable prices. It was promised in the first Policy that yarn would be made available at reasonable prices. In the second Policy also, this was promised. Now also this has been promised in different words. If this wordy assurance means anything, we should rush to the rescue of the handloom weavers, particularly in respect of making available cheap yarn and also marketing facilities. In these two sectors, if the Government can do something, it will be helpful.

The Manipuri designs in certain cloths, loin cloth and handloom cloth,

are very popular in the foreign markets. The exporters demand that they should be produced not in one piece or two pieces or hundred pieces, but in lakhs of pieces. So, there is need for uniformity of quality and also design. This can be effected only by controlling the production centres. In what way can we do that? You have mentioned that the handloom sector can be promoted through cooperatives and in corporate sectors both at the State and at the Central levels. This is one field where the Centre can go in a big way, so that the handloom weavers from these areas, particularly Manipur and similar areas, can be given this opportunity to produce these popular designs for export. This will earn for us the valuable foreign exchange on the one hand and will also provide livelihood to a vast number of weavers in the rural areas in these States.

15.28 hrs.

[SHRI SHARAD DIGHE *in the chair*]

The requirement is that we should ensure the production centres. I think the hon. Minister will go in some detail and study the problems of these areas because we might be faced with different problems in different areas. Rather than getting satisfied with one visit, to one of the places and saying, "I have visited this area; I will do something", he should study the special problems of these areas in depth.

The last point I would like to make is this. In the second Policy there had been a mention about establishment of an Institute of Handloom Technology for the North-East. I want to know whether it has been established and if so, what it is doing, and if not, whether the establishment of this Institute will be expedited, so that this will give effect to modern developments in the handloom technology.

Before I conclude, I would like to make this appeal again that the implementing agencies in the States as

well as at the Centre should acclimatise themselves with all the detailed provisions of this Policy and also the law which has been recently made about reservation of certain items for handlooms. If the implementation agencies are weak, if they have not acclimatised themselves, if they are not sincere, then these policies and laws are not going to give as much benefit as we expect them to.

With these few words, I support fully the new textile policy.

[*Translation*]

SHRI GIRDHARILAL VYAS (Bhilwara): Mr Chairman, Sir, I support the Textile Policy that has been presented and would like to draw the attention of the hon. Minister to a vital point.

The provision included by you in this Textile Policy about sick units will encourage the people responsible for rendering textile industry sick. I would, therefore, request you to give special attention to those cases where textile mills are rendered sick due to mismanagement or transfer of assets. Just now an hon. Member referred to the people who have earned crores of rupees through the textile mills and have set up new industrial units with its help. They have siphoned off funds from the old units and have also not modernised them. They did not make any further investment in them and rendered them sick. Action should be taken against the management of such industrial units to ensure that along with the sick unit all the assets acquired by them with the help of the sick industrial units may also be taken over.

You say you are neither going to nationalise nor take them over. The result is that the mismanagement in the industrial units, the new assets being created and other fraudulent activities being indulged in are rendering the units sick. If no action is taken against such mill owners, they would get encouraged in doing these

[Shri Girdharilal Vyas]

fraudulent acts. You have to pay attention to this aspect.

Sir, I would like to invite the attention of hon. Textile Minister to the Mewar Textile Mills in my constituency which is sick. I had made a request to him in this regard and he was pleased to take action. Rajasthan Government had taken over this mill under the Relief Undertaking, but some lacunae were left. One of the lacunae is that an application was made to IDBI for loan but the same was not accepted. The Mill was told that it would not get loan till 60 per cent of its shares were transferred. The previous owner \* \* \* is not prepared to transfer 60 per cent shares and the mill is facing difficulty in getting loan. He \* \* \* has misappropriated crores of this mill but no firm action has been taken against him so far. This owner has misappropriated Rs. 80 lakhs on account of provident fund, Rs. 35 lakhs on ESI account and the entire sum on account of compulsory deposit. Criminal cases are pending against him. He has defrauded the financial institutions of Rs. 4 crores. You must deal with such people with a heavy hand. If you fail to deal strongly with such people, these capitalists will frustrate the steps you are taking and your new Policy will not work. You must deal with such a capitalist firmly and put him behind the bars. He has purchased all these shares with the money taken from the financial institutions and, therefore, these shares should be transferred to IDBI and the mill be given necessary loan to operate so that the 2500 workers who have been jobless for many years get employment. The workers should be given representation in the management and the hon. Minister should move in the matter urgently. Only then the whole system would be set right. You must take action in this matter. An agreement has already been reached with the

workers union and they are prepared to cooperate in running this unit. Government are all powerful. They can help in recommissioning this mill after taking some stringent action against this industrialist.

Some surplus land is available with this mill and Rajasthan Government have decided to acquire it at a cost Rs. 1.50 crores, but this capitalist is showing reluctance although he has nothing to do with it. He wants to create new assets with this money. This sum of Rs. 1.50 crores will be of great help in meeting a part of the requirement of Rs. 5 to 6 crores of this mill. You kindly exert your influence to implement this arrangement without delay. This will help revive this mill and 2500 workers will get jobs. Therefore, please see that this arrangement is made as early as possible.

Secondly, a heavy and onerous responsibility has been placed on the handloom industry. The controlled cloth that used to be produced by the private sector and by the National Textile Corporation is now to be manufactured by the handloom sector. I do not say it is a bad step; it is a very good step. But the industry needs subsidy. The entire loss that will be incurred by it should be subsidised. An hon. Member from Manipur was pleading for more yarn for the handloom industry at cheap rates. It is understood that a new policy has been framed under which new licences not be issued for spinning mills. If you do not allow licences for new spinning mills, it would not be possible to arrange cheap yarn for the handloom industry. How will they arrange cheap yarn? So, my submission is that you revise this policy and no restrictions should be imposed on the setting up of new spinning mill otherwise this will add to the existing mismanagement. I would, therefore, plead for setting up of as many new spinning mills in the

cooperative sector as necessary. This will greatly help in making handloom and textile policy a success.

This should be done in a positive manner. We have been making efforts towards establishing two spinning mills in the cooperative sector in Asind and Shahpur in my constituency Bhilwara. If the policy that I have referred to comes into force, considerable difficulties will be experienced in setting up spinning mills. If such a policy is there, it needs to be reviewed because we have to give maximum incentive to the handloom sector and we have also to meet the demand for cloth the whole country. Spinning mills should, therefore, be set up and the handloom industry should continue to get cheap yarn so that this industry works on large scale and the demand for cloth of the country is met.

I support the Textile Policy presented by the hon. Minister and request him to take note of the points that I have raised and help implement the arrangements suggested by me.

[English]

SHRI SRIBALLAV PANIGRAHI (Deogarh) : I rise to support this new textile policy formulated and presented by the Government in this House. The textile policy of our country assumes the greatest importance or significance in our economy. The textile industry is the oldest and the largest industry in India in as much as it has 12 million workers in its employment and it earns Rs. 2000 crores worth of foreign exchange annually.

This textile sector or textile mill workers' misery attracted the attention of the Father of the Nation, Gandhiji when he came to India from South Africa after having his Satyagraha programme there. He in his first phase of public life in India led the textile workers' movement or agitation or strike in Ahmedabad. Again, Sir, the hand-pound and khadi charkha were the two corner stones of Gandhian economy which ultimately led to the achieve-

ment of Independence of the country. This Gandhian economy gave a severe blow to the British economy. Thus our textile policy assumes great importance. After Independence the textile mills in the organised sector have multiplied but the paradox is that with the increase in number the misery of the textile workers also goes on multiplying and of late the number of the sick textile units has also multiplied. How to solve it !

There are many welcome features in this new textile policy. Since 1968 the National Textile Corporation is owning sick mills one after another and that number is of the order of 125 now. NTC has invested about Rs. 340 crores on modernisation and expansion of these sick units under its control but what is the net result ! There is no gain. On the other hand there is tremendous loss to the tune of Rs. 100 crores annually. What a paradox ! Naturally the sickness has to be eradicated and we have to take drastic measures to remove this sickness and bring in good health in this textile sector. There are many good measures provided in the new textile policy and they are welcome.

Sir, our textile policy has got to be a happy blending of three sectors. It has got to be a 'sangam' and a 'triveni' of organised mill sector, unorganised powerloom and handloom sectors. I am sorry to observe as pointed out by the previous speaker that this policy weighs heavily in favour of the organised mills. It is so much eloquent about the organised sector but it is somewhat silent about the concessions it intends to give to the other two sectors, mainly the handloom sector which was once the pride of our country.

Sir, I come from Sambalpur in Orissa which has earned International reputation for its beautiful handloom cloth and the Sambalpuri saree. Our late Prime Minister, Shrimati Indira Gandhi, had great love and liking for the Sambalpuri saree. Whenever she

[Shri Sriballav Panigrahi]

used to visit Orissa—and Sambalpur in particular, she was asking for it and getting some. But what is the plight of the workers in the handloom sector now? It is terrible. Their misery is multiplying. I would like to give here some suggestions.

I am happy there is a redeeming feature in the new policy to give workload to the handloom sector. Government has shifted production of control cloth from the organised sector to the handloom sector. This has been done to make the organised sector remunerative and economically viable because it was not yielding profit but loss. Therefore, they have shifted this burden to the handloom sector. After all the handloom sector which is already limping with this new burden, how can we expect it to prosper? Unless subsidy is given, priority is given to this sector and supply of yarn is assured—it should be of good quality and also well in time—and the new technology is introduced, it cannot prosper. Some institutions, some programmes should be started to provide new technology for the handloom sector so that it can compete with powerloom and organised mill sector and it can also produce cloth at cheaper rates. Now, imitation is posing a problem, a threat to the development of the handloom sector. All these things should be tackled. An organisation for the development of handloom sector should be set up, not only at the Central level but also at the State level and this organisation should be strengthened. It should mean business. It should also give financial assistance to the weavers and others engaged in this industry.

One important thing is that the handloom cloth should be produced with the strict instructions that the Government agencies and organisations should purchase handloom cloth for use in all Government offices and also for use by all the Class-IV employees. Unless these things are done, naturally

the handloom sector cannot be developed.

Now, Sir, it engages 75% of the workers of the entire textile sector. Naturally, their future is at stake. I wonder that in a poor country like ours, poverty-ridden country and committed to establish socialism through democratic methods, whether we should go in, as at present, for production of a very large variety of saris and 'dotis' and other cloths. I think it is not desirable. It is high time that we minimise the number of varieties and concentrate on our purpose and objective to produce cloth in required quantity of acceptable quality to provide to people at reasonable price.

Sir, there is a textile mill called Bhaskar Textile Mill at Jarsaguda, in Sambalpur District. That is in my constituency. It is only one of its kind Western Orissa and it is the backward area of Orissa. With tribal population there. About two thousand workers have been thrown out of employment due to the closure of this mill. Why this closure? This was a good unit, a good mill. The mill was working well and showing profits, but because of some domestic feud between the father and the son of the proprietor family it has been closed for the last two years. The Government of Orissa has taken initiative. It wants to reopen the unit after taking over. The government of Orissa should be given all sorts of encouragement and support by the Central Government to start this mill again forthwith. More than 2 thousand workers, who have been thrown out of job will get benefit out of it. Sir, we welcome this policy, but this gives rise to suspicion about the future prospect of the unorganised sector, powerlooms and handlooms. Therefore, the hon. Minister should clarify these points and priority should be given to the handloom sector. I said in the beginning that our textile policy should be a 'Sangam' or 'Triveni' of three sectors—organised mill sector, unorganised powerloom sector, and the handloom sector. The hon. Minister should ensure this.

[Translation]

\*SHRI G. S. BASAVARAJU (Tumkur): Mr. Deputy-Speaker, Sir, while participating in the discussion on textile policy I regret to state that injustice has been done to the poor labourers of textile sector. About 11% of the trade of this country concerns textiles. But the weavers, reelers are not getting any benefit. Mill sector is getting all kinds of assistance including the loans from Banks. But such facilities are not there in the handloom sector even though 75 lakh persons are working in this sector. No body is there to look after the welfare of these poor workers of handloom sector. There are so many irregularities in the mill sector. Sometimes the mill owners make the mills sick purposely to claim compensation. This sector indulges in tax evasion and other irregularities. That is why we see mushroom growth of mills. The same person runs several mills in different names. Powerlooms get safety and security. Who is there to look after the handloom sector which has gloomy future in this country. Therefore, I urge upon the Minister to see that safety and security is provided to the workers in the handlooms. They should be provided all modern facilities. Housing facilities also should be provided to them. Otherwise the condition of the poor workers of handlooms will deteriorate and they can never compete with the mills. And naturally the cloth that is produced in handlooms will be of poor quality. Hence it is very essential to separate handlooms from the textiles and we should have a separate handloom policy. The price of the yarn should be reasonable and it should be fixed by the Government.

Today it is a matter of regret that 15 to 16 crores of people who grow cotton in this country are in distress. This policy has no plan to help these poor cotton growers. The poor cotton grower gets only 420 rupees per quintal. The same quantity of cotton when it comes from the mill costs about Rs. 4500. This is how the poor cotton grower is exploited in this country.

Karnataka State feels proud of its silk production. It is producing silk since the time of Tippusultan. Today more than 45 lakh persons are depending upon silk production in my State alone. About 4½ thousand metric tonnes of silk is being produced in Karnataka. We have taken assistance from the World Bank also for sericulture in Karnataka. Strangely, on the other hand our Central Government is importing silk from China. Artificial cloth is flourishing in the markets of our country. Many persons in Vanarsi are favouring this import of raw silk for their own benefit neglecting the interest of whole silk industry. We have imported 250 metric tonnes of low standard raw silk from China. This is a dangerous move indeed. This has to be stopped by our Govt. Infact the Govt. of Karnataka had urged upon the Govt. of India to keep under check the inflow of raw-silk both under advance licencing scheme and replenishment of export in order to help the State Government to achieve the targets fixed for the 6th Five Year Plan.

It was also made clear that as a result of this policy the price of indigenous raw silk yarn have come down drastically and as a consequence the reelers are paying a much lower rate for the cocoons to the farmers. This would not only prevent further growth of sericulture but would also induce some of the old mulberry cultivators to switch over to alternative crops. Therefore, I demand that import of silk must be totally banned. Our country's economy and socialism would get great impetus by this ban of import.

Middle man is also exploiting the poor cultivators of silk and cotton. One K.G. of cotton costs Rs. 4/- only. But a garment (dhoti) made of the same quantity of cotton sells at the rate of Rs 130/-.

This is the land of Mahatma Gandhi where cottage industry should flourish. But as ill luck would have it handloom sector and cottage industry are the worst hit.

\*The speech was originally delivered in Kannada.

[Shri G. S. Basavaraj]

Karnataka is producing good quality of silk. It can produce any quantity of silk as per the requirement of the country. Therefore the poor grower of silk should be encouraged. Import of polyester from Japan and other countries also should be banned once for all. Otherwise the farmers will perish. Middleman's exploitation should be avoided. He sells the saree for Rs. 450. The saree is made up of silk yarn worth only Rs. 160/-. There should be an end to such exploitation. If the farmers get all the facilities I am sure our country can progress very well. I thank you, Sir, and with these words I conclude my speech.

**SHRI ABDUL HANNAN ANSARI** (Madhubani) : Mr. Chairman, Sir, first of all I thank you for giving me an opportunity to speak on this matter.

Many hon. Members have already spoken on this Policy. Prof. Ranga, who is an old and experienced Member of this House and who is connected with the handloom sector and who is an important office bearer in the Handloom Congress, and Prof. Dandavate have already expressed their views. Today, I would like to highlight certain points about the handlooms particularly. Tall promises have been made in this House every year about the handlooms. I would like to narrate the serious consequences that followed those promises.

At the time of introduction of powerlooms in 1971 and 1972, it was said that they would be earmarked for the poor weavers so as to modernise their looms. But it is a matter of great regret that all the powerlooms were given order to the capitalists who set them up in the big cities. The mill workers have been rendered jobless. The weavers in the country had to face acute unemployment problem and lakhs of them started abandoning their looms.

The weaver's community is spread over all parts of the country but their

concentration is the largest in Madhubani District which is known as the Manchester of the country. About 35,000 looms were operating there. With the introduction of the powerlooms in 1971, 10,000 local weavers abandoned their looms and they are now living on the footpaths in Ganvadi in Bombay. Today also I received a letter in which it has been written that there is nobody in the country to highlight their problems so that these can be solved. They had to abandon their trade and have been compelled to live near the drains.

16.00 hrs.

The big capitalists, who purchase powerlooms, are exploiting them. They have got no home to live in. I had forwarded their applications in this regard to the Housing Minister, but no action has so far been taken in this regard.

In 1974 Sivaraman Commission was appointed. It had stated in its report that there was widespread resentment and unemployment among the weavers. The Commission had clearly stated that the output of a powerloom was equal to the output of 24 handlooms, with the result that it displaced 24 weavers. The Commission had also recommended that if it was necessary to introduce powerlooms, then the poor weavers might be given loans to purchase them. But Commission's recommendations remained in files only. After that, under the 1981 Policy, the Commerce Ministry constituted a standing Committee which had recommended that some control should be exercised over the powerloom production so that it did not encroach upon the handloom production. But I am sorry to say that no control was exercised and the powerlooms started producing the same items which were being produced in the handloom sector. This created unemployment among the weavers.

After the 1977 Policy, Government had formulated another policy in 1984 under which weaves started getting some work, i.e. 1/10th of the total

production. But it is a matter of regret that they were not given any financial assistance due to which they could not get the desired benefit. I would like to give an example. In Madhubani District, out of 35,000 weavers, 10,000 weavers have left and 25,000 weavers have been left behind. Only 2,000 weavers were able to get work in that district. 1,000 were employed by the cooperatives, 500 by Khadi Bhandar and the rest 500 by the Corporation. In this way, the remaining 23 thousand have to face unemployment problem. The production cost comes to Rs. 2,000 per month. If it is multiplied by 2,000 looms it would work out to Rs. 20 lakhs. I welcome the step taken by the Government to provide employment to the weavers by entrusting the job of producing controlled cloth to them. But I would like to urge that in order to achieve this target those weavers should be provided with the working capital so that all the persons could get work. If you fail to do so, the mill owners and the capitalists will jeer that you do not have the capacity to meet the country's requirement. I would, therefore, strongly urge you to look into the requirements of these weavers.

Mr. Chairman, Sir please do not ring the bell. Today, I would like to say about that section of the society which is not vocal and who, in time of distress, wander here and there in big cities with their children. I would, therefore, like to voice their difficulties in this House so that they may get justice. I request you to allow me to speak. One of the reasons for their unemployment is that they have no money to store their products. During the rainy season, the big capitalists do not purchase their cloth even at cost price due to which they have to face great difficulties. They have to approach the money lenders, who charge a very heavy interest. It is a very weak section of the society. I, therefore, request you to provide them with financial assistance.

Now, I would like to explain the conditions prevailing in my State.

Whereas Government allocate share capital and give exemptions, the State Government are not prepared to provide these facilities to them. Even today Rs. 40 lakhs are lying with the Bihar Government but the weavers are not getting it. You should look into their problems and we doubt whether the assurances given to the handloom sector by Shri Rajiv under this new policy would be fulfilled. The hope that unemployment among the weavers would be removed, will not materialise. With these words, I hope that due consideration would be paid to our suggestions.

[English]

SHRI DIGVIJAYA SINGH (Rajgarh): After agriculture and industry, it is the textile sector which is the biggest employer in this country. We must see the National Textile Policy in that perspective, viz. that steps would enable us to give maximum employment to our people living in the urban and rural areas.

Hand-spinning and handloom are the two areas which have to be encouraged. To an extent, I agree with hon. Shri Dandavate when he advocates the cause of handloom. I would like to bring to your notice that when Mahatma Gandhi spoke against the cloth made in Manchester, his whole idea was not to boycott the foreign cloth, but to give gainful employment in rural areas. That is why he advocated hand-spinning and hand-weaving.

Although it has been mentioned that hand-spinning would be encouraged, I would request that some kind of reservation and protection should be given to hand-spinning. I would go to the extent of saying that all yarn below the count of 40 should be reserved for hand-spinning, so that hand-spinning could spread to rural areas, and it could provide gainful employment in the rural areas.

Similarly, we appreciate it, and we are grateful that controlled cloth has

[Shri Digvijaya Singh]

been reserved for handloom industry. Although it may be construed that this has been done to oblige the textile mill owners, I feel that an honest effort has been made to encourage handlooms in the country. But mere reservation of controlled cloth for the handloom industry is not enough. Along with that reservation, you have to ensure that the consumers' preferences are ascertained and followed. In addition, the prices of controlled cloth have to be attractive, so that the common man buys it. Otherwise, you will have huge stocks of controlled cloth produced through handlooms.

Proper marketing is essential and consumers' preferences have to be taken care of. Fashion, design, colour, all have to be kept in mind.

I am very happy that the hon. Minister has said somewhere in his speech that a Special Designs Cell will be established in the Handloom Development Corporation, to see what kind of colour, what kind of consumer preference are there in the market so that those very things could be manufactured in the handloom. To protect the handloom sector, it is a must and it should be made mandatory for the Central Government and the State Governments that all government purchases have to be done through handloom sector; unless and until we do that handloom industry will not be taken care of, because it is essential, unless and until you ensure proper marketing, proper purchasing of handloom product, handloom industry will not get preference and support that it needs.

The research and modernisation has to be looked after, which is encouraging. At the same time, effective training programme has to be implemented to see that more and more youngsters come in for handloom industry. We can dovetail hand spinning and the handloom sector, handloom project with the IRD in the rural areas so that people living below

the poverty line, through TPYSE through bank finance, through subsidy, could be encouraged to take up hand spinning and handloom.

Hand dyeing and hand printing is a dying art in the rural areas, a number of traditional places we have hand dyeing and hand printing, which is very popular in foreign countries; this has to be encouraged; it has to be promoted and proper training programme and proper marketing has to be ensured so that hand dyeing and hand printing do not die in this country.

The sericulture is one of the most important gainful employer in the forest areas, especially tribal areas. I would request the hon. Minister to give special attention to the production of silk in this country. One of the hon. members from Karnataka rightly pointed out why should we import silk from foreign countries when we have a number of traditional areas where sericulture can be encouraged. I would request that the processing industry of the sericulture should also be kept in the tribal areas. Otherwise, today, in Madhya Pradesh, the cocoons are being produced in Bastar and Raigarh, and they are going for processing to Ranchi and Calcutta depriving thousands of tribal boys and girls of gainful employment. That is why I would request the hon. Minister to see that processing, weaving, dyeing, printing should all be confined to tribal areas which are the areas of production for cocoons. At the same time, The Forest Conservation Act is coming in the way of sericulture forest area. Pollarding which is an essential thing in forest area for production of posa cocoons, it should be given special exemption under the Indian Forest Conservation Act so that it can be encouraged and produced in the tribal areas, in the forest areas.

We have to make special study to improve the functioning of the NTC, although modernisation is one of the points. But, at the same time, we should see that the wasteful expendi-

ture in the NTC is minimised. Cotton is being purchased through the agents from the CCI giving huge sums of money as commission to the favourites of the agents of the NTC. The purchase of cotton should be done directly through the CCI and not through the agents. At the same time, there is a specific instance where wasteful yarn can be recovered from the bobbins left in the textile mill. Lot of private textile mills take care of that. Why not the NTC also take out useful yarn left there after the production of the cloth? We have announced that the reduction of levy on the man made fibre will be done, but, at the same time, no specific announcement has been made because of which all the manufactures of the textile, owners of polyester fibre, the mills have come to a stop; they are awaiting the deduction in levy, and that is why the production has gone down. If you want to give some reduction in levy do that, if you want to give some concession do it, but you should be careful that by reducing the levy on man made fibre, cotton prices must not come down, because essentially it is the cotton prices which must be protected, because ultimately, it is the welfare of the farmers which we have promised in our election campaign also. The cotton varieties have to be identified. Today, no such project has been taken up in the rural areas. There is no direction from the textile industry and the Cotton Corporation on what kind of variety should be given for long staple variety or the medium staple variety. Until and unless consumer preference is given to the farmers by the Agriculture Department as to which variety should be promoted, nothing can be done. That has to be ensured.

I would like to congratulate the Textile Minister for taking up the modernisation of the aging factories which is long overdue and at the same time go in for hand processing. Hand processing should also be encouraged in the rural areas to provide gainful employment.

I would like the National Textile

Policy to be so structured that it gives gainful employment to our rural masses so that we can fulfil the promises we have made in the Seventh Five Year Plan document.

[Translation]

SHRI YOGESHWAR PRASAD (Chatra): Mr. Chairman, Sir, I welcome the Textile Policy announced by the Government. I do not feel that the worker will not be encouraged and employment opportunities will not be increased thereby.

I congratulate the Government because a very encouraging atmosphere has developed in the Textile industry after the announcement of the new Textile Policy. The amount of loss of Rs. 14 crores per month incurred by the industry during 1984-85 has come down to Rs. 9 crores, which proves that its efficiency has increased. The wasteful expenditure being incurred in it has been curbed to a great extent.

I would also like to congratulate the Government for the fact that out of 70 mills lying closed, 4 mills have already been revived and 20 to 22 mills are likely to be recommissioned very soon. I would like to urge the Government to take interest in this regard and try to reopen as many mills as possible. From employment point of view, our industry is linked with every section of the society. This industry 1,20,00,000 lakh people, out of which 13,00,000 are employed in the organised sector, 32,00,000 in the powerloom sector and 75,00,000 people in the handloom sector. Keeping in view their large number, I can say that there is no district in the country which is not connected with it.

This industry earns foreign exchange to the tune of Rs. 1000 crores for the country, out of which Rs. 200 crores are earned by the powerloom sector, Rs. 200 crores by the handloom sector and Rs. 600 crores by the textile sector. India has to compete with Korea in the international market. Keeping in view India's competition,

[Shri Yogeshwar Prasad]

with Korea, India is required to adopt new techniques and efforts are required to be made in this regard. In order to maintain its reputation and leading position in the international market, India will have to modernise its machines. The existing machines have become obsolete. Unless you protect this industry properly, you will not be able to compete successfully. If the machines are not modernised, the industry will go in loss. Hence, the Government must pay attention towards it. If this industry does not function properly, the rehabilitation programme adopted by you will suffer. I feel happy to note that many other things are linked with the Rehabilitation Scheme formulated by the Government. Setting up of a special fund by the Government for paying compensation and rehabilitating the workers in the event of their retirement, giving them priority in the matter of employment, providing loans and other facilities for self-employment and importing training to facilitate re-employment are very good steps. But efforts should be made to avoid such a situation because retrenchment is made at a time when he is overaged and not fit for any job. I would, therefore, like to suggest to the Government to avoid closure of factories and mills so as to obviate the necessity of rehabilitating the workers, because a worker engaged in a particular trade adjusts himself accordingly and he is not able to set up independent business. Moreover, we cannot ask him to do a particular business. Hence, attention is required to be paid towards such persons.

I would like to point out that there are certain mill owners who are always on the lookout to get their mills declared sick because in this way their profit and facilities start increasing. That is why they intentionally declare the factories sick and after the factory is declared sick, trade union people exercise pressure on them and a cut is effected in the worker's facilities. In

this way while the workers suffer, they gain in strength. The partners in such an industry vie with each other in misappropriating the development funds to further their ends. In this way the industry suffers.

I would like to draw the attention of the hon. Minister towards one thing. I want to say something about my constituency. The new policy declared by you is a very good one. Such industries may be set up in Bihar particularly in the adivasi and backward areas where poor people live. You have been the Chief Minister of Bihar and you are very well aware of the difficulties of the people there. I would like to urge you to set up industries in Chatra area.

I would like to draw the attention of the hon. Minister towards one thing more. There is no uniformity in the wages of the workers. The wages of the workers differ from State to State. In Bihar State the wages are far less as compared to other big States. The wages of textile workers in Bihar are far less as compared to other big States. You have taken a number of steps for the welfare of the handloom workers and to remove their difficulties. But there are still some shortcomings which should be looked into again to undertake fresh measures for their betterment.

With these words, I conclude and thank you for allowing me to speak.

[English]

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLIES AND TEXTILES (SHRI CHANDRA-SHEKHAR SINGH): I am grateful to the hon. Members for a frank expression of their views on this very important subject which concerns literally every Indian.

Members have spoken highlighting the situation which prevails in their areas and constituencies. I would like to assure them that particular instances which they have referred to in their

speeches, shall be fully attended to and taken care of.

At the very outset I would like to make it clear that there are a hundred issues which are covered by the new textile policy. If a member, according to his assessment and point of view, feels that there is some deficiency in one or two points, I do not take it that he disagrees with the new textile policy in its perspective. I take it and it is the correct responsibility on my part that these deficiencies have to be examined and looked into. I would like to clarify the situation on all such issues which have been raised by the hon. Members here.

Briefly, I would like to refer to the situation which confronts us today, which prompted the formulation of a new textile policy for our country. We have realised that consumption of cloth in our country has remained almost at a stagnant level. It should have increased with the growth in our economy, but this has not happened like that. Again, we find that there are clear imbalances between the three recognised segments of the textile economy—the handlooms, the power-looms and the composite mills. We find today that while handlooms and composite mills have failed to reach the target of production set for them in the Sixth Five Year Plan, the power-looms have overrun their targets and they have thereby affected not only the composite mil's but also the handloom sector. Thirdly, we all feel, and Government fully share the hon. Members' concern that there has been a growing sickness in the textile industry. If some of the industrialists or mill-owners are bad and have not functioned in a desirable manner, we are not here, not any one of us, to agree that the entire industry should be killed for that. We find today that not only there are nearly 70 closed mills in our country, but a large number of mills are at the stage of closing down, which is a matter of serious concern for all of us. All of us should agree that there is a large

unsatisfied demand for blended cloth which even those belonging to the lower middle classes prefer because they are more wear-worthy and last longer.

Lastly, I would like to add that our export of textiles is at a very low level and has been declining. Although in the Government sector we have progressed well in the last five years, but still India is ranking very low even so far as the export of garments is concerned. This is the situation which confronted us and for which a new textile policy was imperative.

I would like to refer to the four main pillars of the new textile policy upon which the edifice is sought to be built. The first is modernisation, modernisation not only of the composite mills but modernisation of the handloom sector also. We have provided in the new textile policy for introduction of improved looms which would greatly enhance the earning capacity of an ordinary handloom weaver.

Secondly, we have introduced multi-fibre flexibility. We had tried to do away with some of the restrictions which had become irrelevant in the changed context. This flexibility has been allowed for all the three segments of the textile sector.

SHRI S. JAIPAL REDDY : How can this be for the handloom ?

SARI CHANDRASHEKHAR SINGH : You do not perhaps realise that if handlooms are permitted to produce blended cloth their market would certainly increase and demand will also increase.

Thirdly, our effort is to induce competition particularly in the composite mill segment so as to make cloth production/cost effective and within the reach of the poorer sections of society.

Forthly, and perhaps most important part of it is that handlooms

[Shri Chandrashekhar Singh]

have been given a more prominent role to play in the new textile policy not only from the point of view of up-gradation and technology, but also because we have taken adequate measures to protect it against the inroads of powerlooms.

I would first of all try to clarify some of the points raised regarding handlooms.

We fully realise and are fully conscious of the fact that more than seven million weavers are getting employment in this segment. I have also been personally associated with their problems for quite some time. So, if you cast a second look at the new textile policy, you will find that we have taken care of the problems of the handloom weavers right from the stage of supply of yarn to the stage of marketing of their products. I have assured the handloom weavers of this country during the discussions in the last session of this Lok Sabha that we shall make adequate arrangements for supply of yarn to weavers at reasonable prices at all times. Even this year, I can tell you, that the problem of supply of yarn has been resolved and just now weavers have not expressed this as their grievance because arrangements have been made for supply of yarn at stable prices to them.

The only hon. Member coming right from the class of weavers is Mr. Ansari.

THE MINISTER OF STATE IN  
THE DEPARTMENT OF HEALTH  
(SHRI YOGENDRA MAKWANA) :  
I also belong to that class.

SHRI CHANDRASHEKHAR SINGH:  
Yes, Mr. Makwana also. And if you listen to him you will understand that he is aware of the problems.

SHRI S. JAIPAL REDDY : How  
was it that no handloom representative

was allowed to tender evidence before the Expert Committee ?

SHRI CHANDRASHEKHAR SINGH : I can tell you pre-loom and post-loom facilities would be provided, the technology of handloom production will be upgraded through introduction of improved looms and production of mixed and blended fabrics would be encouraged.

Again I would with all the emphases at my command say that this Government had the credit and distinction to enact a legislation for the handloom weavers reserving the production of certain items of cloth for the exclusive production in the handloom segment. I would like to assure the House that the provisions of this Act will be enforced strictly. I interrupted Mr. Munsri because it is very clear that there is no question of reservation of use, if I may say so. What is being produced exclusively in the handloom which cannot be produced in the powerloom or composite mill, shall be used by all and there is no question of reservation of use of handloom products. We have constituted a Committee which is meeting. The committee has representatives of handloom weavers on it. We shall give fullest consideration to the recommendations of the committee. And if it is possible to enlarge the present category, we shall certainly be glad to do it. But some Members raised their voices to say that handloom products should be used for Government servants. Well, there are many trade union leaders here ; there is no dearth of them here at all in this honourable House. I would make this request to them on behalf of the handloom weavers of this country. Let them come out ; let the unions write to us saying that they want only handloom products for their members and for the Government servants and so on. I will be the first person to accede to their request without any sort of hesitation. I would like to say it clearly. I know that the trade unions want not only cotton cloth but they want Terycot. I do not have any

dispute but this is the situation we are facing. On the one hand you say that handloom products should be used for all government servants and on the other hand you make a demand that government servants should be supplied not only cotton but Terycot also. I cannot reconcile both these things.

PROF. MADHU DANDAVATE (Rajapur): I would quote this from experience that during our regime in Railway every piece of cloth that was used in the Railway was khaddar and khaddar alone.

SHRI CHANDRASHEKHAR SINGH: Well, I will refer to your experience also. It is almost a situation of handloom vis-a-vis powerloom. In some areas powerlooms have to be restricted so that they are not allowed to make inroads into the territory of handlooms. We have clearly stated it and we are action upon it. We have already initiated action on it, so that handloom may prosper and grow and give employment to millions of weavers.

Again I would like to tell you that it is for the first time that Government has initiated purely welfare measures for the weavers. There is the Contributory Provident Fund Scheme and the House cum Work-site Construction scheme. I would like to say that if you can suggest any further addition to what we propose to do for the handloom weavers, I shall be the first person to respond to your request and come to the aid of the handloom weavers.

But, I would like to clarify some of the points raised by hon. Members. A great hue and cry was raised as if the decision to pass on the production of Janata cloth to handlooms is a burden. That was the word used by Prof. Dandavate. I don't know whether he used it consciously or unconsciously.

PROF. MADHU DANDAVATE :  
Very consciously.

SHRI CHANDRASHEKHAR SINGH : All right. I would most

respectfully tell you that you are not aware of the situation which the handloom weavers are facing. I want to convey to you my feelings. During the last 4 or 5 months I have addressed the Conference of Weavers. I have met hundreds of weavers in Tamil Nadu, in Uttar Pradesh, in Bihar and in some of the other areas in this country and it has been the consistent demand of the handloom weaver organisation that this facility should be allowed to them. I would like to read just relevant portion from the Memorandum. This is a printed Memorandum to me, I would like to read it, and I quote :

“In the interest of providing continuous employment to handloom weavers and also to provide cheap cloth for masses, the entire production of controlled cloth should be given to the handloom sector.”

This is the demand which has always been raised by the handloom weaver organisation and I would like to tell you that you have very eloquently made the point that the composite mill owners have been liberated from the responsibility of production of cheap cloth. I would like to tell you that this banner of liberation, the so-called liberation for the tycoons, for the mill owners, was raised by the Janata Government itself, not by any of us here, and I would like to read this from the National Textile Policy, as is circulated by the Lok Sabha Secretariat, page 21. This is the 1978 Policy and I quote :

“It is proposed to discontinue the present pattern of imposing obligation to produce controlled cloth with effect from 1.10.78.”

This is the Government's contribution which, Mr. Dandavate, you yourself also had the distinction to adopt.

(Interruptions)

14.42 hrs.

[MR. DEPUTY SPEAKER *in the Chair*].

PROF. MADHU DANDAVATE : Please permit me because the debate will be on that. (*Interruptions*). Sir, I conclude that he has yielded. He has read only that 'responsibility of controlled cloth, Janata wanted to lift it from the composite mills and transfer to the handlooms.' There he is correct. This is the truth, but not the whole truth. And now I will tell you what were the conditions.

SHRI CHANDRASHEKHAR SINGH : Please give us the whole truth.

PROF. MADHU DANDAVATE : Please let me complete.

SHRI CHANDRASHEKHAR SINGH : I can speak on your behalf also, I have got the guts to do that.

PROF. MADHU DANDAVATE : That is right. I am glad about it, I have got full respect for your guts. You should also have the same for mine.

Sir, for your information, this is our controlled cloth. You have said it just now. It provided these conditions :

"The Janata 1978 policy wanted the controlled cloth responsibility to be taken to the handloom provided the tenets were :

- (1) that no expansion of weaving capacity will be permitted in the organised sector and modernisation will be permitted in mills within the existing capacity ;
- (2) the number of powerlooms will not be allowed to be increased, and
- (3) handloom and khadi sector will be expanded to maximum capacity to meet the clothing requirements of the country."

So, no unequal competition after transferring the responsibility. These are the basic tenets you have forgotten.

(*Interruptions*)

PROF. N. G. RANGA (Guntur) : Sir, you did not implement it, you could not have implemented it.

PROF. MADHU DANDAVATE : What I am pointing out to you is, we have already begun with that policy. All that I want to point out to you is, he read a particular policy aspect, but he forgot to mention the conditions which we had put.

SHRI CHANDRASHEKHAR SINGH : One is always clearer to put conditions where conditions are not implementable. You put conditions you have not implemented them, and this is the result that the 1978 policy has created. So, I would not like to...

(*Interruptions*)

SHRI S. JAIPAL REDDY : The 1978 policy was succeeded by 1981 policy. Why you have been silent for the last five years ?

SHRI CHANDRASHEKHAR SINGH : I will refer to the 1981 policy. I have made the position clear so far as your policy was concerned and I would not like to embarrass Mr. Dandavate, he must have a hand in the formulation of the policy itself.

PROF. MADHU DANDAVATE : He has made it clear, and I have made it clearer.

PROF. N. G. RANGA : Both of you are very clear. Only you did not implement it.

(*Interruptions*)

SHRI CHANDRASHEKHAR SINGH : Then, this attack on handloom was made from another angle. Mr. Dandavate told us...

(*Interruptions*)

PROF. MADHU DANDAVATE :  
It was not an obtuse angle !

SHRI CHANDRASHEKHAR SINGH : Mr. Dandavate told us that the consumer would be hard hit by this decision. I would like the hon. Member to realise the implication of what he said. The implication is very clear. His assessment and his feeling is that production system in the handloom segment is outmoded and expensive and if we pass on the production of cheap cloth to the handloom, it would add to the burden of the consumer. This is his point of view. I would like the House to realise in what respect the Opposition holds the handloom sector. They think that this is an outmoded system of production, an expensive system of production. This cannot last in a system where economic forces cannot be held at bay. These forces are bound to work. If this is his analysis that it is an expensive system of production, it is bound to die some day or the other, I would like to enlighten him that this is not. We have gone into the analysis of the conversion cost of handloom and the conversion cost of mills and I am happy to tell you that cloth produced by handloom is cheaper than cloth produced by mills. This goes to the credit of handloom weavers and our decision to pass on the production to handloom will give not only employment to a handloom weavers but will also make cheaper cloth available to the consumers. I would like to remind you that the simple decision to pass on the production of Janata cloth in its entirety to the handloom is going to create nearly million jobs for the handloom weavers in this country.

SHRI INDRAJIT GUPTA (Basirhat) : May I seek one small clarification ? According to the Annual Report of your Ministry, handlooms are, at present—before your new policy comes into operation—producing about 3,000 million metres of cloth of which only 10%, i.e. 300 million metres, is controlled cloth. So, 2,700 million metres are the other cloth. Now, you allow them to make controlled cloth. The

whole of the controlled cloth you want to give to handlooms. But what will happen to the bulk of the other cloth which is, at present, 2,700 million metres of, not controlled cloth, other types of cloth. That market will be lost to the most of the handloom weavers because you are giving unrestricted capacity and expansion capability to the mill sector ? What will happen to this ? Are they to subsist only on controlled cloth ? That is the whole trouble. You are giving them the whole of the controlled cloth as though it is an additional increment. It is not so because the rest of the other production will be finished up by the mills.

SHRI CHANDRASHEKHAR SINGH : This production will be in addition to what is going on. In fact, what is going on, at present, itself will increase the size. The production of cloth by handloom will increase even otherwise. This decision alone will give employment to nearly one million handloom weavers in this country. This is by simple calculation. This is a simple calculation.

At present, they are producing 300 million metres. By the end of Seventh Five Year Plan, they shall be required to produce 900 million metres, i.e. additional 600 million metres. One handloom weaver produces nearly 4 to 4 and-a-half metre per day. A handloom weaver works for nearly 150 days a year. If you calculate it, you will come to the conclusion that this decision alone is going to provide jobs, work and employment to nearly one million people in this country.

SHRI INDRAJIT GUPTA : The other part will go to the mill sector.

PROF. MADHU DANDAVATE : For non-controlled cloth, there will be a competition with the organised sector and the powerlooms which are allowed to expand.

SHRI CHANDRASHEKHAR SINGH : I would like again to make it

[Shri Chandrashekhar Singh]

clear. I would not like to say so. But unfortunately you have been influenced by the propaganda let loose by the powerloom sector.

PROF. MADHU DANDAVATE : We are saying that the powerlooms will actually compete with the handlooms and destroy them, as far as non-controlled cloth is concerned. Why don't you understand that ? We are not carried away by any propaganda. The other day the other Minister said that we were being carried away by the industrial sugar propaganda. Now he says that we are being carried away by powerloom propaganda. That means, according to them, we always exist on propaganda...*(Interruptions)*.

SHRI CHANDRASHEKHAR SINGH : I was talking about our policy relating to powerlooms. I would like to come to that.

PROF. MADHU DANDAVATE : And do not forget that he had to apologise for his remarks.

SHRI CHANDRASHEKHAR SINGH : I would like to make it clear that we are not in any way prejudiced against the powerloom sector. But what is happening just now, as I have stated, is that the powerloom sector is subsisting and is growing at the cost of the labour employed in the powerlooms. They are not being given even the minimum wages. A large number of powerlooms are not paying any taxes at all to the State Government or to the Government of India. A large number of powerlooms in our country have grown in a haphazard manner, in a clandestine manner. And what are we proposing to do with them ? We only say that they will be allowed to grow if they have the inherent strength to grow ; we only say, 'Kindly get registered'. A compulsory registration system is being introduced. *(Interruptions)* It will change the position drastically, I want to tell you. Once they

get registered, they will be accountable for everything. Just now no factory law operated there, no labour law operates there. Once they are registered, all these laws will become applicable to the powerlooms also and they shall have to pay the due taxes to the State exchequer. This way we are neutral. This policy is neutral between the powerlooms and the composite sector...

PROF. MADHU DANDAVATE : He is stretching non-alignment too far.

SHRI CHANDRASHEKHAR SINGH : But I would like to make it clear that we have gone into an analysis of how things are going to develop. The composite mill sector will have two advantages. It shall not have to pay sales-tax on cotton yarn and it shall not have to pay for the transport of yarn because it is produced at the same place. But the powerlooms also will have the advantage of lower level of wages. Even if the present wages are enhanced and shall be enhanced... *(Interruptions)* They cannot continue like this because once they are recognised, the impact of labour laws will be felt there. Even if, the present level of wages are raised and shall be raised, even then their level of wages will be much lower than the level of wages in the composite mills. Again, their overhead costs will be lower. We have analysed it and found that, even with the implementation of the new textile policy the edge will always be in favour of the powerlooms. The powerlooms have nothing to be very unhappy about. But certainly we want to put an end to the present situation where some of these composite millowners themselves have encouraged powerlooms to grow. Particularly during that period it happened because of the move taken by my hon. friend Dr. Datta Samant. The mills were closed in Bombay and these millowners started powerlooms elsewhere ; and some of the unemployed labour were forced to work there at very low level of wages. This situation continues even at the present moment. What we propose to do is this,

We want to create a situation where the labour employed in the powerlooms should get a fair deal and the powerlooms should also pay their dues to the State exchequer. After that, we shall give all support to them, marketing support, design support, supply of yarn to them, all these things will be taken care of. I think, the powerlooms have nothing to be very unhappy about. The situation will certainly change qualitatively for them, and the decision has been taken consciously in the interest, particularly, of the handlooms whom we want to protect against the inroads of the powerlooms.

I would like to say just a few words about the other segment, which is the composite mills. Many members have rightly expressed their concern that unemployment may get enhanced, may increase and this will be a serious problem for the entire country. I would like to take you again to the situation as it exists today. What is the present position? Factories, mills, are closing down. I told you that some 66 to 70 or 72 mills are always on the close list. More than hundred mills in the country have been identified in the category of getting sick by the IDBI. We are not able to do anything because in the present policy, in the present situation, the initiative has been left to the mill owners. If they want to have something, if they want to prepare a rehabilitation package, go to the financial institutions for loans and do something, they can do it. But the Government so far did not acknowledge that they had a role to play and I want to tell the House that this is for the first time that Government has taken cognisance of the fact that this situation is being created; it has to be prevented and necessary action has to be taken. Government has taken upon itself the responsibility to take initiatives in this sphere. This is a very important step which we have taken.

I would like to tell you that the policy makes it amply clear that a study would be made of each mill which is in the closed category getting sick. If there is anything possible to

be done to reverse the situation, to make them healthy, make them back to life, then such a package would be implemented and the present situation would be eliminated.

But again I would repeat that instances have come to us and the members have also pointed out here on the floor of the House that there are cases of bad management. We have also accepted this statement. There are cases of inept management and Government would not hesitate and would take steps to change the management, so that any management should not be allowed to create a situation where closes take place and the labour is thrown out of employment and the production is hampered.

This Finance Minister has announced that a comprehensive legislation on sick undertakings is being introduced and the Prime Minister himself is very keen to see that no management is allowed to adopt unfair practices. This Government will take the sternest measures against the mill owners or industrialists.

**SHRI INDRAJIT GUPTA :** When will you begin doing this?

**SHRI CHANDRASHEKHAR SINGH :** We have already announced — it was a very important announcement — that if it is a case where we find that a particular industrialist has deliberately created sickness, developed a vested interest in the sickness, he should be denied the facility of help from the financial institutions for all the undertakings he is running and thereby he will be declared almost...

**PROF. MADHU DANAVATE :** The punishment will be for the workers. Remember that if you take other factories also which he owns for the fault of management, all the workers will suffer.

17.00 hrs.

**SHRI CHANDRASHEKHAR SINGH :** It is not such a simplistic

[Shri Chandrashekhar Singh]

solution as you make it out to be. Therefore, this decision to make such an entrepreneur and industrialist almost a financial leper which no financial institution is going to touch.

**SHRI INDRAJIT GUPTA :** That is the only punishment ?

**SHRI CHANDRASHEKHAR SINGH :** I would like to make it clear. You know what our attitude is. I would like to tell you about the NTC. There are 3 or 4 mills where the total loss is higher than the total wage bill. The implication is very clear—that to-day if we stop the working of the mill and we tell them, 'Workers, you go back home. We will send you your monthly wages through money order and you do no work,' still we shall be in a profit, but we have not closed those mills. We have not opted for closure of mills even in such a situation. That is what the Government's response to the woes and miseries and problems of the ordinary workers is. I would like to make it clear that the Government will leave no option and we will take every method to see that all mills are opened, sicknesses prevented and action is taken in time. Today 70 mills are closed. I would like to make it clear to the House that if only one glance is made, it will make it amply clear that at least 20 to 22 of these mills can be re-opened with a proper dose of investment. But it is true that in a few cases there may be some dislocation of labour and we have taken care to see that the interest of the workers is fully safeguarded in such a situation.

Two important decisions have been taken by this Government. First, Government has announced that the dues, the terminal benefits to which he is entitled will have a very high priority and he shall be fully paid. To-day what do we find ? The mill is closed. Even the proper dues of the workers are not paid to him. He has to run from this place to that place, from this mill-owner to that mill-owner and for years and he is not able to get it. We have tried to ensure that this

payment is made to him in full and in time.

Secondly another very important decision taken in the new textile policy which might become a model for others also is that we have introduced the concept of rehabilitation of the workers. Never before was this concept accepted. We had to get rid of the workers once the terminal benefits are paid. Now we have taken upon ourselves the responsibility to rehabilitate the workers and see that some payment is made to him during the intervening period. So this is what we have tried to do in the composite mill sector. Sir, I have only one more point to make.

There may be some dislocation or displacement of labour in one place or the other. But I would like to assure the House that I have examined the situation in detail and the employment in the composite mill sector alone is not going to decline in the coming five years which is the Seventh Plan period which is a very important element for all of us to consider. Employment is going to increase in the handloom sector. The total employment in the textile sector is going to be enhanced and the labour should be happy about it....

**PROF. MADHU DANDAVATE :** I think you have said that one million jobs will be created more in the handloom sector.

**SHRI CHANDRASHEKHAR SINGH :** For other sectors it is something more than that.

**SHRI INDRAJIT GUPTA :** In that case, if you are so confident that additional employment will be created in the handloom sector, would you have any objection to extending to the handloom workers that scheme of compensation and rehabilitation in case any handloom workers also get displaced due to your new policy ? You are confident that they will not be. Please explain.

SHRI CHANDRASHEKHAR SINGH : We are fully confident that more hadloom weavers are going to be employed. We stand for a vibrant and growing handloom sector. You talk that there is a sickness in the air. You find composite mills getting sick. You find powerloom and handloom mills getting sick but I would like to assure you that sickness is on the other side. Sickness is not in the country at all. I would like to assure you that no handloom weaver is going to be unemployed. Not only this rehabilitation measure but if any new suggestion is made to us to alleviate the plight of the handloom weavers we shall readily accept that suggestion.

SHRI INDRAJIT GUPTA : I am making a new suggestion.

SHRI CHANDRASHEKHAR SINGH : I shall consider it. I shall consider all good suggestion that come from your side.

PROF. MADHU DANDAVATE : One clarification about what you have said now. Since you have been saying that handloom industry will create one million additional jobs, mine and Mr. Indrajit Gupta's argument is since there is going to be an unequal competition as far as non-control cloth is concerned between the powerlooms and the mills on the one hand and handlooms on the other, it is very likely according to our assessment that their capacity for employment is going to reduce because the handloom industry itself is going to become sick. Therefore, taking this factor into account how do you justify your statement that one million more jobs will be created ?

SHRI CHANDRASHEKHAR SINGH : I did explain it. Perhaps you did not notice it. I shall repeat it. There is some cost handicap. I explained it to you in detail. There is no cost handicap between handloom and composite mills.

PROF. MADHU DANDAVATE : At the present level of productive

techniques and the responsibility you are putting on the handlooms your argument is not correct. Do you stand by your statement ?

SHRI CHANDRASHEKHAR SINGH : Powerlooms do have an advantage over handlooms at the present moment. I have accepted it. But I have clearly acknowledged in the statement of the new textile policy that we shall remove the cost handicap between powerlooms and handlooms and will restore the handlooms their proper position. This is our commitment to the handlooms and we are already acting upon it.

PROF. MADHU DANDAVATE : That will be neutralised by un-even competition.

SHRI CHANDRASHEKHAR SINGH : That point has been fully taken care of and I would like again to say that we stand for the harmonious growth. (*Interruptions*)

We are already doing something about the Mewar textile mill.

MR. DEPUTY SPEAKER : I think I already told you about Mettur textile industries. Now, they are closed. That stage has reached. Two thousand five hundred workers are on the street.

PROF. MADHU DANDAVATE : According to the new policy, Mr. Deputy Speaker, they will be allowed to close.

(*Interruptions*)

SHRI CHANDRASHEKHAR SINGH : If the implementation of the new textile policy is left in the hands of the Janata people they shall be allowed to be closed immediately but if it is in our hands they shall be made to run and work it to the benefit of the workers.

MR. DEPUTY SPEAKER : I request the Minister to consider my demand.

**SHRI CHANDRASHEKHAR SINGH :** I would like to refer to one more point. Shme hon. Members, particularly from Maharashtra, were very anxious about the cotton prices and the cotton situation. I would like to tell them that this policy has taken a step forward. What is the present situation? According to the present situation the Agriculture Ministry fixes a minimum support price and it is the Government's commitment that we shall make all purchases at that price. Price shall not be allowed to fall below that level. The Agriculture Ministry have announced minimum support price or the floor price this year. But you wanted volumes and not this simple paragraph. Have you looked into what this paragraph contains? It is clearly written :

"Cotton growers shall always be assured off-take of their produce at remunerative price..."

**SHRI MADHUSUDAN VAIRALE :** There is no definition of 'remunerative' price.

**SHRI CHANDRASHEKHAR SINGH :** I will explain everything. I will try to remove the misapprehension. You will agree that between the floor price and remunerative price, remunerative price is something higher than the floor price. If we have gone a step forward—we have seen that—we will give not only floor price but remunerative price also. So, don't you consider it a step forward in the right direction? Don't you agree to this?

**SHRI MADHUSUDAN VAIRALE :** Our request is in regard to the A.P.C. recommendation.

**SHRI CHANDRASHEKHAR SINGH :** That is another matter. But here we have gone a step forward and clearly stated that we shall assure off-take of your production at remunerative price. We are in consultation with the Agriculture Ministry right at the moment. The Agriculture Ministry is

the custodian of the interests of the growers. We are discussing this particular matter with them and I would like to assure you.....

**PROF. MADHU DANDAVATE :** Since you have referred to Maharashtra, let me tell you about our tragedy that an Island of monopoly procurement scheme is surrounded by an ocean of free market and therefore when the remunerative price is not available, there is a clandestine sale of cotton in the free market outside. How are you going to settle that problem?

**SHRI CHANDRASHEKHAR SINGH :** You are certainly correct that situation prevails today. But I would like to assure the hon. Members from Maharashtra and other cotton growers that we shall discuss as to what should be the remunerative price, with the Agriculture Ministry. The Cotton Corporation of India shall have to play a new role after the formulation of the new Textile Policy. The new role is that the Cotton Corporation of India shall be responsible not only for ensuring floor price to cotton growers but shall be made responsible in creating necessary infrastructure for the Cotton Corporation of India and to see that not only floor price but remunerative prices are paid to the cotton growers. This is a big step forward in the interest of the cotton growers. So, this measure is sought to be taken.

Sir, I would not like to take more time of the House. But I would like to make clear about the implementation of the new Textile Policy. Several steps have been taken and I would not like to elaborate on them. But a few things have to be decided in consultation with the other Ministries, particularly in regard to the relief that we propose to give in the matter of excise duties and import duties. This question of relief would be decided in consultation with the Finance Ministry and it is the right Ministry to speak on that point, I would like to assure the House that we are trying to expedite everything. This is a matter which concerns

the State Exchequer in a big way and I would also like to ensure that whatever relief is given in the matter of excise duties or import duties, it will be passed on to the consumers. We are evolving a mechanism to see that this gap does not remain and the relief that is extended to this industry is made available to the poor consumers. So, this matter is also going to be decided upon as quickly as possible. We have already set up monitoring cells for implementation of the different items enumerated in the new Textile Policy and I have also had the opportunity of meeting the Labour leaders—Mr. Datta Samant is not here because he stands for something which perhaps, Prof. Madhu Dandavate, you don't welcome and certainly we also don't welcome that—to get their views on this. But I would not like to embarrass, particularly because he is not here, but I would like to tell the House that even Shri Datta Samant had no grievance against the textile policy.

PROF. MADHU DANDAVATE : It seems to be a mistaken identity ; he did speak and speak against the policy.

SHRI CHANDRASHEKHAR SINGH : You are also not a hundred per cent labour leader.

PROF. MADHU DANDAVATE : I am not a leader at all.

SHRI CHANDRASHEKHAR SINGH : They have to take a public posture sometimes...(Interruptions).

PROF. MADHU DANDAVATE : We can also say that probably the Minister does not genuinely believe in this policy, but for certain postures, he is putting forward this policy.

SHRI CHANDRASHEKHAR SINGH : You can, but it would hardly carry any conviction.

I would like to assure the House that the new textile policy has tried to take a balanced position to take care of the interest of each segment of the

textile industry and see that there is proper harmony and growth in the entire textile industry.

I would also like to assure the hon. Members that we do not stand on prestige on any point and if we find something going wrong at some point of time or the other, we shall certainly make amendments, make suitable changes in the interest of handloom weavers and workers particularly. We have certainly accepted this amount of flexibility in the new policy and we are sure that the new textile policy is going to usher in a new era in the entire textile economy...(Interruptions)\*\*

MR. DEPUTY-SPEAKER : I cannot allow anybody, otherwise we will go on discussing. Do not record. If there is any point, you can discuss personally with the Minister later.

PROF. MADHU DANDAVATE : Why has the expert committee report on textile been not placed on the Table of the House ? Is it marked secret ?

SHRI CHANDRASHEKHAR SINGH : It may be placed on the Table of the House at the appropriate time...(Interruptions)\*\*

MR. DEPUTY-SPEAKER : Do not record.

-----

17. 18 hrs.

#### EMPLOYMENT OF CHILDREN (AMENDMENT) BILL—CONTD

[English]

MR. DEPUTY-SPEAKER : The House will now take up further consideration of the following motion moved by Shri T. Anjiah on the 7th August, namely :

“That the Bill further to amend the Employment of Children Act, 1938, be taken into considerations’

Shri Somnath Rath was on his log.”  
He may please continue.