

SHRI VASANT SATHE : We have made certain enquiries. As is well-known, it is the policy of the Government that, whenever a work is started in any area, maximum employment opportunities must be given to the people of that area; and here because a large number of people are tribals, we are more keen that tribal people should be given maximum employment opportunities. I agree that the contractors may be from outside Orissa because it is not possible to get experienced contractors always locally. But the number of people employed at Damanjodi is 8,695 and at Angul 12,414. At Damanjodi in Koraput where there is a tribal belt, the maximum number of people employed are unskilled labour who do not require previous experience and they are from local area and from tribal people. We shall ensure that this is what is done.

Problems Facing Handloom Sector

*899. **SHRI AMARSINH RATHWA :** Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) the main problems, the handloom sector is facing;

(b) the steps being taken to meet their demands in regard to yarn;

(c) the steps taken or being taken to popularise this industry in rural areas and particularly in Adivasi areas of the country; and

(d) the details of help being given to establish handloom industry in those areas ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) to (d). A statement is laid on the Table of the House.

Statement

(a) The main problems faced by the handloom sector relate to supply of raw material at reasonable prices and marketing of the finished products.

(b) To meet the demand in regard to yarn, Government have taken a number of measures like the imposition of hank yarn obligation by which all mills producing yarn for marketing have to pack at least 50% of their marketable yarn in the form of hanks. Out of this, 85% has to be in counts upto 40s. Besides, some State Governments have made arrangements for the supply of yarn to the weavers through yarn depots set up in handloom concentration areas. The National Handloom Development Corporation has already opened yarn depots in Guwahti and Bihar Shariff and is planning to open more such yarn depots in other areas. It is also supplying yarn to State Handloom agencies in Kerala and West Bengal.

(c) and (d). Several schemes are being implemented to help the weavers to organise themselves into Cooperatives. For weavers outside the Cooperatives handloom development Corporations have been set up by various State Governments to organise their production and marketing activity. As bulk of the weavers are located in rural areas, the benefit of these schemes is expected to flow to this industry in the rural areas. Some of the important schemes, being implemented are as follows :

(i) Share capital assistance for Primary Handloom Weavers Cooperative Societies, apex handloom weavers societies and State Handloom Development Corporations;

(ii) Loan and grant assistance to handloom weavers in the Coope-

- relative sector for replacement and modernisation of looms;
- (iii) Managerial subsidy to handloom Cooperatives;
- (iv) Assistance for creation of pre-loom and processing facilities;
- (v) Intensive Handloom Development Projects/Production Projects for the benefit of the handloom weavers outside the cooperative fold;
- (vi) Janata cloth scheme for providing sustained employment to handloom weavers and cheap cloth to the weaker sections of the Society; and
- (vii) Grant of special rebate on sale of handloom cloth.

In the Sixth Plan provision of Rs. 130 crores was made in the Central Sector for handloom development programmes and schemes.

There are no separate schemes for handloom weavers in adivasi areas. However, some of the schemes have been liberalised for weavers in hill areas which are at some places inhabited by the adivasis. The details of liberalisation are as follows :

- (i) The weavers' contribution in the purchase of share of Primary handloom weavers cooperative societies has been reduced from 10% to 5%;
- (ii) The duration of managerial subsidy has been increased from 3 years to 8 years in the case of Primary Weavers' Societies in hill areas; and
- (iii) The element of subsidy in modernisation assistance to handloom cooperatives has been increased from 1/3rd to 1/2, with match-

ing assistance from the State Governments.

[*Translation*]

SHRI AMARSINH RATHAWA :
Mr. Speaker, Sir, through you, I would like to ask the hon. Minister what steps are being taken to ensure the timely supply of raw material to the handloom weavers and to streamline the distribution of the textiles produced by them as he himself has admitted that the handloom weavers have to face many problems in getting the supply of raw materials as also in marketing their products ?

SHRI CHANDRASHEKHAR SINGH:
So far as the question of supply of yarn is concerned, arrangements have been made earlier also that the weavers should get a continuous supply of yarn at reasonable prices, but we have revived the situation recently and the review shows that whatever difficulties might have been there, we are in a position to solve them. I think that arrangements would be made to ensure timely and continuous supply of yarn to the weavers at reasonable prices.

SHRI AMARSINH RATHAWA :
Mr. Speaker, Sir, I would like to know what schemes have been formulated or are proposed to be formulated by Government for the development of this industry in the tribal areas of the country and to provide incentives to the weavers.

SHRI CHANDRA SHEKHAR SINGH : There is no special scheme for the tribal areas, but the weavers are given special concessions in the tribal dominated areas, the details of which are as follows :

[*English*]

- (1) The weavers's contribution in the purchase of share of primary

handloom weavers' cooperative societies has been reduced from 10 to 5 per cent ;

- (2) The duration of managerial subsidy has been increased from three years to eight years in the case of primary weavers' societies in the hilly areas ;
- (3) The element of subsidy in modernisation assistance to handloom cooperatives has been increased from one-third to half with matching assistance from the State Government.

SHRI SHYAM LAL YADAV : The hon. Minister has not taken care of two factors in this matter that there is keen competition between the power loom and the handloom and the power loom is producing the same variety of and quality of cloth that the handloom is expected to produce. So, may I know from the hon. Minister whether he is going to pursue vigorously a policy of reservation of certain varieties of cloth to be produced completely and fully by the handloom sector and powerloom should be debarred from that ?

And secondly, he has said in his reply that supply of yarn is being maintained. I am sorry to say that the silk yarn that is used in my city of Varanasi is not available. It is today being sold at the highest rate of Rs. 700 per kg. So, may I request him to make it available as early as possible ? Otherwise, thousand and thousands of weavers will be thrown out of employment.

SHRI CHANDRASHEKAR SINGH : About the availability of silk yarn at Varanasi, after the hon. Member made his speech last time during the discussion on the Demands for Grants, I have initiated measures to improve the situation to alleviate the situation and I hope that something tangible will be possible to be done within a few days.

As far as the other part of the questions is concerned, we are aware of the

situation that the powerlooms are making serious inroads into close territory of handlooms and in the formulation of the new textile policy we are taking note of the situation and I would like to assure the House and the weavers in general that we shall take every measure possible to ensure the effective implementation of the reservation policy which has now been enacted, given the form of an Act and also take such other measures possible, to see that the interests of the handloom weavers are fully protected.

SHRI N. TOMBI SINGH : Mr. Speaker, while appreciating the various steps taken by the Government of India to improve the lot of the handloom weavers by reservation of certain items against the onslaught of powerlooms and mills, may I know from the Government of India, in view of the fact that in certain regions like Manipur, handlooms form a second profession next to agriculture for livelihood and the handloom weaving profession and handloom market is now confined to the local consumers where ladies are broadly confined to the use of handloom products, whether the national market and the export market have lost their volume because the price of yarn available to the weavers is increasing day by day. May I know the steps taken by the Government to protect the handloom weavers of the regions like Manipur and other similar areas where the price of yarn is soaring high ?

SHRI CHANDRASEKHAR SINGH : We are very soon formulating a programme, a scheme for timely supply of yarn at affordable price. I would like to inform the hon. Member that the Prime Minister, a few days ago, wrote to us to take particular and special measures to promote handloom industry sector in the north-eastern region. I have sent a team of officers to that region. I myself will be making a programme on 10th and 11th of June. We will go into the details of the difficulties which the handloom sector is facing in that area. I would like to

assure hon. Members that we will take every measure to protect handloom industry in the north-eastern region.

[*Translation*]

SHRI R. P. SUMAN : Mr. Speaker, Sir, the number of weavers in U. P. is very large and keeping in view their serious problems government have established spinning mills in the State; out of these mills, eight spinning mills are working in U. P., but these spinning mills are manufacturing in stead of stable yarn, other yarns as a result of which the weavers are facing a serious problem. I would, therefore, like to ask the hon. Minister whether he would see to it that staple yarn is manufactured in these spinning mills and it is made available to the weavers.

SHRI CHANDRASHEKHAR SINGH: Mr. Speaker, Sir, as I have said just now, so far as the availability of yarn is concerned, there does not seem to be any difficulty in it at present. We would be able to make such an arrangement very soon that there would be no difficulty in its production and its supply to weavers.

[*English*]

Simplification of Selective Credit Controls

*901 **SHRI K. RAMAMURTHY :** Will the Minister of FINANCE be pleased to state :

(a) the measures announced by the Governor of Reserve Bank of India during his recent meeting with the Chief Executives of major scheduled commercial banks in order to rationalise and simplify selective credit controls to take care of the impact of the high rates of inflation ; and

(b) the details of the steps taken to help to contain the growth of liquidity ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARY) :

(a) and (b). A statement is laid on the Table of the House.

Statement

In the meeting with the Chief Executives of major scheduled commercial banks held on April 6, 1985, the Governor of the Reserve Bank of India announced several measures to rationalise and simplify selective credit controls and to contain growth in liquidity within reasonable limits. These measures includes :

- (i) The Statutory Liquidity Ratio (SLR) has been raised from 36 per cent to 37 per cent to be completed in two stages.
- (ii) The threshold for food refinance is being raised from Rs. 4,600 crores to Rs. 5,800 crores, to be completed in three stages by September 27, 1985.
- (iii) The refinance rate on food credit has been raised from 10 per cent, to 11.5 per cent and on stand, by refinance from 11 per cent to 12.5 per cent.
- (iv) For commodities where there is a stipulation on the level of credit based on certain base years, the new base period will uniformly be the three-year period 1980-81, 1981-82 and 1982-83 (November-October).
- (v) In the case of foodgrains, pulses, vegetable oils and vanaspati, cotton and kapas, and sugar, gur and khandsari, the multiplicity of minimum margins prescribed for each broad commodity group has, to the extent possible, been reduced. In the case of oil-seed, however, the existing structure of minimum margins was not being altered.
- (vi) Advances to roller flour mills against wheat have been totally