

We expect that, as a result of this survey, we should be able to produce in the country a considerable quantity of machinery for the manufacture of cement, paper, jute goods, textile, sugar, etc., which we are at present importing.

Finally, may I once again express my gratitude to the House for the very favourable reception they have given to these Demands.

**Shri K. K. Basu:** May I ask one question?

**Mr. Deputy-Speaker:** It is now five o'clock and I have to put the cut motions and Demands to the vote of the House. I shall now put the cut motions to the vote of the House.

The cut motions were negated.

**Mr. Deputy-Speaker:** The question is:

"That the respective sums not exceeding the amounts shown in the third column of the Order Paper in respect of Demands Nos. 1, 2, 3, 4 and 110 be granted to the President to complete the sums necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1954, in respect of the corresponding heads of Demands entered in the second column thereof."

The motion was adopted.

[The motions for Demands for Grants which were adopted by the House are reproduced below.—Ed. of P. P.]

**DEMAND NO. 1—MINISTRY OF COMMERCE AND INDUSTRY**

"That a sum not exceeding Rs. 66,24,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1954, in respect of 'Ministry of Commerce and Industry'."

**DEMAND NO. 2—INDUSTRIES**

"That a sum not exceeding Rs. 10,90,93,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1954, in respect of 'Industries'."

**DEMAND NO. 3—COMMERCIAL INTELLIGENCE AND STATISTICS**

"That a sum not exceeding Rs. 47,90,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1954, in respect of 'Commercial Intelligence and Statistics'."

**DEMAND NO. 4—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF COMMERCE AND INDUSTRY**

"That a sum not exceeding Rs. 36,90,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1954, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry'."

**DEMAND NO. 110—CAPITAL OUTLAY OF THE MINISTRY OF COMMERCE AND INDUSTRY**

"That a sum not exceeding Rs. 5,70,99,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1954, in respect of 'Capital Outlay of the Ministry of Commerce and Industry'."

5 P.M.

**KHADI AND OTHER HANDLOOM INDUSTRIES DEVELOPMENT (ADDITIONAL EXCISE DUTY ON CLOTH) BILL**

**The Minister of Commerce and Industry (Shri T. T. Krishnamachari):** I beg to \*move:

"That the Bill to provide for the levy and collection of an additional duty of excise on cloth for raising funds for the purpose of developing Khadi and other handloom industries and for promoting the sale of Khadi and other handloom cloth, be taken into consideration."

This Bill has been before the House for quite some time and hon. Members of this House know that from the day on which it was introduced, namely the 15th February, Government have been collecting a cess of three pies per yard of cloth produced, under the Provisional Collection of Taxes Act, 1931. The operative portion of this Bill is clause

\*Moved with the recommendation of the President

[Shri T. T. Krishnamachari]

3 which mentions the levy of the additional duty of excise on cloth. So far as the definitions clause, namely clause 2 and clauses 4 and 5 are concerned, they are the padding necessary.

Some doubt has been expressed by hon. Members in regard to the definition. One hon. Member has asked me why should handloom cloth—I am sorry, Sir, there is a printer's devil here and the word 'hadloom' in part (c) of clause 2 should be 'handloom'—mean cloth woven from any material including silk, artificial silk, staple fibre and wool, on looms worked by manual labour. I do submit that notwithstanding the fact that the article might be mill-made or machine-made it is the weaving that counts and we have to recognise the existing pattern of trade and the habits in the handloom trade in the country where they use not merely silk but artificial silk, staple fibre (which is but another name for artificial silk), wool, etc.

In regard to clause 4, the application of the proceeds is in the usual way, that is without prejudice to the generality of the powers that Government has in this matter, it is intended to be applied for these purposes. They are only illustrative, not exhaustive. Hon. Members who have attempted to move amendments want to enlarge the scope. The scope can be enlarged by Government, and the provisions of parts (a) to (g) of clause 4 do not prohibit Government from using those funds in a manner in which they deserve to be used, because these categories mentioned are merely illustrative.

Clause 5 is the rule-making power. I would mention that the application of this particular cess finds a mention in the Demands for Grants and provision has been made, more or less as a token, for Rs. two crores to be spent on handloom and khadi. Well, we do not know exactly what we are likely to get but we are estimating that we are going to get Rs. five crores. Maybe a little more. Some hon. Member said here in the general discussion that it might be much more. But it would not be, for the reason that we are not going to levy this cess on cloth exported. It might be five to six crores of rupees. Naturally, any amount that is spent out of the proceeds of this would have to have the approval of the House on principle, and also for the total amount before the amount is disbursed. So Parliamentary control is not in any way taken away by the passing of this Bill. This is merely to permit Government to levy the cess.

So far as the utilisation of the money is concerned, my hon. colleague the Finance Minister would from time to time place a supplementary demand for grant if necessary, and it will be included every year in the budget. And the demand could be discussed and voted upon.

So I would like to submit to the hon. Members that there is nothing underhand, nothing secret, nothing that Government is seeking to do without the permission of this House. Because, it is a straightforward measure and the only operative clause is clause 3 and nothing else. Some hon. Members have suggested that it might be referred to a Select Committee. If it goes to a Select Committee, can we add to the words of clause 3? I do not think it can be improved upon. If the Finance Bill is not going to a Select Committee with its innumerable clauses, this simple clause 3 need not go before it.

**Pandit Thakur Das Bhargava** (Gurgaon): Which means both should go.

**Shri T. T. Krishnamachari**: The principle is clear. Either the House says we will allow Government to levy the cess or it says we will not. Or the House might vary it. That can be done by a simple amendment. That is, instead of three pies you might make it two pies, one pie or half a pie. Of course you cannot raise it. Barring that there is nothing that could be done. The discretion of the House in this matter is, principally, whether to allow the levy of a cess or not, and, secondarily, what the quantum of it should be. This in my humble opinion is not a matter which can be disposed of in the Select Committee.

[SHRI PATASKAR in the Chair]

I shall give a very rough idea as to how the proceeds are to be used. So far as khadi is concerned, we do propose to use roughly about a crore of rupees this year. We are getting out the budget necessary for the purpose. It will be subsidising the worker primarily. Because, the idea so far as Government is concerned, as I have said before, is that it is a scheme of social insurance: it is a means of avoiding unemployment. And I am happy to say that the people that we have requested to help us in this matter are people who have really no political axe to grind. In fact they are one of the most frank critics of this Government. And Government do not propose to insist upon a particular method of spending the fund. A budget however is being prepared. I think the House might

be well assured that the money will be spent very properly.

In regard to the expenditure on handloom, the House knows that Government have constituted a Handloom Board. The Handloom Board is primarily an advisory board so far as this Government is concerned. It is the intention of Government to ask the State Governments to constitute local Handloom Boards, make them prepare a budget, get the Advisory Board that we have to scrutinise it, and then Government will sanction the money. The money will be paid primarily to the State Governments and it is their duty to supervise the expenditure of that money, though broadly we might lay down the principles on which it should be spent. If necessary we can ask the Handloom Board to have one or two supervisors to see how the money is spent. Otherwise it is not our intention to fetter the discretion of the State Government. The broad policy which I do propose to submit to the State Governments is this, that we should more or less confine our activities primarily, at any rate during the first year, to co-operative societies. The whole trouble about this handloom industry is this. I know it is suffering badly. I am also aware that we are not in a position to give them as quick relief as we ought to. And I do feel that merely by reservation of some items for them we cannot achieve the desired results. Something more concrete, something in the field has to be done to help the handloom weaver. So my intention is to suggest to the State Governments that we should work primarily through co-operative societies. Every weaver should be brought into a co-operative society. If possible, the apex society must be on the basis of one lakh looms, with a number of primary societies acting in the area. The primary societies should take up the work of supplying the yarn to the weaver, to do the finishing, sizing, dyeing, printing as may be necessary, to have the goods transported to the market and, if need be, the apex society would open emporia for the sale of the goods so as to eliminate middlemen. Losses are inevitable in this matter because we do not want to pay the worker a starvation wage, nor do we want sweated labour which he gets at the hands of the master-weaver or the factory. Our idea is we should draw away the individual weavers from the clutches of middlemen who exploit them. Therefore we must pay them decent wages. Between the cost of the article and the cost at which we can sell in the market we would suffer some losses. We have also to present the goods proper-

ly. A design section will be necessary. Finding the market taste will also be necessary. All this will be the work of the State Handloom Board and the organisation which it will create. I am sure the House, will realise that I am painting a rosy picture. That is not my intention. I do not think of anything being accomplished in one or two years. We should proceed,—provided the State Governments are willing,—in that manner so that this help to the handloom weaver, the establishment of the weaver as a permanent and integrated part of the society, is going to be something permanent. We shall not be the bill whether by means of the assets created by this Bill or by other means which the Government have at their disposal provided the whole scheme works for the betterment of the handloom weaver and provides him employment. That is roughly the scheme on which we propose to work. Hon. Members of this House will realise that in this matter we had to co-ordinate the work of the various States. It may be one State may suggest a slight variation of this. In many States they have got some schemes working. In Madras which perhaps has got the largest handloom weaver population, there are already co-operative societies working. The only trouble that comes in the way of progress is that the co-operative societies have not got enough of finance for recurring expenditure. Then the work suffers.

It is also my intention to seek the assistance of my colleague, the Finance Minister, to ask the Reserve Bank to help co-operative banks which finance these societies for their ways and means position. Surely, Government cannot, by means of taxation provide for the ways and means position of these societies. Our intention is that they should get the help through the normal co-operative channel and the Reserve Bank does help in regard to discount on any bills that might be drawn by a co-operative bank, and I have no doubt that with the present Governor who co-operates very cheerfully in regard to any request that we make in matters like this, we would be able to make the scheme a success. Even from that point of view, from the idea we have behind this, in regard to the utilisation of the moneys that we will obtain by this cess the House should pass this measure. I think I have said all that I can say. I would like humbly to submit to this House again that it is a very straightforward taxation measure and we would like to get this thing passed along with other financial measures that are going to be passed. So far as the operation

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of this Bill is concerned, the deadline is the 15th April and that is why we are seeking to hustle, if I may use the word, the hon. Members of this House at this late hour of the day to accept this Bill.

**Mr. Chairman:** Motion moved:

"That the Bill to provide for the levy and collection of an additional duty of excise on cloth for raising funds for the purpose of developing khadi and other handloom industries and for promoting the sale of khadi and other handloom cloth, be taken into consideration."

To this motion there are some amendments. There is one by Mr. M. S. Gurupadaswamy that the Bill be circulated for the purpose of eliciting opinion thereon by the end of July, 1953. Does the hon. Member propose to move that amendment?

**Shri M. S. Gurupadaswamy (Mysore):** I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the end of July, 1953."

**Mr. Chairman:** Amendment moved:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the end of July, 1953."

Does the hon. Member want to make any speech?

**Shri M. S. Gurupadaswamy:** Yes.

**Several Hon. Members** rose—

**Mr. Chairman:** I think people are more anxious to speak rather than to move amendments.

There is an amendment by Mr. Vallatharas but I do not think it is in order. It says: "That the Bill be referred to a Joint Committee of the Houses consisting of 15 Members, 10 Members from this House, etc." In the first place, I do not find the names of those Members and in the second place,.....

**Hon. Members:** He is also not here.

**Mr. Chairman:** I think it lapses.

There is an amendment by Dr. Monohon Das. Is he moving this?

**Dr. M. M. Das (Burdwan—Reserved—Sch. Castes):** I beg to move:

"That the Bill be referred to a Select Committee consisting of

Shrimati Uma Nehru, Shrimati Jayashri Raiji, Pandit Munishwar Dutt Upadhyay, Pandit Thakur Das Bhargava, Seth Govind Das, Shri Hari Vinayak Pataskar, Shri Arun Chandra Guha, Shri Shree Narayan Das, Shri M. M. Vallatharas, Shri P. T. Chacko, Shri Debeswar Sarmah, Shri Lokenath Mishra, Dr. Suresh Chandra, Shri S. V. Ramaswamy, Shri Lakshman Singh Charak, Shri V. P. Nayar, Shri Shankar Shantaram More, Shri Nemi Chandra Kasliwal, Shri T. T. Krishnamachari and the Mover, with instructions to report by the first day of the last week of April 1953."

**Shri Velayudhan (Quilon cum Mavakkara—Reserved—Sch. Castes):** Has he got the consent of all these Members?

**Dr. M. M. Das:** Certainly, I want a chance to place my views before the House.

**Mr. Chairman:** Amendment moved:

"That the Bill be referred to a Select Committee consisting of Shrimati Uma Nehru, Shrimati Jayashri Raiji, Pandit Munishwar Dutt Upadhyay, Pandit Thakur Das Bhargava, Seth Govind Das, Shri Hari Vinayak Pataskar, Shri Arun Chandra Guha, Shri Shree Narayan Das, Shri M. M. Vallatharas, Shri P. T. Chacko, Shri Debeswar Sarmah, Shri Lokenath Mishra, Dr. Suresh Chandra, Shri S. V. Ramaswamy, Shri Lakshman Singh Charak, Shri V. P. Nayar, Shri Shankar Shantaram More, Shri Nemi Chandra Kasliwal, Shri T. T. Krishnamachari and the Mover, with instructions to report by the first day of the last week of April, 1953."

These are the two amendments, one for eliciting opinion and the other for reference to a Select Committee, which are now before the House for discussion.

**Shri S. V. Ramaswamy (Salem):** I welcome this measure because it is an expression of sympathy for the handloom industry.

**An Hon. Member:** Khadi also.

**Shri S. V. Ramaswamy:** And khadi also. The Central Government has been pleased to grant so far Rs. five lakhs in 1946 and Rs. ten lakhs in 1950. These are the two big sums that the Central Government has chosen to grant and this is the first time when Delhi gets interested in an industry

which is very much neglected. It has to be welcomed therefore that the Centre is able to provide about Rs. six crores and distribute it to several States for the improvement of khadi and the handloom industry. But my humble submission is this. Though it is a bit belated it is good because it will solve the problem of a portion at least of handloom weavers. I come from an area which is mainly supported by handloom weavers. Of the 8,40,000 looms in the Madras State, the District of Salem alone has got one and a half lakhs of looms. To the best of my knowledge many people have died, many people have left their places for working elsewhere, and many of them have gone to Bombay, Delhi and other big cities begging. It is in that sense that I said it is a bit belated. This Bill ought to have come long ago. This Bill ought to have come to the rescue of the handloom weavers several months ago. Nevertheless, I welcome this because it has after all come. The problem of the handloom industry is a human problem. If we analyse it, in the whole of India, according to one estimate, there are about 28 lakhs of looms; but I would put it at 25 lakhs. About four persons depend directly upon each loom, so that we get the figure of one crore of Indian citizens living directly upon the handloom industry. Besides that, there are so many other persons depending upon the different branches of that industry, and connected with it: the yarn merchants, dealers in yarn, dyers, dye merchants, traders, businessmen, wholesale and retail merchants, and so on and so forth. My modest computation is that another crore of people depend upon this industry indirectly. My computation therefore is that about two crores of Indian citizens live by this industry, directly and indirectly. That comes to about 1/18th of the entire population of this vast country. Yet, it has not received so far the support which it deserves. Any measure which will give employment to these people, keep them alive and keep them going must therefore be welcomed.

The hon. Minister was speaking about the application of the funds. As I expected, the hon. Minister suggested that the major portion of the funds will go to the co-operative societies. The prejudice against the master weaver, I thought, was confined only to Madras; but it has found its way to Delhi as well. I take this opportunity of clarifying the position of the master weavers in the handloom industry. They are the very foundations of this very ancient industry. The master weaver is an institution by himself. He

is the person who, buys the yarn, gives the yarn to several weavers, collects the cloth, markets them, pays wages to these persons, if the weaver falls sick, advances money, if there is a marriage in the weavers' family, advances money, and if there is death ceremony, advances money. Thus, he is a great institution, a sort of a social insurance. My humble opinion is that neither Madras nor Delhi has understood the real position of the master weaver. For the purpose of quality control, unless you have the master weaver, you will not be able to achieve it. For, each master weaver tries to protect his reputation by looking to the fact that the goods produced by the weavers working under him are up to the mark, and will not in any way spoil his fair name in the market.

It has become a fashion to say that all encouragement should be given to the co-operative societies. I have no grudge against the co-operative societies. I like them. I appreciate their work. They are good in their own way. But, I am not prepared to subscribe to the view that all encouragement should be given to the co-operative societies alone and that they alone will solve the problem of the handloom weavers. I know, in Madras, even though the co-operative societies play a very important and very valuable role, they themselves were not above board in their transactions. It is amazing.—I have got a copy of the report of the working of co-operative societies in Madras—that while in 1949-50 the net profit of the weaving co-operative societies was only 4,23,000, in 1950-51, the profit was 113 lakhs. In one year, that was the difference. If they could make so much profit out of it, what is the benefit that they give to the consumer? The price at which the co-operative societies sold their goods was the same at which the ordinary handloom weavers were selling their wares. If we analyse this, we find that the co-operative societies had all the benefit, which the backing of the Government brings to them. On the one hand, the mills which are composite, take yarn at the rate at which it is produced. They have got an initial advantage of a lesser price. The co-operative societies get the yarn at the ex-mill rate. They get dyes and other things necessary for weaving, at a cheaper rate. My honest computation is this: that the difference in the price of yarn between the mill and the handloom weavers is roughly about 25 per cent. In between the composite mill and the handloom weavers come the co-operative societies. They get an

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initial start of about twelve and a half per cent. in the price of yarn supplied to them. The ordinary weaver has to get the yarn either through the master weaver or through the wholesale yarn dealer or the retail yarn dealer. At all these several stages, the price of yarn goes up by about 25 per cent. when it reaches him. Yet, the co-operative societies sold the cloth at the same rate at which the ordinary weaver sold them. I say, the co-operative societies ought to have given to the consumer the benefit which they derived with the help of the Government. They did not. They piled up their profits. The ordinary weaver had to compete with the co-operative societies, not by increasing output or making less profit, but by working for longer hours at lesser wages. That is how he has been able to survive so long. I request the hon. Minister for Commerce and Industry to take a more sympathetic attitude towards the master weaver. To correct the ills, I do not mention corruption, that is prevailing in some of the co-operative societies,—there are cases—it is necessary to encourage and support these master weavers, so that the consumer might benefit by the resulting competition.

I want to make another submission. The individualism of the master weaver has to be broken down. Facilities ought to be given to them by which these individual master weavers could gather together into corporations so that they might be made to maintain a particular standard, and be in a position to compete with the co-operative societies, and if necessary, even with the mills also. For that, I request that the hon. Minister may be pleased to make some funds available to the master weavers also.

The other point that I wish to emphasise is that the amount so collected must be utilised to rationalise the handloom industry and standardise production. I do not wish to go into the details of the several processes. But, the point is that a lot of time is wasted by dealing individually with *sarees*, manufacturing them in short lengths and not working collectively. There are several processes by which the industry could be helped. For instance, there are cases where the cloth is woven to a length of eight yards or sixteen yards as the case may be. After eight yards, they have to cut and then re-stitch which involves waste of time. I have seen in places like Aruppukottai long warps of the length of 200 yards being made, and if such long warps could

be introduced, it would be helpful to the handloom industry. Also, in order to help the handloom industry to compete with the mill industry, certain appliances—for instance, bleaching and sizing apparatus which help to make the mill cloth better and attractive to the consumers—must be introduced. And I hope the monies now collected from the Mills will be utilised for this purpose.

Then, I come to the question of reservation. In November last, the Madras Legislative Assembly passed a resolution unanimously saying that there must be a reservation of a field in which the handloom industry should have the sole monopoly, and that was in respect of *dhoties* and *sarees*. It is a strange thing that in a conglomerate body of 375 Members, there was perfect unanimity in passing that resolution. It is remarkable. And I commend that resolution to this House, and I request the hon. Minister also to look into that aspect of the matter, in addition to what he is doing now, because when a large body of men express a unanimous opinion, there must be something solid and substantial in it. That reservation was nothing new. If you take the report of the Fact-finding Committee of which Prof. P. J. Thomas was the Chairman in 1942, you will find on Page 226 the Committee recommends reservation of certain types. They go to the extent of saying that cloth from the reed width of 25" to 50" ought to be reserved. They also say those types of *dhoties* and *sarees* should be reserved for the handloom industry. It is unfortunate that though this report was printed, it was not published. There is a mine of information in that report, and I would request the hon. Minister to have it published because the views expressed therein are very helpful to the handloom industry.

It would be also helpful if, in addition to the assistance that the hon. Minister is rendering to the handloom industry, he also stops further increase in the loomage in mills. I find from the report that under the Industries (Control and Development) Act, the Ministry has given permission to the expansion of looms to the tune of about 80,000. When the handloom weavers are dying—they have no work, they are going to the streets of several towns for want of employment begging—it would be wrong to allow an increase in mill loomage. I do not mind increasing the spindlage. Spindlage can

be increased so that we are in a position to export our yarn and earn Dollars or other exchange, and also help the growth of the handloom industry, but to allow any increase in the loomage, my humble submission is, is perfectly wrong. And I do hope that the hon. Minister will step in and see that there is no further increase in the loomage.

In addition to this, it should also be possible to find ways and means of supplying the handloom weaver in the remotest village, yarn at the price at which it is available to a composite mill. I would suggest to the hon. Minister that if he has got any great desire to help the handloom industry, then, the smaller types of spinning apparatus, of 10, 20, and 100 spindles which are manufactured in Japan, should be imported in large quantities and distributed over the whole length and breadth of this country, so that the weaver need not depend upon the mill production, but may depend upon a small spinning unit in his own house or in his own village, and be able to procure yarn at a price which would enable him to compete with mills and even co-operative societies in the production of cloth.

There are a few other suggestions, but I do not wish to take the time of the House. However, I want to make one other suggestion, viz., that the industry must depend largely upon the export trade, and for the export trade it is absolutely necessary to control the quality of the exports. I would suggest to the hon. Minister to see that no goods which do not bear the stamp of standardized quality are exported outside India. I would also suggest to the hon. Minister to pursue this Bill with another Bill by which there will be reservation not merely of *dhoties* and *sarees*, but also of the reed width range of 36 to 54 inches. That, I submit, is the only panacea to remedy the ills of the handloom industry, and secure for the industry a permanent and abiding place and enable it to stand up against the competition of the mills.

**Shri Kelappan (Ponnani):** I am glad that the Government have at least come to think of Khadi and cottage industries.

From the figures of the Charkha Sangh we find that the production of khadi reached its peak in 1942/43 when the production was about 190 lakh square yards. And it touched the lowest depth—when we became free—in 1947/48, the production falling from

190 lakh square yards to 45 lakh square yards. The sales also were the lowest in 1947/48. This cess will certainly go some way—a great way—to improve the production of khadi. And khadi production can be expanded to any extent and Government will have enough to clothe the whole country with khadi. The problem will arise as to how to dispose of this khadi. If the Government is prepared to subsidise khadi, if they are going to give the Khadi and Village Industries Board a few crores to increase their production, and provided the Khadi and Village Industries Board will co-operate with the Government the production will mount up. But certainly they will not be able to bring down the prices of khadi and handloom goods at least on a level with mill cloth. As long as you are not able to bring it to a level with the mill cloth, I do not know how you are going to increase the sale.

What this subsidy will do is this: There are people now who wear khadi. They will get khadi at a cheaper rate. I cannot understand how it is going to increase the sales. There may be some people who, because of its high price, are not using khadi. Some of them may be tempted to use it, if the prices are lower than what they are today. But the problem will again arise in a different manner.

Supposing the Charkha Sangh is able to increase the production—and that was a problem that faced them some time ago—lakhs of yards of khadi will again be idle, without their being able to find a market. I ask, whether this Government will be prepared to buy the unsold khadi? If they are prepared to buy the surplus even, then, how are they going to dispose of it? In Madras there are a few intense khadi centres, under the Government. Part of the khadi from these centres goes to the Government Printing Press, to be used for binding their publications, we want to clothe the people with khadi.

The Charkha Sangh has a five year programme, according to which an expenditure of Rs. 15 crores was envisaged, for giving work to 75 lakhs of spinners, and to produce about 150 crores of yards of khadi. They imposed certain conditions on the Government, which, however, the Government were not prepared to accept. But the Sangh has not withdrawn their co-operation. Again, they have placed certain conditions before the Government. Some of the conditions are these:

- (1) Government have to make a declaration of State policy to the effect that each village must produce its own cloth. To

[Shri Kelappan]

this end, like literacy, it must be its duty to teach spinning to these people.

- (2) Khadi should be the official dress. At least it should be worn during the working hours.
- (3) Government should, for all their requirements, use only khadi and no other mill cloth.
- (4) There should be an assurance from the Government that they would arrange for the purchase of yarn from the spinners, provided the latter themselves used khadi, to the exclusion of any other kind of cloth.
- (5) Spinning should be introduced as a compulsory subject in primary and middle schools.
- (6) Every village or its *panchayat* should be empowered to impose a cess on cloth, oil, sugar etc. coming from outside its borders, for protecting its own cottage industry.
- (7) There should be a cess on mill cloth.
- (8) This cess should be used not only for cheapening khadi, but also for promoting the schemes for khadi development. All such schemes must be formulated and executed in terms of the policy, programme etc. framed by the Charkha Sangh, and under its supervision.
- (9) The cess should be partly utilised for employing the village workers, and partly to better the processes of khadi production.
- (10) Rural workers or employees who have taken some khadi diploma in the Charkha Sangh should be given preference in the matter of employment.
- (11) Charkha Sangh, if its participation is sought, should have full freedom for carrying out its programmes, without being hampered by red-tapism.

In asking Government servants and other public servants to put on khadi, I do not think there is anything very objectionable. When the Britishers were here, public servants had to put on ties, coats, etc. I do not think anybody objected to that then. Not only,

that, there are some people who have taken to that form of dress with a liking—yes with a vengeance as some suggest. What is wrong in insisting on Government servants to put on khadi? After all, that is not going to increase the expenditure on their dress, which it did in the other case.

If it is only just to satisfy the people that the Government are doing something to help khadi and handloom industry, then they may be contented with levying a cess. But then a new problem will arise. Khadi will be produced in enormous quantities, and the Charkha Sangh will be faced with the problem of finding a market. Will the Government be prepared to purchase all this khadi? As I said in the beginning, it may not be possible for the Government to purchase all this khadi.

In the Madras State, the Chief Minister has a solution that a certain sector must be reserved for handloom cloth; namely, *dhoties* and *sarees* to be manufactured only by handloom industry. Even that is not going to solve the problem, I am afraid. Again there will be a clash between khadi and handloom. Supposing counts up to 20 are reserved for khadi, while counts from 20 to 60 are reserved for the handloom industry, even then it would not be possible to find a sale for khadi. People may purchase cheaper handloom in preference to khadi.

There is one other point also, to be noted in this connection. The development of khadi and handloom is made dependent on the cess that is to be derived out of the internal consumption of mill cloth. To my mind, it is really wrong in principle to do so. If the internal consumption of mill cloth goes down, that would mean that the cess necessary for the development of khadi and handloom would not be forthcoming. So I would suggest that they should not be made to depend on the cess on mill cloth, and that the field should be left open for khadi and handloom only, in the matter of clothing. I do not know all the facts, but during the last four or five years, and even during the last year itself, new licences were given for more mills, and the capacity of old ones has been developed to a great extent. That means there would be more production of mill cloth hereafter. A planned economy is lacking. Supposing the mill cloth that is produced is all for export while the khadi and handloom cloth produced in the country is used to clothe the nation, then we would be able to solve this



problem. I would also suggest that it should be possible for the Government, if need be, to increase this cess which is now three pies per yard.

It is rather amusing to see some of these businessmen suddenly becoming sympathetic to the consumer. Even the hon. Minister is very solicitous about the consumer and has stated that their fastidious tastes should be catered to. But in the matter of sugar, and ball-bearings on which has now been levied an import duty, cement etc. they never thought of the consumer at all. We have been paying for sugar a very exorbitant price so that the mill-owners here may flourish. Not only that. Now we pay them a higher price so that they may sell their sugar in the outside markets at a cheaper price or at almost the same price as sugar from other countries is selling in those markets. The consumer is being taxed for that. So in all these cases they were not thinking of the consumer. Now when it comes to a question of imposing a small cess on the mill cloth to help handloom they are very solicitous about the consumer and say that they will have to pay more for their cloth.

So I earnestly request the Minister to tell us what his policy regarding handloom is. My suggestion is that sectors may be fixed for khadi and the handloom, the handloom sector not being allowed to make cloth below, say, 20 counts. All the cloth that the country wants for its use must be finally the sphere of khadi. Handloom in course of time could certainly take to hand-spun yarn. Thus, finally we should have only hand-spun yarn and hand-woven cloth for home use.

I understand from the Charkha Sangh that a new *charkha* has been invented recently which will give about two hanks of yarn per hour. If that is so, then hand-spun yarn could certainly take the place of mill yarn, and there will be enough people in the country who will take to spinning. When we advocate spinning as the major cottage industry to provide work for the unemployed population objection is raised that spinning is not sufficiently paying and people may not take to it. Now, the question is not what income they are able to make by spinning. People who have not got any work, who have no income of any kind, will certainly take to spinning if they can make a few annas by it. If this improved *charkha* is also subsidised by the Government and sold at a cheap rate, poor people will be able to make all the yarn that we require and earn a good income.

I welcome this measure as far as it goes. I fear the Government will immediately, in the near future, be confronted with the further problem of finding market for the khadi and handloom cloth they help to produce. Then, I suppose, the Government will devise some means of finding a solution to that also.

पंडित ठाकुर दास भार्गव : जनता  
चेयरमैन साहब, मैं आप का मशकूर हूँ  
कि आप ने इस जरूरी बिल पर मुझे  
बोलने का मौका दिया। (Interruption).

Dr. S. P. Mookerjee (Calcutta South-East): They would like to hear in English.

Shri C. D. Pande (Naini Tal Distt. cum Almora Distt.—South West cum Bareilly Distt.—North): South India is interested.

Shri Velayudhan: This Bill is for South India.

Shri Punnoose (Alleppy): It is a problem affecting South India much more.

Pandit Thakur Das Bhargava: Sir, I bow to the wishes of my friends and would like to speak in English.

I congratulate the hon. Minister on his introducing this Bill in this House. But I must say that what we expected of this hon. Minister particularly—in that I feel disappointed. When I read his Ministry's report, which was circulated and which was discussed in this House, I was very happy because from the traditional way of thinking there was progress in everything that he did but we have got such a firm faith in what he does that we expect from him more and more. Really my complaint is this. He is not only a Minister here; he is one man now in the House who can be said to be responsible for these three articles in the Constitution—articles 41, 42 and 43. Article 41 says:

"The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want".

Article 42 runs as follows:

"The State shall make provision for securing just and human conditions of work and for maternity relief."

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And Article 43 runs thus:

"The State shall endeavour to secure, by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities and, in particular, the State shall endeavour to promote cottage industries on an individual or co-operative basis in rural areas".

When I read the report, I thought that every Member of this House should congratulate him and his Deputy on the progress that the country has made in regard to the various industries. But when I consider that these two gentlemen are not only here as Ministers of Commerce and Industry, but they are the men who put their signatures to this report and were responsible for enacting these provisions, really I fail to see in the Bill what I expected to see.

Now, it so happened that here when we were considering the other aspects of the question regarding the Ministry of Commerce and Industry, Prof. Agarwal and Shri Kelappan both made certain points. And I was very happy to see that their approach was certainly very good and fundamental. When I heard the speech of the hon. Minister again, in his concluding words he gave the traditional replies and said everything is perfectly O.K. and successful.

But may I humbly ask him what solution he has got for liquidating unemployment of this country? Is this the solution that he wants to offer in this House? My humble submission is that even when I read the Planning Commission's report—and I read it in relation to this Bill also—I felt very much disappointed. If you kindly see the past history of this country—about thirty years of agitation which the Congress and the Father of the Nation made in regard to our economic ills—the House will find that in 1920 we used to burn foreign cloth. There was a very interesting argument between Mahatma Gandhi and Shri Rabindranath Tagore about the ethics of burning foreign cloth. Mahatmaji said it was a poisonous thing and he would not touch it. The Congress went out of its way and boycotted foreign cloth. So much so that for years together no foreign cloth was to be seen in the markets. We remember how many persons were sent to jail on this

account. But then the alternative suggestion that Mahatmaji had was this khadi. He said this would give employment to weavers and subsidiary employment to the cultivating village people. My humble submission is—as I wrote in some other place as a Note of Dissent to the Grow More Food Enquiry Committee's Report—that land is not enough in this country. If we partition all the lands, then we will get, say, half an acre each. That will not be sufficient for each one of us. All the land if cultivated will not be able to meet all the necessities which we have to satisfy. These 36 crores of people in India want something else than land. In the villages, what would happen if the land is distributed as it is going to be distributed at some places? Two classes of people will emerge, the landless class and the class that have the security of land.

6 P.M.

Now, I am not one of those who are opposed to land reforms; but all the same I do think that the land reforms themselves will not be able to solve the real difficulties that we suffer from. Therefore, in my humble opinion, the only solution is to be found in the village industries. If a landless person in the village gets a good amount of work which shall bring him sustenance as an ordinary cultivator would get by cultivation of land, then alone all the difficulties would solve and not otherwise. If a man has got five acres of land and he gets Rs. 100 from that land, I can understand that. So far as those persons are concerned, who have got five acres of irrigated land, it can be taken that we have secured to them some subsistence. In every village how many people can you find with five acres of land? And then lands are unirrigated. That is a separate question, but all the same, the only way in which we can solve this problem is through the village industries. There are village industries, there are industries in the cities, there are industries everywhere and every person must get something—why something, quite enough to provide him with clothing, food, shelter and other things for having a proper cultural life. This is the basis on which we enacted these three articles.

Now, the question to which I address myself is this. Does this Bill satisfy the requirements of these articles? My humble submission is that we have not fully appreciated the problem of unemployment and we have not fully understood the implications of the solution that we are going to have so far as this Bill is concerned.

Now, my friend, Shri Kelappan was pleased to say that only people who can afford to pay, now purchase khadi. Khadi is not an economic proposition at all. Those gentlemen who clothe themselves in khadi have to pay more than other people. Mahatmaji used to say that mill cloth should be used by poor people and khadi should be purchased by richer people. But, will that be able to solve the problem? I agree with our hon. Minister when he says that shibboleths, dogmas and slogans do not solve anything. Unless and until we arrive at an economic proposition that what we pay for khadi is worth it, we will not be nearing solution.

Then, what is the remedy? Even if these six crores or 600 crores were given to the hon. Minister to subsidise khadi, I am afraid he will not be able to find the right solution. How will you be able to give wages to those who will not be employed, who will not be able to produce economic cloth? Unless on merits you can justify that this cloth is bringing so much price, nobody is going to buy. It is not a question of days, months or years that you can say patriotic people will do this and not do that. In regard to social matters, in regard to economic matters, I do not believe in these slogans or even in the continuance for a very long time of very good motives in human beings. It was in 1827 that the first meeting about the Child Marriage took place. It was in the year 1930 that we passed the Sarda Act. For a hundred years we waited and nothing could be done. I may submit, Sir, you may have to wait for 100 years and go on preaching patriotism to the people and none of them shall ever buy khadi. What is there if a lakh or even ten lakhs of people buy khadi? That would not solve the problem. My humble submission is that unless and until our Government and the hon. Minister take some revolutionary step, unless they do something which may change the entire mentality of the nation, the thing would not be solved.

My friend, Dr. Agarwal, spoke about the Swadeshi movement. His voice was reverberated from the other side also I am all for Swadeshi. All my life I have been preaching and working for Swadeshi,—but I know we cannot find a greater public supporter of the cause than Mahatma Gandhi,—and what is the result? I have worked for the last 30 or 35 years. I have not seen a single village so far as the Punjab is concerned—I do not know about other parts—I have not seen a single village in which this khadi is giving livelihood to any good number of people. So far as the ordinary peasants

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are concerned, in the Punjab where they have got irrigated lands, what does spinning bring them? So far as the ladies are concerned, in olden times every lady used to spin, every person had a *charkha*, that is a different matter. The habits of those days are also now wanting. My submission is this. You are going to pass this Bill. Very humble people will not buy khadi. What is the solution? You cannot produce economic khadi. No person would buy uneconomic khadi. What would you do? We are all happy that we have produced in the last year such an amount of mill-made cloth. At the same time, I am extremely sorry when I read in the report that the handloom cloth weaver is suffering. I find that big business is prospering but that the humble man has lost his livelihood. He is not able to earn his bread.

I must submit that so far as these mills are concerned—I am not an enemy of these mills—I want industrialisation of my country—but I cannot conceal from the big business people that so far as I am concerned, I want to see in this country that the mill-made cloth is purchased by no person for the purpose of clothing himself. I want to see that what all the mills produce must be sent outside the country and bulk of my countrymen should get employment by weaving the cloth required to clothe the nation. This may look to be revolutionary. I know apparently it may seem as if I am reading from the Arabian Nights that all this cloth should be exported. I know that this is not possible but, at the same time, the dream that I have got, if we want to solve unemployment in this country, is that we should export whatever cloth is produced in the mills and produce enough khadi here for our consumption. Unless this is done, unless I see that every hon. Minister is clothed in hand-made cloth, unless every department of this Government uses the cloth which is manufactured by the handlooms, I do not see how this Bill will at all solve the problem before us. I would, therefore, have looked in this Bill for an enunciation of the policy of the Government that the mill-made cloth will be substituted by this cloth, so far as clothing is concerned. I wanted the enunciation of this policy in this Bill. I know when many such Bills come before us there is an enunciation of the policy in the Bill or in the Statement of Objects and Reasons. The hon. Minister has not sympathy for the handloom weavers, the handloom weavers of Madras. How many of them are there? We should have in this country

[Pandit Thakur Das Bhargava]

cottage industries including this main one—other industries may be able to absorb a number of people—but so far as the main population is concerned, this is the main industry in which our people shall have to be employed. I do not look at the problem from the point of view only of the few men who are now engaged in the handloom industry. I look at it from the point of view of those crores of people who are unemployed and who are under-employed. I know the difficulties. I have seen them with my own eyes. With your permission, Sir, I shall just tell how I am impressed by them. I come from a district in which famine recurs every three or four years and the extent and severity of the famine is very great so much so I have seen cattle dying before my very eyes. I have seen people starving and nine persons subsisting on eleven pice. I have seen how they were working. We started relief with the *charkha*. When the Government would not help us, we started helping ourselves. We asked our Congress Committee to help these starving people. The House would be pleased to know that we were sometimes paying one anna and sometimes even two and a half pice. That assistance of one anna or two and a half pice was sufficient to keep body and soul together so far as those people were concerned. It so happened that the Punjab Government took a lesson from us and in 1939 they spent something like Rs. two lakhs on giving relief through *charkha*. I maintain that in all these famine-affected areas, if you can give relief by the *charkha*, that is the most potent and best relief. I find my hon. friend Shri Krishnamachari is smiling. I think he does not believe what I say. As a matter of fact, those people lived on one anna. Today you may not believe it, but in 1930 people were getting Rs. four as pay and an ordinary servant used to spend Rs. two on himself and remit the balance home to his family. I have seen it. Perhaps, my hon. friend who has been living in cities has not come across such cases.

Now, what is the remedy? How should we proceed? I would have expected that along with this enunciation of policy, something more should have come before us. The Minister should have come forward with a Bill like the one suggested by Mr. Kelappan. This time we know that the Madras Assembly passed a resolution and Rajaji was very insistent on seeing that certain designs of cloth in *dhoties* and *sarees* were reserved for the handloom weavers. My humble submission

is that this is a very partial solution. If khadi come into competition with mill-made cloth, it cannot stand on its legs. It is impossible. Japan and our own mills manufactured khadi and the mill-made khadi was sold in competition with hand-made khadi during the Swadeshi movement. Therefore, unless and until you find a radical remedy for this disease, unless and until you ensure that khadi will sell on its merits in the whole of India to the exclusion of mill-made cloth, you will not be nearer a solution. All of us, and not merely Members of this House, must bring about such a mood and atmosphere in the whole of India that we will refuse to wear anything but khadi. Unless we do that, the problem will not be solved. This problem is too deep for solution and any person who has gone and seen these unemployed people cannot but come to the irresistible conclusion that the solution of the problem cannot brook delay any longer.

I heard the speech of the hon. Minister. He was mentioning about cinemas and about villagers walking some miles to see a picture and coming back etc. He gave us an idea that there were some revivalists among us who wanted India to remain as it was some thousands of years ago. I do not know if he referred to some amongst us, but I do not think any Member of this House gave a picture like that. That is a picture which today can be conjured up only in imagination. In modern India, people have improved, shall I say, too much and if you wish to tinker with the problem, they will not hear you. This is nothing but tinkering with the problem. I want the hon. Minister to give me some proposal by virtue of which he would see that unemployment in this country is liquidated. Is this Bill the only solution? If so, I must say that I am not satisfied with it.

**An Hon. Member:** It is a part solution.

**Pandit Thakur Das Bhargava:** If it is a part solution, I am happy with it, and I think it is a part solution. But he must give the whole picture. He has refused to do so. I expected that the man who was responsible for drafting the Constitution would give us something more.

**Shri M. S. Gurupadaswamy:** He has forgotten the Constitution.

**Pandit Thakur Das Bhargava:** But he was responsible for it. How can he

eat his words? He has to give a reply to these unemployed people.

I read the Planning Commission's report. I was not and am not satisfied. They have not given a solution. They have also tinkered with the problem. I wish they had given a solution.

**Sri Velayudhan:** Why do you not give a solution?

**Pandit Thakur Das Bhargava:** It is for my leaders to give. It is for Sri Krishnamachari to give. It is for the Planning Commission to give. I am a numble man. I cannot give any solution. At the same time, I am a follower of these gentlemen, and I want them to give me a satisfactory solution. I am not satisfied with this solution. Why do you not come forward and say that mill-made cloth will be excoriated from the country and we will encourage khadi to such an extent that on its own merits it will sell and mill-made cloth will disappear?

I listened to Mr. Somani. People say mills are making too much profit and the Finance Minister wants now to make an amendment and therefore he was very much unhappy and dissatisfied. I must very humbly tell him that while I am in sympathy with all the industries of my country and I want industrialisation of my country, I do not see any future for khadi so long as textile mill people go on producing more and more mill cloth. The more you produce, the more frustrated I feel, because I know that if the mill cloth is there, you cannot help the cottage industry. The greatest cottage industry is the weaving and spinning industry. I for one would suggest that spinning today is not remunerative and a spinner does not get anything substantial and it is very doubtful if it will at any time become remunerative; and therefore we should give attention and concentrate not merely on weaving but on spinning. If you can make spinning also lucrative, then a solution will be nearer. Otherwise, all this talk of subsidy and giving a living wage to the men who produce khadi etc. leads me to think that even Qaroon's treasure will not suffice to sustain this industry. So, I would like to see that the spinner gets a living wage and good conditions of work. I know it is a rather difficult affair. So far as the produce is concerned, I myself think that, just as Mr. Kelappan read out, those who produce will not be able to wear because if they do they may be economically ruined and yet they will be obliged to wear. So, what is the solution? It baffles my

understanding. The only thing that I am able to say is that ultimately we should make khadi a national industry and we should see that those who are engaged in it get a decent, living wage. This can only be done if we become Swadeshi-minded, not by compulsion, but in spirit and by legislation. I really think that the counterparts of this Bill should have been here. For instance, Government should be able to take up the entire cloth produced by these people, and they should bring a Bill saying that the entire nation will be clothed by this cloth and gradually mill cloth will be excoriated from the country. Today, what happens regarding food? The Madras gentlemen who never knew what wheat was have been forced to take wheat. It has been forced down their throats. Similarly, we in the North never knew what jowar was yet we are forced to take jowar. In a national emergency, all these things are bound to happen. I find my hon. friend Dr. Krishnaswami clothed in woollens and wearing a neck-tie etc. If he wants a solution, then I would force him to use nothing but hand-made cloth. If he is not going to do it, then there is no room for him in India. So, if you want a real solution, then let us go to the logical effect.

**Shri Velayudhan:** Is that democracy?

**Pandit Thakur Das Bhargava:** I want to know what is democracy. Is it democracy for my hon. friend here to get Rs. 40 a day, whereas that man engaged in this industry does not get even 10 pias a day?

If you really mean business and you want to see every person.....

**Shri Velayudhan:** You are also getting Rs. 40.

**Pandit Thakur Das Bhargava:** I do not say I do not get it. What I am saying is that democracy expects that you must put up with some inconvenience. You cannot ignore facts and follow an ostrich like policy. If you look at things squarely it comes to this: you must provide employment for all the people and it can only be done if you have village industries. This is the basic and the most important village industry. Therefore, my humble submission is that this is a very good Bill. I am for it. I want it to be passed without delay. But it does not fully satisfy me.

**Shri Punnoose:** It is with a certain amount of satisfaction that I begin to speak on this Bill. At long last this Bill shows signs of a certain awakening on the part of the Government to the realities of a serious situation. The

[Shri Punnoose]

hon. Minister in his introductory speech also gave signs of a certain awareness on his part that the Bill has certain limitations and that the relief that is demanded of him by the handloom industry will not be forthcoming from this Bill. That recognition of the limitation of this Bill is rather a redeeming feature to my mind, because when once you are aware of the limitations, there is scope for progress.

Well, I consider it much better to confine myself to a very restricted scope. I do not feel myself competent enough to talk about the reordering of our society, or the rearranging of our society on a completely new basis. It is far beyond my scope—mental scope, as well—to imagine in the year 1953 of world market and large-scale commodity production that we can have self-sufficient villages, with absolute faith in *charkha*, khadi and all the rest of it. For the time being I do not allow myself to be worried by these big problems. I shall confine myself to certain immediate problems that face us.

The question of the handloom industry affects ten million people in this country. We on this side of the House are particularly interested in this problem. Time and again this question has been made the subject of public agitation and when I stand here today to speak, I remember the starving lakhs of people, thousands of families in Cannanore, in Chirakal, in Nagarcoil, in Balaramapuram and in various parts of Madras, who demand that something should be done immediately for their needs.

The problem of the handloom industry cannot be tackled in a piecemeal manner. You cannot simply say that you are going to subsidise the industry and thus the whole problem is going to be solved. Well, I remember that a restriction of 60 per cent. was imposed on the mill industry some time back in regard to production of *sarees* and *dhoties*. What really happened? Do you think that it benefited the handloom industry? Not at all. In fact, it benefited the very same gentlemen whose production you wanted to restrict. My hon. friend Mr. Somani went to the extent of saying that they—the textile mill owners—were benefited very much because that helped them to liquidate the old stocks that they had with them.

Now the real question which we have to consider is whether the step envisaged in this Bill will go to any extent to give relief to the handloom workers?

To find an answer to that we have first of all to take stock of the real problems of the handloom industry. Well, I would invite the attention of the House to a passage in the fact-finding Committee's report. The major problem of that industry is the supply of yarn. I am quoting:

"The supply of suitable yarn is a problem of vital importance to the handloom industry. As a raw material it accounts for a considerable portion of the total cost of production of the weaver, ranging from 50 to 60 per cent., or even more according to the counts and quality of the yarn. It is, therefore, clear that the availability of cheap and plentiful yarn is a primary condition of the success of the industry."

Fifty to sixty per cent. of the price of the handloom product is decided by the price of the yarn. So, that is the crux of the problem on the one side.

If you look into the statistics you will see that from 1910 onwards every year the percentage of yarn consumed by the handloom industry has been decreasing and the consumption of yarn by the mills has been increasing every year. During the war we were hearing of yarn scarcity. In places black market prices went thrice and four times the normal price. Today they get the yarn but they cannot sell the product. That is the trouble. So, the primary necessity is that yarn should be supplied cheap to the handloom weaver. What happens is that the mills get it at cost price or very near the cost price, because they have got composite mills. The percentage of composite mills has been increasing all the while. So, can we make the yarn available to the handloom weaver at cost price, or very near the cost price? That is one question.

The second question is this. Handloom produces about 800 million yards of cloth per year. Can we find a market for it? Is it possible for the handloom goods to compete with the large scale production of the mills? That is a scale production of the mills? That is a possibility about which I have no way. What is the way? The solution is very simple. Can Government make it possible to purchase all the handloom goods? Of course the question of master weaver, the question of cooperative societies all these come in. But these are all comparatively of second-rate importance. Eight hundred million yards

of handloom cloth purchased through Governmental agency will certainly land the Government in a loss. At the most the loss will come to Rs. 20 crores. If it is two annas per yard it will come to Rs. ten crores; if it is four annas per yard it will come to Rs. 20 crores. Mind you, this Rs. 20 crores means the existence and sustenance of about 20 million people. Rs. 20 crores is no doubt a big amount. But compared to the relief it gives to 20 million of our people it is not too big.

There is an impression in the public mind as well as elsewhere that this industry is something in the nature of a subsidiary source of income to the people. That is not right. It is not of a supplementary nature. It is the entire source of living for a section of our people. The same Fact Finding Committee (1942) says.

"Hand-weaving has frequently been considered as one of the subsidiary occupations open to agriculturists and pursued by them in their leisure times. Such a view has been expressed in certain census reports and other authoritative publications. But then the great majority of weavers in India, with the exception of Assam, are full-time workers. The proportion of full-time workers is 99 per cent. in Sind, 88 per cent. in Bombay, 87 per cent. in Madras, 81 per cent. in Punjab, 75 per cent. in the United Provinces, 75 per cent. in Bengal, nearly all the weavers of Travancore and Cochin, 97 per cent. in Mysore, and 85 per cent. in Hyderabad."

So it is a matter of life and death to these people. In order to give relief to them we must be able to purchase the whole handloom goods, sell them and make up the loss.

I quite understand that the amount that is proposed to be collected through this cess will be insufficient. However much we might improve upon this Bill, however much we might increase the cess, the demand will not be met. But it is one of the elementary duties of this Government to meet this demand. It is not a question of the place of the handloom industry or the cottage industry in our national economy. It is not a question of reorganising the economy of this country. But it is a vital and immediate problem because of the very important position it occupies in our national economy at the present time. I would bring to the notice of the House.....

**Mr. Chairman:** May I suggest to the hon. Member to address me?

**Shri Punnoose:** I am sorry, Sir. But that is because once in six months or so I am called!

**Mr. Chairman:** I do not object, but at least the form should be maintained.

**Sar. Punnoose:** So, Sir, the cess now contemplated to be imposed will be very insufficient to meet the demands. The three pies of cess that is going to be collected will at the most come to Rs. six crores. But as a matter of fact we want much more.

Then this cess is going to be imposed on all types of mill-made cloth. It is going to be imposed, according to the Bill, on coarse and semi-coarse cloth also. That will not serve any purpose. That will be just robbing Peter to pay Paul. We are of opinion that coarse and semi-coarse cloth should not be taxed. Fine and superfine cloth should be taxed, and a little more. They may be taxed one anna and one and a half annas per yard respectively. And then, with that amount, and also with an additional amount contributed by the Government we may begin doing something immediately.

The question of the master-weaver and the worker does not arise in this context. But it should be noted that to an increasing degree handloom has been taking the shape of an industry and in Bombay, Malabar and other places it has gone on in a big industrial way. I am told that 30 to 40 per cent. of the total production of the handloom industry is now coming out from medium and big factories. Such being the case, the first section that has to be cared for is the worker, the unemployed worker. The factories have been closed down and the workers are out of employment for a long time. With this money the Government should begin giving unemployment relief to the workers. The workers previously employed by master-weavers too have to be given relief. And then there is the small producer, the producer with one loom, two looms and three looms. He has to be taken particular care of and has to be subsidised immediately so that he can start production.

But when all is said and done, unless and until we are able to find some agency through which the whole handloom product can be purchased and markets found and the product sold, there is no use. I do not claim that this can go on for a long time. I do not

[Shri Punnoose]

claim that this is a final solution of the problem. I do not even claim and I cannot exactly see how this handloom industry can be easily accommodated in the order of tomorrow. But for today this is the only correct approach. And, if the signs of awakening that I see are really signs of awakening and not waking up between two sleeps, I hope that what I have said will be taken note of and that bold steps will be taken to give immediate relief and help to the handloom industry.

**Shri T. S. A. Chettiar** (Tripura): The history of this handloom industry has been a heart-rending one. Today it is passing through a very miserable time. We know of cases—I personally know of cases—where suicides have happened because of want of employment and want of food. And so this Bill has not come one whit too early.

The problem of all industries is one of marketing, and naturally the problem of this handloom industry is also mainly one of marketing. In this matter I am anxious that the Government should come to conclusions definitely about what their policy is. If the handloom industry is to live, let us make up our mind about it. Any luke-warm support to it will not only end in not giving support properly, but also it will not be useful, it will not be effective. And so what we have to face today is not whether we shall subsidise the handloom industry and to what extent. And personally I feel that subsidising by way of money creates an outlook, and a slavish mentality, which I would not like to encourage in any industry.

What I would like to do is let us find out in what ways it can be helped. In the last one and a half centuries mills have competed with handloom, with spinning. Hand-spinning could be brought about only in the wake of a national movement by a great supreme personality like Mahatma Gandhi. But the handloom has lived and I am sure it will continue to live because it has within it certain stamina with which it can compete with mill products. But today it is not able to compete. We can by giving a prop here, by giving it help here and there, make it live, on its own merit. That is the only way in which we can give lasting benefit to this great industry.

The number of people it gives employment to is more than one crore, nearly three per cent. of our population. It is much more than the employment of labour that textile mills give

today. And so let us be seized of the importance of this question and let us go into the fact as to how best we can give it a permanent support. From time to time, suggestions have been made and I for one agree with my great leader, Shri Rajagopalachari that it is good, it will be useful, it will be of lasting benefit to this country that a large portion of weaving should be restricted to handloom and in my opinion, that is a way in which you can permanently set apart marketing facilities for this industry. In this I would like the Government to make clear its policy. One of the members of the Planning Commission told me that it is the accepted policy of the Government that they will not encourage composite mills hereafter. By composite mills, they mean mills producing both spinning and weaving and that this will not be encouraged, and that hereafter they will not give licences for weaving looms in spinning mills. It has come to my Knowledge that certain mills have been recently given permission. That permission might have been given before the order effect to which was issued. I would like to know from the Government the enunciation of their policy in this matter, whether it is their policy to encourage powerlooms and at the same time bring forward this Bill to encourage handlooms. Both cannot go together. Both are contradictory and unless we say that certain types of cloth are entirely reserved for handloom and certain types of cloth for powerlooms, we cannot achieve our object. To my mind it is proper, it is good that we should have clarity of objective as to what we mean by the handlooms. Once we get the clarity of objective, then it will be time enough to implement them. I hope when the time for the reply comes, Government will give an indication of their policy in the matter, the objective towards which they are striving. That will go a long way to solve the problem. That will also go a long way for the people in the mills to understand the policy of the Government so that they will be able to co-operate with that policy.

I referred to the matter of marketing. Certainly co-operative societies can be utilised by weavers to come together for effective marketing but in this matter I have been troubled by one aspect. When the price of cotton went low—I think I am right—it was thought that the mills would suffer a great deal by the fluctuations in the price of cotton and it was proposed that the Government should invest a large amount of money in the purchases of



cotton, to prevent the price of cotton going down further.

**Shri T. T. Krishnamachari:** I do not know what you are saying.

**Shri T. S. A. Chettiar:** If I am wrong, I may be corrected. When there is a large glut in the market, when crores of rupees worth of handloom cloth is not being sold in the market, one of the ways by which Government can help the handloom industry is by purchasing all this handloom cloth, keep it as a Sales Society would do and sell it at times when there is demand. These handloom weavers today live from hand to mouth. Every day they go to the market. Today they are not even getting the price of yarn which they have paid but if there can be a marketing organisation, if there can be a Sales Society which can purchase and sell at times when markets are available, then that will be a great help to the handloom weavers throughout the year.

One other matter, Sir. In the case of handlooms, efficiency must be safeguarded. I find a disturbing phrase here. It is stated:

“handloom cloth’ means any cloth woven from any material including silk, artificial silk, staple fibre.....”

This staple fibre was largely imported into the country when yarn was in short supply. Many of the weavers who had used staple fibre, and whom I met, told me that it looks nice to look at, but after one or two washes it becomes so bad that they are ashamed to sell such goods to the customers. They told me that the ordinary consumer who purchases this does not get his money’s worth. They asked me whether we cannot ban this staple fibre from being imported into this country. Not only does it not give the money’s worth, but it also spoils the credit of the handloom weavers. Whatever can be done to raise the quality of the handloom cloth should be done so that the weaver may not get a bad name, out of the material that he uses or from anything else. In my experience, this staple fibre has considerably lowered the esteem of handloom cloth in this country. I was having a talk with my hon. friend Mr. T. T. Krishnamachari. He told me that staple fibre is used for borders. I wonder whether we should ever import a foreign basic raw material like this into India. This is of very doubtful value...

**Shri T. T. Krishnamachari:** A staple fibre factory is coming up at Nagpur. My hon. friend will realise that this fibre might be used.

**Shri T. S. A. Chettiar:** Will you give me an assurance that it would not be imported?

**Shri T. T. Krishnamachari:** The point is, the hon. Member has had a bad experience. But, staple fibre is not such a bad commodity as he seems to think.

**Shri N. Sreekantan Nair:** (Quilon *cum* Mavelikkara): He confuses it with artificial silk.

**Shri T. S. A. Chettiar:** I do not say that. I speak with great experience; but, it is with some experience.

**Shri T. T. Krishnamachari:** It has been a bad experience. I did not say that the hon. Member has no experience. It may be that the particular commodity imported then turned out to be bad. Generally, it is not bad.

**Shri N. Sreekantan Nair:** It is artificial silk; not fibre.

**Shri T. S. A. Chettiar:** Our objective should be to help them in all possible ways, by finding them a market, so that they may stand on their own legs and not depend eternally upon subsidies from the Government.

I have seen the composition of these Boards. Government have recently by their Resolutions constituted the Khadi Board, the Handloom Board and the Cottage Industries Board. I was interested in noting the personnel of these Boards. I believe one of the reasons for choosing any person must be that he should have good wishes towards the handloom industry and the faith that it can live. I find in the list a few persons, at least one, who has very plainly told me—and I am sure he has told many others also—that the handloom is not worth living, that it is bound to go, and that by all these subsidies that you give, you cannot make it live again. The first qualification of anybody entrusted with a work must be that he should believe in it. I hope the Government will take care to put, not only on the Board, but also in the case of officers who are going to work, people who have got faith in the handloom, and not people who feel that the handloom is bound to be destroyed in course of time. A few persons at least who are Members of that Board are not people about whom I have had very encouraging information.

One more technical matter. Clause 4 says:

“The Central Government may utilise the net proceeds of the duty of excise levied under this Act for meeting the costs of such measures.....”

[Shri T. S. A. Chettiar]

May I know how the proceeds of the cess contemplated in this Bill are to be utilised for khadi and for handloom? The Government of India have set forth Rs. one crore for khadi and Rs. one crore for handloom. Can they give us an idea how the cess will be divided between these two? While the income is nearly Rs. five crores in a year, Rs. one crore for each has been allotted.

**Shri T. T. Krishnamachari:** It is a token allotment. Hon. Member who has been Minister will know that when we do not know exactly what we are getting, we ask for a token allotment. Further allotment will be made later.

**Shri T. S. A. Chettiar:** I perfectly understand what the hon. Minister is saying, viz., that it is a token allotment. I hope he will let us know in what proportion it is proposed to divide the money between khadi and handloom, whether it is half and half, or any other proportion. That also may be made clear. I have nothing more to say.

**Shri G. D. Somani (Nagaur-Pali):** I am aware of the fact that this Bill has received almost unanimous approval from all sections of the House, and if I rise to oppose the Bill, I must at the very outset make it quite clear that I am not in any way opposed to the principle of giving the utmost possible aid for the rehabilitation of our handloom industry. The issue that the millions of our people are in distress and should receive the maximum possible aid from our national Government is not under controversy. What I respectfully want to point out is that the issue should be taken in its proper perspective. Why to rehabilitate one section of the industry, the other section of the industry should be penalised is a matter which should receive the dispassionate consideration of the House.

So far as the excise duty on cloth is concerned and so far as the capacity of the industry to bear that excise duty is concerned, that is an annual feature of the Finance Bill and the Finance Minister every year takes into account the utmost taxable capacity of the industry and he regulates the excise duty according to the circumstances that prevail in the country at the time when he formulates his budget proposals. But here, it is a very novel Bill before us which seeks to impose a permanent burden of Rs. six crores on the industry without taking into consideration whether at any time in the future or

even at present the industry is in a position to bear this additional burden or not.

**Shri T. T. Krishnamachari:** The industry does not bear it.

**An Hon. Member:** It is the consumers who bear it.

**Shri G. D. Somani:** I am told that the industry does not bear it, but is the Minister in a position to give an assurance that if tomorrow the industry begins to make losses, the cess of three pies will not be collected from the industry. So far as decontrolled varieties are concerned, the cess has to be taken into consideration in fixing the selling price, and if the consumers are not able to pay the prices which will be remunerative to the mills, then what will be the position of the industry? Who will pay? Is it the industry or the consumer who has to pay?

**Shri T. T. Krishnamachari:** If 90 per cent. of the profits of the mills are handed over to me, I will underwrite the industry's losses.

**Shri G. D. Somani:** There has been so much bitter experience by the industry of this excise duty under foreign rule that I wanted to raise this issue when this vital Bill is being considered. The excise duty which was imposed on this industry during foreign rule was not abolished till all the Bombay Mills went on strike for six months, and ultimately the Viceroy of India, somewhere about 1928, had to rescind this excise duty and come to the rescue of the industry. Instead of having such a heavy impost of Rs. six crores on the industry, why not simplify the whole procedure? Why only Rs. six crores? Why not if necessary, take out Rs. 20 crores from the general revenues for this purpose? If that is necessary for the rehabilitation of the handloom industry, by all means provide that amount from the general revenues, and tax all the industries and all the different sectors of the community, according to their ability to bear the burden. The issue, as I said at the outset, is not one of helping the cottage or the handloom industry to stand on its own feet. But when you are placing a Bill of this nature permanently on the statute book, then you are departing from the principle of the capacity of the industry to pay. As I said earlier, we have had a bitter experience of these levies and taxes. Whenever the industry is in difficulty,

the question of continuing these levies and taxes should be reconsidered. As the report of the Ministry itself shows, the sellers' market has now converted itself into a buyers' market. There is a general recession all round. The purchasing power of the people is low. There is consumer resistance. It is in the context of the fall in prices that these burdens continue to be levied. If you see the history of the past four or five years, as the brochure of the Bombay Millowners' Association clearly brings out, about Rs. 54 crores' additional burden per year has been imposed on the industry, in the shape of these levies, excise duties, sales tax, and similar other levies for ameliorating the condition of labour etc. These levies have come one after the other, and they are coming at a time when the consumer resistance is increasing.

I was really very much surprised when I heard the opening remarks made by the hon. Minister, while introducing the Bill, that he had not a word to say about the capacity of the industry to pay, and whether the capacity of the industry will be reviewed from time to time, and whether this cess will be withdrawn when the industry suffers losses, and whether Government would do anything to help the industry.

So far as the remarks made by the hon. Members are concerned, I listened with all great respect to our veteran Member Pandit Thakur Das Bhargava, who was bold enough to say that he would rather like the Government of India to ban the entire mill cloth for use by the general public. I would not like to enter into a controversy with such an eminent personality. It is left for the Government to decide, in the context of the present economy, how far it will be feasible to put his proposal into practice, and whether we want to revert to the bullock-cart-economy. When we are talking of raising our living standards, and when we want our people to be more adequately clothed, to talk about the handloom industry being able to clothe the people of India seems to me to be really something quite divorced from the context of the present day world.

Then, there are talks about reservation of certain sorts for the handloom industry. As one of my hon. friends was saying just a while ago, the handloom industry has not at all benefited from this reservation. The question whether penalising the industry by restricting their production to certain

sorts only, would result in any corresponding benefit to the handloom weavers, is one which should have been properly investigated, before talking about all sorts of reservations. As was pointed out at the time of the Budget speech, the hon. Minister himself was very much sceptical about the move. He also said in one or two of his public speeches that the interests of the consumers were supreme, and that this policy of restriction on the production by the mills was not the proper way to assist the handloom industry. So far as the restriction of *dhoties* is concerned, there seems to me, to be some misunderstanding that it has benefited the textile industry. At a time when this was introduced temporarily, some of the stocks which the mills had might have been cleared. But the fact remains that the mills are suffering at present by having been prevented from producing something which was their regular feature of production. While the public are switching more and more to certain other varieties of cloth like long cloth to replace *dhoties*, the mills—as a matter of fact, those mills which used to have hundred per cent. of their production in *dhoties* and *sarees*—are suffering very terribly. So, talks about extending the reservation or levying a cess on the industry have to be viewed in the proper perspective—whether the textile industry is to carry on, or whether the textile industry has, to function smoothly and whether it has an important place in our national economy or not. So what I want to submit is this, that we are acting on sentimental considerations.

7 P.M.

An Hon. Member: No.

Shri G. D. Somani: Government have certain constructive measures with them. So many Committees and so many Commissions have inquired into this matter. But I would like to know from the hon. Minister what his department has done during the last four or five years in taking these really constructive measures to help the handloom industry. There is the question of increased technical aid, there is the question of cooperative marketing, there is the question of aiding the handloom industry in production of specialised sorts, there is the question of expansion of export markets for the handloom industry—there are so many constructive ways and I think I can say without any fear of contradiction that the Government departments concerned have failed miserably in giving this series of constructive help, which they could easily have given, to ameliorate and help the handloom industry. The

[Shri G. D. Somani]

fact is that while the Government departments concerned have not been rendering all the constructive assistance to the handloom industry, it has certainly been very easy to bring in a Bill of this nature whereby by one stroke of the pen they seek to impose a burden of these six crores of rupees, but it remains doubtful whether the real aim of this Bill to utilise this amount for the proper benefit of the handloom industry will be realised.

So I do submit that the question of the industries' and business bodies' approach to this problem should not be misunderstood. We are all in favour of a Welfare State. We also know that millions of people are engaged in this industry and deserve all possible help and encouragement. As I said at the outset whatever utmost capacity the various sections of our sector can bear—to contribute to our general revenues—is a matter which the Finance Minister decides at the time of placing the budget proposals before the House. Therefore, instead of bringing about such a sort of special legislation, let the Government come to the help of the handloom industry out of general revenues. I mean whatever assistance or subsidy or other sort of help is necessary for the handloom industry should be given from the general revenues and the textile industry or any other industry may well bear the burden to utmost of its capacity, as it has already been doing. We know there is a small surcharge on cotton, on jute, on coffee, on sugarcane and on so many other commodities. But the principle there is that the proceeds of such cess go to the benefit of the same industry. I can understand a cess for the rehabilitation of the textile industry or for some kind of research work for the industry. But this is rather a very unprecedented and novel measure of penalising one industry to improve the other industry which may really be termed competitive. So this whole principle of the Bill is wrong. When I say I am opposed to this Bill, as I have said more than once, and I will repeat it again, before I sit down, we are not in the least opposed to any amount of help or assistance being given to the handloom industry. Both the industries, i.e. the handloom industry and the textile industry, have continued to live together for quite a long time. They are in a sense complimentary to one another and there is no reason why the handloom industry should not also live in future. It has a definite place of importance in our national economy and the textile industry will in all respects be cooperative with the Government in

giving all sorts of assistance to the handloom industry.

As hon. Members are aware, the textile industry is playing a vital role in supplying yarn at a very cheap price to the handloom industry for a very long time. (*Interruptions*). Yarn supply and prices are controlled by the Government and the mills are compelled to give their production to the full requirements of the handloom industry. They are thus making a vital contribution already to the rehabilitation of the handloom industry and I see no reason why a Bill of this nature which seeks to impose this unprecedented burden on the industry in the context of the present falling prices, recession and the consumers' resistance, should be brought forward. So I would like the hon. Minister to consider the implications of this Bill and to give an assurance at least that the capacity of the industry to pay will always be the dominating factor for any sort of such burden, and whenever an occasion arises—and I say that this occasion is coming shortly as the present circumstances do indicate that the consumers' resistance is there and that the consumers are not in a position to pay these additional levies, and excise—the Government should take adequate care that the industry is not unduly penalised and the approach of the industry is not misunderstood either by the Government or by the hon. Members.

**Mr. Chairman:** Before I adjourn the House, I find there are a large number of Members who want to take part in the discussion of this Bill, which is no doubt an important one.

By reference to the business that is fixed on the Order Paper it appears on the 6th and 7th we will finish the consideration of the Demands for Grants. On the 7th evening the Appropriation Bill will be introduced. I propose that on the 8th after the Appropriation Bill is taken up and finished—I hope that the Appropriation Bill after the consideration of the Demands for Grants which has taken such a long time will not take much time—we take up the consideration of the present Bill which is under discussion today. There will be time because I do not think there will be much discussion on the Appropriation Bill as the scope for discussion on that Bill is very limited.

On the 7th the Appropriation Bill will be introduced after the Demands for Grants are over. On the 8th the Appropriation Bill will be taken

up and finished. And then, after that this part discussed Bill will be taken up. According to the proposed order of business, this will be there on the 8th. Subsequent arrangements will be made and this will be taken up on the 8th after the Appropriation Bill.

The Finance Bill will then come up and will be taken up on the 8th, 9th, 14th and 15th.

The House will now stand adjourned till 2 P.M. on Monday.

The House then adjourned till Two of the Clock on Monday, the 6th April, 1953.

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