

# **ESTIMATES COMMITTEE 1964-65**

## **SIXTIETH REPORT**

**(THIRD LOK SABHA)**

**MINISTRY OF INDUSTRY**

**Action taken by Government on the recommendations  
contained in the 163rd Report of the Estimates  
Committee ( Second Lok Sabha ) on the late  
Ministry of Commerce and Industry—Office of  
the Textile Commissioner.**

**(Part II)**



**LOK SABHA SECRETARIAT  
NEW DELHI**

***May, 1964***  
***Vaisakha, 1886 (Saka)***

***Price : Re. 0.35 nP.***

# LIST OF AUTHORISED AGENTS FOR THE SALE OF PARLIAMENTARY PUBLICATIONS

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
<b>ANDHRA PRADESH</b>			15.	The International Book Service, Deccan Gymkhana, Poona-4	26
1.	Andhra University General Cooperative Stores Ltd., Waltair (Visakhapatnam)	8	16.	Charles Lambert and Company, 101, Mahatma Gandhi Road, Opp. Clock Tower, Fort, Bombay	30
2.	G. R. Lakshminpathy Chetty & Sons, General Merchants & News Agents, Newpet, Chandragiri, Chittoor District	94	17.	The Good Companions, Rasputra, Baroda	34
<b>ASSAM</b>			18.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1	6c
3.	Western Book Depot, Panbazar Gauhati	7	19.	Deccan Book Stall, Ferguson College Road, Poona-4	65
<b>BIHAR</b>			20.	The New Book Company (P) Limited, Kitab Mahal, 188-90, Dadabhai Naoroji Road, Bombay	73
4.	Amar Kitab Ghar, Post Box 78, Diagonal Road, Jamshedpur	37	<b>MYSORE</b>		
5.	'Jagriti', Bhagalpur-2.	72	21.	Makkalapustaka Press, Balamandira, Gandhi Nagar, Bangalore-9.	69
<b>GUJARAT</b>			22.	People's Book House, Opp. Jaganmohan Palace, Mysore-1	71
6.	Lok Milap, District Court Road, Bhavnagar.	16	23.	Pervaje Book House, Koppikar Road, Hubli.	84
7.	The New Order Book Company, Ellis Bridge, Ahmedabad-6.	63	<b>ORISSA</b>		
<b>MADHYA PRADESH</b>			24.	The Cuttack Law Times Office, Cuttack-2	12
8.	The National Law House, Near Indore Library, Opp. Old High Court Building, Indore	29	25.	Ekama Vidyabhaban, Eastern Tower, Room No. 3, Bhubaneswar-1.	55
9.	Modern Book House, 286, Jawahar Ganj, Jabalpur-1.	41	<b>PUNJAB</b>		
<b>MADRAS</b>			26.	The English Book Depot, 78, Jhoke Road, Ferozepore Cantt.	74
10.	The Kalpana Publishers, Booksellers, Trichinopoly-3.	24	<b>RAJASTHAN</b>		
<b>MAHARASHTRA</b>			27.	Information Centre, Govt. of Rajasthan, Tripolia, Jaipur City	38
11.	The Imperial Book Depot, 266, Mahatma Gandhi Road, Poona	4	<b>UTTAR PRADESH</b>		
12.	The Popular Book Depot, Lamington Road, Bombay-7	5	28.	Swastik Industrial Works, 59, Holi Street, Meerut City	
13.	M/s Sunderdas Gianchand 601, Girgaum Road Near Princess Street, Bombay-2.	6			
14.	The International Book House (Private) Ltd., 9, Ash Lane, Mahatma Gandhi Road, Bombay-1.	22			

## CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE . . . . .	ii
INTRODUCTION . . . . .	v
I. Report . . . . .	1
II. Recommendations that have been accepted by Government . . .	2
III. Recommendations which the Committee do not desire to pursue in view of the Government's reply . . . . .	13
V. Recommendations in respect of which final replies of Government are still awaited . . . . .	18
APPENDIX :	
Analysis of the action taken by Government on the recommendations contained in the 163rd Report (Second Lok Sabha) of the Estimates Committee . . . . .	19

## **ESTIMATES COMMITTEE**

**1964-65**

### **CHAIRMAN**

**Shri Arun Chandra Guha**

### **MEMBERS**

- 2. Shri Bhagwat Jha Azad**
- 3. Shri C. K. Bhattacharyya**
- 4. Major Rajabahadur Birendra Bahadur Singh of Khairagarh**
- 5. Shri Brij Raj Singh**
- 6. Shri Jagannath Rao Chandriki**
- 7. Shri Chuni Lal**
- 8. Shrimati Ganga Devi**
- 9. Shri P. K. Ghosh**
- 10. Shri Gauri Shanker Kakkar**
- 11. Shri L. D. Kotoki**
- 12. Shri Lalit Sen**
- 13. Shri M. Malaichami**
- 14. Shri Jaswantraaj Mehta**
- 15. Shri Bakar Ali Mirza**
- 16. Shri Mohan Swarup**
- 17. Shri K. L. More**
- 18. Shri Shankarrao Shantaram More**
- 19. Shri M. S. Murti**
- 20. Shri D. J. Naik**
- 21. Shri P. K. Vasudevan Nair**
- 22. Shri K. Rajaram**
- 23. Chowdhry Ram Sewak**
- 24. Shri Bishwanath Roy**
- 25. Shri P. G. Sen**
- 26. Shri Prakash Vir Shastri**
- 27. Shri H. Siddananjappa**
- 28. Shri Ramachandra Ulaka**
- 29. Shri R. Umanath**
- 30. Shri N. M.. Wadiwa.**

### **SECRETARIAT**

**Shri Avtar Singh Rikhy—Deputy Secretary.**

## INTRODUCTION

I, the Chairman, Estimates Committee, having been authorised by the Committee present this Sixtieth Report on action taken by Government on the recommendations contained in the 163rd Report of the Estimates Committee (Second Lok Sabha) on the late Ministry of Commerce and Industry—Office of the Textile Commissioner (Part II).

2. The 163rd Report of the Estimates Committee was presented to the Lok Sabha on the 27th March, 1962. Government furnished replies indicating the action taken on the recommendations contained in the Report on the 11th December, 1962.

3. Replies to the recommendations were considered by the Study Group 'D' of the Estimates Committee (1963-64) on the 30th August, 1963. Further information in respect of Government's replies to 3 recommendations was called for on the 6th September, 1963 and was received from Government on the 2nd November, 1963. This was considered by the Study Group 'D' of the Estimates Committee on the 30th August, 1963.

The draft Report was adopted by the Committee on the 4th May, 1964.

4. The report has been divided into the following four Chapters:—

I. Report.

II. Recommendations that have been accepted by Government.

III. Recommendations which the Committee do not desire to pursue in view of the Government's reply.

IV. Recommendations in respect of which replies of Government have not been accepted by the Committee.

5. An analysis of the action taken by Government on the recommendations contained in the 163rd Report (Second Lok Sabha) of the Estimates Committee is given in the Appendix. It would be observed therefrom that out of 27 recommendations made in the Report, 17 recommendations i.e., 62·9 per cent have been accepted by Government and the Committee do not desire to pursue 9 recommendations i.e., 33·3 per cent in view of the Government's replies. Reply of Government in respect of the remaining 1 recommendation i.e. 3·8 per cent has not been accepted by the Committee.

NEW DELHI;

May 6th 1964.

Vaisakha 16, 1886 (Saka).

ARUN CHANDRA GUHA,

*Chairman,  
Estimates Committee.*

## CHAPTER I

### REPORT

The Estimates Committee (1962-63) presented the 163rd Report on the Office of the Textile Commissioner on Handloom and Powerloom Industries in March, 1962. They are glad to observe that the recommendations contained in the Report have been generally accepted by Government. There is only one recommendation, reply to which has not been accepted by the Committee. Their comments are contained in the following paragraph.

2. In para 13 of the 163rd Report on the Handloom and Powerloom Industries, the Committee gave particulars of grants paid by Government to private parties during 1953-54 to 1960-61 (Annexure III of 163rd Report) and suggested that the criteria governing the sanction of grants on merits to private parties under the centrally sponsored schemes of development of handloom industry may be formally laid down and suitably publicised.

Government have stated in reply that financial assistance had been provided in the past by the All India Handloom Board in a limited number of cases to individuals engaged in developing improved devices capable of increasing the productivity of the loom or improving the quality of products. It is further stated that the assistance could be related only to the nature and type of the invention, the progress of the experiments conducted and the experimental work to be undertaken before the invention was completed. Government have, therefore, felt that no absolute criteria could be laid down in regard to the schemes of that nature.

*The Committee consider that as in some cases, the amount given by way of grants in a year to an individual was as high as Rs. 18,000 and to a corporate body Rs. 80,000, it would obviously be desirable to lay down some principles to regulate sanction of such grants.*

## CHAPTER II

### RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

#### Recommendation (Serial No. 1)

*The Committee observe that the life of the All India Handloom Board viz. two years, laid down is not being followed in practice and that the period itself has been specified in only one of the several notifications from time to time for reconstituting the Board. They suggest that the life of every reconstituted Board may be formally laid down and mentioned each time in the notification and strictly observed. (Paragraph 2).*

#### REPLY OF THE GOVERNMENT

The Handloom Board was first constituted in October 1952. Since then it has been reconstituted four times i.e. in September 1954, February 1957, November, 1958 and January 1961. No specific term of office was laid down in the earlier stages. The two-year term was specified for the first time when the Board was reconstituted in November, 1958. The term of this reconstituted Board ended on 26th November, 1960. After a lapse of two months the next Board was appointed on 27th January, 1961 with a term of two years which expires on 26th January, 1963. The recommendations of the Estimates Committee about notifying the term of the Board and strictly observing the same have been noted for action.

[Ministry of Commerce and Industry O.M. No. 17(2).Tex(B)/62, dated the 10th/11th December, 1962].

#### Recommendation (Serial No. 2)

*The Committee feel that the present membership of the All India Handloom Board is on the high side. If the Standing Committee of twelve members could have plenary powers and take decisions on 'all matters', there is no reason why the Board should be larger and unwieldy merely for observing, as it were, a formality of giving representation to all allied interests and areas. The Committee suggest that with a view to ensuring business-like deliberations of the Board, its total membership may be reduced without affecting vital representative interests. (Paragraph 3).*

#### REPLY OF THE GOVERNMENT

The membership of the Board since its first appointment has been as under :—

October, 1952	19 members
September, 1954	42 members
February, 1957	44 members
November, 1958	56 members
January, 1961	57 members

The increase in the membership was considered necessary on account of (i) introduction of Reserve Bank Scheme of handloom finance in April, 1957, (ii) increasing accent on exports and (iii) problems relating to the silk and woollen sectors of the handloom industry. It was felt necessary to give adequate representation to the Central Government, Planning Commission, various States, woollen industry, silk industry, exporters, mill industry, financing institutions, Economists, art silk industry and the handloom industry outside co-operative fold.

The recommendations of the Estimates Committee about the reduction in the membership, without affecting vital representative interests are being kept in view in reconstituting the Board as from January, 1963.

[Ministry of Commerce and Industry O.M. No. 17(2)-Tex(B)/62, dated the 10th/11th December, 1962].

### Recommendation (Serial No. 3)

*Since a large percentage of handlooms are situated in the South while the headquarters of the All India Handloom Board being part and parcel of the Textile Commissioner's Office, is situated at Bombay, adequate powers may be devolved on the Regional Directors and the State Governments concerned obviating the necessity of their having to make frequent reference to the Textile Commissioner on various matters connected with the handlooms. (Paragraph 4).*

### REPLY OF THE GOVERNMENT

The State Governments have already been authorised to issue sanctions for 'continuing' schemes without reference to the Board. Only new schemes require prior technical approval of the Board. The Planning Commission is also considering simplification of pattern and procedures of Central assistance to State Governments. Instructions in regard to the pattern of assistance in respect of schemes to be implemented by weavers co-operative societies have already been indicated to the State Governments by the Planning Commission. The Commission has indicated that magnitude and form of assistance for schemes to be implemented directly by the State Governments need not be determined by the pattern for individual schemes. These and other instructions that are likely to be issued would enable the State Governments to take action independently making it possible to reduce to the minimum reference to the Board.

The Regional Offices of the Textile Commissioner have been assigned specific duties in regard to the handloom industry and to work in close collaboration with the State Governments and the Handloom Board Secretariat.

[Ministry of Commerce and Industry O.M. No. 17(2)-Tex(B)/62, dated the 10th/11th December, 1962].



### **Recommendation (Serial No. 4)**

(i) *The estimate of handloom production at the end of the Third Plan as 2,800 million yards may be over optimistic as it is unlikely that an increase of over 900 million yards in production can be achieved in five years when the achievement in this behalf in the Second Five Year Plan was only 400 million yards.*

(ii) *The Committee are therefore unable to place any reliance on the estimates of production in the Third Plan made by the Working Group (Study Team) for Handloom Industry (1959) and would reiterate the need for making a precise assessment of production of handlooms and powerlooms in the decentralised sector. (Paragraph 6).*

### **REPLY OF THE GOVERNMENT**

As against an anticipated increase of 700 million yds. in the production of handloom fabrics during the Second Plan period, the increase achieved as per estimates for the year 1960-61 has been 459 million yards. The State Governments have been asked to furnish the yearwise targets in respect of their States for the Third Five Year Plan so that the target for the Third Plan of 2,800 million yards is achieved.

As regards estimates of production by the handloom industry, steps are being taken to ascertain the delivery of free yarn to the powerloom and the handloom industry which would give a fair estimate of the production in these two sectors.

[Ministry of Commerce and Industry O.M. No. 17(2)-Tex(B)/62, dated the 10th/11th December, 1962].

### **Recommendation (Serial No. 5)**

*The Committee suggest that the success of the various schemes of assistance for development of handloom industry implemented during the Second Plan period, particularly those mentioned in para 9 of the Report, may be evaluated. (Paragraph 9).*

### **REPLY OF THE GOVERNMENT**

The Working Group (Study Team) for the handloom industry (1959) has also recommended that the All India Handloom Board should have, on its organisation, adequate machinery, both at the Headquarters and at the Regional levels, to make a comprehensive study of the impact of the development schemes. The question of appointing such a machinery is under consideration.

[Ministry of Commerce and Industry O.M. No. 17(2)-Tex(B)/62, dated the 10th/11th December, 1962].

### FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

*It may please be stated if a final decision has since been taken in the matter.*

*[Lok Sabha Secretariat O.M. No. 32(2)/62.EC, dated the 6th September, 1963]*

### FURTHER REPLY RECEIVED FROM GOVERNMENT

The machinery envisaged has not yet been set up. It may, however, be mentioned that the Government of India have recently set up a Working Group on Handloom and this Working Group with doubtless evaluate the impact of the various Handloom Development Schemes also.

*[Ministry of International Trade O.M. No. 2(2)Tex(c)/62, dated the 2nd November, 1963]*

### Recommendation (Serial No. 6)

*The Committee are inclined to share the view of the Working Group (Study Team) for the Handloom Industry, 1959 that in the choice of the various schemes of selling units and in deployment of the financial outlay thereon the State Governments which are charged with the responsibility of implementing the schemes should be allowed the necessary flexibility. As marketing is the crux of the problem of handloom industry, they recommend that an early decision should be taken on the above suggestion of the Working Group which is stated to be under the consideration of Government. (Paragraph 10).*

### REPLY OF THE GOVERNMENT

The recommendation of the Working Group that a block grant of 1·5 per cent. of the turn-over within the co-operative production fold should be sanctioned to State Governments for expenditure on the selling units has been considered by the Planning Commission. The Planning Commission, is of the view that in respect of schemes for selling units taken up directly by the State Governments, the magnitude and form of assistance by the Central Government to the State Government will not be determined by the pattern of individual scheme. The Planning Commission have also observed that the total amount of central assistance for phased State plan outlays will have to be determined on the basis of assessment of the financial position of the Central Government, the various commitments which the Central Government has to fulfil, flow of external resources and other relevant considerations. The Planning Commission aims to indicate to the States every year during the Third Five Year the total amount of Central assistance as also the amounts of grants that may be available in connection with the State's annual plans. The Planning Commission is making efforts to continue to simplify patterns and procedures of assistance to individual cooperatives and other institutions specially in those fields in which the programmes are carried

out with the help and guidance of the All India Boards. The Planning Commission have suggested that in regard to schemes for selling units to be taken up by the Co-operative Societies the pattern outlined by the Commission might be given a fair trial for at least one year. The implications of the Planning Commission's observations are being examined and necessary instructions will be issued to the State Governments.

[Ministry of Commerce and Industry O.M. No. 17(2)-Tex(B)/62, dated the 10th/11th December, 1962].

#### **Recommendation (Serial No. 7)**

*The Committee suggest that the All India Handloom Board may keep a watch over the implementation of quality control schemes for handlooms by State Governments so that as far as possible there is uniformity of standards. (Paragraph 11).*

#### **REPLY OF THE GOVERNMENT**

The Working Group (Study Team) for the Handloom Industry had stated that a detailed scheme of quality control should be evolved for uniform adoption by the State Governments. It had added that the scheme be confined to specified varieties and implemented in selected areas. The question of drawing up a detailed scheme is under consideration at present.

[Ministry of Commerce and Industry O.M. No. 17(2)-Tex(B)/62, dated the 10th/11th December, 1962].

#### **FURTHER INFORMATION CALLED FOR BY THE COMMITTEE**

*It may please be stated if a detailed scheme has since been drawn up. If not, the date by which it is expected to be drawn up may please be stated.*

[Lok Sabha Secretariat O.M. No. 32(2)/62, EC, dated the 6th September, 1963].

#### **FURTHER REPLY RECEIVED FROM GOVERNMENT**

A detailed scheme of quality control has already been drawn up and circulated to the various State Governments for implementation—vide All India Handloom Board's letter No. HB/10-61(WGR)/VI/C-80, dated the 31st August, 1962.\*

[Ministry of International Trade O.M. No. 2(2)Tex(c)/62, dated the 2nd November, 1963].

#### **Recommendation (Serial No. 8)**

*The Committee hope that marketing surveys of handlooms would be undertaken elsewhere in the country after studying the results of the present survey in Coimbatore. (Paragraph 12).*

---

\*Not printed.

### REPLY OF THE GOVERNMENT

The question of undertaking marketing survey of handlooms elsewhere in the country would be taken up after the results of the present survey in Coimbatore have been examined.

[Ministry of Commerce and Industry O.M. No. 17(2). Tex(B)/62, dated the 10th/11th December, 1962].

### Recommendation (Serial No. 10)

(i) *The Committee regret to find that despite the financial provision made for collection of statistics, reliable data about the production in handlooms is not available with the result that as mentioned in the earlier report there has been acute controversy about the allocation of production targets for the decentralised sector as a whole more specially for powerloom vis a vis handlooms.*

(ii) *The Committee would like the Government to pay special attention to the collection of statistics relating to the handlooms so that there is an assured basis for planning and for allocation of targets of production. (Paragraph 14).*

### REPLY OF THE GOVERNMENT

The scheme for collection of statistical data is under implementation in the States of Madras, Andhra Pradesh, Uttar Pradesh, Kerala, Punjab and Bihar. Steps for implementing the scheme in other States are also being taken. The Government has also decided to conduct bi-annual surveys of small industries including handloom industry through the National Sample Surveys Organisation.

[Ministry of Commerce and Industry O.M. No. 17(2).Tex(B)/62, dated the 10th/11th December, 1962].

### Recommendation (Serial No. 14)

*Since the recommendation of the Working Group (Study Team) for the Handloom Industry 1959 to devise a scheme for making a matching contribution to the Contributory Thrift Funds set up by the Weavers' Cooperative Societies for the benefit of the handloom weavers has not been accepted by Government, the Committee urge that the question of evolving a suitable scheme for meeting without unnecessary delay the genuine needs of the weavers, may be sympathetically considered by the Government. (Paragraph 20).*

### REPLY OF THE GOVERNMENT

The Standing Committee of the Handloom Board is seized of this problem. The question is under consideration in consultation with the State Governments.

[Ministry of Commerce and Industry O.M. No. 17(2).Tex(B)/62, dated the 10th/11th December, 1962].

### Recommendation (Serial No. 15)

*The Committee welcome the measures taken so far and those proposed to be taken to strengthen and consolidate the Handloom Weavers' Cooperative Society and hope that they will be implemented early. (Paragraph 21).*

#### REPLY OF THE GOVERNMENT

The following are the measures referred to by the Estimates Committee :—

1. Increase of the limit of working capital for cotton handlooms from Rs. 300 to Rs. 500 per loom;
2. Assistance to weavers to increase their shareholdings in the co-operative societies;
3. Setting up of processing factories, dye houses and finishing plants.

As regards items Nos. 1 and 2 above, the Government have already agreed to raise the limit of working capital loans to cotton handlooms from Rs. 300 to Rs. 500 per loom and also to raise the limit of share value of weavers' co-operative societies from Rs. 50 to Rs. 100 per share for cotton weavers and from Rs. 100 to Rs. 200 per share for silk weavers. The State Governments and Union Territory administrations have been requested to give high priority to this during the next two years.

With regard to item No. 3 above, the concerned State Governments have been requested to take immediate steps to see that the dye houses and the finishing plants sanctioned so far are set up and start functioning.

[Ministry of Commerce and Industry O.M. No. 17(2) Tex(B)/62, dated the 10th/11th December, 1962].

### Recommendation (Serial No. 17)

*The Committee are glad to learn that pilot centres which would serve the same purpose as Beacon areas, have been set up in nine States in areas where cooperative movement has gained initial momentum.*

*They recommend that a close watch on the working of the pilot centres should be kept so that experience gained from them can be fully utilised for strengthening and intensifying the co-operative movement in the handloom sector. (Paragraph 23).*

#### REPLY OF THE GOVERNMENT

A close watch on the working of the pilot centres is being kept.

[Ministry of Commerce and Industry O.M. No. 17(2). Tex(B)/62, dated the 10th/11th December, 1962].

### Recommendation (Serial No. 18)

*As regards the development of the silk and woollen handloom industry in the country, the Committee agree with the views of the Working Group (Study Team) for the Handloom Industry 1959 and stress that the All India Handloom Board should undertake a special study of the Problems of these cooperatives with a view to framing special Programmes for their development. (Paragraph 24).*

#### REPLY OF THE GOVERNMENT

The Governments of the States where there are concentrations of silk and woollen handlooms have been requested to give data regarding problems faced by the silk and woollen societies and the development programmes considered necessary for solving them. The matter would be further considered on receipt of the necessary data.

[Ministry of Commerce and Industry O.M. No. 17(2) Tex(B)/62, dated the 10th, 11th December, 1962].

#### FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

It may please be stated if the matter has since been considered further with a view to framing special programmes for the development of silk and woollen handloom industry in the country.

[Lok Sabha Secretariat O.M. No. 32(2)/62.EC, dated the 6th September, 1963.]

#### FURTHER REPLY RECEIVED FROM GOVERNMENT

The data called for from the States have since been received, and two Study Groups, (One for the Woollen Handloom Industry and the other for the Silk Handloom Industry) have been set up to go into the problems of the wool and silk weavers' cooperative societies and report thereon. The reports of these groups are awaited.

[Ministry of International Trade O.M. No. 2(2) Tex(c)/62, dated the 2nd November, 1963].

### Recommendation (Serial No. 19)

(i) *The Committee feel that complaints regarding non-availability of certain qualities of yarn at fixed prices may be looked into by the Textile Commissioner. They hope that the assistance being rendered to the Handloom Weavers' Cooperative Societies by putting them in touch with the textile mills through the good offices of the Southern India Millowners' Association for securing the benefit of procuring yarn at ex-mill rates, would also be emulated by the Indian Cotton Mills Federation so that the facility becomes available all over the country.*

(ii) *While the Committee welcome the steps taken so far, they would like to emphasise that the Textile Commissioner should keep a watch on the actual working of these arrangements and ensure that the supply of yarn is assured to the handloom weavers at reasonable prices. (Paragraph 25).*

## REPLY OF THE GOVERNMENT

The Textile Commissioner had appointed a Distribution Advisory Committee for suggesting distribution arrangement of cotton yarn to the handloom industry. The All India scheme has been worked out and under this scheme, distribution of yarn to the handloom apex weavers' co-operative societies has been introduced. Under the scheme the firm requirements indicated by the societies will be met by linking them with the producing mills. The monthly requirements of these Societies are estimated at 18,500 bales. This will work out to 16 per cent of the deliveries of free yarn currently being made by the mill industry. Societies will generally be linked with the proximate production centres to the extent of available supplies. The scheme has the full cooperation of the Indian Cotton Mills' Federation. In due course it is hoped that 50 per cent of the "free" yarn supplies will be brought within the controlled distribution fold.

(ii) So far, only counts upto and including 40s were included in the Voluntary Price Regulation Scheme. Recently, the industry had agreed to extend the Price Regulation Scheme to cover counts over 40s also. A schedule of prices has already been announced for these counts. The schedule takes effect from 1st August, 1962.

(Ministry of Commerce and Industry O.M. No. 17(2).Tex(B) 62, dated the 10th, 11th December, 1962].

## Recommendation (Serial No. 20)

*The Committee were surprised to learn that the information relating to the quantity of Ambar Yarn used by the handloom weavers was not available with the Textile Commissioner.*

*The Committee consider it unfortunate that due to inferior quality of Ambar Yarn, the expectations of its use in considerable quantities in the handloom industry during the Second Plan have been belied. In view of the grave doubts expressed before the Committee about the quality of Ambar Yarn, they would like the Government to have the matter examined early to see if the idea of Ambar Yarn being used by the handloom sector can actually materialise. (Paragraph 26).*

## REPLY OF THE GOVERNMENT

The question was referred to the Khadi and Village Industries Commission. The Commission has informed that they are not aware of any complaints about the inferior quality of Ambar yarn and the question of its unsuitability for use by the handloom weavers. The Commission is prepared to consider any complaints against the quality of Ambar yarn and where such complaints are justified, take all possible remedial action in the matter.

As regards the stepping up of use of Ambar yarn by the handloom sector, this matter has been engaging the attention of the Marketing Committee appointed by the Government. The Committee has recently submitted its report which is under examination of the Khadi and Village Industries Commission. Further action in this

regard would be taken as soon as the decision of the Government on the recommendations of the Marketing Committee's report is received.

[Ministry of Commerce and Industry O.M. No. 17(2)-Tex(B)/62, dated the 10th/11th December, 1962].

#### Recommendation (Serial No. 21)

*The Committee would like to stress the need for standardising the appliances for handlooms and ensuring their further technical improvement by sponsoring suitable research schemes. They suggest that practical demonstrations of the improved designs may be extensively arranged so that weavers become familiar with them and show greater readiness and enthusiasm to adopt them. (Paragraph 27).*

#### REPLY OF THE GOVERNMENT

The Weavers' Service Centres and the Central Institutes of Handloom Technology at Banaras and Salem are already doing the needful in the matter.

[Ministry of Commerce and Industry O.M. No. 17(2)-Tex(B)/62, dated the 10th/11th December, 1962].

#### Recommendation (Serial No. 23)

*The Committee are not satisfied with the way in which the matter of growth of unauthorised powerlooms has been handled all these years. They draw attention to the fact that under the Cotton Textile Control Order (1948), acquisition and installation of powerlooms was not permissible except with the written permission of the Textile Commissioner and that under the Textile (Production of Powerlooms) Control Order, 1956 sale or disposal of any powerloom for producing cloth from woollen or art silk yarn required the written permission of the Textile Commissioner. It is obvious that the authorities have been lax in enforcing the Control Orders with the result that unauthorised powerlooms grew unchecked in numbers till they came to pose a serious problem to the Government. (Paragraph 37).*

#### REPLY OF THE GOVERNMENT

Although under the Cotton Textiles Control Order (1948), acquisition and installation of powerlooms was not permissible except with the written permission of the Textile Commissioner and under the Textiles (Production of Powerlooms) Control Order, 1956, sale or disposal of any powerloom for producing cloth from woollen or art silk yarn required the written permission of the Textile Commissioner, unauthorised powerlooms were installed in small units spread all over the country, firstly, because the Textile Commissioner did not have any adequate administrative machinery to enforce the provisions of the above orders and



secondly until October 1959, there was no provision in any of the control orders to prevent any person from selling or disposing of powerlooms which were discarded or scrapped by the mills. Even though mills themselves were required to take permission for replacing the existing looms, there was no provision to compel the mills to scrap the looms in such a way that they could not be used again for producing fabrics. Further, in view of the exemption from levy of excise duties to factories having less than 5 powerlooms, the Textile Commissioner did not have any machinery through which detection of cases of setting up of unauthorised powerlooms by reconditioning old looms or by re-assembling parts of discarded looms was possible.

Suitable measures are now being taken to check any further growth of unauthorised powerlooms in the country. The excise rules have been recently amended to the effect that no excise licences would be issued unless the owners of the powerlooms have obtained written installation permission from the Textile Commissioner. The State Governments have also been requested not to grant electrical connections to unauthorised powerlooms. It is expected that these measures would prevent any further substantial growth of the unauthorised powerlooms. Wherever cases of contravention are noticed, suitable action in accordance with the law will be taken.

*[Ministry of Commerce and Industry O.M. No. 17(2)-Tex(B)/62, dated the 10th/11th December, 1962].*

## CHAPTER III

### RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

#### Recommendation (Serial Nos. 11, 12 and 13)

*As against a target of conversion of 35,000 handlooms into powerlooms during the Second Five Year Plan only 13,469 powerlooms were applied for and sanctioned by the Government of India. It is a matter of surprise that some of the States which occupy important position in the industry, had sought for so few conversions to powerlooms. The actual installation of powerlooms by the State Governments was even poorer since only 3,435 looms out of 13,469 sanctioned were installed. The Committee are one with the broad objectives set forth by the Textile Enquiry Committee (1954) in suggesting the conversion of the handlooms into powerlooms and consider it unfortunate that even the none-too-ambitious scheme of the Government of conversion of 35,000 handlooms into powerlooms made poor progress during the Second Plan. (Paragraph 15).*

*The Committee suggest that the restrictions referred to in para 16 imposed by the Government on the working of the scheme of conversion of handlooms into powerlooms may be removed as they may well have been responsible for the tardy progress of the scheme. (Paragraph 16).*

*As regards the apprehension of the Government that the coming into existence of a large numbers of powerlooms in the country would have adverse repercussions on the employment position in the country, the Committee would draw attention to the fact that what has now happened is more in the way official recognition of the surreptitious existence of the unregistered powerlooms in the powerloom sector rather than a sudden influx of powerlooms into the textile industry.*

*The Committee are inclined generally to agree with the assessment made by the Textile Enquiry Committee, 1954 on the likely effect of the progressive conversion of handlooms into powerlooms. While there may be some employment displacement, it is likely to be of comparatively small dimension. The Committee recommend that the laudable scheme of conversion of handlooms into powerlooms may be suitably modified to meet the requirements of the State Governments and implemented on the basis of a perspective plan to be drawn up for this purpose. (Paragraph 17).*

#### REPLY OF THE GOVERNMENT

*The Planning Commission is of the opinion that, keeping in view the employment aspect and also the importance of developing handloom industry, particularly its export possibilities, the programme of*

conversion of handlooms into powerlooms should not be extended during the Third Plan period. They have also decided that the State Governments should be apprised of the policy and should be asked to take immediate steps to stop further allotment of powerlooms to the handloom co-operative societies except in cases where irrevocable commitments had been made to allot them to such societies. In any event, a high power Committee is being appointed to go into the various aspects of the powerloom industry, and any modification of the present policy that may be found necessary in the light of the recommendations that may be made by that Committee will be made on receipt of its report.

[Min. of C. & I. O.M. No. 17(2) Tex(B)/62, dated the 10th/11th December, 1962].

### Recommendation (Serial No. 16)

*The Committee hope that steps would be taken early to extend the Reserve Bank of India scheme of providing institutional finance for assisting Weavers' Cooperative Societies to Assam, West Bengal and the Union territories, particularly the last. (Paragraph 22).*

### REPLY OF THE GOVERNMENT

The question is constantly under consideration. As far as West Bengal is concerned, the State Government appointed a Review Committee which selected Bankura District for intensive financing of weavers co-operative societies. On the basis of reports available, the Registrar of Co-operative Societies of West Bengal was requested to implement the suggestions and to arrange for the financing of weavers' societies from cess fund through the Central Co-operative Bank. In the second meeting of the Review Committee held in September, 1961, it was agreed that Reserve Bank of India would, as an experimental measure, finance the weavers societies in Bankura District only and that other District banks might be financed from the cess fund. The requisite application from Bankura District Central Co-operative Bank is still awaited. The other societies are proposed to be financed during 1962-63 by the All India Handloom Board.

**Assam:** The financial position of the Apex and Central Co-operative Banks in Assam is unsatisfactory. The State Government has been requested to improve the condition of the Bank. Until the financial position of the bank is improved, it is proposed to continue to finance the weavers societies in Assam through the All India Handloom Board.

**Union Territories:** The progress in reorganising the weavers' societies in the Union Territories has been rather slow and it would be necessary to assess the extent of the progress made in implementing the suggestions made in each study reports. Till then, it is proposed to continue to finance the societies in these territories during 1962-63 by the All India Handloom Board.

**Silk and Weavers' Societies:** The question of taking over financing of these societies is being pursued. Until a full picture of the working of these societies is available and on that basis a decision is taken, it is proposed to finance these societies by the Handloom Board during 1962-63.

**Industrial Co-operative Factories:** In regard to the working of these factories reports have been called from the Governments of Madras and Kerala. On receipt of this the eligibility of these factories to avail of funds from Reserve Bank of India will be examined. Till then it is proposed to continue to finance them during 1962-63 by the Handloom Board.

[Min. of C. & I. O.M. No. 17(2) Tex (B)/62, dated the 10th/11th December, 1962].

#### **Recommendation (Serial No. 22)**

*The Committee are not quite convinced of the need for having two separate bodies for dealing with the export of handloom viz. the All India Handloom Fabrics Marketing Co-operative Society Ltd., and Handloom Export Organisation, one for the traditional markets and the other for non-traditional markets. They feel that one common organisation should be able to handle exports to all the countries. (Paragraph 33).*

#### **REPLY OF THE GOVERNMENT**

A high powered Export Promotion Advisory Committee for handloom fabrics has since been constituted to deal with all policy matters regarding export promotion activities. The question of the modifications necessary in the activities of the two main marketing organisations functioning in specified markets can be considered in the light of the experience gained in the working of the Advisory Committee which has just started functioning and which will act as the coordinating agency for all export promotional activities for the handloom industry.

[Min. of C. & I. O.M. No. 17(2) Tex (B)/62, dated the 10th/11th December, 1962].

#### **Recommendation (Serial No. 24)**

*The Committee cannot help feeling that if the steps mentioned in para 39 had been initiated in the beginning of the Second Five Year Plan instead of at the end, the Government would have been in a better position to regulate the development of these sectors. (Paragraph 39).*

#### **REPLY OF THE GOVERNMENT**

In the beginning of the Second Five Year Plan, and during the Second Five Year Plan itself, several measures were being taken for the development of the handloom industry. The potentialities of

the handloom industry had already been examined by the Textile Enquiry Committee (1954). In that context, it was not considered necessary to take further steps to collect data about the production in the handloom and the powerloom sector. Subsequently, in the light of the growth of the unauthorised powerlooms and the controversy regarding the production of the powerloom and the handloom sector, measures indicated in para 39 of the Committee's Report have been initiated.

[Min. of C. & I. O.M. No. 17(2) Tex (B)/62, dated the 10th/11th December, 1962].

#### **Recommendation (Serial No. 25)**

(i) *Apart from collecting complete statistics relating to the Powerloom Industry, the Committee recommend that a comprehensive study may be made of the working of the powerloom sector with a view to ascertaining its problems, working conditions, margin of profit and its capacity to bear the present incidence of excise duty.*

(ii) *They also recommend that necessary steps should be taken to encourage cooperatives of the powerloom owners for the purpose of manufacturing yarn and for undertaking processes like winding, warping, sizing, calendering, finishing, marketing etc. for which they had limited facilities of their own. (Paragraph 41).*

#### **REPLY OF THE GOVERNMENT**

(i) As is well-known, the powerloom industry is spread all over the country. Apart from the units which are exciseable and/or are registered with the Textile Commissioner, the Industry is in small units of 4 powerlooms and less. The unauthorised powerlooms also fall in this category. Unless, therefore, complete statistics relating to this industry are available, it would be difficult to take in hand any comprehensive study of the working of this sector with a view to ascertain its problems, working conditions, margin of profit and its capacity to bear the present incidence of excise duty. A high power Committee is being appointed to look into all aspects of the Powerloom industry.

(ii) These measures will be considered in the light of the recommendations that the proposed high power Committee may make in this regard.

[Min. of C. & I. O.M. No. 17(2) Tex (B)/62, dated the 10th/11th December, 1962].

#### **Recommendation (Serial No. 26)**

*Considering the size of the Powerloom Industry, its production and its problems, the Committee feel that there is need for an all-India organisation for development of the powerloom industry. It could deal with the supply of suitable and adequate yarn to the powerloom weavers, training of personnel and procurement of improved equipment and above all could effectively encourage cooperative effort among them.*

*The Committee suggest that the question of setting up a Powerloom Board on all-India basis may be examined. (Paragraph 42).*

#### REPLY OF THE GOVERNMENT

Government would like to await the report of the Committee referred to in above paras before considering the Estimates Committee's recommendation for the setting up of an all-India Powerloom Board.

[Min. of C. & I. O.M. No. 17(2) Tex (B)/62, dated the 10th/11th December, 1962].

#### Recommendation (Serial No. 27)

*With the ready availability of electricity in suburbs and in villages, powerlooms may well prove an attractive and rewarding vocation and with the spread of education the coming generation of weavers may not look with favour upon merely manual operations as on handlooms for their means of livelihood. In this connection, the Committee welcome the view expressed by the representative of the Ministry on the perspective role of the handloom industry that over a period of time when the employment opportunities grow, the handloom sector would diminish. The Committee are no doubt fully aware that any such process of transformation is bound to be extreme gradual. There need be no apprehension in any quarter that it will lead to any violent changes in the economy of handloom textiles. Having regard to all these factors, the Committee consider that it is necessary to review the position and allot a long term role to the powerlooms in the decentralised sector of the textile industry. In their view, the present is a particularly opportune time for the purpose since Government would shortly have an accurate idea about the number of powerlooms in the country with the completion of the registration drive. (Paragraph 43).*

#### REPLY OF THE GOVERNMENT

The question of encouraging further growth of powerloom industry and its effect on the economy of the handloom industry have been examined recently by the Planning Commission. In this connection attention is invited to the reply given to para 17(ii), of the Committee's recommendation.

[Min. of C. & I. O.M. No. 17(2) Tex(B)/62, dated the 10th/11th December, 1962].

**CHAPTER IV**  
**RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF**  
**GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE**  
**COMMITTEE**

**Recommendation: (Serial No. 9)**

*The Committee suggest that the criteria governing the sanction of grants on 'merits' to private parties under the Centrally Sponsored Schemes of Development of Handloom Industry may be formally laid down and suitably publicised. (Paragraph 13).*

**REPLY OF THE GOVERNMENT**

Financial assistance has in the past been provided by the All India Handloom Board in a limited number of cases to individuals engaged in developing improved devices capable of increasing the productivity of the loom or improving the quality of products. In the very nature of things, the assistance can be related only to the nature and type of the invention; the progress of the experiments already conducted and the further experimental work to be undertaken before the invention is completed. It is, therefore, felt that no absolute criteria can be fixed in regard to schemes of this nature.

[Min. of C. & I. O.M. No. 17(2) Tex(B)/62, dated the  
10th/11th December, 1962].

**COMMENTS OF THE COMMITTEE**

Please see Chapter I.

NEW DELHI;

ARUN CHANDRA GUHA,

Dated the 6th May, 1964.  
Vaisakha 16, 1886 (Saka)

Chairman,  
Estimates Committee.

## APPENDIX

### *Analysis of the action taken by Government on the recommendations contained in the 163rd Report of the Estimates Committee (Second Lok Sabha)*

1	Total number of recommendations	27
2	Recommendations that have been accepted by Government ( <i>Vide</i> recommendations Nos. 1 to 8, 10, 14, 15, 17 to 21 and 23 in Chapter II)	
	Number	17
	Percentage to total	62.9%
3	Recommendations which the Committee do not desire to pursue in view of the Government's replies ( <i>Vide</i> recommendations Nos. 11 to 13, 16, 22, 24, 25, 26 and 27 included in Chapter III)	
	Number	9
	Percentage to total	33.3%
4	Recommendation in respect of which reply of Government has not been accepted by the Committee ( <i>Vide</i> recommendation No. 9 included in Chapter IV)	
	Number	1
	Percentage to total	3.8%



Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
29.	Law Book Company, Sardar Patel Marg, Allahabad-1	48	44.	Lakshmi Book Store, 42, Municipal Market, Janpath, New Delhi	23
30.	Goel Traders, 100-C, New Mandi, Muzaffar- nagar	84	45.	Kitab Mahal (W.D.) Private Ltd., 28, Faiz Bazar, Delhi	25
31.	B. S. Jain & Company, 71, Ahupura, Muzaffar- nagar	90	46.	Bahri Brothers, 188, Lajpat Rai Market, Delhi-6	27
WEST BENGAL			47.	Jayana Book Depot, Chapparwala Kuan, Karol Bagh, New Delhi.	66
32.	Granthaloka, 5/1, Ambica Mookher- jee Road, Belgharia, 24 Parganas.	10	48.	Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi-1	68
33.	M. C. Sarkar & Sons (Private) Limited, 14, Bankim Chatterjee Street, Calcutta-12	42	49.	People's Publishing House, Rani Jhansi Road, New Delhi	76
34.	W. Newman & Company Limited, 3, Old Court House Street, Calcutta.	44	50.	Mehra Brothers, 50-G, Kalkaji, New Delhi-19.	85
35.	Thacker Spink & Com- pany (1933) Private Ltd., 3, Esplanade East, Calcutta-1	45	51.	Dhanwantra Medical & Law Book House, 1522, Lajpat Rai Mar- ket, Delhi-6	87
36.	Firma K. L. Mukho- padhyay, 6/1A, Ban- chharam, Akur Lane, Calcutta-12	82	52.	The United Book Agency, 48, Amrit Kaur Mar- ket, Paharganj, New Delhi	88
DELHI			53.	Hind Book House, 82, Janpath, New Delhi	95
37.	Jain Book Agency, Connaught Place, New Delhi	1	54.	Bookwell, 4, Sant Narankari Colony, Kingsway Camp, Delhi-9	96
38.	Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi	3	MANIPUR		
39.	Atma Ram & Sons, Kashmere Gate, Delhi-6	9	55.	Shri N. Chaoba Singh, News Agent, Ram Lal Paul High School, Annexe, Imphal	77
40.	J. M. Jaina & Brothers, Mori Gate, Delhi.	11	AGENTS IN FOREIGN COUNTRIES		
41.	The Central News Agency, 23/90, Connaught Circus, New Delhi.	15	56.	The Secretary, Establishment De- partment, The High Commission of India, India House, Aldwych, LONDON, W.C.-2.	59
42.	The English Book Store, 7-L, Connaught Cir- cus, New Delhi.	20			
43.	Rama Krishna & Sons, 16-B, Connaught Place, New Delhi.	21			



1964 BY LOK SABHA SECRETARIAT

PUBLISHED UNDER RULE 382 OF THE RULES OF PROCEDURE AND CONDUCT OF  
BUSINESS IN LOK SABHA (FIFTH EDITION) AND PRINTED AT THE  
PARLIAMENTARY WING OF THE GOVERNMENT OF INDIA PRESS,  
NEW DELHI.

---

