

"That this House takes note of the Thirty-second and Thirty-third Reports of the Union Public Service Commission for the periods from 1st April, 1981 to 31st March, 1982 and 1st April, 1982 to 31st March, 1983, along with the Government's Memorandum on the cases of non-acceptance of the Commission's advice mentioned there in, laid on the Table of the House on 2nd March, 1983 and 2nd May, 1984 respectively."

*The motion was adopted*

MR. DEPUTY SPEAKER : Now I shall put the second Motion, regarding the 34th Report of the Union Public Service Commission.

The question is :

"That this House takes note of the Thirty-fourth Report of the Union Public Service Commission for the period from 1st April, 1983 to 31st March, 1984, laid on the Table of the House on 8th May, 1985."

*The motion was adopted*

15.02 hrs.

#### DISCUSSION RE : NEW TEXTILE POLICY

[English]

MR. DEPUTY SPEAKER : Now we take up the next item, viz. Discussion under Rule 193. I now request Prof. Madhu Dandavate to initiate the discussion.

PROF. MADHU DANDAVATE (Rajapur) : Mr. Deputy Speaker, Sir : I rise to raise a discussion under rule 193, on the Textile Policy which was announced by the Government on the 6th June 1985. At the very outset, let me make myself extremely clear that very often when one talks of textile industry, prominently one has before one's eyes the organized mill sector. But it is necessary to take cognizance of the fact that out of 120 lakhs of employees employed in the textile industry, 13 lakhs are employed in the organized mill sector, 32 lakhs in the powerloom sector and 75 lakhs in the handloom sector—the last of which provides the

maximum employment to the rural population in the country. In view of this fact, we have to take note of the fact that there has to be a balanced policy vis-a-vis all these three sectors, viz. organised mill sector, the decentralized powerloom sector, and the handloom sector.

Before I proceed to analyze the various premises of the new Textile Policy that has been adumbrated by the Government, I would like to recall in this House, and particularly refresh the memory of the Hon. Minister to the objectives that were laid down by this Government when it announced on March 9, 1981 the objectives of the textile policy. I would like to judge the correctness or otherwise of the present policy; on the touchstone of the various objectives which were enunciated in the 1981 textile policy document. The various objectives were—I am quoting from the document of 1981 :

- (1) Increasing the production of cloth of acceptable quality; to meet the clothing requirement of a growing population at a reasonable pace;
- (2) Promoting of harmonious and balanced growth of all sectors of the textile industry, in consonance with national priorities and targets of the five-year Plan;
- (3) Maximum possible growth of handlooms in the decentralized sector, and faster growth of Khadi, hosiery and the natural silk sectors, to generate more employment and raise standard of living of small weavers and other employed in this sector.
- (4) Strengthening and streamlining of infrastructure for distribution of cloth to weaker sections of the population.
- (5) While maintaining the dominant position of the cotton as a man made fibre, encouraging the use of man made fibre and yarn by different sectors of the industry keeping in view the domestic and international consumption trade, and for this purpose increasing the availability of natural and man made fibre and yarn.

[Shri Madhu Dandvate]

- (6) Generating surplus to produce fabric of acceptable standard for the world market at competitive rates.

The new policy on textile which is announced by the Minister on 6th June, 1985, must be viewed in the context of these various objectives which were adumbrated in the 1981 Document on textile industry. When this Document was released and announced by the Minister in the Press Conference, he was asked a question that your Policy Document had been prepared on the basis of Experts Committee recommendations and report. Will you release that Experts Committee report? And we are told that the Experts Committee report on textile is supposed to be a confidential document. I am surprised, in this country, important agreements and deals regarding Defence, are not considered as confidential at all; they are available; discussions go on. But, as far as the Experts Committee report on textile is concerned, strangely enough, that document is supposed to be a confidential report. So, if I am wrong, I would request the Hon. Minister to lay that document on the Table of the House so that those who want to find out what are the various contours of recommendations of the Experts Committee report, how they have processed the Experts Committee report, we will be able to derive our own conclusion; and it will also indicate the trend regarding various pressures that are exerted on the government through this report. Therefore, I would demand that Experts Committee Report on textile should be laid on the Table of the House.

As far as assessment of the new textile policy is concerned, at the outset, I can say that ship policy is a boon to the textile magnates; it is a curse to powerloom and handloom and it is a severe blow to the textile workers in the textile industry. It conforms to the general trend and policy of this government especially the new government that they would all like to pamper and appease the affluent sections of the society and comparatively neglect the interest of the consumers, the interest of the industrial workers and the interest of the kisan. I will be extremely happy if I am proved to be wrong, but, unfortunately, I may prove myself to be correct.

Now, these are the basic assessments and they are based on certain analyses of various trends in the textile industry. Let me refer to the unequal competition that is taking place in the textile industry. As I said earlier, we have organised mill sector and the decentralised power loom sector and the handloom sector. Now, the first concession that is made to the industry, organised mill industry in the country is that they are liberated from all social obligations to manufacture the controlled cloth which would give to the magnates minimum of profit. The entire responsibility has been taken away from their shoulders. They are told that there will be no constraint on your capacity expansion you can have fine product, quality product you can have high quality product manufactured; you can also export them; you can utilize them for indigenous consumption, but you need not worry about this controlled cloth. The entire burden of cloth is shifted to the handloom. At one place, the Hon. Minister is reported to have said that handloom industry itself is extremely happy that they are given the entire responsibility of producing the controlled cloth. The responsibility is to be commensurate with the resources made available to them and the level of technology. Merely saying that we are putting the entire responsibility of producing the controlled cloth on the handlooms and that it is a great boon to the handloom industry, that is not to tell the truth. What is the truth? If you just go and meet a number of organisers of the handloom industry, their associations, their cooperatives, their major complaint is, at the present technological level of the handloom industry, if you put this entire burden, and do not promise them the necessary subventions and necessary subsidies, in that case, all that is likely to happen is, just as in the past we had the sickness in the textile industry, organised mill industry, that sickness will be transfused to the handloom industry. That is all that is likely to happen. And the present thinking of the Planning Commission is, and even the recommendations of the International Monetary Fund, when they give us a big loan—there was a debate whether they were conditions or they were only suggestions, whether they were conditions or suggestions—were about subsidies. One of the important suggestions of the IMF was, that “you should reduce various types of subsidies, which are being discriminately given to various sectors



and sections." And therefore, obviously the axe would fall on the subsidies given to the handloom sector and as a result of that, at the present technological level of the handloom industry, in the absence of adequate subventions given to them it is likely that they are likely to turn sick and therefore the huge burden that is put on them, instead of being a boon it is likely that it will become a curse. All constraints on the capacity of organised mills and powerlooms are removed. I do not want actually to have a quarrel with the mills and the powerlooms. But whenever there is a clash between the handlooms on the one side and the powerlooms and the mill sector on the other side, it is always the handloom that suffers. When you remove all constraints on the expansion of the capacity of the organised mills and also on the powerlooms. In this unequal competition, handlooms are bound to be destroyed and therefore allowing all the capacity constraints on the mills and the powerlooms to be removed, that will create further trouble for the handloom sector.

I may remind you that one, Sundaram Committee going in depth of the handloom problems has said that a single powerloom displaces six handlooms. They statistically worked out the problem in terms of the statistics gathered from different parts of the country the general inference drawn was that a single institution of a single powerloom displaces six handlooms. Today, what is happening? There are many authorised powerlooms. There are a large number of unauthorised powerlooms. How is the present Government going to tackle the problem of unauthorised powerlooms? They have not said that all the looms have to be authorised.

AN HON. MEMBER : They have all to get themselves registered.

PROF. MADHU DANDAVATE : You rightly said. All that they have said is, that they must register themselves. No matter how they have come up, legally or illegally, whatever be the mode through which they have come into operation, all that happened is that they must register themselves.

I will just give an analogy of population explosion. There is no question of preventing a population explosion. All that the Govern-

ment has said is that once you are born, see that you are registered as a person that is born. That is all. Beyond that there is no restriction. Would it be a correct approach to population control or population planning? It will be an anarchical planning only. That is exactly what is going to happen in the case of powerlooms.

MR. DEPUTY SPEAKER : But if already there are children born, what to do?

PROF. MADHU DANDAVATE : That is all right. They are already born due to biological needs. They are not biological accidents.

SHRI INDRAJIT GUPTA : There are accidents also.

PROF. MADHU DANDAVATE : I would like to point out that there is no coordinated policy to maintain a balance between the organised mills, the powerlooms, and the handlooms. How many powerlooms are to be allowed? How much expansion is to be allowed? How much authorisation is to be permitted? How is the balance between the three to be maintained so that the unequal competition between the three will not destroy actually the handloom industry? That particular care has not been taken. Not only the capacity constraints have been removed but there have been physical and financial assistances that are offered to the mills and powerlooms to the detriment of the handlooms. This again, as a differential factor, causes further deterioration of the large industry in rural areas which provide employment to the largest number of rural population in the country.

Let us try to see which is the clash between the mills and the powerlooms. The powerloom sector in future will be treated on par with the mill sector. This will destroy the powerlooms by an unequal competition. Take, for instance, the question of levies. Levies will be imposed on the man-made fibre and yarn. If those who are running the powerlooms want man-made fibre or yarn, in that case, because the levy has been imposed, indirectly they will be bearing the burnt of this levy which has been imposed on the man-made fibre and the yarn. When they purchase that, their production will become

[Prof. Madhu Dandvate]

more costly. When the production will become costly, it is likely that an element of sickness will be introduced in the powerloom industry. To avoid this what will happen? There are a number of textile tycoons in the country. Today they have some sort of working clandestine arrangement with the powerloom that they will pass on the yarn to the powerloom to produce the entire quantity of cloth in the powerloom industry and they sell it at a profitable cost. The mill will put their stamp and show to the Government that this is the cloth that has been produced in the mill industry. This is the manner in which the clandestine transaction is going on. Already it was going on in the past. With the new policy it is likely that this particular clandestine practice will grow to a very great extent. When the powerloom owners find that it is not profitable to run the powerlooms because yarn has become costly because of the levy directly imposed on the yarn, they will require to purchase more costly yarn, in that case, they will have clandestine arrangement with the mills. The stamp of the mill will be put and the actual production will take place in the powerloom. And instead of powerloom working independently, I am afraid, in the future, the powerloom will act as an agent of the organised mills. And that is likely to happen. That is not to say that we are trying to build up the decentralised sector of the powerloom.

Then there is one more element to which I would like to draw your attention. You know, in our country in all the mills there is a processing department. And we have an independent processing textile industry in the country also. In the past, what were the restrictions? Formerly there was one particular restriction that cloth which was manufactured in a particular mill only that could be processed in the processing department of that particular mill. Therefore, in the past, the cloth that was manufactured by powerlooms and the cloth that was manufactured by the handlooms, that did not go to the processing department of the textile mills. That cloth for processing used to go to the processing industry which is an independent industry. With the new techniques and new policy what will happen? They have removed the bar. Now, whether the cloth manufactured is from the handloom or powerloom or from cotton textile mill, all

this cloth can go to the processing department of the textile mill. As a result, I am afraid, the independent processing industry in the country in textiles is likely to suffer. Therefore, the new textile policy, I may warn the Minister, will further transfuse sickness in the textile industry and the processing industry. That is the danger that is likely to take place.

Let us come to the cost of production. While looking at the textile policy, the consumer would like to see whether the policy is mill magnate-oriented or whether it is consumer-oriented, whether it is industry-oriented or whether it is consumer-oriented. What is our experience? We are a developing country and you will be shocked to know that in our country the varieties of cloth that are manufactured in our textile mills are more than 4,000. Can a developing country like India afford the luxury of 4,000 varieties of cloth? I can understand in an aesthetic sense but in a country like ours even the aesthetics have their own limitations. We cannot afford the luxury of more than 4,000 varieties of cloth. Some ceiling has to be introduced. In a country like China—not that I accept that as the pattern that has to be introduced here—but realising that that country is a poor one, it is a developing country, they want to develop the country and they want the gains of the development to go to the poor, they deliberately restricted the varieties of cloth to be manufactured there. In our country there is no ceiling on the varieties of cloth. As a result of that, the cost of production goes up. And when the cost of production goes up, the consumer suffers. So, this particular cost aspect, as far as non-control cloth is concerned, is not kept in mind at all. That has to be noted.

There is one aspect with which workers are intimately connected. My friend and the militant trade unionist Datta Samant will deal with that problem adequately. But I would like to indicate certain important aspect and that is the sophisticated technology that is sought to be imported in the mills. We are told that the mills must be stabilised, mills must be modernised, their quality of production must be such that we will be able to explore export markets in other countries. As a result of that, what does the textile policy suggest? They have

suggested the import of higher sophisticated technology for the modernisation of the mills. Obviously it will mean expenditure of foreign exchange. That has to be made up. Therefore, under the pretext of improving the exports, they say that they will import the sophisticated technology, they will have the modern technology, they will import computers, and in this modernised industry, the quality cloth that will be produced will be exported to the foreign countries. They have totally forgotten the fact that we are talking of augmenting the exports in our country at a time when our buyers' market is having a recession in their countries. We are not taking that factor into account. Our buyers are facing a recession in their respective countries and we are talking of increasing our exports, and for that to produce the quality cloth we are going to utilise our foreign exchange to import large number of sophisticated technology. What will be the direct result? It is not in our country, even in a country like USA, in a country like West Germany, these problems have become important problems in the context of interests of the workers. As one who is dedicated to the spirit of science, I do want the application of science to industry and commerce, but I am one among those who believe that in this land of Gandhiji, we have maintained a balance between man and machine, and that balance has to be made in such a way that there cannot be modernisation of techniques at the cost of man in the country. Therefore, if you want to introduce rationalisation in this country, it has to be rationalisation without tears. Now, what are they likely to do? They will import higher technology in the country. That technology is bound to displace labour. They have said in their policy statement, "As a result of this if the labour is displaced, we will give them compensation". It is just like saying that if there are railway accidents, we will give you enough compensation, you can die in peace. That is exactly what is being told to the workers that we will import the modern technology, we will modernise the machinery, we will import the machines and see that computerised machinery and sophisticated machinery does not require so many rustic men, we will say goodbye to their jobs and we will do it in a phased manner. When they retire, in a phased way new workers will not be taken up. Therefore, I have not the least doubt that the so-called modernisation of technology will be an invitation

to a potential and prospective unemployment in the country. Therefore, employment potential is likely to be destroyed. That is also going to happen.

Then they have clearly declared that what they consider as economically unviable units of textile industry, they will be allowed to close down. The mill magnates are extremely happy. The blind man was asking for one eye and they have offered two. That is exactly what has happened. And they say that economically unviable means that they will be allowed to close down. No doubt paltry compensation will be given. But as a result of that the closing down of the mills in the country will grow, unemployment will grow and as a result of that you will find that more discontented labour is there. Already within the parameters of the existing textile policy there are so many aberrations and distortions; a number of strikes have taken place on basic issues. As a result of that thousands of labourers have been displaced to the villages. In the City of Bombay itself, more than 60,000 textile workers have been thrown out of job. A large number of them have come to the constituency from where I come. They are working as agriculturists, they are working as landless labour. That is how the industrial labour is being converted into peasant. In modernisation the process is to be that more and more of men on the land are actually to be accommodated in the agro-industries or other industries. Here the process is that those who are already working in textile mills in Bombay and Ahmedabad and elsewhere they are put in a reverse direction. Yes, it is an anti-clockwise motion. You may say it is the counter-revolutionary motion. Anyway that motion has stated. This has to be taken note of.

Then I come to the re-structuring of industries. Formerly structuring of industries was in terms of three sectors—the organised mills, the handlooms and the powerloom sector. As a result of that independent of the problem of the handlooms and independent of the problems of the powerlooms, they were separately looked into. Of course, as far as the general machinery is concerned that is common. There is the machine moulded by the Textile Commissioner and everyone comes under their jurisdiction.

I would like to make a constructive suggestion to the Hon. Minister, and I am

[Prof. Madhu Dandvate]

sure men like Prof. Ranga who have at heart the interest of the handloom industry will support this suggestion, that let there be independent Textile Commissioners for the Handlooms, the powerlooms and the organised mill sector and let them be given full latitude to see that within the parameters of their policies they are allowed to develop these three sectors effectively. They may give a trial to this suggestion.

Now, Sir, what is the new restructuring ? Now, the restructuring will not be in terms of the former mill sector, the handloom sector and the powerloom sector; they will be in terms of the manufacturing phases i. e. the spinning, the weaving and the processing. Under these three types of manufacturing processes if the restructuring takes place special type of attention that was available to the handloom and the powerloom in the past, you will find that particular attention will not be available. The distinction between the three sectors will be obliterated and as a result of that, I am afraid, all the three are likely to suffer.

I may refer to one important aspect vis-a-vis the handloom. That is the question of reservation of products. If the handloom industry is to be protected, reservation of products is extremely important. I would like to read out the extract from the Report of the Estimates Committee of 1977-78. Permit me to read out a small passage. It is not as big as the Hon. Home Minister's address. I will read it out. It is very relevant.

In 1977-78 the Estimates Committee had said :

"The Committee notes that in order to protect the handloom industry from the more powerful powerloom and mill sector, Government have been following a policy of reservation on certain items of products in favour of handlooms; and that at present production of tinned items is exclusively reserved for the handloom sector only.

"The Committee, is, however, distressed to note that these reserva-

tion orders are not being enforced effectively and that there are common complaints of large-scale violations of these reservation orders by the Power-loom sector.

The Committee feels that by allowing the violations to go unpunished, the very purpose of issuing these reservation orders have been duly defeated. Even the representative of the Ministry had admitted that enforcement of these orders has not been really effective in certain areas so far.

The Committee feels that this is a very distressing state of affairs and needs to be remedied without loss of time."

Product reservation is just a notional one. As a result of that, in reality, there is no product reservation. And that does a lot of disservice to the country.

MR. DEPUTY SPEAKER : Please wind up.

PROF. MADHU DANDAVATE : The High-powered Sundaram Committee on Handloom in 1977 had already said that the entire growth of powerloom industry should be so controlled that, say, from 1981 to 1984 the increase in powerloom should be five per cent only. Now this is not at all looked into and therefore on the basis of this analysis, looking to the interest of the working class, looking to the interest of the small scale sector, looking to the interest of the handloom and powerloom sector-I would say that the textile policy as it has been enunciated recently by the Hon. Minister favours only the mill magnates, it harms the decentralised sectors-the powerloom and the handloom, it cheats the poor consumers by their refusal to check the cost of production and it adversely affects the working class in the country. Therefore what is needed is this: I would make a humble request to the Hon Minister. Please go once again through the Plan objectives of the Plan; go through the 'priorities' that have been enunciated in the Plan and try to re-orient the entire textile policy in terms of the Plan priority that has been laid down. Only if you are able to do it courageously, then only, you will be able to subserve the interest of the workers, the



interest of the small-scale sector, and also the interest of the mills. That is the balanced attitude that is required.

I hope and trust that they will review this and properly re-orient the entire machinery and the policy.

**SHRI MURLI DEORA** (Bombay-South) : At the outset I would like to congratulate Prof. Dandavate for initiating this discussion on Textile policy. I often wondered why Prof. Dandavate does not stand from Bombay city for the election. Today he had given me the real reply. His lack of knowledge about Bombay city and Bombay textile workers has given the right reply. In the argument Prof. Dandavate has said 3 times, not one time only, that there should be unequal competition.

**PROF. MADHU DANDAVATE** : I left it to my wife to stand from Bombay.

**SHRI MURLI DEORA** : If she had spoken in the House she would have spoken very differently than you. You know very well.

Textile industry has a very prominent role in the economy of the country. 11 1/2 per cent of the total industrial production of this country comes out of the textile industry. As Prof. Dandavate has said, over and above, the Industry was divided into 3 sectors, powerloom, handloom and mill sector. Prof. Dandavate has said about unequal competition. What is the difference I would like to ask him between powerloom and mill loom. Mill loom is also a power loom; it is driven by power. What has been done in the new policy is to keep the handloom role of the handloom while reducing the difference between powerloom and composite loom. Prof. Dandavate has said that in Bombay several mills are closed. Sir, more than 66 mills are closed today. More than 150 mills have been taken over. The NTC losses are more than Rs 450 crores. But what is the solution ? The solution is this. There are those people who make cloth in Bombay, many times more they make in the power loom. What you said, Prof. Dandavate is, if this policy is implemented, more textile magnates will make the cloth in powerloom. It is not true. They are already doing today. At the time of textile strike in 1982-83 you know very well

why there was no slackness in the availability of cloth. It is because the mill people in Bombay city went to Bhiwandi Malegaon and Dhulia and all these places and they started making cloth there. They were processing in their own process houses or in the process houses of other private companies. What is needed today rightly is this: Let there be two sectors only as correctly defined in the textile policy, mill sector and power loom together and handloom sector separately. Sir, 7.2 million weavers are employed in the handlooms.

15.35 hrs

[**SHRIMATI BASAVA RAJESWARI**  
*in the Chair*]

And it is absolutely necessary that more protection is given to them, that yarn supplied to them is safeguarded and some more incentives are given to them. The processing which they do in their small areas must be safeguarded and separate concession should be given to them.

I would like to bring one point to the notice of the Hon. Members of the House and that is, earlier these industries were divided on the basis of their fibre end-use—those who are making cotton, those who are making synthetic and those who are making viscose. All these are different sectors. This has really not led to a healthy competition and healthy growth of industry. Today after the new policy, a powerloom or handloom is allowed to manufacture whatever fibres they have. I would like to draw the attention of the Hon. Members here about cotton. Earlier, in the planning Commission people used to think that cotton is the fabric of the poor people and synthetic fibre is the fabric of the rich and the affluent people. It is not so today. If you see the world today, you will find that all over the world 60 per cent is the production of cotton and 40 per cent of the total production of cloth is under synthetics. In India today 88 per cent of cloth is produced in cotton and viscose and only 12 per cent is produced in synthetics. Our per capita production of cloth has gone down from 18.8 metres to 16.8 metres in the last 20 years. Where the shortfall of the cloth has come from ? This cloth has come through smuggling. If we see the advertisements and reports in Bombay papers, I can tell you that nearly 2000 million metres of cloth is



[Shri Murlī Deora]

smuggled everywhere in India and this is the synthetic fibre which is smuggled in India. Why is it smuggled? It is because the price of fabrics in India is 10 times the international price compared to what it is in Hong Kong and other countries. So, what is really needed is to reduce the gap between the international price and the Indian price, which has been rightly corrected by the new Textile Policy. This will discourage the smugglers.

The second point I would like to make is that India is a tropical country. There are three synthetic fibres. One is nylon, another is viscose and the third is polyester. Nylon is not suitable to our climate, viscose cannot be available because the basic raw material of the viscose is wood or bamboo and fortunately deforestation is not allowed in future.

*(Interruptions)*

PROF. MADHU DANDAVATE : Bamboos are required for Defence;

SHRI MURLI DEORA : So, the real synthetic fibre which is needed for India is polyester which is most suitable for India. The raw materials for polyester fibre will be available in plenty in India soon, thanks to Bombay High Gas and other oil refineries which are coming around our country. Today 45000 tonnes of polyester fibre is manufactured in India. By the end of the next year 1,50,000 tonnes of polyester filament and polyester fibre will be manufactured. So, the production will go three times in the next four years. If the Government reduces the duty as according to the Textile Policy announced, they would not realise less because what they will reduce, they will get more by producing more quantity. One-third reduction will be the same as producing three times in three years. This will reduce the smuggling activity and more and more people will get better quality of cloth.

In Bombay several mills were closed and when the NTC took over the mills in Bombay-13 mills in all as on 19th October, 1983--the mills were taken over for the reason that they will continue to give jobs, but unfortunately, I would say that in the garb of modernisation and rationalisation these mills were also allowed to retrench

the workers. But if the mills are given a real impetus and if they are given incentives and if they are safeguarded from the unhealthy competition from unregistered, illegal powerlooms, this will safeguard their position.

Prof. Madhu Dandavate asked: 'How are you going to bring these powerlooms to the books?' The moment the powerlooms are registered, they will have to come in the forewall of the policy and the local Director of Industries. I am happy they will pay the same excise as the other mills pay.

Prof. Daodavate has said that they will be paying more duty and more price for the yarn. It is not true. Today the composite mill is paying more duty on the yarn. But if it is used in the powerloom, they are not paying more duty. When I spin, when I weave in my own factory I pay more duty. When I get the cloth woven in a powerloom outside Bombay city, then I pay less duty. So, this differentiation must be stopped.

In one paragraph, it has been said that rehabilitation fund for the workers be created. There is some apprehension and the people in Bombay and other cities are saying that the mill owners must not be allowed to close their mills. The Hon. Textile Minister has clarified several times that a mill owner will not be given the permission to close his mill. The workers rights must be safeguarded. A fund of Rs. 15 crores has been promised by the Hon. Minister. But I don't think, it is sufficient enough. What is really needed is to see that the mills do not become sick and the mill owners are not allowed to sell their land. If the mills in Bombay are allowed to close and allowed to sell their land, some of the mill owners like India United and several mill owners in the Bombay city will make more money by the sale of land itself rather than running the mills for years. So, this closure of mills must not be allowed.

I would like to suggest two small suggestions. This is the first time in the history of our country, a new Ministry of Textiles has been created. So, just like the Government's new policy of getting everything cleared in one window, I hope everything pertaining to the textiles industry, whether it is synthetic, silk, power-loom or handloom must be falling under one sector. Today

when we are saying that in the Seventh Plan, the total target of textiles is 14,500 million meters, a big role is to be played by the synthetic fibres. The Ministry of Petroloum is the sponsoring authority of the synthetic fibre unit. If the synthetic fibres are used for the textiles industry, I would suggest that the Government should think that only one Department, i.e. the Department of Textiles should look after the total Textiles Division.

My second suggestion is this. On the 19th October, 1983 when 13 mills were taken over in Bombay, even though Mr. Vishwanath Pratap Singh was the Commerce Minister, unfortunately at that time, the Finance Ministry did not provide the money for running these mills and therefore it took nearly six to seven months for the mills to start work. I would request the Hon. Minister that such things should not be repeated in future. Whatever policy statement the Textiles Minister has made should be properly implemented, by the Finance Ministry. If the Finance Ministry do not implement, it will have a serious problem. My Hon. friend Mr. Datta Samant will say more on this. There is already slackness in Bombay textiles market and other textile markets because the reduction of duty, for which an announcement was made, has not come yet to the people. Because of that, they are not taking advantage of the cloth which is lying in the warehouse or godowns in different parts of the country.

MR. CHAIRMAN : Please conclude.

SHRI MURLI DEORA : I come to the last point about the Handloom Development Corporation. The real purpose of this Corporation is to see that the yarn is supplied to the weavers properly. I may tell you that there are lot of problems which the people are experiencing in this regard. The National Handloom Development Corporation should see that the yarn is supplied to the handloom sector as and when required.

With these words, I conclude.

[Translation]

SHRI SHYAM LAL YADAV (Varanasi) : Mr. Chairman, Sir, I would like to congratulate the Hon. Textiles Minister and the Government for announcing the new policy and after going through this policy it

becomes quite clear that the targets and the objectives which have been envisaged under this policy are practical and correct. In this connection, I would like to read the last sentences of this policy, which, in my view, express the spirit behind the textiles policy.

The new policy would facilitate the necessary restructuring of the textiles industry in the country. The textiles industry would make maximum valuable contribution for increasing production, employment and exports in the country and this industry would meet the clothing requirements of all the sections of the society.

In brief, this appears to me the objective of this policy. Shri Dandavate while referring to the textile policy of 1978, said that this policy was against the basic spirit of the earlier policy. I think Shri Dandavate has gone to the other extreme in comparing the two policies. The main objective of that policy was that handloom and Khadi cloth would be given an important and prominent place in the textile policy and after going through this policy, it becomes quite clear that the maximum importance has been given to the Handloom and Khadi Cloth in this policy.

There was another paragraph in the policy of 1978, which said that controlled cloth would be taken away from the mill sector gradually and would be completely handed over to the handloom sector in the shortest possible time. It would neither be produced in mills, nor in the powerloom sector. Complete detail of the maximum help and incentive which can be extended for the promotion of Khadi and handloom sector is given in paragraphs 14 and 15 of the policy. I do not want to waste the valuable time of the House by reading it. I would like to say this much only that all those measures have been maintained in paragraphs 14 and 15 of the Textiles Policy which are necessary for the growth of the handloom industry, for increasing production under it, for providing employment to the maximum number of people, for providing marketing facilities for the products of the handloom sector, for increasing the earning of the weavers and the workers as also for implementing the Handloom Products Reservation Act, 1985 effectively.

Not only this, with a view to provide maximum help to the weavers, the Govern-

[Shri Syam Lal Yadav]

ment are going to introduce Contributory Provident Fund Scheme for the first time. A very ambitious scheme has been formulated for the construction of worksheds and dwelling units for them, though the proposal is to construct only 50000 worksheds and dwelling units under this scheme. I think, keeping in view the large number of workers engaged in the handloom sector throughout the country, this number is very small and the funds allocated for this purpose are quite meagre. I do not think that this scheme of constructing 50000 worksheds and dwelling units would be completed within the prescribed time-schedule. I would, therefore, like to request that if this scheme has to be implemented in a proper way, maximum funds should be provided for this purpose. Only then this scheme would prove successful.

Secondly, I would like to submit that worksheds and houses for the weavers should be constructed in the cities, where the weavers reside and they should be, so located that the weavers could reach their place of work conveniently. The present residential accommodation and the handloom units are situated in very congested areas and it has become very difficult to work in those areas and to operate handlooms. In such congested areas the atmosphere is very unhealthy and it is not possible to make arrangements for drinking water for them. Mere construction of sheds and houses would not serve the purpose. The houses should also be made worth-living and arrangements for drinking water, electricity and sanitation should also be made there. Hence, their dwelling units should be constructed at new places where the weavers could live and work properly. All these items have been given prominent place in the textile policy to fulfil the first two objectives of the textile policy of 1978, stated by me earlier. If this policy is implemented in a proper manner, I am confident that the people engaged in the handloom sector and khadi units would progress and there would be maximum production in this sector.

I would like to refer to one more point. An effective machinery should be set up to implement the rules which were framed in 1985 regarding handloom production and such

machinery should be under the control of the Central Government so that the law could be implemented throughout the country in a proper manner and it could also be ensured that textiles are not produced in contravention of this law, because many people manufacture cloth which could only be produced in the powerloom sector. Such a violation of the law in the mill sector would also have to be checked.

The third important point which has been included in this policy is that for the supply of cloth, National Textile Corporation has been given an important role. Many Hon. Members have expressed their views about the functioning of N.T.C. in this House and said that it has been operating large number of mills. I would, therefore, not like to say anything more about it. It was said in 1978 that the capacity of mills or powerlooms should be fully utilised. I think this is a very commendable decision that powerlooms and mills have been treated at par and same type of cloth would be produced in both the sectors. Shri Deora has said that there was a strike in the textile mills of Bombay for such a long time and even then there was no shortage of cloth in the country, because the cloth was being produced in the powerloom sector. It would be a very good decision to treat both the sectors at par and it would also benefit the handloom sector.

I think under the current policy we would be able to achieve all the objectives. Another important point which has been included in this policy is that silk yarn has been given a special importance. Silk yarn is utilised specially in our city and in many other cities also, but its supply position is not satisfactory and its prices increase. Recently, the Hon. Minister visited our city and he himself saw the difficulties of the people and he has made proper arrangement for supply also. We would have to increase the production of silk. Sericulture would have to be given maximum encouragement. The State Governments should also provide maximum incentives in the field of sericulture in North India so that sericulture could be developed in North India also. Increase in production of silk yarn would be quite beneficial to the country. The immediate shortage of this yarn could be met by importing it from abroad (*Interruptions*)

In the end, I would like to say this much that the policy which has been formulated, is most welcome and I am confident that it would prove to be successful. But I would like to add that there are many responsibilities of the State Governments also under this policy and while implementing this policy, care should be taken that you exercise some sort of control over the State Governments also. You should, therefore, issue some guidelines so that the State Governments could also extend their co-operation in implementing this policy. With regard to the handloom sector, the State Governments are vested with vast powers. We have also made an effort to increase the responsibilities of the co-operative societies. The co-operative societies can make special contribution in the field of marketing and therefore, some sort of control should be exercised over the co-operative societies also so that they may function properly.

With these words, I support this textile policy.

[English]

**SHRI V. SOBHANADREESWARA RAO** (Vijayawada) : Mr. Chairman, as you know, the textile industry occupies a very prominent place in this country. After the agriculture sector, this is one sector which provides the maximum employment to the people. Nearly 120 lakh people are working in this sector, out of which nearly 75 lakh people are working in the handloom sector. The Government has announced the new policy with the objective to correct certain deficiencies which were there in the previous policy statements. But unless the Government has the fullest dedication and commitment it will not serve much purpose. Hitherto the Government is giving a subsidy of Rs. 2/- per metre of cloth. In this connection, Madam, I would like to bring to the notice of the Government that even a State Government like ours, the Government of Andhra Pradesh, has taken Janata Cloth Scheme through which it wants to give to the handloom weavers full employment and take over the entire cloth produced by him and make available to the poor consumer at a very low price, i.e., @ 50 percent of the cost only. With all the welfare schemes on hand, like at Rs. 2/- a Kg. of rice scheme and spending Rs. 80 crores on housing, yet our

State Government has spent nearly Rs. 30 crores as subsidy towards the Janata cloth scheme mainly to help the poor consumers, the poor people to purchase dhotis and sarees and at the same time help the weavers also of our State. Similarly, if the Government of India is prepared to spend more amount in the form of subsidy to the handloom weavers in the entire country, then the basic objective of our new Textile Policy will become true and it will be realised. In this connection, Madam, the Government desires to give several duty concessions and I request the Hon'ble Minister to see that such concessions reach the actual consumers. Even in the previous times when certain concessions were given, they were mopped up by the mill owners themselves and the benefits were not passed on to the consumers. So keeping the past experience in mind, the Government may please see that certainly the concessions reach the consumers. The handloom sector should be adequately protected and the Government was good enough in bringing the Handloom Reservation Bill Act for reserving certain items to the handloom sector. Now the export of textiles is earning good amount of foreign exchange to our country and if sufficient efforts are made, the country will be able to earn even more foreign exchange through the export of garments and in that connection the role of handlooms should be further elaborated. Sarees, dhotis, white shirting cloth and 120 count sarees should be exclusively preserved for handloom sector. Though suiting and shirting are earmarked for powerloom, man-made fibre cloth and blended cloth may be given to the mill sector, so that these do not overlap into another sector, giving maximum employment in the concerned sectors. Though

16.00 hrs.

the Government has expressed its willingness to spend any amount on yarn banks, but unfortunately till now my recent information is that even in a place like Chirala which is very well-known for handloom weaving, there are no yarn banks. We request the Government to see that the yarn is supplied to the handloom weavers throughout the country for the benefit of the handloom weavers.

I am very happy that the Government want to take up construction of workmen's



[Shri V. Sobhanadreeswara Rao]

sheds in the handloom weavers' colonies. I hope it will be taken up with good vigour and this intention of the Government is put into practice as early as possible. In this connection I would like to bring to the notice of the Government that the Andhra Pradesh State is the one State where long staple and extra staple long cotton is grown in very large quantities and there is still vast potential for setting up some more spinning mills, especially in the co-operative sector. So we request the Union Government to consider and sanction necessary permission for setting up some more spinning mills in the co-operative sector in the Andhra Pradesh State. Also the regulation of the powerlooms should be done in consultation with the State Governments. Now in the new textile policy certain restrictions which were there on the powerlooms are now removed and it should not hamper the interests nor should it harm the interests of the handloom weavers. So the State Governments also should be taken into consultation in these matters.

In the implementation of the Handloom Reservation of Articles Act, the Government should make necessary rules so that any violation of this Act is dealt with very strictly. Previously also there were some rules that they should not manufacture articles which were reserved for other sectors but they were violated. It might have come to the notice of the Government also. So at least in future, after this Act comes into force, such mistakes should not recur and the Government should incorporate provisions in such a way that any tendency or inclination should be curbed even by the provisions of the Act apart from the implementation part of it.

With these words, I thank you Madam.

[Translation]

SHRI LALIT MAKEN (South Delhi) : Mr. Chairman, Sir, the textile workers have been passing through a phase of uncertainty and hardship for the last three or four years. For a long time it was being said that the new textile policy would perhaps provide some relief. But with the announcement of this new textile policy, I am reminded of the maxim, 'out of the frying pan into the fire'.

Earlier, there was merely the risk of losing the job, but with the declaration of the new policy it appears that a free licence has been given to the management to dismiss any worker they like, to close any department or to dismiss any number of workers at their sweet will. The new textile policy appears to me to be a free market policy. The big capitalist have been given a blanket permission to have monopoly openly. I think the condition of textile workers, which was already miserable, would worsen with the announcement of the new policy. It would also harm the interests of the handloom and powerloom workers.

The N.T.C. was given the responsibility to produce 650 million metres of controlled cloth, for which it was not prepared. A few years back, the textile mills of the country were given the responsibility to produce some quantity of controlled cloth, but when these mills raised hue and cry, this responsibility was shifted to the textile mills functioning under the National Textile Corporation. Nobody is prepared to shoulder this responsibility because there is no profit in the production of controlled varieties of cloth. All this burden has now been shifted to the handloom workers. Had any good been done to the handloom workers, I would have appreciated it. The gift which has been given to the 72 lakh workers out of a total strength of one crore and twenty lakh workers as a result of declaration of this policy is not a gift. It is rather a burden on them. The textile mills had shifted their burden to the N.T.C. Mills and now the N.T.C. Mills have shifted their burden to the handloom sector. In my view, a great burden is going to fall on the 72 lakh workers of the country and lakhs of workers are going to be rendered jobless as a result of this policy. I would like to submit that if anybody has benefited because of this policy, it is the textile mill owners who will be benefited to the maximum extent. They have been given blanket permission to increase or decrease their capacity or to close or open any department at will. During the last session, I had raised certain issues regarding the Birla Mills and the Delhi Cloth Mills. I do not know what will be the fate of the assurances which were given by our Hon. Minister during the last session. I do not know anything about them. The mill owners have been given the permission that they can increase or decrease the capacity of



their mills at any time and they may close down any department of their mills if it becomes sick and the Government would not intervene in it and would simply be a silent spectator. Instead of bringing about improvement in such a department or setting the things right, permission has been given to the mill owners to close the department. The mill owners want to operate only those departments which are yielding profit and they close down any department which is incurring losses and even if thousands of workers are working in that department, they expel all such workers, because the mill owners are interested only in making money. Such a blanket permission has been given to the mill owners under this policy.

During the last session of Parliament, I had raised this matter that for the last three years not even a single metre of cloth had been manufactured in the Birla Mills and that only the spinning department was functioning and the weaving department was not functioning at all. As a result of this policy, the mill owners would be free to close down the weaving department. The same thing has been provided under this policy that the mill owners may increase or decrease the capacity at will. When the mill owners find that there is demand for cloth, they would increase their capacity and when they find that there is no demand for cloth, the workers would be retrenched or laid off. The workers are going to suffer in all possible ways and if anybody is going to get benefit, in it the mill owner. I would also like to submit that to say that the Government would not intervene in a mill which becomes sick or which is not functioning properly, is very unfortunate and there could not be anything more unfortunate than this. It has created a sense of great insecurity among lakhs of workers in the country. Textile industry is the oldest industry in India and the owners of these textile mills have earned profits to the tune of crores of rupees and have set up other big industries out of this profit, thus making this industry hollow from within. Now, it is being said that we have to face the competition at the international level to promote export of textiles. Today, we find that the machinery of these textile mills has become obsolete. I want to know from the Hon. Minister whether the responsibility of modernisation of these mills lies with the workers or with the mills

owners? It there have been no modernisation, the owners are responsible for it who have usurped crores of rupees and did not effect any modernisation in time. And now why are the workers being blamed for it? The money was not spent on modernisation in time, modernisation was not done for years and crores of rupees were diverted to other industries. They want to close down the mills from which they earned crores of rupees by making them hollow. I think, this textile policy is in favour of the mills owners.

An assurance was given during the last session about the D. C. M. Shri Anjiah is not present here at the moment, our Textile Minister is sitting here. I want to ask that in the light of the new textile policy, what would be the fate of the assurance given in the last session that the mill would be nationalised if the mill owners resorted to closure?

Similar assurance was given in the last session about the Birla Mills and it was said that the question of nationalisation would be considered if they did not run the weaving Department. This assurance was given by Shri Anjiah on the floor of the House. I want to know what is the fate of that assurance now?

Besides, it has been said in this textile policy that more and more benefits should be given, the fiscal relief to powerlooms should be reduced, as the cloth will become cheap after this reduction and production will go up. I want to remind the Hon. Minister that sometime back, the Cement industry had promised that they would supply Cement at Rs. 50 per bag. Thereafter, they shifted their stand and made it Rs. 63 per bag. Now they are thinking to increase it to Rs. 68 from Rs. 63 per bag. That is why I am saying that its price is not going to be reduced and the people will not get cheap cloth. If you just peep into the past, you will find the prices have never gone down.

So far as the handloom is concerned, it will not be proper to say that this product is reserved for the handloom sector, because all the reserved products remained reserved only on paper. A few days back a study group of the Commerce Ministry had

[Shri Lalit Maken]

submitted a report. It was about 2 to 4 months back. It has been said in this report that neither the handloom weavers nor the powerloom weavers knew what the reserved product was. It is totally impossible to implement it in practice. To say that a particular product is reserved is only a paper work. It is not going to provide any protection to the handloom workers. The result will be that the cloth reserved for the handloom sector will be manufactured in the powerloom sector. The cloth will cost less to the powerloom sector as compared to the handloom sector. As a result of it the handloom cloth will not sell in the market.

Besides, you have fixed a target of producing 650 million metres of cloth for the N. T. C. and they have been asked to produce this much cloth on which no excise duty would be levied. The cloth manufactured by N. T. C. would be cheaper as compared to that manufactured by the handloom sector. The cloth manufactured by the handloom weavers will in no way be cheaper, because the manpower employed in the handloom sector will be more than that employed for the cloth manufactured in a textile mill. Thus, handloom cloth will cost more and will not be sold in the market. The N.T.C. is not prepared to shoulder its burden. The big mill owners are not prepared to share the burden of the handloom weavers. This new burden, which has been thrust on them. I think, will give them a severe blow.

As regards powerlooms, what has been the result of hike in excise duty at the spinning stage after the last Budget? The reason behind the rapid expansion of the handlooms achieved by the 32 lakh handloom weavers of India was that excise duty on it was less as compared to the composite mills at the spinning stage. That was why there has been a rapid expansion in the handloom sector. Now, you have brought both at par. After this textile policy and since the last Budget, there has been such a big depression in the handloom market that so many have failed to withstand it

Mr. Chairman, Sir, the most important point is that the powerloom weavers can never compete with the Composite mills because the Composite mills have advantages

at many stages. They are not required to transport Cotton. They are not required to pay octroi and sales tax. The mills enjoy all those advantages which are not available to the powerlooms. It has been said in this policy that you want Competition between the three sectors—composite mills, powerlooms and handlooms. This is such a competition as if a lame person is pitted against a well-built man on the one hand and on the other the third person in the fray does not have any of his two legs. Therefore, I request that the Government should reconsider this policy. To say that we shall not think about the sick mills, to say that more and more facilities should be given to Composite mills and to adopt the free market policy I think, will be nothing but throwing lakhs of people, lakhs of workers out of jobs. Therefore, I request the Hon. Minister to reconsider this policy so far as it applies to the handlooms and the powerlooms giving consideration to all the aspects. Then only, it can be set right. The objective of the Government is not only to earn profit. This should not be the only consideration. This cannot be the consideration with regard to the N.T.C. If the Government starts thinking in terms of earning profit, then Railways should also be handed over to Tatas and Birlas, since it is incurring losses. D.T.C. and P. & T. are also incurring losses, let these also be handed over to Tatas and Birlas. Today the foremost objective of the Government is to provide employment and this has been the policy of the Government. In my view, the free market policy will prove to be the policy of snatching away the employment from the lakhs of people. This is totally unjustified. It should be amended. With these strong words, I conclude.

[English]

SHRI INDRAJIT GUPTA (Basirhat) : Madam, before I make my remarks, I would appeal to you, because you are in the Chair and the Minister for Parliamentary Affairs is not present, that the time for this debate should be extended. Many Members want to speak from both sides of the House. No specific time was fixed for it by the Business Advisory Committee. Please allow the time to be extended.

MR. CHAIRMAN : Three hours have been allotted for this motion. There is still

plenty of time. We will see after six O' clock.

**SHRI PRIYA RANJAN DAS MUNSI :** You can take the opinion of the House. The time should be extended.

**MR. CHAIRMAN :** Not now. We will see at six O' clock how many Members are left and then decide.

**SHRI INDRAJIT GUPTA :** Madam, Shri Murli Doora has argued very ably the case of the Birlas, the Ambanis, the Poddars, the Modis, the Mafatlals, the Srirams and so on. I came across a statement made by Shri C. V. Radhakrishnan, Secretary-General of the Indian Cotton Mills' Federation. This is not my statement, this is not a statement of a Communist or an opposition Members. It is a statement published in the Financial Express dated 23rd July, 1985, by no less a person than the Secretary-General of the Indian Cotton Mills' Federation. It says :

"The Commerce Research Bureau has commented that 'almost all the demands of the mill sector as to parity with powerlooms, freedom of fibre use, adequate availability of fibres, liberal and concessional imports of machinery for modernisation, permission for closure of non-revivable units, etc. have been conceded by the Government'. In fact, this is so."

Secretary-General of the Indian Cotton Mills' Federation admits that all the main demands, the demands which were being put forward by the mill owners have been conceded in this new textile policy by the Government.

Any textile policy in a country like India should be judged first and foremost by which community or which part of the population it is going to benefit. I have in mind crores of poor people in this country, particularly in the rural areas, who are not only ill-fed, but they are half-clad. They are half-employed or totally unemployed. If a new textile policy which is supposed to have a new look does not do something to bring cloth, may be cheaper cloth, within the

consuming capacity of these millions of people, what is the use of such a policy, I am not able to understand? If it is going to benefit only those people, whose names I read out and some more like them, we do not want a policy like that. It is not enough to say that production will go up. Production of foodgrains has gone up. We are supposed to have a buffer stock of 27 million tonnes of food grains now. That does not mean that in our country here are millions of people, half-clad, starving and hungry. Just because a buffers stock of foodgrains is there, it does not mean that every person in this country has also been able to consume more foodgrains. Because the purchasing power is not there, he cannot buy. Therefore, you must have a policy for the textiles also, which provides more employment. If it provides more employment, it will generate more income. If people have more income, their purchasing capacity will go up. Then only, they can benefit from some textile policy, which the Government may be thinking of devising. But, here we find it the other way round. I do not want to repeat the points of criticism which have been made by many of the other speakers who spoke before me. I agree with those points. I do not want to repeat because of shortage of time. But, I would appeal to the members of the ruling party to consider one thing. I know that in the course of implementation of the Government's new policies, as we said at the time of the discussions on the Budget last February and March, many things which are traditionally parts of the country's policy, which have become traditional symbols of something in this country are being given the go-by, because you are talking about a new look, new technology, modernisation and so on. And judged by that criterion, many things which the Government—and I should say, to some extent, the country as a whole—has stood by all these years, are quietly being jettisoned, consciously being jettisoned.

Now, regarding these handlooms, I have never been a great votary of the handloom as an instrument of production because by modern standards it is not so. Those, who talk about 21st century and all that, may even feel a bit contemptuous about a thing like handloom, which is a primitive thing, after all. But we are talking about conditions

[Shri Indrajit Gupta]

in our country. This is India. This is not Japan. This is not any other foreign country. In this country, during the National Independence Movement led by Gandhiji at that time on this question, it was clearly explained to the people that this handloom itself had become a symbol of something at that time. Partly, it was a symbol of resistance to cloth the deliberate dumping of foreign in this country at that time when we were fighting for our Independence. But it also became a symbol that in a country like ours where there is so much unemployment, where in the rural areas people do not have other avenues of employment and where there are so many unemployed people, in conditions of rural India, this handloom is something which permits millions of people to earn some sort of a livelihood and survive and also to provide cheap cloth for the people. You are trying to destroy that symbol now. If the ruling party wants to destroy it, I have no objection. It is for them to go and explain to the people.

PROF. MADHU DANDAVATE : It is not their property !

SHRI INDRAJIT GUPTA : It may not be their property. But it is there. On the Congress Party's flag, the symbol of the handloom is there. I think it means something to them. It should mean something to them. The idea has always been in our country that man-made production and machine made production should be balanced in such a way that until our country which is still developing, reaches a certain stage, there should be a sort of optimum balance which will help the poorer sections of the people in our country. Now, this policy, of course, is going to help the mill sector very much. There is no doubt about it. As I just now quoted, all their demands have been met and all the sins committed by these mill owners in the past in ruining this industry and in declaring the units sick have been forgotten. Shri Deora talked about the National Textile Corporation's taking over of 150 mills. Why did they have to take them over ? Who declared them sick ? Who was closing down those mills, which forced the Government to step in, and take them over ? All those sins of these mill-owners have been white-washed. Who prevented

them from modernizing these mills ? Why did they not take the money offered to them by the IDBI ? Just like the jute mill owners, these cotton mill owners also never bothered about modernization. They siphoned off the money, and used it for other purposes, somewhere else; and then they took it from the Government financial institutions, ruined those companies, declared them sick, closed them down. All these things have been forgotten. Now, all the demands put forward by this mill sector are swallowed hook, line and sinker. And who are going to be the victims of it ? Are the poorer people going to get their cloth, which is going to be made from this man-made fibre, synthetic fibre and all that ? They will not get it. They have not got the purchasing power to buy that cloth at all. They can only hope for that controlled cloth, the whole of the burden of which, as it has just been said, has been shifted on to the handloom sector. That means, the handloom sector is going to be made sick now. This is the way of making the handloom sector sick. These big textile mills, organized mills, refused to make this controlled cloth, because it brought them no profit. They say it imposed losses on them. Then they shifted it on to NTC mills. NTC mills were all going into losses, they said, because of this controlled cloth. Now, the whole thing has been shunted on to the handloom sector. Therefore, This is a way of making the handloom sector sick. Nothing else; and the cloth which is going to be produced now in larger quantities and varieties by the mills is meant to cater only to elitist sections in towns and cities; or may be, to the export markets abroad. That should never be the criterion of textile policy in this country.

One gentleman who is a former Chairman of the All India Handicrafts Board has calculated that in about 5 years' time, may be one million, i.e. about 10 lakhs of handloom workers will be rendered unemployed.

SHRI CHANDRA SHEKHAR SINGH : That is his calculation.

SHRI INDRAJIT GUPTA : Everybody has his calculation like you also have, Mr. Minister. You have not been able to give accurate calculations about how many people are employed in the handloom sector. The minister of Textiles says, 70 lakhs. The 6th Plan document says: 84 lakhs.

The Secretary of the Ministry of Textiles, in his broadcast in the month of May said: 100 lakhs. The 1980 Economic Census said: 18.68 lakhs. The 1981 Census says: 14.4 lakhs. There must be some sense of proportion. These things all cannot be correct. ...*Interruptions*) Are we to take the average?

PROF. MADHU DANDAVATE : What does the computer say? (*Interruptions*)

SHRI INDRAJIT GUPTA : This handloom sector has been providing cloth; we also encouraged it because of the low capital cost and big employment potential of this handloom sector. Now you are really going in for an anti-handloom policy; and an anti-Khadi policy also, I suppose. I do not know how our Congress friends look at it.

PROF. MADU DANDAVATE : The new Congressmen do not put on Khadi.

SHRI INDRAJIT GUPTA : I would only say one thing, and no more about handloom, i.e. if you are really serious about handlooms, why is it that—when your new policy is repeating in so many places of that document that if mill workers are displaced, dislodged, retrenched or unemployed, they will be given compensation and they will be rehabilitated, for that a Special Fund will be set up, and so on, and that they will not suffer; you have repeated it so many times—you do not extend that assurance to those handloom workers also, who are likely to be thrown out of their jobs? Why should they not get compensation?

SHRI CHANDRA SHEKHAR SINGH : They are not going to be thrown out at all. On the contrary, they are to get additional employment. There is no need to put that clause there.

SHRI INDRAJIT GUPTA : They will never get additional employment.

SHRI CHANDRA SHEKHAR SINGH : The simple fact that the production of controlled cloth is being transferred to the handloom sector, is going to give additional jobs to nearly one-half million to one million people in the handloom sector alone.

PROF. MADHU DANDAVATE : They are likely to die under the burden of that very cloth.

SHRI CHANDRA SHEKHAR SINGH : You may wish them so, but they are not going to suffer like that.

PROF MADHU DANDAVATE : I wish them long life.

SHRI CHANDRA SHEKHAR SINGH : No; You do not have that understanding of the handloom problem.

SHRI INDRAJIT GUPTA : About 120 crores worth of handloom products only in one State Tamilnadu are lying accumulated. Now, they cannot be disposed of. After all, there is a cloth market and that one market is being competed for; in that one market in which we have got to sell cloth, you are trying to protect, give some protection to the handloom; now, that protection is knocked out because there is no further restriction on the mill sector or the powerloom sector; they can produce as much as they like with any kind of fibre they like. There are no restraints, nothing on them now. Therefore, handlooms are bound to be elbowed, out from the market.

AN HON. MEMBER : What about the controlled cloth?

SHRI INDRAJIT GUPTA : They will either sink under the weight of the controlled cloth; nobody will buy anything.

SHRI CHANDRA SHEKHAR SINGH : I will explain.

SHRI INDRAJIT GUPTA : As far as powerloom sector is concerned, many things have already been said here. The main problem with the powerloom is the fact that the organised mill sector should not be allowed to get into this power loom by illegal means, by *benami* means, by the backdoor and all that which they are doing. You have brought parity in everything except the conditions of workers on the powerloom. You have brought parity with the mills, as far as levy, duty and taxes, everything are concerned. But worst sufferer are the workers on the powerloom who get miserable wages, starvation wages for whom there are no service conditions, no labour laws are implemented for them. You have not promised anything. This powerloom should not be registered after coming into existence; there is nothing to prevent power loom being



[Shri Indrajit Gupta]

set up and then coming for being registered. We know how they get registered. So, I would suggest that if you want to save this power loom from functioning as *benami* agency of the mills, because in spite of restraint which you have removed on the mills, it will still be cheaper for them to get proxy production done through the powerloom, and therefore, if you want to prevent that, there are two or three ways of doing it. This powerloom should be helped and encouraged to get into cooperatives. There are no cooperatives at all at present. There are handloom cooperatives; there are no power loom cooperatives. They must form powerloom cooperatives. The workers must also be given equal wages, good service conditions and labour protection as workers in the organised sector get. As I said, unregistered powerloom should not be allowed to come up like as a *fait accompli* after they have been set up. But you have not said anything about this in your policy.

Then, finally, I would say sickness in the mill sector has been attributed in this policy as mill owners themselves have argued to plethora of controls and regulatory measures. The same thing that the tax payers have said, the big tax assessees, who always evade income tax. You remember, Shri Vishwanath Pratap Singh, said, the whole trouble is that there are too many taxes, too many regulations and so on and so forth. So, remove everything. Now, the same thing has been done in this case also. And what is the green signal which has been given ?

New technology for modernisation. But nothing is said about those employers who made these mills sick. Are they to be modernised also ? People for whom assurance was given here that this bad management will not be allowed to continue (*Interruptions*)

**SHRI CHANDRA SHEKHAR SINGH :** It is written here.

**SHRI INDRAJIT GUPTA :** Anything can be written.

**SHRI CHANDRA SHEKHAR SINGH :** It is very clearly written that bad and inept management would be removed.

**SHRI INDRAJIT GUPTA :** I want to know how many have been removed after February ?

**SHRI CHANDRA SHEKHAR SINGH :** This policy is being discussed after the announcement. There are only two months. How can you expect me to give you an example to remove the bad management ?

**SHRI INDRAJIT GUPTA :** This modernisation with the help of new technology is going to mean a large scale rationalisation and displacement of labour. You are only promising that they will be given some compensation. That is all. A radical change in the product mix. For whose benefit ? Not for the common poor man in this country. For elitist sections of the community, and for that foreign market which you are thinking of hopefully that you will be able to penetrate, but you will never be able to penetrate. No obligation to produce for the poor sections of the people. Virtual elimination of all statutory restrictions on closure or retrenchment. There are statutory measures at present, but you are indicating in your policy that these things will not be allowed to stand in the way. Closure of non-viable mills, even though they are in the public sector is necessary. Who will decide why they became sick, why they became non-viable whether they are potentially viable or not ? And, therefore, you have washed your hands clean of any responsibility of looking after these so-called non-viable or sick units.

Therefore, Madam, I may humbly say that this policy taken as a whole is an absolutely retrograde policy. It is an absolutely retrograde policy, which will not help the poor people of this country to get cloth at cheap prices as thought of. And the only solution, because Mr. Murli Deora said, "What is the solution ?" is—my solution he will not like, and my solution is—that all the sectors of the textile industry, the whole industry as a whole in India can only be saved from ruin if the Government has the courage to take over the whole thing.

**SHRI MURLI DEORA :** The whole thing ?

**SHRI INDRAJIT GUPTA :** Yes. Nationalise the whole thing and run it.

SHRI MURLI DEORA : China is de-nationalising now. Even in China they are de-nationalising.

SHRI INDRAJIT GUPTA : Why are you worried about 'even in China'? You are the only one haunted by China.

MR. CHAIRMAN : There should not be any side talk like that. I do not permit. Please conclude now.

SHRI INDRAJIT GUPTA : Quite right.

There should not be any kind of piecemeal or this kind of a solution which they are trying, through some short cut or which is a half-hearted or partial solution. All this means again that the whole textile policy can never be geared to the real concrete requirements of India and they are sacrificing the poorer sections of the masses in favour of some little elitist sections which is the same budget philosophy behind their policies and everything else. It is exactly the same thing there. It is the same thing being repeated here, I find.

Therefore, I would request that this policy be rejected and a new policy be evolved, in consultation with all the interests which are concerned. Did they consult all the interests concerned? I do not mean in this House. I mean the people who are concerned with the various aspects of the industry. We do not know because the export committee report has not been made available to us. Who did they consult? Whose opinion did they take? Why is this policy after being announced getting such a hostile reception from everybody—except the big mill owners everybody—the handlooms, powerlooms and all the sectors? Everybody is complaining that they are appensive, everybody feels that they are being sacrificed for the sake of a handful of big mill owners. What kind of reception is this policy getting in this country? The Government should give it a second thought and they should, in deference to the views expressed largely in this House. They can have a second look and still find time to review it and re-fashion it in a way which will be in the interests of the people of the country.

MR. CHAIRMAN : Shri Kumaramangalam.

AN. HON. MEMBER : What about the consumer?

SHRI INDRAJIT GUPTA : I am only a consumer of cloth.

PROF. MADHU DANDAVATE : You are guided only by Shri Murli Deora.

SHRI P. R. KUMARAMANGALAM (Salem) : Madam Chairman, so far as the object of the new textile policy is concerned, it is very laudable one. This is so because making available cloth of acceptable quality at reasonable prices is the need of the day. We all know that the price of cloth has been sky-rocketing, especially in the past few years. Any reasonably good cloth, not necessarily as Mr. Indrajit Gupta just now said non-Khadi alone, even Khadi cloth, has been going up in cost at a very fast pace. Therefore, this object of the policy was essential and necessary and I welcome it, whatever be the other small points which are pointed out and in fact blown out of proportion.

Madam Chairman, so far as the three main dimensions that have been taken into consideration in this policy are concerned, the first being that the industry shall be viewed in terms of its stages of manufacturing process, namely, spinning, weaving and processing, —well whichever way you look at it—whether you look at it from category view is the powerlooms or the handlooms mills point of view, you look at it from the point of view of spinning, weaving and processing it really does not matter. It is the root which is important. What is the object behind this? It says that the industry shall be provided with fuller flexibility in the use of various fibres. I think, it is a welcome change. It is high time that India catches up and we do not stay back in those days on insisting that it shall only be khadi and khadi alone that India shall produce.

So far as the third is concerned, I have a small reservation. It says that the industry shall be subject to more pragmatic policies regarding creation or contraction of capacities by units in order to increase competition and promote healthy growth in the industry. It sounds very nice, but when it comes to implementation we find that those innocuous soft-spoken words are used by

[Shri R. P. Kumaramangalam]

capitalists to exploit the workers. This, I feel, is one of the dimensions which will be exploited unless the Government is extremely careful to ensure through, regulation and through conscious conduct that it will not be treated as a manner of getting rid of labour, exploiting labour and ensuring that it is only the elite who make the money out of this textile sector. The other two important dimensions, according to me, are not really harmful and they are welcome. Even the main object is laudable.

So far as the weaving sector is concerned, the act of equating and clubbing organised powerlooms, that is mills with the unorganised powerlooms and saying that their various inherent strengths and capabilities would be the basis on which they shall be allowed to compete, I feel, is wrong to say the least, for the simple reason that it is like saying that the middle-class in India must match the tycoons. It is a very important matter. It is a situation like asking an average middle-class in India that when a rich, who earns lakhs of rupees a month, can afford tomato at Rs. 13/- a kg. why cannot he? It is rather unfortunate to say the least. Here I would like to warn the Minister that this attitude is soon going to create a situation wherein in addition to subsidy being given to the 75 lakh handloom workers, we will have now to start thinking in our Seventh Plan of creating a provision for subsidy for 32 lakh powerloom workers also. And this sick handloom industry is also going to have a partner or brother in progress of having a sick powerloom industry unless specific attention is going to be paid to the powerloom industry.

The powerloom industry should be encouraged through cooperatives. In fact, Mr. Indrajit Gupta mentioned it. I welcome it whole-heartedly. I would like the Minister to consider it. There must be powerloom cooperatives not only for marketing but for processing and various other factors also in order to protect that sector; otherwise, we are going to have a day soon when the modernised handloom is going to have the status of a sick sector.

I do feel a little sorry when I see Opposition Members emphasising on handloom and not knowing the fact that the textile

policy has noted and laid emphasis on modernisation of handlooms. I presume modernisation of handloom does not just mean improving the beam of the loom but it would also mean improving the various ways of technological processes that we have got and in addition, may be over a period of time, moving them in to, what is called in the textile policy, the unorganised powerloom sector. If I may humbly submit the major problem really seems to lie in the fact that in the textile arena we have the wealthy, powerful, elite mills and their owners. We have the minions of the mills, a small portion of the powerloom, and we have the handlooms moved into the powerloom arena, and, lastly, we have the poor handlooms which have not been able even to dream of moving into being a small powerloom. If I may humbly submit, this policy as a whole, as it stands now, does not need to be rejected for the simple reason that it has not yet spelt out the details. It has given indication to all the sectors, it has told the mills that it wants them to improve, it wants them to be efficient, it will not tolerate sickness, they should not think that they can do what they did in the past—siphon money from the mills, make it sick and then make NTC take it over—they will not be allowed to do that. If they are a bad management they will be thrown out. So, we have to welcome this statement. Not only that, it has categorically said that they could contract their capacity but they have to protect the interests of the workmen. It is there where I feel that the Minister should especially be extremely careful. It should not be that they should be allowed to contract their capacities without prior arrangement of what is going to happen to those workers, whether they are going to be retrenched or whether they are going to be adjusted anywhere else. Before any mill is allowed to contract its capacity, it must prove to the Textile Ministry that not a single worker will be affected. It is not sufficient to say, "I give you retrenchment compensation". Unemployment is a disease. It has affected our country. Let not that cancer take over the rest of the country. Unemployment will kill us economically.

May I just add that there is another point and that is that technology seems to be spoken only in terms of the mills. I would request the Minister to think of tech-

nology also in the field of powerlooms, in the field of handlooms, in terms of using power even for handlooms. There is a method and it has been done in the South.

Finally, before I close there is a factor which I would like the Minister to take note of, which Mr. Indrajit Gupta just now mentioned, and that is that Rs. 9 crores worth of stock is there in the cooperative handloom sector available in Tamil Nadu. There is nobody to offtake it. My constituency has both powerlooms and handlooms. Both the sectors today are determined that this policy is out to finish them. It is necessary for the Minister to clarify that the policy is being mis-interpreted, wrongly presented, and that this policy would genuinely help in bringing both the sectors out of the gloom in which they have been for quite some time. At the same time, I would like to add that it is unfortunate just because a few powerlooms have been used as *benami* by mills, the whole powerloom sector is treated as untouchable, like a step child, in fact, like an illegally born child who is now being given legality by registration but still who is untouchable. I would request the Hon. Minister that while saying that this policy should be accepted, when details are being worked out, the various sectors be consulted and their future looked after. Thank you very much.

[Translation]

SHRI PRATAP BHANU SHARMA (Vidisha) : Mr. Chairman, Sir, I would like to give some suggestions in respect of the new textile policy. The need for a new textile policy was being felt for quite some time and our Hon. Textiles Minister announced the new textile policy last month and attracted attention of the nation towards it. The new policy envisages on the one hand modernisation of the textile mills, increasing productivity, providing quality cloth to the countrymen and on the other, it also speaks about protecting the interest of the handloom sector. It would have been better had the opinion of the House been taken through a debate in the House before coming out with a final statement.

While supporting the priorities spelled out by the Government in this new policy, I would like to draw the attention of the

Government to para 19.6 which says that it will be ensured that the interests of the workers are properly protected while implementing the programme of modernisation. I think this is a commendable step which shows that while we are installing modern equipment for modernisation of the mills and inducting new technology for increasing productivity, at the same time we shall also see that the interests of the workers are protected.

Besides, it will also have to be taken care of that which cloth will be manufactured by the mills after effecting modernisation. Will this cloth be according to the needs of the socio-economic structure of the country or will more and more cloth be produced for export? They might not just switch over to manufacturing such cloth which might not protect the interest of the common consumer. Therefore, it is necessary that keeping in view the socio-economic structure and climatic conditions of our country, clear-cut directives are issued to the mills indicating the type of modernisation to be effected and specifying the variety and quantum of cloth to be manufactured.

I also want to draw the attention of the House to the fact that the Hon. Minister has given special concessions to the handloom industry. By making a special mention about protecting their interests, he has shown that our Government are committed to promoting manufacture of the handloom cloth in the country. It gives priority to the handloom sector because besides manufacturing quality cloth, this sector has also been providing avenues of employment for centuries. Your gesture that 650 million metres of cloth which was being manufactured in N.T.C. mills and powerlooms hitherto will now be manufactured in the handloom sector thereby generating employment for one million additional hands is certainly a commendable step. But, on the other hand if we go by the minimum needs of the poor people, taking 10 metres of cloth as the per capita requirement, 650 million metres of cloth will suffice only for a population of 6.5 crores, whereas even today 3 crores of people are such who live below the poverty line, then who will manufacture cloth to meet the requirement of this section of the population? It will need another 3,000 million metres of cloth to meet their requirements.



[Shri Pratap Bhanu Sharma]

Whereas you people to manufacture 650 million metres of cloth through the handloom sector, there is still scope to manufacture cloth through the powerlooms and controlled cloth through N.T.C., as in view of the rising population, we need 3,000 million metres of cloth to meet the requirement of the country. This fact has been revealed through a survey.

The second thing which has been said in the new textile policy relates to the planned development of the powerloom sector by imposing restrictions on powerlooms. You have protected the interests of the handloom sector by imposing restrictions on the facilities available to the powerlooms which were being misused by the big mill owners. This is certainly a commendable step. We should also see to it that the concessions which we have withdrawn do not adversely affect either the production capacity or the employment potential of the powerlooms. For this, it is essential to protect their interests. I also want to suggest that controlled cloth can also be manufactured there or a programme for manufacturing special quality cloth in a planned manner under a new policy can be included in the next Five Year Plan.

In the end, I would like to congratulate the Hon. Minister because it is for the first time that he has given special attention to the production of silk and silk garments and has also reflected it in the new policy. Our Government certainly deserve congratulations on this score also. It will provide material for cottage industries in the rural areas and encourage entrepreneurship under sericulture, based on a new type of forest, on the one hand and on the other hand, the produce, the raw material from it can be supplied to small and cottage industries after getting it processed by our weavers and, thus, we shall be able to pay attention to the manufacture of quality products. Today, the need is to have modern techniques, skilled and efficient weavers and to supply them good quality raw material in time so that these policies may be implemented. There is need to maintain coordination among them all. Raw material is produced but it does not find any market. They (the weavers) long for raw material for handloom and khadi cloth. Due to non-availability of

raw material we are unable to utilize their capacity. Therefore, the National Handloom Development Corporation set up by you, and the K.V.I.C., which is also engaged in this work, should work as Central agencies and these should be utilized as marketing consortia. It will help in generating employment potential and manufacturing quality cloth, besides exporting cloth in substantial quantity, because there is demand not only for silk cloth but also for handloom cloth abroad and foreign exchange can be earned from it.

[English]

SHRI AMAL DATTA (Diamond Harbour) : Madam Chairman, on going through this new textile policy, one thing which strikes me is the total absence of statistics of all kinds, so that we have to go to other documents to find out how many people will be effected either by the mills sector closing down or part of the handloom sector closing down for lack of any market because of the fall in the price of millmade cloth as is expected. There should have been some indication, at least, in the policy document—as it is being stated that it is going to make a very drastic change in the Indian textile scene,—as to how it is going to affect the different types of people and workers working in the mills. What is their number ? What is going to be the retrenchment possibility if these mills are allowed to modernise, as they are being allowed in this policy ? What will be the effect on the handloom workers ? How many workers will be affected ? These things have not been given. Just now we heard from the Textiles Minister that '5 to 1 million more handloom workers, additional workers, will get jobs. This is something which could have been suitably incorporated in the policy itself. Then we could have taken a different look at the policy, and try to see whether it is a correct conclusion or not. But the assumptions on which these conclusions are based are not stated. One assumption appears to be that if the man-made fibres are made cheaper by decrease in the levy of excise duty, then the price of the blended cloth or the artificial fabric will go down. This is an erroneous assumption. Secondly, if it does go down, then the market will increase, more of it will be sold. That again, is an erroneous assumption because we all know that the sale of textiles



does not depend so much on the price, but on the purchasing power of the people. If the purchasing power is not there as we know, 50 per cent or more of our people are below the poverty line, they can never think of buying the artificial fibres of any variety. Naturally they will only be confined to those at a higher income group level and they are already purchasing it. If the price goes down by Rs. 2 or Rs. 3 per metre, they are not going to purchase any more of it. So this assumption that the price going down will mean more sale of this cloth and therefore, the revenue will remain constant and there will be more people employed is a totally erroneous assumption. Nothing is said about the kind of technology that will be allowed. Some reference is made to automatic looms, to spindleless looms and so on. If in the place of non-automatic looms automatic looms are allowed, how many workers will be displaced? Supposing all the mills today are given finance to go in for this kind of automatic mills or spindleless mills, how many people will be affected out of 7 lakh or so people who are working in the mills? How many of them will be displaced? That is not stated. How do we make a knowledgeable criticism of the policy without this data? So, we are reduced to only looking at what other people have said about this particular policy? Coming to that, we find that it has been publicised with great fanfare and welcomed by the people at the top end of the textile production world. The Birlas, Mafat Lals, Tatas and all these people have welcomed it because they are given absolutely liberty to close down the textile mills to go in for modern technology, to retrench people, whatever they like. Therefore, they liked it very much. Now it is said that this liberty is given to every sector also. Supposing the powerloom people are told that you can also go in for modernisation, you can go for processing etc. But do they have the resources to do so? If they are independently working on their own, they do not have the resources. If they are working as agents of mills only then they have the resources. So, either you make the looms again more dependent on mills or in any case you are giving them only an illusory liberty which they will never be able to utilise. So, when it is said that we are not going by the traditional division of handloom, powerloom and looms, but we

are dividing it by the stages, namely, spinning, weaving and processing, it is really that this distinction is being taken away only in the case of mills and not in the case of handloom and powerloom. Because of the necessities of the economic compulsions, they will be confined to only the process in which they are at present engaged. Tall promises have been made regarding making available adequate cotton for the handloom sector. How is it to be done, that is not stated. When the time comes and when we try to call the Textile Minister, he will say that the Agriculture Minister has not put in enough money for growing cotton and the Government has not given enough money to give remunerative prices to the cotton growers, so, production of cotton has fallen and the prices have risen and therefore, there is less cloth produced in the handloom sector. Sir, I am coming to this because there is a very definite indication that when they were considering this policy they have also considered the financial implications of it. They had asked the Planning Commission for allocation of Rs. 550 crores in the Seventh Five-Year Plan. The Planning Commission has given only Rs. 117 crores, only 20 per cent of what the Department has asked for. Now, I would ask the Hon. Minister to explain to us—we are laymen and we do know—what is the requirement of finance for each category. Since for an amount of Rs. 550 crores, they got only 20 per cent of that amount, are they still in a position to implement this policy? Previous policy also was not a bad policy because the main object of that policy was also to make cloth available to the mass of the Indian people at reasonable rate. That is the first objective of the 1981 textile policy. The Minister is trying to put it out as through this policy is one which he has thought out for the first time. It is not so. It has been the object of all textiles policies for all time. In 1978 also, that was the main objective of the textile policy. But those policies have not been implemented for various obstacles. How are they going to remove the obstacles? One of the obstacles standing in the way if you are giving total liberty to the mill owners particularly tycoon section of the mill owners to go in for any kind of modernisation, any kind of technology and import it from wherever they want. They do not even give this particular work of building new machine

[Shri Amal Datta]

to the domestic textile machinery manufacturers. They are not even in favour of those manufacturers. They are telling the mill owners that they can go for import from any country, no matter what degree of sophistication the machinery would be. Probably, it is known to everybody that in some countries like Japan and Korea, the textile mills employ a very few employees because they are all automatic and controlled by electronic micro processors and so on. So, in our country, a mill which employs about 3,000 or 4,000 people today, may only employ about 300 or 400 people and the mill may be run even less than that number. Have you ever thought of this possibility? How will you ensure that the workers get their dues when they are retrenched? At the moment, I have asked the Hon. Labour Minister, how are you going to see that the arrears of provident fund and other dues are paid to the workers. The Bombay textile strike has thrown out lot of workers and lot of workers are out of employment. They have not yet got their dues, not to speak of any additional facilities, or compensation.

The Minister is now saying that he may put something like about Rs. 15 crores in the rehabilitation fund. But after the Planning Commission reduced the allocation to this Ministry to 20 per cent of its original demand, the amount of fund will also be reduced to only Rs. 3 crores or something like that. So, we would like to know, how he will make the handloom sector employ about a million or half-a-million more people? How will he make more cotton available to the industry? How will he see that the people retrenched from the mill sector are adequately compensated? Where is the money to do all these things?

And then, it is calculated that modernisation of the mills will cost about Rs. 2,500 crores. Where is the money to come from? This soft loan is already there from 1976. For 8 years, from 1976 to 1984, only about Rs. 350 crores were disbursed by IDBI. Where is the money going to come from and how is this modernisation going to take place? As already so many people have pointed out, this modernisation, if it takes place, will only benefit a very small section

of the elitist people in our country and probably the export sector which also belongs to the elitist group. Even so, I don't think that you have got the capacity and financial wherewithal to implement the policy.

17.09 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

SHRI MULLAPPALLY RAMCHANDRAN (Cannanore) : Sir, whatever the Hon. Senior Members have said, the textile policy formulated by the Government recently is an important policy statement and no single policy change by the Government in the last two decades has been as sweeping as the textile policy statement.

While supporting the new textile policy, I would like to confine myself to the handloom sector which has been intimately woven into the history of handloom before and after Indian independence movement. The history of handloom before and after independence has been a crusade against underemployment as well as unemployment of the rural population of India.

This traditional cottage industry is highly labour intensive and spread over various parts of the country. More than 10 million people directly or indirectly depend upon this industry for their livelihood. This industry ranks next to agriculture in terms of its impact on rural employment and income.

In Kerala, handloom occupies a predominant place among the traditional industries. One lakh families are dependent on this industry in Northern Kerala alone. How can we afford to neglect this traditional industry since it gives job opportunities to the entire family members?

According to 1976 Census of Handloom conducted in Kerala, there were 90,030 looms in the State, consisting of 63,169 looms in the Household Sector and 26,861 in other establishments. 44.50 per cent of the total looms in the State were in Cannanore district alone. The total production of handloom cloth in Kerala in 1980-81 is estimated to be about 90 million metres valued at Rs. 45 crores.

The exact figure of quality and value of the handloom exported from Kerala is not

available since bulk of exports is made by exporters based at Bombay, Delhi, Madras and Bangalore etc. However, Kerala Handlooms worth Rs. 25-30 crores are exported annually.

Attracted by a lower wage and better industrial relations, Cannanore type of handloom products are being manufactured in Tamil Nadu. This is a major threat posed to the industry in Kerala.

Strict enforcement of a national minimum wage policy is one of the solutions to rejuvenate handloom industry in Kerala.

The textile policy statement has made it categorically clear that the responsibility for entire production of controlled cloth shall be transferred to Handloom industry. This is a major policy decision which is to be appreciated by all. With regard to this major step to revive the industry, one doubts whether any serious attention has been paid to guarantee continuous job for the weavers throughout the year.

Timely availability of adequate quantity of yarn at reasonable price is a pre-requisite for continuous employment. The Handloom Apex Societies and the Handloom Development Corporations should be entrusted with the task of proper and timely distribution of yarn to the weavers. To facilitate dying and processing yarn cloth by weavers, more common service centres are to be opened.

Another important problem faced by the industry is the accumulations of stock at the hands of weavers and the distressed situation created by such accumulation. It is important to establish an efficient market intelligence system in importing countries to find out consumer preferences in the type of fabrics signs etc. The accent should be produce according to the requirements of the consumers to his design and specifications.'

Thrust given for the development of Handlooms through cooperatives and Centre/State-level Corporations is indeed laudable. Credit facilities to the Cooperative sector are to be ensused by the Reserve Bank of India, and timely availability of credit is an important factor in this direction. Complete restructuring of the Industry during

the 7th Plan should be treated as one of high priorities. At present, only 40 per cent of weavers in Kerala are covered by the Cooperative network. A majority of the looms are outside the purview of Cooperative sector and Government sector various efforts must be made to bring the industry under the cooperative sector.

The provision for the contributory Thrift Fund to provide assistance to the Handloom weavers during times of need will definitely take the industry ahead.

A Workshed-cum-housing scheme to provide better place for work and living to Handloom weavers also is a serious step to alleviate the difficulties faced by the weavers.

On the whole, it is beyond all rays of doubt that the new Textile policy is a bold and innovative attempt to revive and promote the traditional cottage industry which provides maximum employment opportunity to millions of rural population. It also would help to satisfy the clothing needs of all section of the population.

**SHRI KADAMBUR JANARTHANAN** (Tirunelveli) : Mr. Deputy Speaker, Sir, we have to appreciate the intention and the main aim of our Government under the new textile policy; it is to achieve production and productivity in such a way that we produce cloth of acceptable quality and at reasonable prices to meet the cloth requirements of the growing population of our country. When we welcome this policy, the intention and aim of it, we must also carefully study the implementation of this policy.

In the pre-Independence period, the spindles were running at 8,000 revolutions per minute. Now they are running at 13,000 r.p.m. The open-end spindle, which is used in West Germany, is spinning at 90,000 r.p.m. So, modernisation is a must. Whether it suits our country or not, we have to make the sacrifice and move forward. Therefore, modernisation is a must. But, at the same time, we must see that employment is not affected by that.

The Father of our Nation selected khadi and took to the weapon of *thakli* or spinning to oppose the white man. The whole economic condition of the people

[Shri Kadambur Janarthanan]

depends on the textile policy. The textile industry was minting money like anything from 1942 to 1974. But now it is a sick industry in this country. Why? Government should go deep into it. The millowners say that it is because of the Government policy that the mills have fallen sick. We have to study as to what is the cause.

The aim, under the new textile policy, is to give to people cloth of acceptable quality and at reasonable rates. That is alright. But at the same time we have to see as to what is the condition of the poor growers who are producing cotton. As Members of Parliament, we should know as to what is their condition. This year the cotton-growers have suffered like anything. The price of 20's cotton was Rs. 6,000 per candy last year. But this year it is Rs. 4,200/- per candy. That means, the grower has suffered a loss of more than Rs. 100 per quintal. What are we going to do for them? In the policy the Hon. Minister has stated that the CCI and the NTC will come to their rescue. Have they come to their rescue? What is the quantity that the CCI bought in Tamil Nadu? I come from Tirunelveli. There, they have not bought even 50 bales. That is how the CCI is functioning. Prof. Madhu Dandavate has said that we must divide it into three sectors—handloom, powerloom and organized sector—and that three Commissioners should be appointed. There are office bearers appointed in CCI. There are office-bearers appointed in NTC also. I want the Hon. Minister to see how the NTC is working in Tamil Nadu, how the NTC is working in West Bengal, how the NTC is working in Andhra Pradesh. There are mills in the NTC which are producing 20 per cent waste *bonda*. But in Tamil Nadu, that is not the case.

I will give my suggestion as to what can be termed 'mismanagement'. If a mill does not make the payment to cotton-growers within 30 days, then it means that the mill is being mismanaged. Till 1974, there was no delay in making payment to the cotton-growers. But now it is not so.

I would request the Hon. Minister not to treat the powerloom and the organized

sector at par. We are not able to digest it. The powerloom people are buying semi raw material, that is, yarn, from the spinning mill. So, they have the cost of cotton spinning plus the profit of the mill plus sales-tax plus the trade interest plus commission. The four extra burdens fall on the powerloom weaver. I am talking of the real powerloom weaver; I do not mean the benami powerloom owners. But the composite mills, that is, the mill which is spinning, weaving and processing, do not have these four burdens. I would, therefore, request the Hon. Minister not to treat the powerloom weavers at par with the organized sector. The organized sector is a big sector. Are we going to treat the three powerloom owners or five powerloom owners at par with the organized sector? So, regarding all these things, I request again the Minister to see that the cotton growers interest is safeguarded. At least 50 per cent of the indigenous cotton production should be covered by the Cotton Corporation of India. Unless and until we make it compulsory there is no way for us. Whether through the federation or through Cotton Corporation of India at least 50 per cent that means 40 lakhs of bales of cotton should be covered by them. The policy is strict and hard here. In this pattern the cotton grower cannot be protected because you are going to increase from 50000 tonnes to 1,50,000 tonnes of the man-made fibre. There is a competition between the man-made fibre and God made fibre. I request the Minister to protect the cotton growers from the competition of the owners of man-made fibres. When you are reducing the excise duty on the synthetic fibres, you should also reduce the excise duty on the cotton fibres. Excise duty on counts below 60 cotton yarn should be exempted. Then only the cotton trade, the cotton grower and the cotton spinning mills will be rescued. Then I come to the modernisation of ginning machines. It is a very essential point and it is a must for our country. Today, when Japan and China buy cotton from Tamil Nadu, they complain of ginning defects. When we come to the modernisation of ginning factories, even factories with one or two ginning machines should be given licence. Now, ginning factories which are having less than 6 ginning machines are prohibited to run the factory. We have got a old Plot Brothers ginning factory of 1904 in Akhola, or Amaravathi, or Guntur or



Gadanchi or Tamil Nadu. Therefore, Government should give complete help for the modernisation of ginning and so much so the new policy should safeguard the cotton growers and I wish the new policy all success by giving good and acceptable quality of cloth to the people of India. I must tell the Minister about the big Mettur mill which was producing and supplying cloth during the war period. My father was also a cloth dealer. That mill is a sick mill now. The production is now closed. Things like this should not happen and I therefore, request the Minister to see that the payment is made for raw materials within 30 days after they come to the premises because where the payment is delayed there is mismanagement. With this I welcome this policy, but at the same time I request the Minister to safeguard the cotton growers policy also.

SHRI HAROOBHAI MEHTA (Ahmedabad) : Sir, we are all grateful to the Minister for undertaking a painful exercise in formulating a policy with a view to stabilising the textile industry. However, some care will have to be taken in the implementation of this policy to ensure that the workers do not suffer. Sir, one of the directive principles of our Constitution enjoins the State to make effective provision for right to work. In fact, it was in disregard of this article, viz., article 41 of the Constitution that the Supreme Court, in one case (Excelwear case) held that the employer has a fundamental right to close down his units as and when he chooses. Now to concede the right of the employer to close down his unit is in clear conflict with to the State's obligation to effectuate the right to work. May I request the Hon'ble Minister to re-examine the policy from this point of view, namely, what is the effort thereof on the obligation of the State to take effective measures for providing the right to work. Is it not possible to modify the policy a little extent by placing a curb on the employers in the matter of closing down their units? That is one aspect to which I must draw the attention of the Government.

The second aspect relates to treatment of the powerlooms at par with the organised sector. Art. 14 of the constitution as interpreted by the Supreme Court implies that equal treatment of unequals is an inequality. If you say in the name of equality that you

can approach and stay in Ashoka Hotel, it is not equality. In order that unequals can compete you should first create equal conditions. Are those equal conditions present here? One of my friends here remarked—what is the difference between a powerloom and a textile mill? The difference is that in the case of a textile mill, surplus value is concentrated with the organised private capital. It is not so in the case of powerlooms. Therefore, this may also be examined from this point of view—whether the powerlooms do require further protection in the shape of protective tariff or other things as they used to get in the past.

Now the third aspects. This pertains to National Textile Corporation. The policy allows the sick mills non-viable units to close down. Similar thing has also been permitted in respect of the National Textile Corporation. Retrenchment of workers or closing down units is not consistent with our constitutional obligations. If NTC is also permitted to do so, what would it amount to? We are reminded of the

*Anya kshetre kritam papam,*

*Teerth kshetre vinshyati*

*Teerth kshetre kritam papam,*

*Vajralepo bhavishyati*

After all one of the objectives of the setting up of the NTC was to take care of unemployment aspect. If NTC is also allowed to retrench workers or resort to closing down their units, what would happen to the workers? Therefore, I would humbly request you to have one more look into the new textile policy with a view to ensuring that there should be no added unemployment on account of the new policy.

Sir, the Minister has mentioned the objectives of the new policy. I am sure that when he mentioned the main objective of providing cloth at a reasonable price to the mass of the people he was not subordinating the other objectives like that of providing employment. He has said that in the pursuit of the main objective, the employment and export potential of the industry would also be kept in view. This objective of provision of employment should not be subordinated to the objective of making cloth available at a reasonable price to the poorer sections.

[Shri Haroobhai Mehta]

Creation of employment opportunities should also be considered as a very important objective which can not be lost sight of. The policy mentioned about the obligation of controlled cloth being transferred to the handloom section. In this connection I must point out that the Government will kindly take serious note of the fact that the organised textile mills have never carried out the said obligations laid on them. What happened in the matter of controlled cloth? They went to the court and obtained interim relief in respect of their obligation to carry out the manufacture of controlled cloth. When they were required to pack yarn in hank form in order to provide raw material to handloom industry they did not carry out the obligation. Government imposed an obligation of that 50 per cent of the yarn packed for sale should be packed in hank form. Even this obligation, they did not carry out, and resorted to courts.

Sir, if the textile mills go on flouting social obligation, how long shall we go on extending to them unilateral facilities and giving them benefit of doubt. When the Government has chosen to give some relief and benefits to the textile industry why not expect from them a condition of social discipline that they will try to behave in a manner which will not add to the burden of unemployment. Only those mills which undertake not to retrench any worker or close down any unit should be provided with these benefits. Incentives must be accompanied by social obligation. I trust that the Government will implement the textile policy in such a manner that economic Darwinism is not encouraged thereby and that all the social obligations laid down in the Directive Principles are faithfully carried out.

[Translation]

SHRI K.N. PRADHAN (Bhopal) : Mr. Deputy Speaker, Sir, I know how much time I would be getting to speak on this subject. I would, therefore, mention only those aspects of this textile policy about which doubts and apprehensions are being raised.

Sir, before the policy was drafted and announced, an enquiry committee was constituted. The main consideration for this

step was that mills were closing down one after the other in the country during the past many years and some of the mills were running just in an unstable way. The unemployed workers staged demonstrations and raised their voice throughout the country and as a result thereof the enquiry committee was constituted, and thereafter this policy was announced. But it seems that the workers still remain unfortunate in that the policy does not categorically state what their future would be. Merely saying that their interests would be protected will not do. If a unit is not viable, how will it protect the interests of the workers? I am unable to comprehend the principle. Mr. Deputy Speaker, Sir, it is a universally acknowledged principle that it is not possible to cure a disease till it is properly diagnosed. It is most unfortunate for the textile industry in this country that either we have not been able to diagnose or I would say that even after the diagnosis, the malady has not been cured, which has brought the industry and the economy to this pass. One wonders how an industry which is the oldest in the country and which has no problem in getting raw material, cheap labour or a ready market and whose profits were utilised to finance many new industries, suddenly starts incurring losses and the whole responsibility to run them is thrown on the Government. No serious attempt was ever made to find out the real malady. Need for modernisation has been continuously emphasized. There are no two opinions about it and all of us agree to it.

The second cause was given out to be that the textile industry was labour-oriented. The third cause was attributed to mismanagement. In this policy, wherever a reference has been made to the management, it has been termed as incompetent and negligent.

So far as the number of workers engaged in the industry is concerned, I would give figures which would prove that though it can be said to be more than sufficient yet it can not be said to be surplus in any case.

There were 378 mills in the country with one crore spindles, 1.95 lakh looms and 8 lakh workers in 1951. In 1961, the number of mills rose to 479, of spindles to 1,36,63,000 and that of looms to 1.98 lakhs while the

number of workers remained the same, that is, 8 lakhs. In 1981, the number of mills further rose to 664, the spindles to 1.80 crores and looms numbered 2 lakhs, while the number of workers remained 8 lakhs. Now there are well over 700 mills in the country with 2.25 crore spindles, 2.220 lakh looms but the strength of workers is the same.

The losses are not due to the number of workers but due to incompetent, negligent and dishonest management which has brought the textile industry to this pass. The figures given as cost price are always manipulated. They have indulged in malpractices both in the case of purchase of raw material as well as in selling the finished products, thereby leading the industry to this condition.

Had the Government been conscious of their responsibility, they would have imposed some kind of restrictions on the corrupt managements by not helping them in siphoning off profits to set up other industries. Our financial institutions have been financing them, which was helpful in diverting the profits. I would say that even now if the policy is implemented with the realisation that these capitalists have an upper hand and the workers are not capable of protecting their interests, it would definitely bring about a change.

The main directive of the policy is in para 4 of the policy statement.

"There are many objectives in the present textile policy. Though each one of the objectives is important, yet the diversity of objectives has overshadowed the main objective of the textile industry, i.e., increasing the production of cloth of acceptable quality at reasonable rates to meet the clothing requirement of a growing population. From now on this main objective will be the guiding principle of the industry. To achieve this objective, the export potential and the employment opportunities would be kept in view."

About the employment opportunities, apprehensions have been expressed to the handloom and the mill sectors.

As regards the 'controlled cloth', when this cloth was in the mill sector, mills

became sick and latter on when it was handed over to the NTC, it suffered losses, and now the burden is being shifted to the handloom sector. It is a futile process wherein the burden was first put on an elephant and when it was not able to bear it, it was put on the horseback and when even the horse could not bear it, it was dumped on a lesser animal, knowing well that the poor and helpless animal will not protest. In a country like India, which has immense population, no policy would be successful till employment is given due importance.

[English]

SHRI R.S. MANE (Ichalkaranji) : Mr. Deputy Speaker, Sir. I congratulate the Hon. Minister for the new Textile policy, though it has got a lot of deficiencies and has done injustice to powerloom sector.

In view of industrial production, employment generating capacity and revenue collected from cloth export, textile industry occupies the important role in the national economy.

In the new Textile Policy, it has been made clear that the aim would be to supply more and more cloth of acceptable quality to more and more people at reasonable rates. The new policy has been declared recently to correct the aberrations and to give new orientation to the textile industry.

In March, 1981, the textile policy has been announced. At that time, the textile industry was divided into three sectors, namely composite mills, powerlooms and handlooms. Now, in this policy the textile industry has been divided in three sections, namely spinning, weaving and processing. This itself has threatened the very existence of the powerloom sector in India.

As you know, there are about 7 lakhs and 40 thousand registered powerlooms in this country. About three million persons are directly employed by the powerloom sector, and not less than 20 million people are getting means of livelihood through the powerloom sector alone. In view of this, I would say that this is not a new textile policy, I would define this textile policy as a National Mill Welfare Policy. This is

[Shri R. S. Mane]

because, financial assistance has already been given to the organised mill sector.

As regards 7 lakhs and 40 thousand registered powerlooms in the country, which are in the disorganised sector and in the rural areas are concerned, nothing has been provided to them.

Powerloom sector has been treated at par with the mill sector as far as taxation is concerned. This is a very great injustice. Powerloom sector has been clubbed with the mill sector for purposes of imposition of tax; this is a great injustice to our powerlooms. Because of this clubbing, the powerloom sector will be completely finished.

As for handloom sector, much has not been given to this sector, but the interest of this sector has already been safeguarded by the new textile policy. Why this protection? This is because ours is a country of Mahatma Gandhi. And public opinion, public sympathy will not tolerate any injustice to the handloom sector. But what about powerloom sector? Nothing has been given to them. Slow poisoning has been given to the powerloom sector, and every injection of tonic has been given to the mill sector in this policy. As regards spinning mills, I may say, in my district of Kolhapur in Maharashtra, about 19 proposed spinning mills have been registered. Crores of rupees have been collected by the management. The chief promoters of these proposed spinning mills are the agriculturists and members of that society. But only 4 licences have been issued and others have been treated only as registered. The money is pending with the Banks and NCDC, Northern India and the Northern State Bank of India do not provide anything to these spinning mills. This is a great injustice. Powerloom sector is a national industry of importance in this country. Next to agriculture, powerloom sector in India is of considerable national importance. Care must be taken of this industry.

About the expansion of the licences, I may suggest to the Hon. Minister that compulsory registration of powerlooms itself breeds corruption and brings harassment to the small powerloom holders. This compulsory registration should be withdrawn from this new Textile Policy.

As regards rehabilitation fund and thrift fund, I welcome these concepts and I compliment the Government and the Hon. Minister. As far as our demands for powerloom sector are concerned, I request that a special committee should be appointed to study the percentage of handicaps. The powerlooms suffer *vis-a-vis* mills. Secondly, this handicap must be made good in the excise structure.

Creation of yarn banks is an absolute and dire need of the powerloom sector. This bank should be just on the style and fashion of the NABARD which provides loans to the agricultural sector. Some sort of reservation in certain field of production must be spared for the powerlooms sector. Funds should be made available and sufficient working capital should be provided to the small powerloom holder through the establishment of a national bank for the powerloom sector. Creation of an Export House is an essential thing for the powerloom sector.

So, with these suggestions and recommendations, I welcome this new Textile Policy and compliment the Hon. Minister.

[Translation]

\*SHRI G. K. KUPPUSWAMY (Coimbatore) : Mr. Deputy Speaker, Sir, I am grateful to you for giving me an opportunity to participate in the discussion on June 1985 Textile Policy and say a few words.

My parliamentary constituency Coimbatore is known as the Manchester of India. There are more than 100 textile mills in Coimbatore with several lakhs of workers. As their representative I know the problems confronting them. I would like to highlight some of their problems.

In the total export 20 per cent comes from textile industry. About 1 crore and 20 lakhs of people have their livelihood in the textile industry. India has the largest number of spindles. There are 595 spinning mills and 280 composite mills in our country.

\*The speech was originally delivered in Tamil.



At the outset I would say that sickness in textile industry is not a problem of today. Even in 1951 there were 151 uneconomic textile units. In 1968 the National Textile Corporation was set up for the sole purpose of reviving such sick textile units. In 1968, 16 sick textile mills were taken over by the NTC. In 1985 125 sick textile Mills are under the charge of NTC. In 1983-84 the NTC incurred a loss of Rs. 137 crores and during the period April 1984 to December, 1984, the loss incurred by the NTC was Rs. 131 crores. This indicates the continued sickness in textile industry. It has become widespread even during these 17 years of existence of NTC. In 1978 the Government of India enunciated a Textile Policy, which was followed by another in 1981. Since these two Policy Statements did not yield any positive results, the Government has declared on June 6, 1985 the new Textile Policy.

I would like to enumerate two or three fundamental causes for the sickness in textile industry. The textile industry is the oldest in the country. The textile machinery has become outdated. I am happy to point out that the I.D.B.I. has disbursed Rs. 355 crores for the modernisation of textile mills. The Government have also reduced the import duty on textile machinery. Yet much more remains to be done in textile industry's modernisation.

Secondly, after having fleeced the textile mills, the mill-owners have closed them and they have started powerlooms throughout the country. That is the main reason for the phenomenal growth in powerloom industry. I am happy to find that the 1985 Textile Policy has stipulated the registration of all powerlooms. This will bring to light the powerlooms which are in benami names in the unorganised sector. I would suggest even licensing system for powerlooms. The mill-owners should be taken to task for starting powerlooms in benami names.

In Coimbatore, several mills are closed, particularly big mills like Vasantha Mills, Hari Mills, Janardhana Mills and so on. 10,000 textile workers have become the victims. Since the textile mills that have been taken over by NTC are running profitably, the NTC should have no reluctance to take over these textile mills also. The NTC should rescue 10,000 textile workers

and their families from becoming destitutes. If that is not feasible, I would suggest that Co-operative Societies comprising of workers of such Mills should be formed immediately and they should be entrusted with the task of reviving these mills. For the rehabilitation of workers of closed textile mills, a Rehabilitation fund should be constituted forthwith. The workers should be given training also to run such mills. Immediately, the Government of India should set up a Training Institute exclusively for the purpose of training the workers of closed mills in the management of such units. According to the new Textile Policy, a national advisory committee will be constituted for modernisation of textile mills. This is not enough. I would suggest that a Regional Advisory Committee should be constituted in Coimbatore. On this Advisory Committee there should be representatives of textile workers also.

Coming now to handloom industry, which has given employment to 75 lakhs of people and which produces 30 per cent of total cloth production in the country, I would say that the handloom industry is in a mess. In Tamil Nadu there are 20 lakhs of handloom weavers. They are fighting for their survival. They have waged a war between survival and death. On the one hand the handloom cloth worth several hundreds of crores is stagnating and on the other the handloom weavers are not getting yarn at reasonable prices and in adequate quantity. They have to compete with power-looms. The power-looms are playing deceit on handloom weavers. The cloth produced in power-loom sector is marked as handloom cloth and sold in the market. The export of handloom cloth has also gone down considerably. I demand that the new textile policy should be implemented with verve and vigour; it should not be confined to paper. The branch offices of National Handloom Development Corporation should be set up in Coimbatore, Erode, Salem and Madurai.

Before I conclude, I would refer to the hosiery industry in Tiruppur which has become internationally known because of export of banians etc. There are 1300 banian making units in the small scale sector. They contribute substantially to our foreign exchange earning. The Textile Committee Act, 1963 was amended in 1973, enabling the Textile Committee to levy a cess on the

[Shri C. K. Kuppaswamy]

cloth and on the yarn. Under the rules formulated in 1975, 1 per cent cess is being levied on the value of the production. The powerloom product and the handloom cloth are exempted from this cess because the required yarn is subjected to a cess. When the banian cloth is being produced in mills, there is no cess. The hosiery industry is paying cess on the banian yarn, banian cloth and on banians. Only 10 per cent of the yarn produced in the country is banian yarn. The banian industry requires small investment but gives jobs for many. There has been persistent demand for the removal of this cess from banian manufacturers. The Textile Committee in its letter dated 24.5.1984 has assured the exemption of banian industry from this cess. The Vice Chairman of Textile Committee has again reiterated in his communication dated 4.2.1983 that such an exemption to banian units from this cess would be accorded. But unfortunately, the Notification in this regard has not yet been issued. The Former Commerce and Industry Minister has assured the hosiery units that exemption from this cess would be recorded. Yet, the Government of India have not notified this exemption. I urge upon the Hon. Minister to ensure the issuance of this notification exempting banian units from the payment of this cess. With these words I conclude my speech.

17.54 hrs.

**MOTION RE : CONTEMPT OF  
THE HOUSE BY A PERSON  
FROM THE VISITORS'  
GALLERY**

[English]

MR. DEPUTY SPEAKER : As the House is aware, at about 12.00 Noon today, a visitor calling himself N. Devasahayam, son of Shri Solomon, threw some papers on the floor of the House, and shouted from the Visitors' Gallery. The Watch and Ward Officer took him into custody immediately and interrogated him. The visitor has made a statement, and has expressed regret for his action. He has also begged pardon for the same.

I bring this to the notice of the House for such action as it may deem fit.

THE MINISTER OF PARLIAMEN-  
TARY AFFAIRS (SHRI H.K.L. BHAGAT):  
I beg to move :

"This House resolves that the person calling himself N. Devasahayam, son of Shri Solomon, who threw some papers at about 1200 noon today on the floor of the House and shouted from the Visitors' Gallery and whom the Watch and Ward Officer took into custody immediately, has committed a grave offence and is guilty of the contempt of this House.

This House further resolves that in view of the unqualified regret expressed by him, he be let off with a stern warning on the rising of the House today."

MR. DEPUTY SPEAKER : The question is :

"That this House resolves that the person calling himself N. Devasahayam, son of Shri Solomon, who threw some papers at about 1200 noon today on the floor of the House and shouted from the Visitors' Gallery and whom the Watch and Ward Officer took into custody immediately, has committed a grave offence and is guilty of the contempt of this House.

This House further resolves that in view of the unqualified regret expressed by him, he be let off with a stern warning on the rising of the House today."

*The motion was adopted*

**DISCUSSION RE : NEW TEXTILE  
POLICY—Contd.**

[English]

THE MINISTER OF PARLIAMEN-  
TARY AFFAIRS (SHRI H.K.L. BHAGAT): Since there are a large number of members to speak on this national textile policy, I would suggest that after sitting upto 6.45 p.m. we can carry forward this discussion tomorrow so that some more members can be accommodated. So, with the consent of the members present in the House, we have

extended the time of the House upto 6.45 p.m.

SEVERAL HON. MEMBERS : Yes.

MR. DEPUTY SPEAKER : So, the House will sit upto 6.45 p.m. to enable more members to speak on this subject. In view of the time factor, I request every member not to take more time.

DR. DATTA SAMANT (Bombay South Central) : Workers in Bombay and Ahmedabad are waiting for the last 7-8 months for something to come up. Due to strike in Bombay, many mills are closed in Ahmedabad. An assurance was given by the Prime Minister at a public meeting — because a lot of workers attended it—that we were going to find out something in which the interest of all the people including the workers will be protected. We went on telling the workers to wait. I think in the last President's Address, in the last six months, we are waiting herein the Parliament House and hoping that some thing will come out which will definitely protect the interest of the workmen because it is a large number; it is not only the textile workers in cities, as rightly said, about 12 lakhs, but it is next to agricultural industry, about one crore and 20 lakh workers are involved in power-loom sector.

I got a suggestion made by the Mill Owners Association and the Cotton Mills Federation. Your policy papers are old but they are put in a very nice place. So, the mills are sick. (*Interruptions*) But they are worth reading ?

SHRI CHANDRA SHEKHAR SINGH : And yours also.

DR. DATTA SAMANT : They have suggested that they should be given full diversification from cotton to man made fibre synthetic. Then full technology; import of machinery. They have made a representation to the government on the rationalisation of the workmen since workers are more, they can be removed. Then they say the power-loom industry is also coming in their way. So, there should be equal taxes for both. I think, whatever demands they have made or suggestions made to the government, I am afraid, this is not the policy of the

government of this country, but this is the textile policy of the Mill Owners' Association which the government is adopting. It is really shocking and surprising that I have to mention it. (*Interruptions*) Shri Kanti Kumar, Manohar Lal Shah, all these people have welcomed it, and they have very rightly said that the industry has gone sick; in ten years, 100 mills have gone sick and the government have taken them. (*Interruptions*) They say, the mill owners say and the government is accepting it. What I am telling is the same thing. The policy which the government is just recommending is really shocking.

18.00 hrs.

As far as the textile industry is concerned, Sir, this Government has no respect for the individuals of working class people. About one crore and two lakh workers are involved. The Government do not feel like paying even a single paisa to the workers. The Minimum Wage Act and the Factory Act which were started in the British times are not properly implemented. Even though they have been started 50-60 years ago, that type of protection is not given to the poor working classes or backward class workers in the handloom industry. You are not even prepared to give any assurance to protect the workers.

There is another point which I would like to elaborate. I have got all the records about Bombay's companies and factories. There are 13 mills which have been nationalised. Out of 43,000 workers about 23,000 workers are still out of job. Even in the mills nationalised earlier, about 10,000 workers are not taken to work. Out of one lakh and nine thousand workers about 20,000 workers are not taken back. Three mills, Mukhesh Mills, Sitaram and Bradbury Mills are permanently closed. They are now constructing an industrial estate in the place where Sitaram mills were. Of course, we must have that flexibility also. But the mill-owners in the cities are running the mills. But I honestly submit that in Bombay even now about 70,000 workers are out of job. I have no time to go into details.

In Ahmedabad 50,000 workers are out of job. One union which is there, the INTUC, is not able to bring them round. In Maharashtra also some unions are forcing the

[Dr. Datta Samant]

workers to join them even though even one per cent of the workers do not belong to them. Even at present 30 mills in Gujarat are closed and the Chief Minister is asking you to take over these mills through the NTC. I do not know the details, but it has come in the Press that about Rs. 150 crores are going to be spent to take over those mills. Such things are happening. I am happy that even the Congress members have agreed with this.

In Kohinoor mills a profit of Rs. 76 crores was made, out of which Rs. 20 crores was given for Maruti cars, and a loan also was taken from the Central Bank. With the result, the liability is Rs. 50 crores. Because of all this 20,000 workers are out. What are you going to do them? Mukhesh mills have already been closed. I have raised this matter earlier also. Three or four employers, Sitaram mills, Bradbury mills and others have collected the money towards the provident fund but they have not deposited the same. Half of the area of Sitaram mills is being used for constructing an industrial estate. The mill owners are exploiting the average workers. They are deceiving the workers and also deceiving the Government.

I would like to know from the Government how much money has been spent during the last 20 years on nationalisation. The millowners in Bombay do not pay the taxes properly. How much income-tax have they paid? They are not paying even a single paisa to the Government by way of taxes. It is a national loss. And at the same time they are depriving the workers of their rights. This is the condition in about one hundred factories in Bombay.

The last point which I want to mention is about the fraud that these people play upon the Government. I ask the Government, why are you protecting them? On the contrary you should expose their frauds. You are encouraging these people. You are now allowing them to shift from textile to man-made fibre. You are allowing them to close the factories. You are allowing them to remove the workers. Here in the policy the Government should have been good enough to accept the fraudulent attitude of the mill owners. They have not said a single

sentence. They are keeping the old machinery on the plea that funds are not there. Government should not allow them to go away with these fraudulent practices. Even some Congress members have mentioned the fraudulent activities of the mill owners, who are deceiving not only the workers but are also wasting the public money. If such things are continuing, you are expecting that the mill owners are going to run the mills properly. How are you going to allow such things in future? I am afraid that as far as the workers are concerned at present one lakh fifty thousand workers in the textile mills are out. The Government has published a report. All that they have shown in the report is that in 1984 there were only 11 lakh workers who were out of job. In 1985 they have shown 9 lakhs. 2 lakh workers have gone. In Delhi 15,000 workers are out in DCM, in Birla Mills 5,000 workers are out, in Modi Mills 10,000 workers are out and in Kanpur many thousand workers are out. I am asking the minister as to what provisions you have made in your policy for the workers. Provision of not a single paisa has been made either by the Government or the mill-owners. But they are talking sweetly to show that the Government is for the labour.

Four times you have mentioned about compensation and rehabilitation. But no money has been provided so far for that. The workers have been dying for the last three years. This money for compensation and rehabilitation will be collected as a levy when all these mills start running after all these modernisation, changing of process, etc. This is just feeling the textile workers of the country who are dying literally not because of their weakness but because of the fault of the management.

Then you say that you will give one month salary to the workers. Is this the amount the Government is proposing for compensation and rehabilitation? I think, it is surprising. That shows that the Government has not the slightest respect for the working class of this country. There is no application of Minimum Wages Act, Factories Act, etc. You are not accepting any principle for the workers who are dying. Whatever the mill-owners are suggesting, you are encouraging them with all types of such things.

The total loss in NTC mills is Rs. 619 crores by March, 1985. And you have spent



Rs. 300 crores for modernisation in these mills. How are the NTC mills running? Who is responsible for that? In the name of modernisation it is a fraud. In 99 per cent of the cases the sickness is man-made. After they ruin the industry, you take it over. Now you say that henceforth you will not take over any mills. What about the workers? And you have said that if somebody is going to make the mill sick, he will be thrown out. During the Budget debate also, such a speech was made. Have you thrown away any single mill-owners? If such things are going on, the workers are going to suffer and I do not think, you will do justice to the people.

In this policy you are saying that handloom will be given a lot of importance, cooperatives will be formed, etc. The cloth which is produced by NTC is going to the handlooms. The NTC is losing eight annas per meter. I feel the handloom with such a slow and old technology, will be going into loss. Again you are going to encourage man-made fibre. If that will be a little cheaper, I do not think the handloom is going to be sick. As has rightly been said by many Hon. Members of this House, you are going to encourage powerlooms. But if same duties are there, I do not think it will be fair. There is always a difference in excise duty and other levies leviable on the big mills and the small industry. I do not say that you leave the powerlooms free, but have some difference in the duties; otherwise the big houses will exploit them. They are saying that they are going to produce cheap cloth for the public and the fine cloth for export. I think they are neglecting interests of the workers and whatever they have done, you are not going to consider anything. If that is the thing, are you sure that after giving all the concessions to these millowners who have done the fraud, they are going to behave properly? If the things are proved, if the State Governments have agreed, why not to prosecute them, why not to initiate criminal proceedings against the millowners for their fraudulent attitude? These are the economic frauds. Even the provident fund of the workers has not been paid. You are again believing these big houses—Mafatlal, Reliance and other big millowners. The same type of economy you are going to follow again. What happened in the case of cement? You have given three licences. Your production

has gone up from 30 million tonnes to 33 million tonnes but the prices of cement have been rising. Therefore, I am afraid the whole policy which the Government has put up here, is the mill-owners' policy, encouraging all these black-marketeers and fraudulent people, and it is demaging to the working class which is already suffering in this country. The purpose of this policy will not be served. Therefore, I request the Government to give are thinking to the policy. I know they are not going to bother about our criticism because of their majority, but I will request the Hon. Minister to have the respective committees and see that the interests of these people are protected.

**SHRI CHANDRA SHEKHAR SINGH :** You have already assured me of your full cooperation in implementing this policy.

**DR. DATTA SAMANT :** Not in this way. If the workers are dying, how can I support you? You give them something.

**SHRI CHANDRA SHEKHAR SINGH :** We will devise the way.

**PROF. MADHU DANDAVATE :** Sir, he has violated the official Secret Act.

**SHRI CHANDRA SHEKHAR SINGH :** I would plead guilty to Mr. Datta Samant.

[Translation]

**\*SHRIMATI BASAVA RAJESWARI (Bellary) :** Mr. Deputy Speaker, Sir, the textile sector plays a vital role in the economy of the nation. It has greater responsibility in establishing and in strengthening the economy. This is a very old sector in which lakhs and lakhs of people are earning their livelihood. The Government is changing the policy textiles now and then sometimes to cater to the palate of workers and other times to please the big-wigs of textile industry. It has occasionally helped the handloom weavers, besides the mill owners and many others. Now, the new textile policy has been announced on 6th June, 1985.

Several Hon. Members have ventilated their views elaborately and therefore I do

**\*The speech was originally delivered in Kannada.**

[Shrimati Basva Rajeswari]

not want to go into greater details. I want to highlight the problems faced by cotton and silk growers in my State of Karnataka.

The change in the textile policy has hit hard the cotton growers. About the hurdles being faced by powerloom and handloom sectors we are receiving representations from various quarters of the country. All these days there was some compulsion to use certain percentage of raw cotton in the mills and powerlooms. But now there is no such restriction. This is a severe blow to the farmer who produces cotton. Now for example we see that synthetic cloth is dominating in our country. It is being smuggled into our country to a large extent to put an end to it. Government has revised the policy and mills have been permitted to use any material they like as per the new policy of the Government. Cotton is the second important cash crop after sugarcane in our country. To safeguard the interests of the cotton grower, the textile policy should be changed immediately.

There was a time when the mills and handlooms were using maximum quantity of cotton. But suddenly there is great change and the demand for raw cotton has declined considerably. This factor is really breaking the backbone of cotton to growers, as they cannot switch over to grow some other crop. Therefore, I urge upon the Hon. Minister to look into the matter seriously.

Secondly, I would like to concentrate on sericulture. My State is the home of silk industry. It produces larger quantity of silk. In Karnataka one more than 25 lakhs of people are engaged in this agro based industry. The Government through the Central Silk Board and with the financial assistance of World Bank has expanded this industry enormously. But this proclivity of the Government to import silk has proved to be the bane of silk industry. The Government says that they are importing raw silk since sufficient quantity of silk is not available here. I do not approve of this argument. I feel that the Centre should formulate the import policy of silk only in consultation with the silk-producing States.

Silk centres should be opened in different parts of the country. In Banaras the condition of the weavers is really deplorable.

The Central Silk Board should open silk centres in Banaras. The Government should also ensure prompt supply of raw silk to such Centres. This would enable the weavers to overcome the problems and to make progress.

Thirdly, the Hon. Minister in his statement has mentioned about ginning and processing. The farmers in my constituency are facing frightening problems in this regard. In Bellary and Raichur of Karnataka where long staple and extra long staple cotton are grown, there is a great demand for ginning and processing facilities. This is a genuine demand of the farmers and the Government should do the needful. Otherwise the cotton that is produced would remain unutilised for several months. In summer it is susceptible to fire and there would be heavy loss to farmers.

Karnataka Cotton Corporation has fixed the price for the purchase of cotton. Its support price is Rs. 600 per quintal. The Cotton Corporation of India should come forward to purchase cotton from these farmers. Today we find lakhs and lakhs of quintals of cotton stagnating. The farmers do not know what to do. No body is interested in buying it. In this regard I had requested our Hon. Minister to buy cotton. He tried his best for the purchase of cotton. But unfortunately this is a perennial problem. Every year the farmer is facing this difficulty. If the cotton is less than 80 counts, then no body buys it. Even the Cotton Corporation of India is not willing to buy. Throughout Raichur and Bellary the purchase of cotton has come to a grinding halt on account of this reason. The District officers have asked the Banks not to advance any loans to farmers. These farmers are in a fix. Neither they are getting fresh loans nor they are in a position to pay back the old loans. Now the sowing season has begun. Some kind of confidence has to be created among the cotton growers. Therefore, I urge upon the Government to take immediate steps to procure cotton at reasonable prices.

Many farmers from my State have deposited money in the cooperative sector and are waiting for spinning mills licences. Arrangements have to be made to issue licences to them as early as possible. All other facilities also have to be made available to the farmers. This will facilities the

achievement of the objective of maintaining the dominant position of cotton as the main fibre, and encourage the use of man-made fibres and yarn by different sectors of the industry. Keeping in view domestic and international consumption trends, and for this purpose increase the availability of natural and man-made fibres and yarn.

To avoid huge losses due to fire it is very essential to maintain a fire brigade in the areas where cotton is grown abundantly. I hope the Hon. Minister would look into all the points raised by me and help the farmers who are the backbone of the economy of our country. Sir, I thank you for giving me this opportunity to speak and with these words I conclude my speech.

**SHRI VISHNU MODI (Ajmer) :**  
Mr. Deputy Speaker, Sir, I welcome the new textile policy and would like to congratulate the Hon. Minister for the same. This important industry had become unstable for the past many years and was becoming sick. This industry has made so much progress in respect of technology, quality and production capacity as no other industry has made. The new textile policy has been announced keeping in view the prevailing situation and it is indeed a wise decision and would rid the industry of so many obstacles which were rendering the mills sick. I would say that it is a bold step. This policy is indicative of the practical and pragmatic view that we have taken of the progress made in the world market and how far we can compete there.

The manner in which the powerlooms and the processing centres have been demarcated and classified is a farsighted step. The main question is whether it would be possible to achieve the main objective of promoting the textile industry and to enable it to compete in the world market. The problem is that our administrative structure is not attuned to it and the persons entrusted with the responsibility of implementing this policy are not professionals. I would like the Hon. Minister to pay special attention to the spirit behind the policy lest it should meet the same fate as our earlier policies had met with, in spite of your pragmatic approach. You were the first person to feel that nationalisation is no solution to the sickness of an industry. It was right to an extent because we were taking over sick mills

and thereby bearing losses and that is why we were not able to complete our schemes. Besides, you will have to pay attention to the NTC also because all the sick mills taken over by the NTC have been incurring losses.

I would draw your attention to the working of the mills under the NTC. Hon. Minister, Sir, in my constituency, the Edward Mill is being run in Beawar by the NTC. When I was not a member of this House, I had been drawing your attention for the past three years to the continuing irregularities in the mill, through the offices of the Youth Congress. When Shri Sangma was the Minister concerned, I wrote to him many times and when you took over from him I have reminded you about this mill, but to no effect. You asked those very people to report, against whom we were complaining. Those very people were asked to conduct an enquiry against whom we had levelled charges. Hon. Minister, Sir, your intentions are good. You have aptly found the remedy that merely taking over the sick mills will not do. Before taking this decision, it must have been seen that due to mismanagement the factories were incurring losses and your decision must have been influenced by this factor because your mills have also been incurring losses. I would like to clarify that even today the condition of many mills is the same. Take for instance the Krishna Mill Beawar. Previously, its condition was good but the mill-owners worsened it to the extent that it had to be closed down. As a result thereof, 2600 to 3000 workers are facing starvation. We tried several times and the State Government also wrote in this connection to provide security to them, but in vain. Even today, if that mill is taken over, I assure you, on behalf of the workers, that it will earn profit. But, there are vested interests in the NTC who get commission and, therefore, they do not want any mill to earn profit. It was probably due to this reason that you decided not to take over any mill henceforth.

We hope that this policy would be implemented in letter and spirit. Doubts and apprehensions have been expressed in the House regarding the handloom and the powerloom sectors. In this connection, I would like to draw your attention to Kishangarh in Ajmer Parliamentary Constituency of Rajasthan, which is the biggest

[Shri Vishnu Modi]

powerloom centre today. So far as the question of imposition of equal levy and duty on the powerlooms and the handlooms is concerned, I would request you to keep some difference in that duty, otherwise, this industry will also turn sick. With these words, I thank you.

\*KUMARI D. K. THARA DEVI (Chik-kamagalur) : Mr. Deputy Speaker, Sir, The Textile industry in our country is agro-based industry. In addition to this, 70 per cent of the basic demand of the textile industry comes from the people living in rural areas. The new textile policy would definitely enable the sick mills to revive. The textile policy has several programmes for the development of composit mills, powerloom and handloom sectors.

We have seen various reactions coming from different parts of the country after the announcement of the new textile policy. Many people have expressed doubts and apprehensions with regard to powerloom and handloom sectors. The production in these two sectors may not improve and therefore the Government has to think seriously about this.

The most important objective of the new textile policy is to increase production of cloth of acceptable quality to meet the clothing requirements of a growing population, at reasonable prices. Government has taken various steps like expansion, modernisation etc. to improve the condition of the sick mills.

As per statistics an individual requires about 13.7 metres of cloth every year. There is sufficient demand for the textile products. But, on the one hand we see crores and crores of people in our country who do not have sufficient cloth to cover body; on the other hand hundreds of mill are becoming sick. A situation has arisen where several of these mills are at the verge of closure. The cloth produced by the mills is lying in the mills. In this way we find two contradictory trends in the country. If the acceptable quality of cloth is produced and is ready for sale at reasonable rates one would feel that the common man would buy it. But unfortunately there is no purchasing capacity among

poor villagers. This kind of situation we see in many other fields also. At present we see several sick units in textile sector. Therefore if the restrictions are removed then these units may function properly and they can come up. This will also help to achieve the first and the most important objective of the new textile policy. But which section is going to benefit? This may protect the interest of a particular group and create a particular type of consumers.

Today the composite mills produce about 30 per cent of the total demand whereas the other 70 per cent of the demand is being produced by powerlooms, handlooms and Khadi industries. The new policy therefore should concentrate more on the development of such sectors which would provide jobs to the maximum number of persons.

We speak of high technology and modernisation in textile industry. But will this help the poor masses? We have achieved laudable objectives in many fields like agriculture, science, industry etc. In spite of this the benefit has not reached the lower strata. Only a particular group is deriving the benefit. Therefore, priority should be given to handloom sector.

But one thing we should not forget that once upon a time our handloom sector cloth was competing with Manchester textile. It is not enough if subsidy is given to handloom sector, on the assumption that it will perish. The objective of the Government should be to provide job opportunities to thousands of hapless unemployed persons.

For the proper development of the handloom sector I would like to offer certain suggestions.

1. Certain good quality of yarn should be exclusively reserved only for hand spinning looms.

2. Marketing facilities are to be provided for the produce of the handloom sector.

3. For various purposes like tourism centres, schools, hospitals etc. The Government should purchase handloom cloth worth of crores of rupees. This tendency should be further accentuated, and both State Governments and Central Government should come forward to purchase only the handloom goods.

\*The speech was originally delivered in Kannada.



4. Yarn should be made available to handloom sector at cheaper rates. In addition to this, Sales depots have to be opened for providing yarn.

Finally I would like to point that there is a great demand to handloom products in the international markets. Printed and dyed material of handloom also attracts the foreign consumers. A special fashion and design cell should be opened by the handloom Corporation. This cell should apprise the weavers about the new designs, colours etc. which have great demand in the international market I urge upon the Government to have an indepth look into this matter and do the needful for the handloom sector.

\*SHRI M. RAGHUMA REDDY (Nalgonda) : Mr. Deputy Speaker, Sir, clothing is one of the basic necessities of man and is next only to food. Our country was known for its handloom industry and its craftsmanship. The weavers could weave a saree that could be easily incerted in a match box and presented it to the British Queen. That very weaving community which is known for its unparalleled skill is starving and leading a miserable life. This rule is responsible for the gradual deterioration of the conditions in the past 35 years. It has virtually done nothing for the weavers and the handloom industry. At a time when our rural sector is on the threshold of a change, it is strange to see that the textile policy now announced is in no way different from the Budget speech of our Finance Minister delivered on 16th March and the textile policy announced on 6th June. They are one and the same. There is no difference at all between them. Sir, all these documents are helpful only to the capitalists and big industrialists. These policy statements are not at all helpful to the down-trodden, weaker sectors, harijans, girijans and handloom workers. The handloom workers who are a part of the rural set up were forced to leave their looms and seek livelihood elsewhere. Nearly 20,000 of such workers have migrated to Bombay in search of their livelihood. They are nearly 30,000 in Calcutta. This is the condition of handloom workers and it speaks volumes about their pitiable condition.

Sir, Andhra Pradesh is known for its cotton production and a large quantity of cotton is produced there. In the policy statement the Hon. Minister has mentioned that the cotton growers will be given remunerative prices for their produce. But what is the actual position ? Last year the price of cotton was Rs. 650 per quintal and this year it has fallen to Rs. 450. Perhaps this is what the Government means by remunerative and support prices. Strange are the ways of Government. There is no correlation between what they say and what they do. You must understand one thing. Unless you go to the rescue of our farmers and other people living in rural areas, the situation in our rural set up cannot change. You must not forget the fact that nearly one crore and twenty lakhs of people are indirectly engaged in this industry. The cotton growers must get a remunerative prices which commensurates with the labour and pain they have taken to grow cotton. The agricultural workers must get proper wages. The textile mills and powerlooms must have to be established in the rural areas with the help of handloom cooperative societies. Only then there will be some rejuvenation in our rural economy. Only then Government can think of helping the handloom sector. The Government's policy of helping only the big industrialists who stay in cities and lead luxurious life, cannot, in any way, help the long neglected handloom industry. This policy will not improve rural economy. This policy is not within the reach of poor handloom workers. I want the Government to think over whether such a policy will help these workers in any manner. Sir, now what is happening is, that these big industrialists take loan from the Government worth several crores in the name of establishing new units and then cheat the Government on the one hand, and the people on the other saying that their industries have gone sick. The Government with its over enthusiasm, without any loss of time takes over these sick units ending up with a loss of crores of rupees. That is how this policy is working. Who is to be held responsible for this ? Why this Government is helping the capitalists in the country ? Why no steps have been taken so far to rescue these poor workers from their miserable conditions ? Just now Hon. Dr. Dutta Samant was saying that thousands of textile workers in Bombay who been thrown out of employment are struggling hard for their survival due to closine of

\*The speech was originally delivered in Telugu.

[Shri M. Raghuma Reddy]

textile mills. They have not been given any alternate employment by their mill owners. I want to know from the Government what it is going to do in this matter. Is there no remedy for all these ills? What action Government proposes to take against such mill owners? I want to know? The Government should come forward, and if necessary to enact a new legislation in Parliament to prevent the exploitation and misdeeds of such mill owners. There should not be any scope even to think of playing with the lives of workers. The exploitation of the faulty mill owners should end once and for all.

Sir, in my State, the N. T. Rama Rao Government have taken up 'Janata Programme' under which 40 lakhs of sarees and 40 lakhs of dhoties will be distributed to the poorer section at half the price. The Central Government is giving a subsidy of Rs. 2. But that is not at all sufficient. States have very limited resources. The States cannot think of taking up programmes which are beneficial to the poor unless the Central Government help them. Every one of us knows that 52 per cent of our population is below the poverty line. What the Government is going to do for them? Sir, this Janata Programme which is being implemented in A. P. to distribute cloth at cheaper rates, must be implemented in every State and throughout the country. Every one needs a piece of cloth irrespective of the place where he or she resides. Cloth is a primary necessity of the man and is next to food. So the Government endeavour to supply cloth at cheaper rates to the poverty stricken people in our rural areas. Hence the Janata programme to distribute cloth at half the price should be extended to every nook and corner of the country. Every help and encouragement should be provided to establish new mills in the rural areas. Handloom workers must get sufficient financial help from the Government in time. Subsidies must be offered to them. If all these steps are taken, the rural economy will rejuvenate our rural areas hum with activity.

Sir, it must be the policy of the Government to establish new mills or powerlooms only in the rural areas. The Government

should take a decision that under no circumstances it will permit these new units to come up within the 50 KM range of a town or a city. I earnestly request the Government and especially the Hon. Minister to adopt this policy and implement it strictly.

Sir, we have more number of spinning mills when compared with other countries, many more are coming up now. But that is not sufficient. With the increase of quantity, there must also be improvement of quality. For improving the quality we need training institutes which can train our workmen in the latest methods. Thus the latest technology must be made available to them by training them properly. The institutes which can impart training in the latest methods must be established in every State. Sir, our State, Andhra Pradesh under the leadership of our beloved N. T. Rama Rao, has shown the way to other States by establishing "Telugu Handloom Industry training Centre" where training is being imparted to the Handloom workers. I hope such training centres will come up in every other State. The latest technology should be made available through these training centres. Also, there is every need to develop a technology through which cloth can be produced cheaply by handlooms. Only then it will help the handloom workers and the industry. So also, the Government should not forget the people who are indirectly involved in this industry, namely farmers and agricultural workers. The interest of these people also have to be safeguarded zealously. The establishment of spinning mills and power looms in rural areas is a must. I hope Hon. Minister will take note of all these points. Sir, I conclude my speech by thanking you for giving me the opportunity to speak. Thank you.

MR. DEPUTY SPEAKER : The House stands adjourned to reassemble tomorrow at 11.00 a.m.

18.44 hrs.

*The Lok Sabha then adjourned till  
Eleven of the Clock on Wednesday,  
July, 31, 1985/Sravana  
9, 1907 (Saka)*

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