

Sivaraman Committee on Handloom Industry

*493. SHRI S.G. SARDESAI :

SHRI B.D. BARMAN :

Will the Minister of COMMERCE be pleased to state :

(a) whether Government have decided to accept the recommendations of the Sivaraman Committee on Handloom Industry; and

(b) if so, what are the main recommendations of the Committee and what steps are being taken for implementing the same?

THE MINISTER OF COMMERCE (PROF. D.P. CHATTOPADHYAYA) : (a) and (b) A statement, giving a summary of the important recommendations of the Sivaraman Study Team on Handloom Industry, is laid on the Table of the House. The recommendations are being examined by Government.

Statement

Summary of the important recommendations of the High-powered Study Team on Handloom Industry (July, 1974)

- (1) The All India Handloom Board should be converted into a Statutory Board.
- (2) A separate Directorate headed by a Development Commissioner for Handlooms should be created in the Ministry of Commerce.
- (3) The coverage of the weavers in active co-operative societies should be 60% of the total by the end of the Fifth Plan period.
- (4) The effective development of handlooms outside the co-operative fold intensive development scheme should be drawn up. Units of 5 to 10 thousand handlooms each in a compact geographical area should be taken under this scheme. Not more than 25 such units should be taken up during the Fifth Plan period.
- (5) The Management of the technological institutions and the Weavers' Service Centres should be entrusted to a separate body designated as the All India Hand-

loom Research and Design Development Association.

- (6) Intensive programmes for training of weavers, especially in technical and management fields, should be taken up.
- (7) The production and adequate supply of yarn to the handloom sector is a basic requirement. Fifth Plan programmes should be directed towards substantially augmenting the production of yarn, especially hank yarn.
- (8) The establishment of co-operative spinning mills should receive particular emphasis, with a view to meeting the yarn requirements of the handloom sector, especially the co-operative sector, adequately. The viability of mills managed by Government should be linked reasonable with the requirements of handlooms outside the co-operative sector.
- (9) Financial arrangements should be made with Industrial Finance Corporation and other agencies to ensure to funds required for investment in these mills.
- (10) Suitable distribution channels should be built up by State Governments to ensure proper distribution of yarn to handloom weavers.
- (11) Arrangements for adequate and timely supply of other inputs, such as dye and chemicals, should be made.
- (12) Schemes for modernising handlooms in the States should be taken up as a Centrally-sponsored scheme.
- (13) Processing facilities should be developed in the Centrally-sponsored sector and should be linked up with the marketing organisations being developed either through apex co-operatives or Corporations set up by the States so that there is an effective link between production, processing and marketing.
- (14) In cases where the Central Bank is weak and unable to obtain finance from the Apex Banks/Reserve Bank, direct financing of the primary weavers' societies from the Apex Bank should be arranged.

- (15) The norms set by the Reserve Bank of India are not excessively strict or onerous. The co-operative societies should observe the financial discipline laid down by the Reserve Bank and improve their own operating efficiency within the framework of the Reserve Bank of India scheme.
- (16) The limits laid under the Reserve Bank of India Scheme may be revised upward in view of the rising costs of production etc.
- (17) It does not seem necessary to liberalise further the present system under which the Reserve Bank, besides an overall 25% limit allows an additional limit on holding of stocks.
- (18) Nationalised banks should be persuaded to finance handloom weavers covered by the proposed intensive development programme under the Differential Interest Rate Scheme.
- (19) The Reserve Bank of India should follow the policy of making the credit to the handloom co-operatives collective and, for this purpose, should bring in various methods which have been inducted in the field of agricultural credit.
- (20) The supply of yarn and arranging for the marketing of produce in the area covered under the Intensive programme should be the main lines of activity of the Handloom Finance and Trading Corporations. They should obtain ways and means credit from scheduled banks, outside the Plan frame, for their trading operations.
- (21) The apex societies must take responsibilities for supply of yarn for a reasonable percentage of weavers' requirements and arrange to market at least 50% of the production of the primary weavers, societies.
- (22) The State owned Corporations/Emporia should deal with the marketing of the produce of the individual weaver.
- (23) Apex societies and State Corporations should be given a subsidy for putting up their showrooms. A managerial subsidy should also be given for a period of 3 years, on a tapering basis. The expenditure should be shared by the Centre and the States.
- (24) The rebate subsidy may be phased out over a period of 3 years, by tapering it off annually.
- (25) A Common Facility Service Centre, equipped with improved machinery, may be provided for an area covering 500 to 600 looms engaged in export orders.
- (26) Research should be undertaken and facilities should be developed for post-loom processes, like preshrinking and finishing, etc.
- (27) The problem of getting a large number of experienced cutters designers and production managers should be examined and suitable training scheme formulated for their training in the latest techniques.
- (28) It is necessary to develop under an Export-oriented Pilot Production Scheme 50 production units in important handloom centres in the country which are now contributing to the export market which have highly qualified handloom weavers. Supplies of yarn, credit and marketing of production should be arranged by each Centre. Funds for modernising equipment, pre-loom processing and post-weaving finishing facilities and for training of weavers should also be arranged by the Centre.
- (29) The handloom industry needs special protection, as the handloom programme is one of the most important programmes for raising the lowest three deciles of the population to minimum consumption level, besides being the extremely important means of rural employment, providing a living wage.
- (30) Powerlooms which have taken advantage of their favoured position in the excise structure, should be brought on par with the organised mills industry and excise duties on powerloom cloth should be suitably revised and a tax structure

evolved which will act equitably and in favour of the handloom sector.

- (31) Additional revenue, realised from additional duties on powerlooms should be utilised for the development of the handloom sector.
- (32) The system of "Texmark" for powerloom cloth should be re-introduced.

966. [Transferred to the 22nd August, 1974]

Effect of Credit Squeeze under Bill Marketing Scheme

967. SHRI IBRAHIM KALANIYA : Will the Minister of FINANCE be pleased to state :

(a) the effect of curtailment in credit disbursement under the bill marketing scheme;

(b) whether it is a fact that due to the curtailment several small scale units are facing financial difficulties;

(c) whether Government propose to make special provision for genuine credit needs of such units; and

(d) if so what are the details thereof?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) : (a) to (d) As part of its policy of containing credit expansion and also taking into account the need for return flow of funds during the slack season, the Reserve Bank has asked the commercial banks to reduce, by October 1974, their outstanding of bills rediscounted, under the new Bill Market Scheme, with the Reserve Bank to a level approximately equal to 40 per cent of the level as at the end of April 1974. The Reserve Bank has reported that there does not appear to be any basis to infer that as a result of this measure the small scale units are experiencing financial difficulties.

Employees working in the office of Central Excise, Baroda Collectorate continuously for long period

968. SHRI YOGENDRA MAKWANA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that there are many Gazetted and Class III Officers in the office of the Central Excise, Baroda Collectorate,

who have been posted in the Headquarters Office for the last many years;

(b) if so, what is the number of such officers who are working there for (i) more than five years but less than eight years and (ii) for more than eight years; and

(c) whether there are any standing orders regarding transfer of staff after a prescribed period of time and if, so, what are the reasons for keeping them for such a long period at one station?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K.R. GANESH) : (a) to (c) The necessary information is being collected and will be laid on the Table of the House as soon as possible.

Disciplinary cases pending in the Office of Central Excise, Baroda Collectorate

969. SHRI YOGENDRA MAKWANA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that many disciplinary cases concerning the staff are pending in the office of the Central Excise, Baroda Collectorate;

(b) if so, what are the details of the cases (i) pending for more than three years but not more than five years and (ii) pending for more than five years; and

(c) the action taken for their speedy disposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K.R. GANESH) : (a) to (c) : The information is being collected and will be laid on the Table of the House as soon as possible.

Mica export to East European countries

970. SHRI L. MAHAPATRO : Will the Minister of COMMERCE be pleased to state :

(a) the names of the countries in Eastern Europe with whom India is having trade in Mica; and

(b) the details of the quantity of mica exported to these countries?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A.C.