

**REPLACEMENT OF SALES REBATE
BY WEAVING SUBSIDY**

Foreword by
Vaikunth L. Mehta

DIRECTORATE OF PUBLICITY
KHADI AND VILLAGE INDUSTRIES COMMISSION
IRLA ROAD, VILE PARLE (WEST)
BOMBAY-56

Contents

	Page
Foreword	iii
Replacement of Khadi Sales Rebate by Weaving Subsidy	1
Outlook for Khadi and Village Industries Programme	— <i>U. N. Dhebar</i> 6
Implications of Scheme for Weaving Subsidy	— <i>Vaikunth L. Mehta</i> 15
The Proposal for Weaving Subsidy	23
Weaving Subsidy in Place of Rebate	— <i>Dwarkanath V. Lele</i> 30
Free Weaving Service for Khadi	— <i>Vaikunth L. Mehta</i> 35
New Direction for Khadi Work	— <i>Dhwaja Prasad Sahu</i> 39
On Some Aspects of Khadi Movement	— <i>Dhwaja Prasad Sahu</i> 43
Withdrawal of Rebate and Introduction of Free Weaving Service	47
New Phase of Khadi Development	— <i>Subhash Chandra Sarker</i> 61
Khadi and Village Industries Board's Recommendation	70
 <i>A p p e n d i x</i>	
Vinobaji's Address to Khadi Workers' Conference	74

Foreword

It is now over ten years since the Central Government decided to help in the development of the khadi industry by agreeing to pay a rebate at the rate of 3 annas in the rupee. This decision was taken before the All India Khadi and Village Industries Board was created in February 1953 in pursuance of certain discussions which had previously taken place between the All India Spinners' Association and the Planning Commission and the Central Government. It was made clear at the time by the Government that the position would be reviewed from time to time and that the rebate would be continued if Government were convinced about its effect on production and employment. That the rebate has been continued over the whole of this period (with the necessary adjustment on the introduction of the decimal coinage system) may be interpreted as indicating that Government have been satisfied with the results. They have done so notwithstanding the fact that expenditure on this account has gone up from year to year.

While the volume of both production and employment has gone up, those intimately associated with the work have for some time past begun to feel that this form of state aid, though valuable in itself, is not likely to be helpful in influencing the course of the rural economy. It is too distant, too intangible to be appreciated by the lakhs of spinners, weavers and other artisans for whom the programme is intended. It makes even a feebler appeal to the rural community in general, through whom the programme has to be organized, if it is to be on a nation-wide scale.

Approaching the position and prospects of the khadi movement from another, his own unique, point of view Acharya Vinoba Bhave has also come to the conclusion that the system of rebate on sales has outlived its utility. It has failed to generate initiative and interest, much less enthusiasm among the rural community. Khadi can be a people's movement only if it is looked upon by the rural community as an instrument for promoting rural economic development and providing social security. In securing these objectives, the movement has to be based essentially on the principle of self-help and self-reliance. It would stimulate self-sufficiency in cloth, Vinobaji has urged, if the spinners in the village get the yarn produced by them

woven without additional cost so that khadi can clothe the village at a cost not higher than that of cloth obtained from outside. Since clothing is one of the primary needs of life in rural communities, the cost of weaving should, according to Vinobaji, be met by the state in the form of a subsidy.

As the following pages show, it is this approach that has been accepted by those in charge of the working out of the programme for the development of khadi production as an integral part of our national plan. Their decision has been concurred in by the Central Government and will come into operation at the commencement of the National Week next year—that is on 6th April, 1964. It is principally to explain the change in the form of state aid to those connected with the programme that this publication is intended. It contains a few articles as well as the Khadi and Village Industries Commission's resolution on the subject. In the appendix is given the text of Acharya Vinoba Bhavé's address to khadi workers. In a supplementary volume have been published hints on the detailed working out of the new arrangements for payment of subsidy on weaving.

Since one of the main objectives of the programme is to provide gainful productive work for the underemployed and unemployed millions in rural areas, we have to ensure that the level of employment provided through khadi does not go down; in fact, it should expand in response to demand for work in all the nooks and corners of the country. This objective will be secured through the changeover from the present form of state aid provided the custom of khadi cloth which has been built up during the past ten years is retained. Under the new scheme, khadi is not to be any costlier than it is today because, with the defrayal of weaving charges out of state aid, the place of the rebate is to be taken by the reduced cost of production. Although this is the actual position, those connected with the movement owe it to the cause to convey this assurance to the consumer. In this task they may be helped if this publication reaches the urban consumer and the social workers as well.

Vaikunth L. Mehta

Bombay
20 December 1963