

**REPLACEMENT OF SALES REBATE
BY WEAVING SUBSIDY**

Foreword by
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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 feeblar 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 Bhave'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
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CHAPTER I

Replacement of Khadi Sales Rebate by Weaving Subsidy

A Proposal for replacing the existing rebate on the sale price of khadi by a system of providing facilities for free weaving of all handspun yarn had been under active consideration for sometime. The Khadi and Village Industries Commission, in a resolution adopted in its meeting held in New Delhi on 29 October 1963, decided to introduce the new scheme from 6 April 1964 throughout the country.

The new scheme will definitely benefit the spinners who will now get khadi at the cost of cotton while the urban consumers will continue to get khadi at the existing rate (the only difference being that the amount available as rebate on the present sale price will under the new scheme be deducted from the price at an earlier stage in the form of weaving subsidy).

The resolution underlines the need for steps to be taken for public education in the implications of the new scheme and expresses the hope that all the khadi institutions will intensify their efforts in this direction.

The following is the full text of the resolution.

i) "The Commission, on the advice of the representatives of the khadi institutions who had met at a conference

at Nabadwip in February 1963 and at the meeting of the Khadi and Village Industries Board held in March 1963, had accepted in principle the suggestion for the replacement of the existing scheme of rebate on khadi by a system of free weaving service. The Commission has thereafter, considered in detail both in its meeting as also with the representatives of the Government of India the question in its broad outlines. The Commission feels that the scheme has in it the germs of reorganization of the rural economy and of giving a spurt to the production of khadi, stimulating consumption in the rural areas and providing for increased employment.

"The consequence of the new scheme would be partially to reorder the pattern of production to suit the rural requirements from the point of view of countage of yarn used and the quality of cloth so as to bring the price of khadi within the purchasing capacity of the rural people. The Commission is confident that this step will attract the rural consumer towards khadi. For a person who produces cotton for himself and spins for himself, khadi will then not mean any additional cost. For a person who does not produce cotton but spins for himself, khadi will be available approximately at the price of cotton. The effect of such a step on the countryside would be quite appreciable and will result in the creation of live interest among the rural community which will recognise the role of khadi as an effective instrument for the revival of its economy.

ii) "A Committee was appointed to go into the details of the implementation of the new arrangement. The Committee has now submitted its detailed report. The Commission wishes to place on record its appreciation of the work of this Committee and for the careful and systematic manner in which the report had been prepared setting forth all the implications of the scheme.

iii) "The Commission considered the various methods of implementing the revised scheme. The following three suggestions made in that connection were examined by the Commission in detail:

- (a) As stated by the Rebate Revision Committee, after a period of three months of preparatory work, the scheme should be introduced throughout the country on a given date. All the preliminaries in relation to the execution of the plan should be worked out beforehand.
- (b) The second suggestion has been that it will be advantageous from the practical point of view to consider the introduction of the scheme in a phased manner. The phasing should be done with a view to having an optimum area for implementation and also a manageable area.
- (c) The third suggestion has been the introduction of the scheme after relieving ourselves of the sub-standard khadi and nearly half the stocks now held by the Commission, institutions and Boards.

iv) "The Commission noted that the methods of implementation mentioned above had been discussed with Acharya Vinoba Bhave as well as with the Prime Minister, Finance Minister and Minister for Industry. Taking all these discussions into account, the Commission resolves that the scheme of free weaving facility should be introduced throughout the country on a given date and that all the action needed for such introduction should be planned and executed without delay. The given date, the Commission considers, should be the 6th of April 1964.

v) "The Commission feels that adequate steps will have to be taken to inform and educate the consumer,

both rural and urban about the fact that the change-over from sales rebate to weaving subsidy does not mean for the consumer any increase in the cost — because rebate and subsidy nearly equalise. To the consumer, khadi will be available at the same price as before. The only difference will be that the rebate available to him will be now deducted at the weaving stage.

vi) "It is possible that in the initial stages of the implementation of the scheme, there may be an impact on sales and employment. In order to reduce the impact on sales and employment and to ensure that sales as well as employment do not fall below the present level, the Commission would propose the following steps:

- (a) Purchase and sale by the Commission of yarn surplus to the requirements of institutions according to their production programmes, provided the surplus yarn conforms to specifications prescribed by the Commission. This step will result in institutions not undertaking any programme of restriction in production.
- (b) Disposal of the existing stocks of commercial khadi, both standard and sub-standard, by the grant of necessary facilities and by other steps. The Commission is grateful to the Government of India for agreeing to consider favourably the question of sanctioning a special additional rebate for a span of 30 days between 1 January 1964 and 31 March 1964 for the disposal of these goods.
- (c) The stocks of khadi unsold before the introduction of the new scheme should be written down by 20 per cent and shown on the prevailing price labels in accordance with the procedure outlined by the Rebate Revision Committee.

- (d) A comprehensive as well as sustained campaign should be conducted for educating the general public about the benefits of the revised arrangements. The Commission hopes that all the khadi institutions will intensify their efforts in this direction. Conferences and seminars should be organised for the popularisation of the new scheme of subsidisation and other cognate steps be taken such as public display in Bhandars and Bhavans of publicity material well before the commencement of the implementation of the new scheme.
- (e) It will also be necessary for the Commission to enlist the support and take advantage of the very helpful attitude of the national leadership, both in the Government and outside.
- (f) Above all, the Commission considers that the support and the blessings of Acharya Vinoba Bhave for the propagation of this idea will be an invaluable asset and the Commission is grateful to him for agreeing to help in this programme of educating public opinion.

vii) "The Commission has carefully considered whether it might be necessary after the introduction of the new scheme of free weaving service to continue to grant special rebate on special occasions like Gandhi Jayanti etc. The Commission is of the view that such a step might be necessary and would approach the Government on every occasion when the payment of special rebate is considered necessary.

viii) "The Commission authorises its Member (Khadi) to take suitable steps in regard to the details about the introduction of the new scheme by the prescribed date as well as with respect to the drawing up of a timetable for this purpose".

CHAPTER 2

Outlook for Khadi and Village Industries Programme

by

U. N. DHEBAR

THE Khadi and Village Industries Commission is a permanent entity. A change in the personnel of the Commission does not by itself mean any radical change in its working. In fact it is the duty of the new personnel to see that the changes that are proposed do not affect the continuity of work. In this case the change in the personnel is limited to only one individual — the author of this note. It has been my endeavour to see that the continuity is not disturbed or disturbed the least. I must own that during the month and a half since the reconstitution of the Commission, there has been a corresponding effort on the part of the colleagues to make my task as smooth as possible. The lead in that direction was already given by Vinobaji and Shri Vaikunth L. Mehta even before the appointment of the new Commission. It has enabled me to start on my work with confidence.

I had occasion to study a little about this great institution, even when I was not in the Commission. But a closer study has revealed the vastness of the task that has been performed and that is yet to be fulfilled. It is more or less the largest economic institution in the country if we were to exclude the banking institutions and

insurance companies from the sphere of our consideration. Its annual production ranges between Rs. 40 crores and Rs. 50 crores and the annual turnover is worth about Rs. 120 crores. It gives employment, mostly parttime, to nearly 20 lakhs of people. It functions, through institutions, cooperative societies and the State Boards, in about a lakh of villages. The Commission's functions include a combination of administration, provision of technical guidance and business activities. It has a staff of nearly 1,000 persons at the headquarters in Bombay and another 4,000 all over India. The technical personnel employed by the Commission is engaged in imparting training, carrying on research and attending to the work of production. Its business aspect is of a mixed character. It performs the functions of a bank in providing for the financial needs of its constituents, it acts as a supplier of raw materials and a vendor of finished articles. The value of its cotton purchases alone comes to approximately Rs. 3½ crores per annum. Its yearly requirements approximate 50,000 bales of cotton. It has to find market for Rs. 40 crores to Rs. 50 crores worth of the manufactured articles. Apart from the fact that it enables nearly two million souls in India to get part-time employment, it enables the nation to utilise millions of idle hours of a sizeable portion of its population for productive purposes which otherwise would have gone to waste.

The immensity of the task lies in the fact that we have many many more million hours to be utilised for productive purposes. Yet an even greater responsibility is to convince a vast section of our population about the soundness of the alternative provided by khadi and village industries and that it will be impossible to lift the economy of the country from its present rut without help of this sector.

The coming two years of our history are going to be crucial for our nation. China, whatever her other objectives, has dealt a heavy blow to our developing economy. Resources, already scarce, will have to be diverted to the needs of defence and to other strategic purposes. Every citizen in the land is expected to play his part in giving to the Chinese Government a fitting reply that whatever happens to him he will spare no effort in seeing that the country's economy is sustained. The one condition of our success on the national front is our capacity to produce and go on producing ever more the goods that the nation needs. The key to our success on the economic front is production and ever more production or, in other words, utilization of every ounce of the nation's energy for productive purposes. The Khadi and Village Industries Commission can play a part in this direction which no other branch of the country's economy can play.

We have been considering how best to do it. Several problems face us in accomplishing this task — problems of administrative practices and procedures, problems of coordination between the three aspects of our functioning, viz., administrative, technical and business aspects; problems of finance and marketing; and above all the problems of public education and organisation.

As a first step we propose to *initiate a process*. I am underlying the words "initiating a process", because it will not be desirable to make radical departures or impose anything new that may involve us in a needless controversy. Initiation of a process has the advantage that it develops as it absorbs and it gathers momentum as larger and larger bodies of people take to it. It also leaves enough time and scope to every one to make adjustments as one grasps the significance of the process.

On the administrative side it is proposed to take initiative in three directions. Administration has a purpose. It is not an end in itself. In this case the administration is required to carry out the objectives of the Commission. These objectives are: (i) development of khadi and village industries, (ii) enlargement of the scope for employment, and (iii) discharging its responsibilities to Parliament. We are preparing the rules of business with a view to streamlining administration and achieving fuller coordination so that we are able to discharge our responsibilities to Parliament better.

The second thing we propose to do is to go back to the procedure of settlement of annual programmes sufficiently in advance. This will enable the Commission to formulate its proposals to be laid before Parliament on a realistic basis and also enable the institutions and State Boards to plan ahead for the fulfilment of their programmes, so that with the commencement of the official year they can directly start implementing the programme. This will also enable the Commission, the Boards and the institutions to have an annual review of the financial position of individual institutions as closely as possible so as to ensure stability of institution and confidence of the public in its work. This will enable them to study the annual programmes in the light of the real capacity of the institution to fulfil it. Finally this will give the Commission time to concentrate on its main work of supervision, guidance and control effectively for it will have a fuller picture of the institutions' functioning, their economic position and their capacity. As I have mentioned above it is not intended to impose this procedure. We shall make a beginning this year with only those institutions and State Boards that are willing. We shall only

extend this procedure to other institutions on the basis of the experience gained in the speedy disposal of work.

The third important measure we propose to introduce at the Commission's level is to relate investment to production. Just as a rupee has its value for an individual, it has its value for the nation. For the individual it represents his return for labour. In the national economy its value lies in supplying for the needs of the people. This is reflected in the capacity of the rupee to produce goods and services needed by them. Questions of regulating overheads, price spread, etc., will arise. The yardstick will, however, be the extent to which each rupee helps in generating additional employment and the quantum of additional goods and services each rupee helps in producing. This test has been there; but it has to be emphasised over and over again. Necessary instructions will follow from time to time. Again, I should repeat, it is not intended to impose anything. What is sought is to set in motion a process. We should know that all investments have a purpose. They have to show results in terms of employment and production. Within the frame-work of khadi and village industries we have to work out the principles of economic production.

The technical aspect of our functioning involves three major activities: (a) training; (b) production of khadi; and (c) production of village industries' goods. It will be seen that all these three activities are in the charge of seasoned workers in the field. Training is being dealt with by our Vice-Chairman, who is a teacher in every sense of the term. He is reviewing the whole subject and will bring forward his proposals in due course.

In view of the fact that in relation to khadi a process of rethinking had already commenced a few months back, it is now possible to get a more or less clear picture.

The processes we seek to initiate will be in four directions.

We propose to draw a line between the manufacture of charkha and production of khadi. Ambar charkha is after all a machine. We propose to apply our mind to it as we apply our mind to a machine. A machine or an instrument can give little or it can give more. It can work smoothly or it can produce headaches. It can be repaired locally or not at all. All these conditions have to be borne in mind. But the central question is that khadi can last only if it can satisfy the basic or very elementary need of the spinners and weavers, whom it seeks to serve. Its greatest votary can only be the persons who earn their livelihood by it. We have, therefore, to evolve an instrument that assures them at an average a rupee a day for eight hours' work, on the present wages of twelve naye paise per hank. Once we succeed in doing this the spinners will be able to square their account with the whole world. They will not give up the charkha, whatever happens, unless there is an alternative that assures them a higher wage.

Secondly, this instrument has to be used by persons who are spread out in thousands of villages and whose technological level is not very high. This fact has to be borne in mind before delivering the machine to its user. Either the machine should not be delivered till those ~~who~~ want to use it have mastered the art of using it and repairing it or it should be delivered in such a condition that it will not require major repair frequently. It means, therefore, that the machine has to be manufactured as any other precision tool and should carry a guarantee of repairs by the producer. We propose to take the ambar charkha as the basis for the improved tool and with the help of those who ~~are~~ conducting experi-

ments with a view to effecting improvements in it and the textile engineering experts familiar with rural conditions, secure an efficient tool that will give to the spinner an average wage of a rupee per day. We also propose to examine if such a standard charkha can be produced on a mass scale by people who are in the line of machine production, subject to guarantees and conditions such as suitability, price and repairs.

We have discussed this aspect with Vinobaji and he has generally approved of our idea. We are taking up the matter with the Government of India and we have no doubt that they also desire this and will give their concurrence.

The third process we propose to introduce in the khadi sector is free weaving as advocated by Vinobaji in place of sales rebate. We have moved the Government of India in the matter. It will take some time before they can give their considered decision. If this is sanctioned it will provide a solid base to khadi. Khadi will then be available to the spinner at the cost of cotton, and for the non-spinner also it will be available at the price of cotton plus the spinning charges. This scheme will enable the producers of khadi to take full advantage of the vast custom in the villages. It will thus be possible to answer to a certain extent the argument on the economic plane by proving that the price-differential between khadi and mill cloth is not so wide as to rule out the use of khadi.

We had a prolonged discussion with Vinobaji on this subject too. We also discussed with him the aspects of marketing, employment and Government help. These subjects have great relevance. But the basis of Vinobaji's proposal is that if the people in the villages are assured sufficient food, and sufficient clothing, every village in the

country will be sort of a citadel. Moreover, the existence of khadi will not be wholly dependent on the urban markets. The villagers will ensure its survival. There is no denying the fact that Government subsidies cannot form a basis of khadi's survival. Government subsidies can help khadi so long only as the Government of the day understands its utility and so long as its production is limited. But once khadi becomes the cheapest, or almost the cheapest textile in terms of price in comparison to mill cloth, there is nothing to prevent it from becoming an integral part of the rural economy of the country. It will automatically become an integral part of the rural economy, since cloth is an article of daily necessity.

These two processes will augment the production of khadi, expand employment and will improve the return to the people who live practically on sub-human standards. It will no doubt create problems of marketing etc. It is, therefore, proposed to start sales centres on a larger scale. Moreover, we shall have to make a closer study of the needs and requirements of the people and also of their tastes and capacity. This will involve extension of our weaving programme on a vast scale. All this is being considered.

The role of traditional charkhas cannot also be minimised. It continues as a companion of the down-trodden and of the people in the interior. This is the third process we wish to initiate in the field of khadi production. There are parts of India where the message of khadi has not yet reached and which are in dire need of it. The people in the tribal areas and other inaccessible areas need a source of employment which only the traditional charkha can supply. We have a duty to take the charkha to their door as soon as possible.

Production of village industries is being reviewed by Shri Pranlal Kapadia whose industry and diligence are well known. He will also bring forward his proposals as they mature.

It will thus be seen that the Commission is on the threshold of setting into motion changes of a definite character. Its proposals are nearing the stage of decision. The Commission invites discussion on the issues so that the decisions the Commission takes turn out to be as sound and practical as one can expect and can be implemented effectively. The Commission hopes and trusts that it will be possible to face the problems in a spirit of give and take unitedly and with one voice.

Bombay

9 May 1963

CHAPTER 3

Implications of Scheme for Weaving Subsidy

by

VAIKUNTH L. MEHTA

IT is now some years since the demand was made — and this not only by workers belonging to the sarvodaya school of thought — that democratic planning to be successful had to represent building from below. This, in their view, was essential in the field both of agriculture and of industries. In agriculture, to ensure increased production there had to be prepared village plans with the aid of the villagers themselves. In the field of industries, the position was somewhat different. A distinction had to be drawn between industries manufacturing producers' goods or heavy industries or enterprises engaged in the production of consumers' goods which necessarily involve the use of modern technical skills and equipment on the one hand, and, on the other hand, the traditional cottage industries producing consumers' goods in common demand. Since the second category of goods could be produced on a decentralized basis, there could certainly be planning from below for the production of these.

Among the ardent supporters of the thesis were, principally, workers in the khadi and village industries movement, including those associated with the All-India Khadi and Village Industries Board and with the Commission which replaced it. One of the earliest decisions of

the Khadi Gramodyog Samiti set up by the Akhil Bharat Sarva Seva Sangh was to call upon the various bodies previously affiliated to the Sangh to reorganize their production activities on a decentralized basis by creating local units which could be continuously in touch with spinners, weavers and other artisans. They could formulate plans in consultation with artisans and make themselves responsible for the execution of the approved plans. The suggestion was also thrown out that, in the producing centres, an attempt should be made to assist in the organisation of co-operative societies of artisans which could formulate and execute plans for local production. It is interesting here to recall that some 20 years back, at the instance of the late Shri Shrikrishna Jaju, then in charge of the All-India Spinners Association, the move was initiated to entrust production activities to cooperative societies of spinners and other artisans and model rules were prepared for the purpose. To give effect to the suggestion made by the Khadi Gramodyog Samiti and in keeping with its own approach to the subject of decentralization, the Commission drew up a set of model byelaws for khadi producers' co-operative societies and sanctioned a scheme for providing special assistance to such societies.

Apparently, the cumulative effect of these various steps on achieving decentralization was not significant. It was not surprising, therefore, that at the conference of khadi workers from all over India held at Chalisgaon (Maharashtra) in the middle of 1958, Acharya Vinoba Bhave expressed concern at the new trends in khadi work and urged its reorientation, with the village in the centre of the picture. This was the genesis of the *naya morh*, the new slant to be imparted to khadi production, according to which villages would plan for production of khadi, first to meet their own need for cloth and, then, to make the

surplus available for disposal outside. The Khadi Gramodyog Samiti decided to call upon its affiliated institutions, particularly the larger old established ones, to devote their energies to the decentralization of production on a village-wise basis by assisting in the creation of local units of production deriving their strength from the rural community. Falling in with this approach, the Commission formulated its *gram ekai* scheme and indicated the lines on which it would assist in the formation of *gram ekais* serving compact groups of villages.

As a stimulus to all this effort at building from below Acharya Vinoba Bhave had suggested, even before the *naya morh* approach was adopted, that it would be an inducement to the agricultural population, both men and women, to spin yarn in their spare time if the weaving of khadi for their own requirements was provided free of charge by the State through the Khadi and Village Industries Commission. Putting the requirement for cloth at the modest figure of 12 yards per head, Vinobaji desired that free weaving service should be provided to meet these requirements. The offer of such a facility would, he expected, induce an increasing number of persons in rural areas to spin yarn for their personal requirements. It would create a changed atmosphere for khadi work, since it would stimulate local initiative in order to enable the rural community to secure its requirements for cloth on the basis of self-sufficiency. The attitude of the rural community towards khadi production would, he believed, become helpful.

Under the existing system, spinning is carried on by women individually, principally, with the object of earning some income, mainly to supplement the family's earnings from other sources. When earnings on a slightly higher scale are available elsewhere, production of yarn

on the charkha goes down. What happens to the yarn after it is sold to the production centre is a matter of little concern to the spinners. The weaver, too, is wholly uninterested in the disposal of the khadi woven by him. For the rural community, khadi production is merely some non-agricultural occupation provided by an outside agency to women willing to work on wages. That besides providing work the aim of the programme is to utilize and develop the skills of the people, to provide an essential consumer commodity by organizing productive effort on the part of the under-employed and unemployed and to reduce the flow of money for the purchase of cloth from outside and thus to bring about a transformation of the rural economy is an aspect of the khadi movement which so far seems to have not been adequately recognized.

While the Commission had decided that in its Third Five Year Plan, expansion should be through *gram ekais*, it was also provided that until a complete switch-over took place, khadi might continue to be produced on the lines hitherto followed. Ordinarily, therefore, the old established and other institutions did not deem it necessary forthwith to convert their production centres into *gram ekais*. Efforts to organize *gram ekais* were generally undertaken in areas which had so far not been served. Since the bulk of the production was on the basis of payment of wages, no attempt was made to adjust the pattern of production to local needs, the yarn was not got woven accordingly, and the operations were directed from outside, it was not surprising that the aim of getting the rural community interested in khadi work could not be achieved.

This is a matter for disappointment, particularly, because it has taken time to organize *gram ekais* and having organized them to guide them to formulate plans

for achieving self-sufficiency in the matter of essential consumers' goods. Self-sufficiency has this economic basis that it puts to productive employment available manpower resources with local tools and raw materials wherever feasible. To satisfy the essential needs, the rural community has not to part with a portion of its meagre incomes for the purchase of consumers' goods from outside. The terms of trade will then get altered in favour of the rural community. Lastly, the obligation that a community has to see that all within its fold get the minimum needs in respect of food, clothing and shelter can be met by finding productive work of a useful type. This incidentally will help to strengthen the rural economy. The nation, as a whole, undoubtedly, has the responsibility to discharge this obligation, but it can do so with some prospect of success only if in undertaking the stupendous task rural communities help by organizing productive effort in their own limited spheres.

Like Gandhiji, Vinobaji too aspires to develop the nation's strength from below. Democracy, both political and economic, is to grow from the grassroots. A rural area should aim at being self-governing and self-sufficient to the greatest extent possible. To emphasise, as it were, the significance of this transformation of outlook, Vinobaji has suggested — and khadi workers have agreed — that the rebate now payable on the retail sales of khadi should be replaced by the grant of a subsidy to defray the full cost of having handspun yarn woven. This will help considerably in reducing the cost of production of khadi, making khadi available to the spinner, practically, at the price of the cotton that is purchased. Where a spinner uses his or her own cotton the khadi cloth costs nothing except the person's own labour. For the rural community, too, khadi becomes available at a very much lower price

because of the absence of overhead expenses such as enter into the price calculations at present. Thus the provision of free weaving service has this distinct advantage that State aid is extended in a form where the benefit accrues direct to the rural communities. The larger the quantum of yarn turned out in a rural area and the greater the production of khadi, the more will be the benefit accruing from State aid. Although material considerations have not entered into Vinobaji's thinking, the incentive for achieving areawise self-sufficiency is thus both tangible and substantial.

Not that there will be no hurdles. One of these is the absence in many compact groups of villages, such as constitute *gram ekals*, of weavers to work on the spot. One of the primary duties of agencies now engaged in the work of khadi production is to ensure that to the extent possible every unit becomes self-sufficient in getting the local yarn woven. Secondly, arrangements will have to be devised for taking delivery of the yarn and organizing production so as to take care of the cloth requirements of the spinners, weavers, other artisans and the rest of the rural community. Lastly, there will have to be undertaken education of the rural community in the sense of arousing their interest and enlisting their active participation in the work. That is a challenge which khadi workers must accept.

One of the problems that has faced khadi workers in recent years is that the pace of production has outstripped the rate at which sales grow. The rate at which custom has grown during the last ten years has certainly been appreciable. It reflects the emergence of a customer demand for the quality and variety of the fabrics that are now produced as also to a certain extent appreciation of the place which khadi occupies in our economy. On the

other side, the demand for provision for work on the charkha has continued to grow so widely and so intensively, because of the pressure of economic forces operating in rural areas, that without any special efforts production of khadi expands both on the traditional charkha and on the ambar charkha. With new spinners coming into the field, almost all the time, the proportion of substandard cloth does not go down. The problem of continuing accumulation of stocks, it is true, is not so acute now as it was a couple of years back. But it would be unwise to ignore it. Hence, before the switch-over from the rebate on sales takes place, it is incumbent on those in charge of the programme to see that the pressure of stocks is reduced even to below normal dimensions. The grant of special facilities for this purpose will make the process of changeover a smooth one.

In preventing recurrence of accumulation of stocks of khadi, the absorption of khadi in larger quantities in the areas of production has an important part to play. For the reasons noted above there will certainly be a considerable spurt in the consumption of cloth in rural areas. The process has already started in some parts of the country such as Tamil Nad and Bihar. This has received a fillip with the opening of *apni dukans* or *bhandars*. But it has to be recognized that at present nearly two-thirds of khadi production is marketed in towns and cities. During the last few years, much progress has been achieved in the building up of a fairly efficient and widely dispersed marketing organisation. With the change in the locus of subsidization from the point of sales to that of production the benefit accruing to the producers from the contact established with the urban customer should not be lost. Hence, institutions engaged in production should

genuinely interest themselves in retaining the goodwill of the urban customer.

To help them in doing so, khadi workers, whether engaged on the production, the sales or the organizational side should make it clear to customers in urban areas particularly that although no deduction by way of rebate will be made when they buy khadi the value of the free weaving service has been so fixed that the price paid by customers will be the same as at present. The element of State aid continues; only the form has been changed so as to bring out the fact that it has been granted with the specific object of strengthening the rural economy by expanding the opportunities for useful productive employment. This is one of the objectives of our national Plans. Patrons of khadi in towns and cities indirectly contribute towards the fulfilment of this objective every time they purchase khadi cloth. Actually, the rebate that has been allowed so far does not wholly offset the difference between the price of khadi and of handloom or mill cloth. Inasmuch as they meet this difference customers have been making their contribution to the supplementing of low incomes in rural areas by providing work for the underemployed and unemployed in fairly large numbers. With the transformation of the system of State aid, consumers of khadi cloth will still be able to render this service to the nation. It is hence their continued co-operation in the cause of khadi that workers engaged in the movement must seek to ensure all the time.

Bombay

20 November 1963

CHAPTER 4

The Proposal for Weaving Subsidy

THE khadi movement will complete half a century of its existence in about seven years' time. From the days of its inception the khadi movement has passed through several phases to its present state. On the basis of experience gained during the 25 years of the movement, Mahatma Gandhi had concluded that the programme of khadi could begin to have a permanent effect only when carried out as a part and parcel of the wider programme of non-violent village uplift or village reconstruction. This he called *samagra seva*. The idea of relating khadi work to the village development plan was revived with a renewed vigour in 1959 when the decision was taken by the Khadi and Village Industries Commission to adopt the *naya morh* programme. The essence of the idea was to relate khadi to the local plans formulated on the basis of local needs by the local people. To ensure wider use of khadi in *ekais* and to discourage the commercial mentality among the producers of khadi a proposal was mooted a few years ago to arrange, free of charge, weaving of a particular quantity of handspun yarn for self-consumption by the spinners. The suggestion originated from Vinobaji who proposed that the State should bear the cost of weaving yarn for the production of khadi. The underlying idea was that just as in progres-

sive states education was universal and free at state expense, in this country the Government should come forward to provide at least free weaving service for all handspun yarn.

In the meanwhile, following the unprovoked Chinese aggression on the country, the Akhil Bharat Sarva Seva Sangh appealed to the khadi institutions to switch khadi production to a new pattern. It was suggested that the existing rebate on sales of khadi should be replaced by a system under which facilities would be provided for free weaving of all handspun yarn without any limitation, the cost of weaving charges to be met by the Khadi and Village Industries Commission from all allocations made to it in the Third Five Year Plan.

The question was considered in the conference of khadi workers from all over India which was held at Nabadwip in West Bengal in February this year, when Acharya Vinoba Bhave was also present. After a thorough discussion of all aspects the conference voted in favour of the adoption of the new formula of providing facilities for free weaving of all handspun yarn in the villages. A 22-man Committee was appointed to work out the details of the implementation of the new scheme of providing weaving subsidy.

—The Committee, which came to be known as Rebate Revision Committee, made the following recommendations, among others:

- a) The present rebate at sales stage be discontinued.
- b) Standard weaving wages for plain khadi be fully subsidised. (State level Committees appointed for this purpose have fixed the standard rates of plain weaving for each State or region.)

- c) In case of khadi other than that of plain weave, with a wage not exceeding 10 nP. per metre for 100 dents, 50 per cent of the additional weaving wage be subsidised.
- d) In order to maintain the present price level of processed goods, 20 per cent of the total processing bill may be subsidised.
- e) Overheads may be levied at various stages as under:
 - i) Production 7 per cent;
 - ii) Sales at production stage $7+3=10$ per cent;
 - iii) Regional *vastragar* 10 per cent;
 - iv) Central *vastragar* or sales bhandars 14 per cent;
- f) Goods will be invoiced by production centres or regional *vastragars* after deducting the weaving wage eligible for subsidy as prescribed.

The Committee was of the view that a three months' preparatory period would be necessary before the introduction of the new scheme of fully subsidizing weaving and that the value of stocks of khadi, on the date of introduction of the new scheme, should be written down by 20 per cent — that is to the extent of the rebate available at present. It also was of the view that the present management subsidy under *vastra swavalamban* scheme would continue except that, there would be no limit on production.

The proposal for replacing the existing rebate on sales of khadi by a system of providing facilities for free weaving of all handspun yarn was considered by the Khadi and Village Industries Board, which advises the Khadi and Village Industries Commission on matters of policy, on a number of occasions and the Board recommended the

adoption of the new scheme. The Commission has since accepted in principle the proposal for the substitution of a system of free weaving for the existing scheme of sales rebate of khadi and has recommended its acceptance by the Government of India. The Government of India and the Planning Commission asked for clarifications on several points regarding the financial implications and the manner of implementation of the scheme. After taking into consideration all the factors the Government of India has generally agreed to the proposal of the Khadi and Village Industries Commission to introduce the scheme from April, 1964. The new scheme will replace the existing rebate system throughout the country. Steps will be taken to clear the accumulated stocks of khadi including substandard khadi before that date.

The Members of the Commission headed by the Chairman, Shri U. N. Dhebar, met the Prime Minister, Shri Jawaharlal Nehru on 29 October, 1963 in New Delhi, when Union Minister for Finance, Shri T. T. Krishnamachari, the Union Minister for Industries, Shri Nityanand Kanungo and Member (Industry) of the Planning Commission, Shri T. N. Singh were also present. The proposal for the introduction of a scheme providing for free weaving of all handspun yarn was generally approved. It was also agreed that the Government of India would extend facilities for an additional rebate of 5 per cent on the sale of khadi for a further period of another 30 days between January and March, 1964 with a view to assisting the clearance of existing stocks.

The additional cost on account of the new scheme would be less than four per cent of the existing expenditure under rebate and swavalamban schemes. On the other hand the introduction of weaving facilities in the areas where spinning has been going on is bound to lead

to some saving on expenditure on storage, transport, insurance etc.

The advantages of the scheme far outweigh the disadvantages. Fears have been expressed that the introduction of the scheme might jeopardise sales in urban areas and thus cause dislocation in the employment programme in the rural areas. However the new scheme has got potentialities for injecting a new dynamism into the movement and thereby into the stagnating rural economy.

First, it would ensure the supply of cloth practically without any charge to the spinners in villages who also grow cotton. To a very large number of people in the villages who otherwise find it extremely difficult to buy their cloth for want of purchasing capacity, this scheme will come as a godsend.

Second, it would ensure to the spinners in villages, who do not grow cotton, supply of cloth at a very nominal charge — say thirtyseven naye paise per square yard. The significance of this can only be understood if it is considered against the background of the living conditions of the people in the rural areas. According to a recent statement of the Union Minister of Planning, seventy per cent of the people living in rural areas could *spend* less than fifty naye paise per day. In other words 25.19 crores of our countrymen cannot have as much as fifty naye paise to spend per day. If through the new scheme people can secure supplies of cloth practically free or at a nominal rate of 6 annas per square yard it cannot be dismissed as a negligible gain.

There is no doubt that more and more people in the villages would be attracted to spinning because they would get their cloth just at the cost of their labour.

Thirdly, those in the villages who do not spin would get cloth at a very low price which would be much more competitive in relation to the price of mill cloth than at present.

There is thus a real possibility of an expansion of the market for khadi in the rural areas under the new scheme and the dependence on the urban market for the consumption of khadi produced may conceivably be reduced in course of time.

Fourthly, in the urban areas, consumers will get khadi at about the same price as they are paying now. There can, therefore, be no fear of any loss of market in the urban areas on account of the shift to the new scheme. The fears regarding the adverse impact on sales and employment may very well prove to be unfounded by experience.

Another reason for the hesitation in the introduction of the new scheme has been the fear that its introduction would mean the freezing of stocks of khadi which would be difficult to market. At present the total value of stocks of khadi is estimated to be Rs. 5 crores. But, as the Rebate Revision Committee has suggested, if the value of stocks of khadi is written down by 20 per cent their market price would also be reduced to that extent. In other words, consumers can get khadi at the same rate as they are getting now. Normally, therefore, the introduction of the new scheme should not mean any additional difficulty in marketing khadi. Even then it has now been decided to allow an additional rebate of 5 per cent on the sale of existing stocks of khadi for a period of 30 days between January and March, 1964. The Government of India has agreed to bear the cost required to meet the rebate that has to be paid on the value of stocks in hand. The

expenditure will be met from the present plan allocations and there need not be any difficulty on that account.

Before the scheme is actually introduced it will be further discussed at a conference of khadi workers to be held at Raipur on the 25 December, 1963. The implementation of the scheme will presuppose a proper organisational machinery under which weaving facilities will have to be provided in villages. At present only a fraction of the villages covered by khadi has got facilities for weaving. The task of extending facilities for weaving to the dispersed villages all over the country is admittedly a gigantic one and can be handled only with fullest cooperation between the khadi institutions, the State Boards and the Commission. But it need not prove insuperable. The assistance of national leaders will be sought for educating public opinion on the matter.

It is of the utmost importance for the success of the new scheme that the khadi workers understand the new scheme properly and explain its implications to the people. The consumers in both rural and urban areas should understand that they do not stand to lose anything from the new scheme which in fact would bring distinct benefits to the rural consumers without involving any higher cost to the weavers of khadi in cities and towns.

Bombay

30 October 1963

CHAPTER 5

Weaving Subsidy in Place of Rebate

by

DWARKANATH V. LELE

THE proposal for replacing Government assistance in the shape of rebate on retail sales of khadi by subsidy on weaving had a definite purpose behind it. If the message of 'Gram Swaraj', is propagated properly in the villages, many local people will come forward to undertake the work in the villages irrespective of monetary gain or self-interest. The expansion of khadi work in the villages under the proposed new arrangement will involve no management expenditure or only very little of it.

The rebate given at present with the help of Government assistance is for meeting expenditure incurred on management and transport of khadi from production to sales centres. It is expected that when the villagers are in a position to undertake khadi work themselves it will not be necessary to provide for management grant and the rebate can be abolished; or even if it is needed it will be nominal.

But if assistance is to be taken from the Government for weaving of khadi it will have to continue and never decrease. It will have to be provided either by the Government or by the society. However, it is hoped that

this new assistance will help achieve the objective of khadi. The basis of khadi ideology is that those who spin should wear khadi. There are at present some 15 lakh women spinners living on their wages from spinning but not even 1,500 of them wear khadi with proper understanding of its ideological implications.

The khadi institutions make some deduction from the wages and out of the deducted amount spinners should be given some khadi. It involves pressure on one side and helplessness on the other. If after making reduction in the wages khadi is given to the spinners without any rebate, they may some time get so much khadi that they may sell it away to purchasers at the price at which it was given to them. The institutions believe that the spinners are given khadi but the latter, believing that they have not received their full wages for spinning from the former adopt the abovementioned method of selling off khadi at the price at which they get it.

This situation will change through the payment of weaving subsidy. When cloth is made available to them against the cost of cotton, the outlook of the spinners will undergo a change. They will forget their labour done on spinning and will be fascinated by the idea of getting cloth for the price of cotton. They will be encouraged to purchase more cloth. The institutions should persistently place before the spinners the slogan of 'cloth for the price of cotton'.

The available data reveal that spinning is carried on in about 20 per cent of villages, i.e., in one lakh villages out of the five lakh villages in India. But weaving is done only in about a thousand or 800 centres. Therefore, it is evident that for every 100 villages in which spinning is carried on weaving is done only in one or two villages.

If the spinners are to be encouraged to wear khadi weaving has to be started where spinning is carried on at present. However skilled weavers will be needed for this. As there is a paucity of such workers at present, the programme of training more skilled weavers has to be initiated in our vidyalayas. The trained workers should start weaving centres. It should be ensured that no district goes without a weaving centre. Later the work may be started in all the tehsils of the district and then in the blocks of the tehsils. The work should be spread to larger localities of the blocks.

There are nearly 30 lakh weavers in India. But they are concentrated in some places. If the programme is to be started on the lines described above the weavers will have to be dispersed and rehabilitated in widely dispersed areas. If this is not feasible new weavers will have to be trained.

Besides these efforts, intensive experiments should be conducted in some places. The programme of training fresh trainees should continue though the services of most of the workers may not be immediately utilised for organising weaving work. Of the workers at present working in khadi institutions, those who are devoted to khadi work, who can plan, who have the organising capacity for and interest in such work and who are not above 30 or 32 years of age should be trained in weaving. They can start weaving centres without delay. The workers should get their usual salary and because they have to be away from their homes they should be given stipends. The rate at which stipend is paid at present will be sufficient for them but provision has to be made for their salary in addition.

It appears that 75 per cent of the salary of the workers will have to be borne by the Khadi and Village Indus-

tries Commission and 25 per cent by their institutions. Since the institutions shall have to utilise the services of these workers they should send efficient workers.

The duration of training should not be less than a year. During this period the workers will learn weaving and can learn spinning as well. The workers should be self-sufficient and therefore devote half of their time to spinning and half to weaving. At the same time they should know simple arithmetic and have knowledge of conducting khadi transactions. They should be taught to manage and the pattern of organisation of khadi production centres. They should also be shown some production centres on the basis of which they may set up their own centres.

The workers who are admitted to the vidyalaya are expected to do practical work. They will have to spin for three hours on ambar charkha and weave for three hours every day throughout the year. It is believed that in this way the workers will become experts in spinning and weaving. The knowledge of textile technology, however, does not end here; it has a wider scope. But the khadi workers will be provided with knowledge which is deemed necessary for them at present. They will be given elementary knowledge of the operation of *takli*, *madhyam dhunki* and traditional charkha. But it will not be possible to retain the duration of training fixed in the present course. Similarly, the number of academic subjects will have to be reduced. The effort is to provide maximum training in spinning and weaving in one year. The basis of training in weaving will be long warp, as a result of which knowledge of sizing of hanks, take-up motion attachment etc. will be gained. Fixing of looms and dobbies will also be taught. They will be trained in dyeing of yarn and bleaching of cloth as well.

They have to be provided training in manufacturing implements so that they may be able to manufacture the necessary implements in the centre with the help of *mistris*. They may also import some approved implements from outside. The existing vidyalayas should, therefore, be prepared to undertake this task of training workers sent by the institutions.

The institutions should understand that they have to increase the number of spinning and weaving workers. Then only the work can progress. They should send them to vidyalaya. Only efficient workers should be sent to the vidyalaya so that other workers of the institutions can be trained.

Bombay

15 October 1963

CHAPTER 6

Free Weaving Service for Khadi

by

VAIKUNTH L. MEHTA

IT is now over a couple of years since Acharya Vinoba Bhave put forward the suggestion that the cause of khadi would stand to benefit if for all, who produced handspun yarn on the charkha, the service of weaving free of charge was provided at the cost of the State, just as the service of education at the primary level is provided free of charge. Individual spinners might, however, be entitled to free weaving service only upto a limit of 12 yards per head. In later discussions on the subject, the original proposal underwent some modifications. Weaving, it was suggested, should be provided free of charge for *gram ekais* or *gramdan* villages or *gram sankalp* villages upto a limit of 12 yards per head with a view to promoting self-sufficiency in cloth on a village-wise or regional and not on an individual basis. If handspun yarn was not produced as part of a programme of self-sufficiency, the cloth produced from such yarn might continue to be marketed with the rebate on sales operating as at present.

At a meeting of the executive committee of the Sarva Seva Sangh held in the second week of November 1962 in the presence of Vinobaji, the position was reviewed in the

light of emergency created by the Chinese aggression. The view was then taken that in the situation that had developed, an appeal could be made to consumers to forego the rebate, either partially or wholly. At the same time, in order that the tempo of production, which connotes the continuance and expansion of employment opportunities, should not slacken, the service of free weaving should be provided, so as to promote self-sufficiency as a defence measure and to facilitate the marketing of the quantum of the cloth thus produced which was surplus to the local requirements. The cost of weaving charges, according to the proposal, should be met by the Khadi and Village Industries Commission out of the allocation made to it under the Plan.

During the last three months, the proposal thus outlined by the Sarva Seva Sangh has been discussed at various levels and at different stages among workers in the khadi movement connected with the Central Board, State Boards and institutions engaged in the production and sale of khadi. In pursuance, further, of the desire expressed by Vinobaji himself, a conference of representatives of institutions, of State Boards and of the Central Board was convened to have the opportunity of discussing in his presence and under his guidance both the basic objectives and the implications of the proposal.

This conference took place at Nabadwip in West Bengal on the 5th and 6th of February, when it had the benefit of Vinobaji's guidance almost throughout the deliberations. An earlier occasion when workers in the khadi movement had similar opportunity was at Chalisgaon (Maharashtra) in September 1958. It was at that meeting that it was decided to give a new slant and a new connotation to khadi work. It is on the basis of the *gram ekaais* that are to be the basis of the scheme of reorienta-

tion that the Third Five Year Plan of the Commission for expansion of production has been formulated and incorporated in the National Plan. The *naya morh* or the process of reorientation is now to be taken a stage further with the proposed replacement of the rebate on sales by the payment of weaving charges on all handspun, handwoven cotton khadi that is produced, whether for self-consumption or for sale.

The implications are far-reaching. From the financial point of view, it may be that the quantum of aid that the State extends may not undergo any reduction. In view of the social values for which the khadi movement stands — its sociological and economic importance — Vinobaji agrees with those at present connected with the khadi movement that not only should State aid not be shunned but that it should be welcomed. In fact, it has, to say the least, as large a claim on the national exchequer as any other part of the national plan. But Vinobaji has emphasised that the aid should flow in a form that subserves the basic objectives of the movement, takes us further along the road to the achievement of those objectives and not in a direction which may render it even more dependent on extrinsic support than is the case at present. The basic objectives being to arouse the rural population to a consciousness of their responsibility towards the weaker sections, to develop the spirit of community working and to strengthen the rural economy through the fullest use of local resources in men and material, these will undoubtedly be better secured by enabling cloth from handspun yarn to be woven locally free of charge than by a rebate on sales in which process the rural community can be only indirectly or remotely concerned.

The system of a rebate on sales for handloom cloth and for khadi, at different rates and at differing stages

has, however, now been in operation for well over ten years. The stoppage of rebate may, the view was freely expressed at the conference at Nabadwip, have an adverse effect on sales. If sales go down consequently, that has a direct effect on the continuance of production at the present levels, at a time when it is our desire through the khadi movement to help in expanding the opportunities for employment. These misgivings have to be allayed. The position, however, is that if free weaving service is made available the costing will undergo a revision. As a result, the price at which khadi is sold to the consumers will, it is anticipated, in no event, be higher than what is charged at present. The only difference will be that the sale price recorded on the cash memo or the bill will not include the element of rebate charged to the State exchequer through the Khadi and Village Industries Commission.

The customer in Khadi Bhandars or Bhavans who buys khadi as a matter of national duty deliberately buys an article which is priced higher than handloom or mill cloth of comparable sorts or qualities. It is only part of the difference that the State exchequer defrays, a higher portion — sometimes twice as large — represents his own additional outlay. A discriminating customers like the consumer of khadi today is alert enough to appreciate the change in the system, particularly since he has to pay no higher price than is charged today. Nevertheless, there is need for the education of the customer — the consumer of khadi cloth — no less than further education of those engaged in the production of khadi cloth in the rationale of the change-over that is contemplated. It is to this task of educating public opinion that we all workers in the khadi movement must now onwards devote ourselves.

Bombay

10 February 1963

New Direction for Khadi Work

by

DHWAJA PRASAD SAHU

WHEN khadi work was initiated, there were very few persons well-versed in the techniques of khadi production. Be that as it may, efforts were launched and charkha became popular. In those days yarn was produced without paying much attention to its quality. Later the All-India Spinners' Association was established and work was developed in an organised manner with the help of workers who were not proficient in production techniques. When the erstwhile All India Khadi and Village Industries Board took over from the Association there were branches of the Association spread throughout the whole country and the value of khadi produced annually was between Rs. 1 crore and Rs. 1½ crores. The khadi institutions stepped up the production of khadi with the assistance provided first by the All India Khadi and Village Industries Board and later by Khadi and Village Industries Commission. The institutions now produce annually cotton, woollen and silk khadi worth Rs. 18 crores. There are more than 1,500 big and small institutions in the country, engaged in the development of khadi industry and a large number of cooperatives in work pertaining to village industries.

It is likely that the number of workers engaged today in khadi institutions exceeds 25,000. The number of

spinners similarly would be between 12 and 13 lakhs and of weavers about one lakh. But this work is being carried on by institutions and their workers and it would not be correct to say that the work is undertaken and organised by the people. Lakhs of spinners and weavers who are engaged in khadi work, have hardly any say in the management; neither do they feel that it is their own work. They are mere wage-earners. In spite of the talk about effecting reduction in the rates of rebate and subsidy for the last few years, khadi institutions have not cared to rouse the enthusiasm of the artisans for khadi work. They are afraid that the reduction or withdrawal of rebate would affect their sales of khadi resulting in fall in production and in charkhas lying idle. They would not then be able to provide employment to the large number of spinners and weavers as at present. Even if they are compelled to accept the proposal of scaling down the rate of rebate they would accept such cut under protest as they feel that it would give a death-blow to khadi.

To me it appears that despite the State assistance in the form of rebate and subsidy, khadi work has stagnated and not enough attention is being given to the propagation of hand-spinning. The institutions are devoted more to the production of woollen and silken fabrics and *kambals*. But even in this direction there does not seem to be much scope and it is bound to be circumscribed due to the limited market resulting from the competition from the mill sector.

Unless the set-up of the institutions is changed the State assistance in the form of rebate will not serve the desired purpose. If State assistance is increased production may tend to increase; but as the competition from the mill sector continues the rate of rebate will have to be in-

creased. It is difficult, if not impossible, to secure rebate at increased rates from the Government in the present conditions. It is evident that the work of khadi cannot progress much under such circumstances. The institutions and those who are vitally interested in khadi work should, therefore, devise measures for giving a fillip to khadi work.

It is high time the institutions changed their set-up. The work done by these institutions so far is indeed commendable. They have given a firm footing to khadi work. Without these institutions workers well-versed in the techniques of khadi production would not have become available. But now khadi work has become stagnant and to give it momentum we have to change the organisational structure. This can be achieved by handing over khadi work to the people. The gram panchayats in the country should be enthused to form panchayat-level cooperative societies, or institutions on similar lines, which should undertake khadi and village industries work. The institutions carrying on production and sales directly today will have to work as social service institutions and assistance of various types will have to be given to panchayat-level cooperative societies to make their work effective.

The gram ekai programme of the Khadi and Village Industries Commission is timely in this respect. If the entire work which is being carried on by institutions in one lakh villages is organised in gram ekais at the panchayat level, khadi and village industries would receive a great fillip, and also generate organisational ability among the rural people. When the villagers are in charge of khadi industry they would produce more, consume what they produce inspite of the higher cost of their products. They can claim rebate and subsidy from the Government for selling surplus production in outside areas. Their claim will have a force which the present institutions do not

possess since it will have the backing of the people. It can therefore, no longer be overlooked by the Government. Along with a change in the set-up of institutions, a change in the pattern of assistance provided by the Khadi and Village Industries Commission is also necessary so that khadi and village industries could be promoted and developed at the panchayat level and the present institutions enabled to render better services.

The need for State assistance in the form of rebate and subsidy arises because of low productive capacity of our implements. Therefore we should pay more attention to our technical know-how and improvement of techniques of production which have been neglected so far. The models of traditional charkhas which are in operation today are at least 40 years old. Later came the ambar charkha and lakhs of sets of this new model were distributed by the institutions; but these charkhas are today in a bad state, one of the main reasons for this being the lack of technical proficiency and interest among the workers of the institutions. Similarly, the institutions have not taken much advantage of the great improvements effected in the looms. When cotton is grown locally and improvements are effected in the implements, khadi will definitely be cheaper and there will possibly then be no need for governmental assistance.

CHAPTER 8

On Some Aspects of Khadi Movement

by

DEWAJA PRASAD SAHU

FOUR decades have passed since efforts were launched to rehabilitate the khadi industry, which had come almost to a stage of extinction, in the villages. The All India Spinners' Association was formed with this object and it was largely due to its efforts that about four lakhs of charkhas were introduced in the villages. The Khadi and Village Industries Commission gave further impetus to handspinning and now the number of charkhas has gone up to thirteen lakhs. There are more than a thousand khadi institutions and about twenty-five thousand khadi workers in the country.

The object of reviving khadi was to make the villages self-sufficient in their requirements of cloth; but this could not be achieved and khadi became a commodity of commerce. This happened because of many compelling conditions. Khadi owes its origin to Mahatma Gandhi and it has attained its present stature due to the active support given by the Indian National Congress, which adopted it as a uniform for its members. It was for the convenience of the Congress workers that khadi bhandars were opened in urban areas and these are functioning even today.

The production of khadi received encouragement as a result of the rebate on its sale granted by the Government since 1953. But this also created problems. Khadi began to be produced in large quantities without any corresponding increase in consumption resulting in accumulation of stocks. Rebates and Government patronage, no doubt, helped to step up the sale of khadi, but in spite of this, stocks continued to accumulate and now a position has been reached when big khadi institutions which contribute three-fourths of the total production of khadi are not enthusiastic to expand their activities further. Thus a crisis has been created and further progress may be problematical.

The management of khadi institutions has also become a problem. These institutions have expanded in size, increased their activities and the number of workers in some also now runs into hundreds. In the past, there used to prevail an atmosphere of brotherhood and comradeship among khadi workers, but now with the increase in their numbers and influx of new comers, the old ties are vanishing and these are being replaced by ideas of managerial control.

The idea behind the khadi movement was to form a family of spinners, weavers and all other artisans. We seem to have deviated from this objective also. The spinners and weavers have no place in the management of khadi institutions and they are still treated as wage-earners. It is true that khadi institutions are run as charitable trusts, but this does not help the spinners and other artisans. The nature and character of an enterprise cannot have any meaning unless the workers are allowed to have a part in its management. A managerial class seems to have developed among khadi workers and this

has led to discrimination among workers, which is opposed to the very ideals of khadi.

We accepted charkha as a symbol of *Ahimsa* and a means to achieve class-collaboration. We can move forward in this direction only when the form and character of khadi institutions change. Khadi, these days, has become confined to a narrow sphere with khadi workers and the managers in charge. We have to take khadi out from this confinement and take it to the people at large. The khadi workers who are quite numerous can help in accelerating this process. The success achieved in the Pusa area in Darbhanga district of Bihar can serve as a pointer in this direction. The gram ekai scheme of the Commission is also an attempt in the same direction. We may form cooperatives in every panchayat area and start a people's movement aimed at achieving gram swarajya, where production shall be for use and class collaboration shall replace class conflict.

The Khadi and Village Industries Commission has accepted the idea of assisting in the free weaving of hand-spun yarn. If the Government also accepts this proposal, the khadi movement will have a new opportunity and a vast field to expand its activities. The free weaving scheme will mean that anybody who can spin, will be able to have khadi at the price of cotton. Thus, khadi will be considerably cheaper. This scheme will enable millions of semi-naked and ill-clad people of our country to meet their requirement of cloth. In spite of our dedicated work for 40 years, we have not been able to create 40 lakhs of khadi wearers. This scheme, when implemented, will make khadi the uniform of the masses. A large number of our people who are unemployed at present, can be profitably employed by inducing them to strive for self-sufficiency in cloth.

The free weaving scheme for khadi has revolutionary potentialities. By adopting this, khadi will cease to be a mere marketable commodity; it will be widely accepted by our people and the problem of accumulation of stocks will also be solved. Khadi workers have to come forward to make good use of this opportunity and form organisations in every village. The history of khadi movement has been a history of constant struggle against heavy odds. I feel that we have to put in our best. I am fully confident that this scheme will succeed and khadi will have a bright future.

Patna

10 April 1963

CHAPTER 9

Withdrawal of Rebate and Introduction of Free Weaving Service

THE all-India Conference of khadi workers which met at Nabadwip, West Bengal, on 5 and 6 February in the presence of Acharya Vinoba Bhave, discussed in detail the proposal for replacement of the existing practice of allowing rebate on the sale price of khadi by free weaving service for all handspun yarn. At the end of the discussions the new proposal was unanimously adopted by the Conference. The Khadi and Village Industries Board which also met there at that time unanimously recommended the adoption of this proposal and appointed a 22-man committee with Shri Dhruva Prasad Sahu as Chairman and Shri Dwarkanath V. Lele as convener to work out the details of its adoption. The Note on this subject prepared jointly by Shri Dwarkanath V. Lele and Shri Krishnadas Gandhi, both members of the Board, formed the basis of the discussions at the Conference: The note is as follows:

A meeting of the executive committee of the Sarva Seva Sangh was held from 10th to 12th November 1962 in the presence of Vinobaji at Pipla village in West Bengal. Shri Vaikunth L. Mehta and Shri Dhruva Prasad Sahu were also present on the occasion. The meeting discussed the proposal of the discontinuation of the rebate of

sider ways and means of giving a concrete shape to Vinobaji's ideas.

The question of discontinuation of rebate is a very vital one for the entire khadi world. Tens of thousands of consumers of khadi and all those who have taken to khadi as an article of faith are affected by this proposed change. All these consumers of khadi purchase, khadi even at prices higher than those of mill cloth. They pay prices which are higher even after deducting the amount of rebate. The customers of khadi bear a monetary burden which is twice that which is borne by the Government in the form of rebate.

Besides, the purchasing power of the customers is also limited. With the discontinuance of rebate the consumption of khadi might register a fall and to that extent at least it might adversely affect millions of spinners and consumers. It was, therefore, thought essential to examine the pros and cons and all the aspects of the proposed change in its entirety and, if necessary, to hold a meeting of the representatives of the khadi institutions in the presence of Shri Vinobaji before arriving at any decisions.

At the meeting of the committee held on November 27 and 28 at Bombay, it was decided that Shri Pranlal Kapadia, Shri Lele, Shri Sowani and Shri Krishnadas Gandhi should first meet Vinobaji to discuss with him the framework of the plan and all the problems connected with it. Accordingly they met Shri Vinobaji on December 19 and 20, 1962. At that time Shri Vinobaji was indisposed. All the details, therefore, could not be discussed with him since he found it hard to speak much owing to his indisposition. However, some of the salient points made by Vinobaji during the discussion are given below. Vinobaji said:

- 1) The system of giving financial assistance on weaving will encourage spinning in villages. At the same time this will as a "defence measure" help villages in becoming self-sufficient and self-reliant in cloth. In the context of the present realities it is very necessary that the cloth be produced in the village as a defence measure. Without this villages cannot attain vitality and become self-reliant. I have been emphasizing this for a long time and I have also placed this point before the Planning Commission. Khadi programme was intimately linked with the freedom movement. But khadi movement was not so indispensable for our freedom struggle as it is for gram-swaraj today. Without khadi the village cannot acquire vigour and vitality.
- 2) Gram-swaraj cannot be achieved without the promotion of khadi programme. Unless the villages produce foodgrains and cloth for their own consumption they and consequently the country cannot be strong, vigorous and self-reliant. Khadi work should be carried on bearing this view in mind and not with a view to providing employment though the objective of providing employment will always be fulfilled by the khadi programme.
- 3) Each and every village should produce and consume khadi. Provision of aid in weaving would go a long way in achieving this objective. Granting of rebate on the sale of khadi would not serve the purpose. I do not hold the view that the Governmental assistance should not be taken. Also, I do not think that by providing assistance the Government is obliging us. We have to see whether this assistance will not adversely affect our real objectives or have the baneful effect on the khadi movement. The present system of giving assistance in the form of rebate puts a premium on sales, and it does not contribute to making the villages self-reliant. This is the drawback of the rebate system.
- 4) I desire that the khadi spirit be developed and intensified and khadi work expanded. I do not want that the khadi movement should recede to the background.
- 5) The Government is collecting funds both in the form of taxes as well as donations. The purchasing capacity of the

people is affected by this. We should not think that the consumption of khadi will increase in the years to come at the same pace as it has done till today. The consumption of khadi is, therefore, not likely to go up considerably by organising sales. But the displacement of rebate system by that of free weaving will undoubtedly give a fillip to the consumption of khadi in the villages. People will thereby be encouraged to take to handspinning.

- 6) The strength of ambar charkha lies in the fact that it can produce cloth quickly enough to satisfy the needs of the village community. The takli and the traditional charkha can also be plied along with it. I am not bothered whether they are plied or not. I prefer ambar charkha because with its help the village community can produce cloth for its own use in sufficient quantities.
- 7) I wish you to understand this view-point of mine. I can advance arguments for and against and convince myself either way. But we should grasp the main objective. That aid in weaving be given up to a limit of 12 yards per head only is not my rigid view. Further, it is left to the technicians like you to decide details about the form of aid etc. It is for you to chalk out the detailed programme. It is quite possible that in future a scheme might be evolved according to which the amount needed for weaving aid may be obtained from the land revenue or from other sources.

On December 27 and 28 the khadi institutions met at Sabarmati to discuss and deliberate upon these views. The representatives of khadi institutions and some other 15 to 20 persons closely connected with khadi movement discussed the proposed discontinuance of rebate and the introduction of free weaving system. The guidance of Shri Vaikunth L. Mehta and Shri Shankarlal Banker was also available to the meeting.

During the last seven to eight years khadi work has made great headway. The annual production of khadi has increased from one or one and half crore square yards

to nine crore square yards. It is true that much assistance is being extended by the Government for the expansion and promotion of khadi work which can be expanded manifold by means of Governmental assistance but this might give rise to the problem of "reservation" for khadi. On the other hand, the introduction of free weaving will enable the people to gain experience in khadi production and thus infuse self-confidence in them.

Shri Vinobaji has also put forward a suggestion for the provision of free practical training in the production of khadi. Hence the training in khadi production demands urgent and thorough attention. Training facilities at different places should be provided not only for spinning but also for weaving. There are thousands of weavers all over the country but with the gradual decline of khadi industry in the past they came to be concentrated only at some places. In order that each and every village may produce cloth it is essential that a definite scheme be formulated so that weaving and spinning can be organised and a training programme chalked out. The following suggestions were examined in all their aspects:

- 1) The system of free service of weaving up to a limit of 12 yards per head should be introduced for the promotion of self-sufficiency in cloth.
- 2) The current system of giving rebate at the sales stage should be discontinued.

Discussions mainly centered around these two points. While critically evaluating the objective behind these suggestions and the ways of implementing them and the various implications of these suggestions the following alternatives in respect of rebate came to the fore:

- 1) The present system of rebate which is being given at the sales stage should not be stopped and it be continued. The Governmental assistance entails checking and auditing of accounts to prevent malpractices. The present system of allowing rebate at the sales stage is the best and most convenient from the point of view of auditing and prevention of mal-practices. The system of rebate has proved very effective in boosting up sales of khadi by attracting the customers. The rebate given is equal to the expenses incurred as establishment charges. In fact it is the customer who pays the full wages of weaving khadi inspite of its higher sale price.
- 2) The customer should continue to derive the advantage of rebate as he does to-day. But the procedure of deducting rebate on every cash memo or bill should be discontinued. The reduced sale price of khadi should be quoted on the cash memo without mentioning the element of rebate in it and a lump sum may be charged from the Government after totalling all the bills and the sum so calculated be given to the khadi bhandar in the form of rebate.
- 3) At present, the rebate is worked out on the total price of khadi sold. This system should be substituted by another system in which rebate should be worked out on the basis of the number of metres of khadi sold. This system will help and facilitate the sale of inferior varieties of khadi more than that of superior varieties.
- 4) The subsidy given on this basis should not be given on sale price but on the output of khadi. As the width of khadi differs, it would be difficult to calculate the subsidy per square metre. Therefore there should be only two to three standard widths.
- 5) While giving subsidy not only the quantity of khadi but also the texture of khadi should be taken into account. The suggestion should be worked out in such a way that more subsidy can be given on cloth of coarse texture and less on the cloth of finer texture. Thus coarser varieties would get more subsidy as compared to the finer varieties.
- 6) With a view to promoting self-sufficiency in cloth 75 per cent of the weaving charges are given as subsidy while in

some States 100 per cent of the charges are given as subsidy. The payment of rebate should be stopped but the subsidy on weaving should be continued. This subsidy should be given for ordinary weaving and not for special types of weaving. The limit of 12 yards should not be imposed for ordinary weaving but this limit should be made applicable for other varieties of khadi, whether those varieties were meant for individual or regional self-sufficiency in cloth or for sale in khadi bhandars.

- 7) The service for free weaving should be made available only for the purpose of attaining self-sufficiency in cloth. There should not be either weaving subsidy or rebate on khadi which is meant for sale. It implies that no State assistance should be sought for khadi which is meant for sale but it must be available to the villagers who wear khadi by spinning yarn for their own use.

The above-mentioned various alternative view-points with all their implications were discussed. It was unanimously agreed that the State assistance should not be discontinued or reduced simply because this will effect a saving for the Government. The main object of State assistance to khadi is to help in the rejuvenation of the rural masses. Its object is to create opportunities for employment, promote establishment of agro-industrial economy and enable the village industries to face the competition of the large-scale industries. So, we should not hesitate to take even more Governmental assistance even on a larger scale if it helps achievement of the basic objective.

It was also felt that khadi movement would not succeed in fulfilling its objective if khadi continued to be sold in urban centres only where there would be a limit to its consumption. It is, therefore, essential that emphasis be laid on the production of khadi by the villagers for their own consumption.

The free weaving service can be successful in achieving its goal of giving a new direction to the khadi movement and creating demand in the rural areas provided a systematic campaign is launched for the propagation of khadi and the free weaving service should not only imply monetary aid but also suitable arrangements for weaving of yarn. Yet output of khadi surplus in the villages will have to be sold in outside places. The prices of the khadi products will have to be regulated. No difficulties will be encountered if rebate on sale of khadi is given up provided this khadi for sale gets the service of free weaving. Thus the consumption of khadi will not be affected appreciably. If, therefore, replacement of rebate at the sales stage by free weaving has the consent of Vinobaji efforts should be made to give a slant to the khadi movement in accordance with the way suggested by him.

The above viewpoints were unanimously agreed upon at that meeting taking into account the principal objectives of the khadi programme. However, in view of the consequences which were likely to arise, from the implementation of the programme, some more suggestions were put forward. They are as follows:

- 1) If this programme has to be given the form of a movement the guiding force of the Sarva Seva Sangh and Vinobaji should also be increasingly availed of.
- 2) The new system should be introduced in some selected areas, especially in the *gramdan* villages, *ekai* villages or of such other areas which have undertaken the integrated development programme of the villages. For the time being it should not be made universal. At other places the present system of rebate on sales and subsidy on weaving should be continued.
- 3) The rebate system should not be stopped immediately. The rate of rebate should be reduced gradually. On special oc-

casions like Charkha Jayanti, additional rebate should be given.

- 4) The Khadi and Village Industries Commission and other khadi institutions should strive in the direction of taking suitable steps to introduce the facility of weaving in every village or in small groups of villages. If facilities for weaving are not available the introduction of free weaving system will not be of much avail. In order that this free weaving service be introduced universally we shall have to provide for training facilities and make the necessary financial provision also.
- 5) We should also consider the assistance being given at present on dyeing, printing and stitching. Care should also be taken to see that the financial assistance on weaving in respect of saris and printed cloth used by the spinners, especially in the rural areas, may not be less than the assistance provided by way of rebate. It would be desirable to see that the proposed change does not enhance the cost of any varieties of khadi.
- 6) The programme should be drawn up in such a way that like cotton khadi, woollen khadi is also benefited from the point of promoting self-sufficiency.
- 7) The most important thing which calls for thorough consideration is the question of maintaining honest dealings. The system of calculating rebate on the bills or cash memos is very easy, but more complicated and difficult questions would arise in calculating the financial assistance under the free weaving system. If it is decided to introduce free weaving service universally with the object of uplifting the rural areas the difficulties in maintaining accounts should also be taken into consideration before putting the decision into practice. If we proceed with the scheme in the interest of the people we should know fully the pitfalls and difficulties inherent in it. The Sarva Seva Sangh and the Government should appreciate and understand well the difficulties that are likely to come up. Later on blame should not be laid at the doors of the khadi institutions and the Commission.

- 8) It is true that the system of giving subsidy at the production stage is more difficult and complicated than the present system of giving rebate at the sales stage from the point of view of accounting and auditing. But there is likely to be some confusion if these two systems of rebate at the sales stage and free weaving are adopted simultaneously in the same area or adjoining areas. It will be much easier to introduce a uniform system of free service for weaving. With this end in view weaving centres will have to be registered, the system of maintaining accounts for weaving will have to be devised, rates for weaving will also have to be fixed and criteria for assistance will have to be determined. Suitable arrangements will have to be made to give financial assistance at the stage of production of khadi in the centres and also to facilitate the maintenance and auditing of accounts properly.

After considering these suggestions it was felt by all that free weaving service would give incentive to the villagers to produce khadi in the village itself and the attention of khadi workers could be drawn to the important fact that those varieties of khadi which were locally needed should be produced. So far the prices of khadi are being determined after calculating the expenditure incurred on the maintenance of khadi bhandars and the bhavans in the city. According to the new system, khadi will be cheaper at the place of production but the costs of transportation and establishment would increase with increase in the distance of a place whereto it is sent. In future, the new system should be so managed that the khadi buyer will be required to pay less price for khadi produced in his own region than for that produced in the distant region and the khadi produced in one's own village should be cheaper still. Khadi should be made cheapest for those who spin for self-sufficiency in cloth.

It was found advisable that before taking the final decision the representatives of khadi institutions should

meet in larger number and discuss the proposed changes and if possible seek the advice of Vinobaji.

The programme for the development of khadi started as a movement. It was interlinked with our struggle for freedom. Khadi work started with the launching of the movement and continues to this day. It has even gained momentum and taken long strides. But after independence the force of this movement has declined. In fact there is even a greater need for this movement to-day than before for ushering in gram swaraj. Shri Lele and Shri Krishnadas Gandhi met Vinobaji again after the Sabarmati meeting. They discussed about khadi work with him from 19 to 21 January 1963. Vinobaji holds the following views:

"In Gandhiji's conception of village regeneration and gram swaraj, khadi had an important place. It has become clearer now. The need for continuing khadi work was not felt intensely enough after independence. But the foreign aggression has induced us to think afresh on this point. For the purpose of national defence every village should be strengthened. The village should be self-sufficient in food, cloth, education etc. and the Government should not be required to bother about it. The need for all this has been felt at the national level now. The national planners too have recognised its importance. It is an opportunity and the time is ripe when khadi workers should think on these lines and khadi work should be vigorously directed towards that end. The production of khadi at present is nine crore sq. yds. The consumption of khadi per head comes to $1/6$ sq. yd. on the basis of our total population. If the average requirement of cloth per person is estimated at 16 sq. yds. the total production of khadi comes to only one per cent. It may at most

increase to $1\frac{1}{2}$ or 2 per cent with the present methods of our work. Should we be satisfied with this?

"If it is to be presumed that khadi has no scope beyond this, it is a different thing but I do not agree that this is the limit. In my opinion, the production of khadi can increase many times more than what it is at present. I always think of ways and means for the expansion of khadi work. The khadi programme should encourage villagers to produce and wear khadi themselves. My suggestions for free weaving service etc., have behind them this point of view. My suggestion for the abolition of rebate is not made from the point of view of lessening the financial burden of the Government, but actually with a view to relieving Government of the responsibility of meeting the cloth requirements of the villagers. The financial assistance provided by the Government for khadi should be utilised with a view to making the villagers self-sufficient in cloth so that they will not have to depend on Government for requirements of cloth. On the contrary the villagers should be in a position to supply the required quantity of cloth to the Government. In the present context of national defence this has acquired a great significance. The khadi programme should be formulated on the above lines. The country has gained independence but the villages are still to attain economic freedom. They should become independent in this respect. Khadi has an important part to play in their economic emancipation. People in the cities pay higher prices for khadi with a feeling of devotion for khadi. Why should bounty be received from the Government?"

CHAPTER 10

New Phase of Khadi Development

by

SUEHASH CHANDRA
SARKER

THE khadi movement will complete half a century of existence in about seven years' time. It was started by Gandhiji as early as 1920 to make the boycott of foreign goods effective and provide an opportunity to the individual for self-discipline and self-sacrifice as a part of the non-cooperation movement. Soon the movement gained an economic importance as a source of employment to the rural unemployed. By 1933, the production of khadi reached the 10 million square yard mark, providing employment to about two lakhs of persons. As a result of the scarcity of cloth created by the exigencies of the Second World War, the production of khadi received an impetus so much so that the production rose from 1.09 crore square yards in 1939 to 2.16 crore square yards in 1942. As soon as supply position eased in respect of cloth after the war was over, there was a downward trend in the production of khadi which stood at 1.15 crore square yards in 1953-54, when the All India Khadi and Village Industries Board was constituted by the Government of India to promote the development of the khadi industry. The Board was succeeded in April 1957 by a statutory organization, the Khadi and Village Industries

Commission consisting of 5 members, with Shri Vaikunth L. Mehta as Chairman.

There has been continual progress in the field of khadi over this period. Particularly since 1953-54, production, sales and employment have risen sharply. Production of khadi of all types rose from 1.15 crore square yards in 1953-54 to 7.62 crore square yards in 1961-62 or by nearly 600 per cent. Sales of khadi rose from Rs. 129.98 lakhs in 1953-54 to Rs. 1877.54 lakhs in 1961-62 or by over 1344 per cent. In 1953-54 the khadi industry provided employment to 3,78,600 persons in all (3,48,000 spinners, 19,200 weavers and 11,400 others). By 1961-62 it was providing employment to 17,46,200 persons (15,37,100 spinners, 1,24,700 weavers and 84,400 others). In other words there was an improvement of about 364 per cent in the number of persons employed. These figures amply bear out the wisdom of the Government of India in bringing into existence a special organisation (first in the form of an advisory board and then in the form of a statutory Commission) for the promotion of khadi.

Production of Swavalamban khadi (i.e. yarn spun for self or family consumption) also registered an appreciable rise, from 10.10 lakh square yards in 1953-54 to 70.85 lakh square yards in 1961-62—an increase of over 700 per cent—matching the rise in the production of what is loosely called commercial khadi. Swavalamban khadi, it is to be noted, has not become popular in the majority of the States in spite of the subsidy provided on it. As it is, Swavalamban is restricted primarily to Uttar Pradesh (where production in 1961-62 totalled 55.72 lakh square yards) and only to a far less extent to Gujarat (production in 1961-62 was 6.85 lakhs), Jammu and Kashmir (4.3 lakhs) and Punjab (3.98

lakhs). The Khadi Evaluation Committee headed by Dr. Gyanchand while underlining the need to continue assistance for Vastraswavalamban, said that "the whole scheme of self-sufficiency requires to be specially investigated and reviewed".

The following table shows the production of different varieties of khadi in the States during 1961-62:

STATEWISE PRODUCTION OF KHADI 1961-62

(Lakh sq. yds.)

State	1961-62							
	COTTON							
	For Sale			Self-sufficiency	Total	Woollen	Silk	Grand Total
	Traditional Khadi	Ambar	Total					
1. Andhra	17.75	38.28	56.03	2.01	58.04	11.30	0.33	69.67
2. Assam	0.29	0.02	0.31	..	0.31	..	0.29	0.60
3. Bihar	76.61	35.28	111.89	0.18	112.07	4.81	4.28	121.16
4. Gujarat	5.40	5.16	10.56	6.85	17.41	1.09	..	18.50
5. Maharashtra	0.61	3.26	3.87	0.13	4.00	1.65	0.04	5.69
6. Delhi	16.78	1.27	18.05	1.83	19.88	0.63	..	20.51
7. Jammu & Kashmir	2.77	0.17	2.94	4.30	7.24	3.08	..	10.32
8. Kerala	2.39	7.91	10.30	0.03	10.33	..	..	10.33
9. Madhya Pradesh	..	5.45	5.45	0.17	5.62	2.67	0.13	8.42
10. Madras	55.92	41.68	97.60	0.18	97.78	0.02	1.10	98.90
11. Mysore	2.99	8.60	11.59	0.13	11.72	4.45	0.45	16.62
12. Orissa	4.15	2.18	6.33	..	6.33	..	0.21	6.54
13. Punjab	106.69	6.67	113.36	4.13	117.49	10.98	0.09	128.56
14. Rajasthan	37.44	11.66	49.10	1.56	50.66	6.13	..	56.79
15. Uttar Pradesh	11.98	89.89	101.87	55.72	157.59	11.36	1.81	170.76
16. West Bengal	4.90	6.60	11.50	0.08	11.58	0.35	6.72	18.65
Total	346.67	264.08	610.75	77.30	688.05	58.52	15.45	762.02

Almost from its inception in the early twenties, the khadi programme has had a dual character. On the one hand, khadi in its insistence on universal spinning was an instrument of self-discipline and personal good conduct by making every individual aware of the values of manual work; on the other hand, khadi was a definite economic programme to provide employment to the misery-stricken villagers. During the several phases through which the programme has passed one or the other aspect tended to be emphasized, but there was never an integration of the two approaches in practice. This was true in spite of the rise in the production, sale and employment provided by khadi.

Efforts have been made from time to time to reconcile the difference in the two approaches and to integrate them into a national effort for the development of khadi. The start in this integration was given by Gandhiji himself as early as 1944. The new approach which laid stress on viewing khadi as an integral part of rural development came to be known as *Samagra Seva*. The idea of relating khadi work to the broader village development plan was revived with a renewed vigour in 1959, when the decision was taken by the Khadi and Village Industries Commission to adopt the *naya morh* programme. The essence of *naya morh* was to relate khadi to the local plans formulated on the basis of local needs by the local people. The programme, which envisaged larger local consumption of khadi, was commended also by the fact of accumulation of sizeable stocks of khadi which could not be marketed even with rebate of 3 annas in the Rupee on the sale price. The Third Five Year plan of the Khadi and Village Industries Commission envisaged the organization of 3,000 selected areas of about 5,000 population each — popularly known as

gram ekais — to implement the programme of *naya morh*. The Khadi Evaluation Committee also commended this new integrated approach. "The first premise, on which khadi development programme has to be reorganized", the Committee observed, "is that it should be an integral part of the development of the rural economy in which the productive potential of agriculture, industry and trade is raised to a high level, and the community effort plays a more crucial part in development of the economy; and the sections of the population, which are socially depressed and economically submerged play an effective role". So far about 1,017 ekais have been selected of which 900 have already started working.

To ensure wider use of khadi in ekais and to discount the commercial mentality among the producers of khadi a proposal was mooted a few years ago to make free of charge the weaving of a particular quantity of handspun yarn meant for self-consumption by the spinner. The suggestion originated from Vinobaji who proposed the provision at the cost of the State of free weaving of yarn upto a limit of 12 yards of cloth per head. The underlying idea was that just as in progressive States, education was universal and free at State expense, in this country the Government should come forward to provide at least free weaving service to all spinners of handspun yarn.

In the meanwhile, the unprovoked Chinese aggression on the country prompted a consideration whether an appeal could not be made to consumers of khadi to forego the rebate available on the purchase of khadi from recognized stores. The suggestion for the abolition of rebate on khadi led to very energetic discussions as to the future of the khadi industry. To meet the problem

arising out of the abolition of rebate on khadi, a further suggestion was made for providing free weaving facilities for all handspun yarn without any limitation, the cost of weaving charges to be met by the Khadi and Village Industries Commission out of the allocation made to it under the Third Five Year Plan.

The question of replacing the existing rebate by a hundred per cent subsidy on weaving was discussed by the Khadi and Village Industries Board which advises the Khadi and Village Industries Commission on matters of policy, at its meetings held at Vedchhi in Gujarat in November 1962 and at Nabadwip in West Bengal in February 1963. Discussions took place also at a conference of khadi institutions held at Ahmedabad in December 1962 and a still wider all-India conference of khadi workers held at Nabadwip in February 1963. At the latter, khadi workers had the privilege of discussing the proposal in the presence of Acharya Vinoba Bhave. After an exhaustive exposition by Vinobaji of the object with which he had sponsored the new form of State participation in the khadi movement, the conference at Nabadwip voted in favour of the adoption of the new formula of free weaving of all handspun yarn to replace the rebate now allowed on sale price of khadi. This was coupled with an important stipulation, according to which it would be obligatory for khadi institutions to ensure that consumers had not to pay a higher price for the khadi sold to them. The details of how the new formula is to be implemented in practice will be worked out by a 22-man committee headed by Shri Dhawaja Prasad Sahu, with Shri D. V. Lele as convener. Other members of the committee include persons directly connected with the production or sale of khadi.

The Khadi and Village Industries Board after consulting Vinobaji and representatives of khadi institutions decided to recommend to the Khadi and Village Industries Commission the adoption of the new formula of providing free weaving service for all handspun yarn. Before it is implemented it will have to be approved not only by the Khadi and Village Industries Commission but also by the Government of India.

The new proposal has several factors to commend itself. First, the scheme of free weaving would necessarily activate the local leadership and local organization. Second, it would facilitate local consumption of khadi and would reduce the burden of marketing. Third, by obviating the need to transport yarn it could contribute to the reduction in the costs of production of khadi. Finally, it would free khadi of the stigma of commercialism which the critics ascribed to it because of the provision for the rebate on sales.

It would be unrealistic to overlook the difficulties besetting the implementation of the new scheme. First, it would remove an important incentive for the buyer of khadi. True, even after the rebate is allowed, khadi is very much costlier than mill cloth of equivalent variety and the purchasers of khadi consciously pay more to sustain the industry. It cannot, however, be gainsaid that a number of purchasers are induced to buy khadi because of the existence of the rebate. Even if there is no rise in the price of khadi, what the effect of the removal of the present direct incentive for the customers will be, can be only a surmise. Second, the provision of free weaving would lose all justification if yarn is to be carried from one place to another for the purpose of getting it woven to be brought back to the spinners again. Facilities for weaving will have to be provided in almost every village

where handspun yarn is being produced. This point was emphasised by several speakers at the Nabadwip conference and also underlined by no less a person than Vinobaji himself. The magnitude of this task may be gauged from the fact that although khadi has reached about a lakh of villages there are centres of weaving in only about a tenth of those villages. The problem is by no means to be considered insuperable. The Khadi and Village Industries Commission has already been following a policy of planned rehabilitation of weaver families in areas where there are no traditional weavers. Given a planned impetus, this programme could be further activated.

What are the financial implications of the proposal for free weaving ? It is difficult to provide an answer to the question in the absence of a detailed analysis of all the factors. There is already a subsidy of 75 per cent of the weaving costs of yarn spun by hand for self-consumption. Over and above this, the institutions which arrange to get such yarn woven into cloth get a management grant of twelve naye paise per square yard of cloth woven upto a limit of 5,000 square yards. For cloth woven beyond that limit the management subsidy is three naye paise. In some States, viz. Gujarat and Tamilnad, the State Boards or the local institutions provide an additional subsidy of twenty-five per cent of weaving costs to spinners for self-sufficiency. However, the present weaving subsidy for swavalamban applies only to plain weaving and not to design weaving or drill weaving. Under the new scheme the subsidy would be available for all types of weaving. At the current level and with the prevalent patterns of production the new scheme may cost the exchequer slightly more than at present. But if the scheme operates satisfactorily this extra expenditure would be

worthwhile since it would go to the most needy section of the rural population. This would be a desirable expenditure both from the social and economic points of view. Truly it can hence be said that the khadi programme is on the threshold of a new era.

(Courtesy: *The Economic Times*, Bombay)

15 February 1963

Khadi and Village Industries Board's Recommendation

from
**OUR SPECIAL
REPRESENTATIVE**

THE Khadi and Village Industries Board in its meeting held at Nabadwip on 6th February 1963 unanimously recommended the adoption of the proposal for free weaving of all handspun yarn in supersession of the existing practice of allowing rebate on the sale price of khadi. The Board appointed a 20-man committee with Shri Dhawaja Prasad Sahu as Chairman and Shri Dwarkanath V. Lele as Convener to work out the details of the adoption of the new proposal. The names of the other members of the Committee are (1) Shri Krishnadas Gandhi, (2) Shri Pranlal S. Kapadia, (3) Shri V. Ramachandran, (4) Shri B. H. Inamdar, (5) Shri Nripendra-nath Bose, (6) Shri Annada Prasad Choudhuri, (7) Shri Gajanan Das, (8) Shri Rajaram Sharma, (9) Shri Kapil-deo Pande, (10) Shri Som Dutt Sharma, (11) Shri Chittarmal Goyal, (12) Shri Ratibhai Gondia, (13) Shri Ramnath Tandon, (14) Shri N. R. Sowany, (15) Shri Aparesh Bhattacharya, (16) Shri Gokulbhai Bhatt, (17) Shri P. V. Raghavan and (18) Shri R. Parthasarathi. (19) Shri V. V. Jerajani and (20) Shri Wavelkumar Dani

were also subsequently nominated members of the Committee.

Vinobaji Commends Board's Decision

Acharya Vinoba Bhave summing up the deliberations of the conference of khadi workers held at Bangabani in Nabadwip on the 5th and 6th February, 1963, commended the adoption of the proposal for free universal weaving to replace rebate on sales of khadi. He warned the workers that unless they brought in independent approach to the problem they would not be able to find the correct solution. It would be wrong to imitate others.

Referring to the criticism voiced during the discussions that the new proposal did not go far enough in changing the direction of the development of khadi industry, Vinobaji pointed out that the very fact that some expressed fear about the possible impact of the changes indicated in the proposal for free universal weaving to replace rebate proved that it had a new element in it. Of course, there would not be much difference between the new approach and the old. But as time passed on the new elements in the approach would become more pronounced

He stressed that (1) It was necessary to find out ways and means to overcome the difficulties of the new scheme; (2) There should be unity of efforts by all concerned; (3) He did not mind efforts being made for export of khadi; and (4) There should be no objection to the development of the different varieties of khadi. On the other hand, the refinement of khadi and the printing and dyeing of khadi opened out possibilities for the adoption of khadi by people not wedded to the philosophy of khadi.

Vinobaji commended the "ambar charkha" which, he said, could help villagers to attain self-sufficiency in khadi. He described it as "ambar avatar". At the same time he, however, warned the delegates to be conscious

of the fact that while research and the experiments should be carried on to make khadi better and cheaper, there should be no delusion that khadi could ever become competitive with mill cloth.

Khadi, he said, could not prosper in villages if it was developed without any relation to agriculture. The inter-relationship between agriculture and khadi should be properly understood. Only then would it be possible to lay down a correct line of approach.

No aspect of the programme should be considered of less importance. Khadi as a source of succour to the people should not be depreciated. It should be made to support defence efforts. Khadi could serve as a guarantee for individual freedom. It could also generate the correct understanding of the proper ideology. It was essential to avoid any narrowness. He strongly deprecated the tendency evident among certain sections of khadi and other workers in the constructive field to consider their problems in isolation from the wider problems of rural development. For instance, he would like very much all such workers to interest themselves in the installing of Sarvodaya Patras. Compartmentalisation of mind and fragmentation of efforts could not yield any beneficial result. It was necessary to have an integrated approach.

Vinobaji stressed the great importance of educating karyakartas. It was wrong to distinguish between different sections of karyakartas and deprive those who took payment for service rendered by them. It was the duty of the leaders of the khadi movement to train up all sections of karyakartas.

While khadi had reached more than a lakh of villages, there were weaving centres in less than 1,000 villages.

Constant efforts had to be made to increase the number of weaving centres in every gram ekai.

Vinobaji underlined the fact that the non-violent movement had reached a new stage. It was necessary for the workers concerned to understand this fact. This was the age of non-violent assistance as distinguished from non-violent resistance of the past.

He gave the background of the new idea of free weaving. When he had suggested that the khadi workers should think of the new approach it was readily accepted by the Akhil Bharat Sarva Seva Sangh and prominent workers in the khadi movement.

Khadi Should Stand on Its Own Legs

**Vinobaji's Address To Khadi
Workers' Conference**

from

OUR SPECIAL

REPRESENTATIVE

I*N his address to the conference of khadi workers from all over India held at Nabadwip, West Bengal, on 5 and 6 February 1963 and which coincided with the meeting of the Khadi and Village Industries Board, Vinobaji not only discussed the burning problem of rebate and gave his frank opinion on it but also dealt at length with various other problems relating to the development of khadi. He pleaded for an integrated approach to khadi and rural reconstruction work and also explained how the khadi programme, if run on proper lines, could generate a new wave of enthusiasm in the countryside and thus help in the defence efforts also.*

In his address to the conference on the opening day Vinobaji noted that the khadi movement would be completing 50 years of its existence in about seven years' time and the Gandhi Birth Centenary was also to take place at about the same time.

During the course of past centuries India had passed through three distinct phases. During the Muslim rule India was dependent as a nation but its villages were leading an independent existence and life free from government interference. During the British era not only the

country was dependent but the villages had also been made dependent on Government. In the post-independence era now, while the country had become independent villages were still dependent on government very much for their existence. The task before the people was to usher in an era where independence would be restored to the villages.

Intellectual freedom characterised Indian history to a far greater extent than it did in any other country of the world. In the history of India there was never such a conflict between science and religion as had confronted Galileo in the West. While intellectual independence characterised all phases of Indian history it was of recent origin in other countries. The principal factor contributing to this intellectual independence was the freedom of education from Government control. Planning in this country was unduly dependent on foreign aids, he noted, and true independence was impossible under such circumstances.

Vinobaji pointed out that the direction of khadi work was not the correct one. He said that during Gandhi Jayanti Celebration an additional rebate was being provided on the sale of khadi over and above the existing rebate. This was, to his mind, an insult to the memory of Gandhiji who had done so much to instill the spirit of independence and equality among the people. Mere increase in consumption was not enough. How the increase was being brought about was equally important to know. From the point of view of selling more khadi, the grant of additional rebate on the sale of khadi during the Gandhi Jayanti was but a logical step, but from the wider point of view this could not be justified. The spirit behind khadi was one of independence and not of subservience and dependence. Khadi could not be divorced from that wider understanding.

There had been, undoubtedly, considerable improvement in the production of khadi and it was now possible to produce very fine varieties of khadi which were not distinguishable from mill-made cloth. It would be wrong, however, to obliterate the distinction between khadi and other varieties of textile cloth. Khadi, he said, should be self-evident.

Again, such development was perhaps logical from the point of view of commercial expansion of khadi, but was not supportable from the wider spiritual point of view. There was a tendency in municipalities and other organisations to make khadi obligatory for the subordinate staff while the superior staff was left free to wear any cloth. He could not support the idea of people wearing khadi bowing down before people wearing mill made cloth. Again, this was perhaps supportable from the point of view of expansion of commercial khadi, but could not be upheld from the standpoint of the true spirit of khadi.

The really important thing, Vinobaji noted, was the outlook. Values changed with outlook. The question was not one of receiving assistance from Government but one of pervading the entire Governmental structure with the spirit of khadi. Immediately after independence, senior Government officials were prepared to wear khadi, if asked to do so. But the preparedness had not come about due to any change in their psychology or attitude towards khadi. The Government of India very properly refused to enforce any regulation obliging its employees to wear khadi.

It was extremely important to ensure individual freedom. Everybody should be free. There was an unfortunate tendency, probably inevitable, after the Chinese invasion to enforce curbs on individual freedom. This was to be deprecated, Vinobaji said.

Continuing, he said that the increase in the production of khadi that had been achieved during the past decade and a half was very creditable, but it was clear that the efforts were not yielding the desirable results.

Immediately after the national emergency was declared the workers had approached him (Vinobaji) for guidance. He had suggested that khadi workers should think of making some contribution to National Defence efforts. He had not, however, made any specific suggestion for the abolition of rebate. Government assistance to khadi was by no means a gift to the people; it was the duty of the Government to find employment for every able-bodied person. The question was whether Government assistance was yielding the desired result.

Our objective should be the management of affairs by the people themselves, with least assistance from Government. The objective should be one of non-violent withering away of the State. A true Government of the people should work towards this end.

Khadi had to be viewed in the context of the needs of gram swaraj. He said, if the land problem and the problem of illiteracy could be solved without the interference of Government, a significant step would have been taken towards the achievement of gram swaraj. Khadi should be able to fulfil this role in gram swaraj without having to depend on Government assistance.

It was necessary to interpret the programme in the language which the people could understand. There were dangers involved in picking up the popular vocabulary. But there was no alternative. Now, the requirements of defence were the uppermost in the minds of people. Khadi could be made to support defence efforts. Simply stated, if khadi could reduce part of Government's burden it

would have served its purpose. It was, again, necessary to establish the true relationship between khadi and gram swaraj. The moral aspect of the programme was as important as the material aspect. Khadi must be interpreted as part of the broader philosophy of life and development. It would be extremely injurious to the national economy and national psychology, if khadi continued to rest on the support of Government derived from taxation of the textile mills.

The present state of khadi economy clearly pointed to the need for the adoption of a new direction. If 15 crores of people were considered as well-to-do, there would still be about 30 crores of people in the country who would require economic support. It should be possible to arrange free weaving of khadi to the extent of 12 yards per head. For these people, total requirements would thus come to about 360 crores of yards a year. Some people had suggested that there should be no limit of 12 yards and that weaving should be universally free. He had no disagreement on this. Somebody had raised the question why it was necessary to reopen the question of abolition of rebate on the sales of khadi since it had already been examined by an expert committee headed by Dr. Gyan Chand who had clearly made out the case for the retention of rebate on sales of khadi.

The invasion by the Chinese had created a new situation in the country and a new psychology, both among the people and the Government. He very much hoped that the proposed negotiations between India and China would yield positives results. But, even if an agreement was reached, for a long time there would be an uncertainty in the minds of people and Government about possible Chinese motives and as such the new element in the thinking of people was coming to stay.

Gandhiji had all along stressed that the weaver should be a spinner and the spinner should be a weaver. Vinobaji quoted a couplet from Browning — "I have ever been a fighter, so one fight more, the last and the best." The workers engaged in the khadi programme should imbibe that spirit and make a last determined bid to put khadi on an independent basis. Khadi should be made self-reliant or it should go out of existence. Khadi was the Ram in Gram Swaraj while Bhoodan was Sita, Nai Talim was Laxman and Shanti Sena was Hanuman.

Vinobaji made a fervent appeal for unity of workers engaged in the khadi programme. There was no shame in defeat in a battle well fought. In our history Shivaji who was ultimately victorious against the enemy was held in high esteem as was Rani Laxmibai, who was not so successful, because both had fought equally well and with determination. The task was three-fold. First, there should be reorientation of the khadi work; second, khadi should be made universal; and third, there should be a last determined bid to establish khadi on an independent footing.

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