REVIEW:

Malegaon is popularly known all over India for some unique reasons i.e. 1. Town of Muslim Majority Citizens.
2) It is called "City of Mosque", there are more than 350 mosques.
3) It is the city of “Adeeb Malegaonvi” a famous India Urdu Poet.
4) It is called “Manchester of India” due to the powerloom industry.
5) Due to the Powerloom Industry it is known as city of powerloom.
6) The last and most important factor in its popularity is “Coloured Saree”.

The migrated Muslim weavers from Northern India settled in Malegaon and started weaving coloured sarees by hand. According to the need and demand, the production of coloured Sarees of Malegaon also changed. These coloured sarees were produced in a more colourful, finer and superior quality and at a cheaper rate compared to other centres.

Whatever industrial, economic, political, social, educational and religious progress and development is seen in Malegaon it is only because of powerloom industry in general and coloured sarees in particular. This industry provides clothing to the of poorer section of rural areas especially that of farmers. It also
helps the government by providing employment to poor people of neighbouring villages. Apart from the physical achievement, the growth of powerloom industry has brought in its wake many socio-economic benefits of a great importance. It is because of powerloom industry that young entrepreneurs from these areas could avail of means of self employment and increased wages earning. The industry has carried technology to develop rural areas in the Country. A better balance of income distribution and wealth has been struck between the rural and urban areas by of powerloom industry. Even a weaver working on a powerloom could earn an income at a level much higher than the per capita national income.

Many problems relating to coloured sarees have been created by the Government in connection with textile policy, excise duty and taxes on related materials required for industry, rising prices of raw materials, non continuation of electricity financial and marketing negligence etc. To favour handloom and mill owners, the government always adopted the dual policy. These two sectors considered the powerloom owner, as their rival particularly in the production of coloured sarees.

Ashok Mehta Committee report of 1963-64 states as follows:

“It does not appear that Government had at any time laid down a clear-cut policy in regard to powerloom.”

In the following chapter a detailed study shall be made of the role of government regarding coloured sarees and efforts of powerloom weavers to continue the coloured sarees and the role of political leaders.

POLICY OF THE GOVERNMENT:

(a) The fact Finding Committee:
In 1942 it was brought to the notice of the Government by ‘Fact Finding Committee’ that the small powerloom factory is the great rival to the handloom and mill sector. The cost of production of powerloom industry is low as compared to other sectors.\(^2\)

(b) **First Notification of 1944:**

The first notification was issued by the Government in 1944 to identify the cloth produced by the powerlooms. They were to obtain “Taxmark number” on application to the Textile Commissioner. In August 1945 restriction was imposed due to the shortage of yarn. But in 1948 this restriction was taken back.

(c) **Cotton Textile (Control) Order 1948:**

In 1948, the government issued Cotton Textiles (control) Order by which, “No person shall acquire or install any powerloom except with the permission in writing of the Textile Commissioner. It was the duty of the Textile Commissioner to observe the factors before granting or refusing the permission.

(a) The number of powerlooms already working or installed in the local areas.

(b) Whether the powerlooms proposed to be acquired or installed were to be utilized for weaving cloth.

(c) Availability of Yarn.

(d) The demand for cloth.

(e) The necessity for training persons or rehabilitating displaced persons in the weaving industry.\(^3\)

(D) **Reservation of Cloth for Handloom and Restriction for Mill and Powerloom 1950:**
Taking into consideration the crisis of handloom as well as to help them, the Government for the first time, reserved certain cloth for the handloom sector by its notification as:

“Categorized cloth reserved for handloom and restriction on production of ‘Sarees’ by composite mills and powerloom factories with five or more looms.”

Textiles Commissioner’s Notification No.9 (9) Tex. 149 dated Bombay 15th April 1950.

In the Notification in clause No.4 it is laid down that the production of any sarees in which count of yarn was below 36 (whether warp or weft or whether single or folded) was not allowed to be produced by powerlooms, but allowed for mills.  

The underlying part clearly shows the intention of the government that how it favours the handloom and mill sector and vice-versa.

In 1955 the Government of India permitted to install cotton powerlooms under some conditions. By this order the powerloom owner who are not having “Taxmark” (unauthorized looms) were allowed to work not more than two powerlooms on cotton yarn.

In 1956 a compulsory registration of powerloom was forced.

(e) Census of Unauthorized powerlooms:

There were many complaints from mill sector against the powerloom that unlimited unauthorised powerlooms were busy preparing duty free cloth and selling it at cheaper rates so that the mills are suffering a big loss. These powerlooms have not any permit regulation, Taxmark and license for working. The government took the notice seriously and decided to get the exact figure of unauthorised powerlooms. In 1959 it was assigned to State Government to carry
out a census of unauthorised powerlooms in their states. According to the census, there were 18000 powerlooms on cotton and 11,000 powerloom on non-cotton without any registration.

(f) **Press Notes on Unauthorised Powerlooms:**

Taking into consideration a large number of unauthorised powerlooms the Government of India issued a press note dated 15\textsuperscript{th} November 1960 through the office of Textile Commissioner by the Ministry of Commerce and Industry.

If the government takes any serious step against these unauthorised powerlooms the owner will suffer a lot. By paying a sympathetic heed towards the unauthorised powerloom owners the government decided to regularise them by issuing permit from the Textile Commissioner of Bombay.

The unauthorised powerloom owners were advised to regularize their powerloom by an application containing a treasury receipt of Rs. 500/- for each of powerloom, to the Textile Commissioner. In the same press Note. It was declared that after 30\textsuperscript{th} November 1960 unauthorised powerlooms will be sealed and the owners shall be prosecuted for the breach of Textile control order and shall be punished in the form of penalty. He will not be allowed to install new looms in future.\(^5\)

(g) **Press Note:**

According to the notification a powerloom owner had to pay a fee of Rs. 500/- for the permission of registration for unauthorised powerloom. It was too heavy a rate to pay for the poor owners. Several deputation and delegations approached in protest of the fees. Therefore on 26\textsuperscript{th} December 1960, an amendment to the press note was issued in which the fees was reduced from Rs. 500/- to Rs, 100/-. It was also beyond their capacity. So a concession was given to
them that Rs. 100/- shall be paid at one time or through installment of Rs. 50/- along with the application. The last date was extended to 15\textsuperscript{th} March 1961.

(h) Press Note of 9\textsuperscript{th} March:

After the reduction and concession in the fees, it was found that the number of unauthorised powerlooms was lower than what was declared in the census declared. So that 3\textsuperscript{rd} Press Note was issued on 9\textsuperscript{th} March 1961. In this press note a condition was laid down that the applicant must attach a certificate from District Collector after several representation were made to the government by different powerloom owners associations, who demanded the extention of time for obtaining the required certificate, as a result the date was extended to 15\textsuperscript{th} May 1961. Regarding the extension of time limit it was warned that if the powerloom owner fails to obtain the permission such powerloom would be sealed and they would be liable for prosecution for contravening the Textile Control order.

EFFECTS OF PUBLIC REACTIONS:

In respect of unauthorised powerlooms the policy of Government was dual one. On one side the desire of Government was to give opportunity for registration for such powerlooms, which were installed before 31\textsuperscript{st} October 1960 on the other side government waned to regularise a large number of unauthorised powerlooms.

After the declaration of this fresh order fear spread among the weavers of Malegaon. The majority of the powerlooms were unauthorised without proper document so that all these powerlooms were to be shut down. Consequently, there was a fear of unemployment. It would create many other problems in the city. Taking this into consideration “The Malegaon People’s Board” came forward and visited the Excise Collector to put their grievances.
Despite this in Malegaon and Dhule many unauthorised powerloom were sealed, but later on due to representation of powerloom owners and political leaders, such looms were unsealed by the Government of Maharashtra.

**EXCISE DUTY:**

In 1965 the Government imposed excise duty on a unit of 4 powerlooms of Rs. 25/- per powerloom each year. Those who have applied before 27th February 1965 would have to pay a fixed amount. It would be continued till the Tax Mark number is not issued.

"No person shall acquire or install any powerloom or change the location of any powerloom already installed except with the permission in writing of Textile commissioner. While granting such permission the Textile Commissioner may charge a fees at a rate of 200/- per powerloom."

**Effect:** The Government was fully against the individual powerloom owners and for the coloured sarees of Malegaon. In respect of the excise duty, “Malegaon Powerloom Protection Committee” was formed. This committee called for “Malegaon Band”, strikes and Morchas at the Excise Collector Office.

Malegaon Band was observed on 15th April 1965, on the same day a memorandum was submitted to Excise Collector by the Committee. The powerloom weavers were advised to fill up A.S.P. form of Rs. 650/- duty paid under protest.

After some days “standard duty” of Rs. 100/- per loom was imposed by the Government. This duty was not to be collected by the Government from the owners having less than 49 powerlooms. It was necessary to fill up A.S.P. form till 15th April 1965.
The problem and grievances of powerloom owners were put up by Abdul Gani Dar in the Rajya Sabha. Likewise by representation of powerloom protection Committee, problem of excise duty of 2000/- was put up in the Lok Sabha by Peter Alvaris. A deputation from Malegaon met Finance Minster T.T. Krishnmachari and the Commerce and Trade Minister Mr. Mannu Bhai Shah.

In course of time the authorities of the Central Excise Office were patrolling in Malegaon to seize the cloth manufactured on unauthorised powerloom and those who have not paid the excise duty. Regarding the Excise Office 2327 powerlooms changed their location. The Committee requested the Excise Collector to accept the form AR6 upto the 15th May 1965 bearing the receipt of Rs. 25/- but he refused to do so and insisted to collect Rs. 200/- with penalty.

In respect of excise duty by the Government and change the location of powerlooms, L-4 License and permission from excise office etc. the powerloom owners came together and established “Powerloom Protection Committee” to protest against the Government. The organisation was for the time-being temporary. Though funds were collected and deputations were sent to the Government processions were held, strikes were staged. All the efforts were fruitless at the state and central government levels due to lack of fund and leadership.

In Malegaon the weavers were divided into different political parties. For the sake of their livelihood or industry and economy, weavers never united. There was no political leader who could put forward the grievances in the Parliament or Assembly or could protect them. The political parties and their leaders served their own interests.

The owners of powerlooms woke up from the sleep when the Government betrayed them and approached the political leaders.
The political leaders took the advantage of this opportunity, as a result the powerloom industry in general and coloured saree in particular came in trouble. Powerloom stopped working, and unemployment spread throughout the city.

(4) BAN ON COLOURED SAREES:

The handloom owners were great opponents of the powerloom owners due to the manufacturing of the coloured saree on powerloom in Malegaon and Dhule according to the recommendation of Ashok Mehta Committee Report.

In respect of excise duty Taxmark number and change of location and illegal growth of powerloom and several representations from various powerloom centres throughout the country, the Government of India appointed Enquiry Committee in January 1963 with commerce and industry resolution No. 10(2) Tax (c) 162 dated 8th January 1963, under the chairmanship of Shri Ashok Mehta.

The report of Ashok Mehta Committee was accepted by the Government on 2nd June 1966. The recommendation of Ashok Mehta Committee read as;

“(108) we also recommend that the production of coloured sarees should be reserved exclusively for handlooms. Small powerloom establishment with 4 looms and below, at present are free to manufacture these sarees.”

These recommendations were accepted by the Government but, in fact there was no point in banning production of coloured sarees on powerlooms.

Instead of this the Press Note was issued by the Maharashtra Government in the month of December 1968 from Nagpur saying, the government going to ban the weaving of coloured sarees in mills and powerloom sector according to the Press Note by the Textile (control) order of 1948 Section No.20 and Section No.7 of essential commodities Act of 1955.
PUBLIC REACTION:

With the announcement of the Government panic spread at all powerloom centres in Maharashtra. In Malegaon people feared that the Government wanted to ruin the city as in the past in case of Yeola, Paithan and Aurangabad. In Malegaon several meetings were held under the banner of “Powerloom Protection Committee” with all the political leaders. They decided to send deputation to various places in order to withdraw the order of the Government.

On the invitation from Mr. A.R. Bhatt, a member of Ashok Mehta Committee and president of Maratha Chamber of Commerce, Shri Nihal Ahmad attended the meeting of Maharashtra states. Industries Advisory Committee on 28th August 1969. The main problem of unemployment in the mill sector as well as in the powerloom sector was discussed. Meanwhile a stay order was sought from Bombay High Court on the writ petition of Shri Shabare from Ahmednagar on ban of coloured sarees.

CONSULTATION WITH CHIEF MINISTER:

In respect of coloured sarees ban a deputation led by Shri Vyankat Rao Hiray met the Chief Minister of Maharashtra and suggested the following.

(i) Powerloom owners be allowed to use cotton yarn for coloured sarees from 25 counts to 60 counts. They shall not use below 25 and above 60 count yarn.

(ii) Powerloom owners should not be allowed to manufacture the coloured sarees with the border of more than 2 ½ inches. Other sarees shall be reserved for handloom.
In course of time, the P.S.P. got the leadership of the movement by organizing a march and demanded the following.

(i) The Government should control the rising prices of yarn, colour, chemicals and spare parts of looms.
(ii) The Government should provide loan to the powerloom owners in order to purchase raw materials and spare parts of loom.
(iii) The Government should make provision to purchase the grey cloth from the individual powerloom owners in order to run powerlooms.
(iv) The Government should establish labour office at Malegaon.
(v) Excise duty shall be reduced from Rs. 50/- to Rs. 25/-
(vi) The ban of coloured sarees order shall be removed.
(vii) The Government should establish industrial estate.

The above mentioned demands were immensely useful for the sake of flourishing the powerloom industry in Malegaon. As these demands were from opposition party (Led by Nihal Ahmed) there was little chance of theirs being accepted by the Ruling party. The Government never paid heed to the opposition party. As a result the problems and grievances were not solved and people suffered a lot. Each and every question was seen in the political manner. Welfare of the people was put aside in the fit of political rivalry.

**REACTION OF HANDLOOM OWNERS:**

The powerloom owners of Nagpur, Ichalkaranji, Dhule and Malegaon were agitating against the ban of coloured sarees, whereas handloom weavers were putting pressure on the Government to ban it.
In Nagpur, comrade Bardhan went on hunger strike against the ban. Fiftyone powerlooms were sealed and cases were filed against 20 powerloom owners who breached law. At Dhule police raided powerloom owners and seized coloured sarees. In Ichalkaranji notices were served to 500 coloured saree manufacturers by the textile inspector.

During the period struggle between coloured saree weavers and handloom weavers the latter, being in majority, pressurised the government to ban the coloured sarees on powerloom “Bunkar Sena” was formed by the handloom owners under the leadership of M.L.A. Shri Arap, Hafiz Abdul Shakoor and comrade Bardhan were supporters of the Sena. The Sena members threatened the shop owners selling the coloured sarees. They also insisted on the boycott of powerloom cloth.

COURT DECISION:

On 15th October 1970 justice Madan of Bombay High Court gave the decision on the appeal filed against the decision of ban by Sabhare of Ahmednagar. The favourable decision encouraged the Bunkar Sena of Nagpur, so their movement got more strength. Their demand was to follow the decision of the high court.

Later on matter of “the Ban of coloured sarees” became Assembly question by M.L.A. Nihal Ahmed. It was told by the MLA that more than one and half lac people depend for their livelihood upon coloured sarees.

It would be injustice to rob them of their food. It was against principle of socialistic pattern of society followed by the Government. It was the policy of the Government to convert the handloom into powerloom in the framework of democracy.
TIDKE COMMITTEE:

The Government of Maharashtra appointed a committee for the progress and development of the handloom in the State. Shri Narendra Tidke, the Minister of Rural Development was Chairman of the committee. In the report it was recommended that the Government should ban the coloured sarees production on the powerloom as early as possible. There were 90000 handlooms out of co-operative movements from the total of one lakh fifty thousand. The handloom sector is manufacturing the cloth worth of 32 crore rupees at present. Nearly 10 lakhs people are living on the industry.

In protest of Tidke committee “Saree Arhat Association” of Malegaon represented to the Government to reconsider the ban of coloured sarees. Likewise Praja Socialist Party founded a non-political organisation called “Rangeen Saree Bachao Samitee”.

To oppose the ban of coloured saree a resolution was passed and sent to State Government by Malegaon Municipal school board.

From time to time, Government favoured the handloom. Shri Yashwant Rao Mohite, the Minister for cooperation favoured, in his statement given in the Assembly, which conveyed that 78 cases were filed against the powerloom owners. The Government will formulate the policy for the welfare of the handloom.

Shri Nehal Ahmed, M.L.A. criticized the policy of Government for the ban of coloured sarees. He also put the following demands.

1) To withdraw the order of ban of coloured sarees on powerloom.
2) To remove the levy of 50 rupees.
3) To supply the electricity at cheaper rate.

To oppose the Tidke Committee, severe agitations were held in Malegaon. On 6th September 1971 huge Strike was started by “Rangeen Saree Bachao
A coordination committee was formed at various powerloom centres to protest the ban on coloured sarees.

In the course of protest and ban of coloured sarees and the dual policy of government, 14 mills were locked up and the government had to bear a loss of 6 crores rupees.

(6) COMBINATION OF “RANGEEN SAREE BACHAO SAMITEE AND POWERLOOM PROTECTION COMMITTEE”:

With the effort of Mohd. Haneef (Owner of Universal Sizing) Rangeen Saree Bachao Samitee, Powerloom Protection Committee, and Saree Arhat Association came together and decided to fight unitedly with the Government.

In the background of coloured sarees movement, some of the points are of considerable importance. They are as follows.

1) Though associations were formed, no firm decisions were taken.
2) The only and main thinking was to continue the coloured saree.
3) In the case of ban of coloured saree, no alternative was considered.
4) No permanent fund was raised, neither for movement nor for future plan.
5) There was no strong and powerful leadership to approach the Government.
6) The members being in opposition from Malegaon constituency in the Assembly, there was no sympathy for powerloom owners.
7) No consideration for industrial, financial and economic development for future.
8) No thinking from co-operative movement to find out a middle way for the conflict.

A meeting was called by the Secretary of the Agriculture and Co-operation Department of Maharashtra. Malegaon, Dhule, Ichalkaranji etc. represented in the meeting. The Secretary was assigned the responsibility to report the problem of
coloured saree ban and its effects. No appropriate solution was found and meeting ended fruitlessly.

Really it was surprising that, on one hand, Government was in search of solution while on other hand, it banned the coloured sarees by issuing order. On 6th January 1972 an order was issued by the Government for the ban of coloured sarees on powerlooms. On 11th January 1972, district collector Shri Jain visited Malegaon. In Dhule a “Band” was observed by the weavers and they agitated before the collector's office.

EFFORTS OF JAMIATUL-ULMA:

In respect of ban, an all India organization called, “Jamiatul Ulema” was shocked and paid a visit to Malegaon and Dhule. A detailed fact was put forward to Maulana Asad Madni. The Executive body of the organization requested the Government to abolish the ban. Regarding the matter an editorial was also issued in its organ “Al Jamiat” daily to pay heed to the harassment of Muslim minority.

In Dhule, an association was formed in the name of "Rangeen Saree Bachao Samitee" Under it a band was observed. Dr. Chaudhari was leading the movement. Sixty two activists were arrested and released after a minor punishment.

DEPUTATION TO THE GOVERNMENT:

A severe and forceful movement was launched. Then a deputation comprising of Malegaon, Dhule, Ahmednagar and Ichalkaranji represented to the Chief Minister Mr. Vasant Rao Naik. It didn’t bear any fruit.

Hence, another deputation paid visit to Union Government in order to remove the ban. The deputation got success in its goal after meeting Mr. Mishra by putting forward their grievances.
After consultation with various M.P.s, a memorandum was submitted which read as:

1. A new commission should be appointed to get review of the present situation of coloured sarees ban.
2. The implementation should not be enforced until the fresh commission submits its report.

Paying a sympathetic heed Misraji instantly issued the order stating that “The coloured sarees shall be continued till the arrival of fresh report of the commission. In course of time, temporary stay was sought by the court.

A strong thinking is that “coloured sarees ban” was rooted so deeply in the minds of powerloom weavers that, it has been always an election issue. Whenever election was declared the ban of coloured sarees was imposed. It became a hot cake not only for Congress Party but for the opposition parties also. Hence the political parties were never sincere in the matter.

As a result, the time, money and energy that was to be utilized for the progress and development of the powerloom industry, was wasted in the abolition of the order, agitations, deputations and court matters.

A HOPE OF ABOLITION OF BAN:

In 1975, the then Prime Minister Mrs. Indira Gandhi, enforced' Emergency in the country. Of course it was a worst period for the people. Just after the emergency, general election was held in 1977. The Janata Party came in power. Shri Morarji Desai was elected as Prime Minister. It was for the first time in the history of politics that non-Congress government was in power at the Centre.

With the change in the government, a change came in all walks of life. So there arose a hope in the matter of coloured saree ban.
As a result, the Central Textile Commissioner announced that the powerlooms should be allowed to produce coloured sarees.

AGAIN THE BAN ORDER:

The Janata party Government was not a stable government. It came to an end due to their internal differences.

In 1979, in general election, Mrs. Indira Gandhi again ascended to power. Unfortunately, she was assassinated in 1984 by her bodyguard. After a new election in 1984, Shri Rajiv Gandhi came to power. The duration between 1975 and 1984 was a resting period for the coloured saree weavers. It was unfortunate that, then Textile Minister Shri Khursheed Aalam declared the ban of coloured sarees on powerloom from 1st January 1986. All the previous activities were repeated by the owners of powerlooms. A new organization, called “Powerloom Owners Association” received a stay order from Bombay High Court.

ORDER OF SUPREME COURT:

Regarding the ban of coloured saree, the Supreme Court rejected the write petition No. 526/87 of the powerloom owners. Any how, there was no question to continue with it. Hence the Central Government banned 22 varieties of cloth including coloured sarees on powerloom. In the order the court defined saree ? .

CONCLUSION:

From the above discussion some important conclusions can be drawn:

1. As far as the government's policy is concerned, it does not favour, the powerloom owners. It was always encouraged the handloom and mill sectors.
2. Each and every Government was under the pressure of mill owners (capitalist) and handloom sector, which has a strong and powerful lobby in the textile field.

3. In fact in the bad time of powerloom industry, the leaders did nothing special to meet the challenges.

4. The coloured saree weavers did not change according to the changing demand and pattern. As a result the coloured saree weavers were far behind the other centres of powerloom.

5. The capital which was being wasted for the continuation of coloured saree, could have been utilized for the modernization of the obsolete looms.

6. According to the need of the age, printed sarees of Surat, Ahmedabad, Mathura, Jetpur, and Bombay took the place of coloured sarees of Dhule and Malegaon. As a result, weaving of coloured sarees diminished day by day automatically. The printed sarees were cheaper than the coloured sarees.

7. At present only few thousand powerlooms are busy in manufacturing coloured sarees. The coloured sarees are outdated therefore the government does not ban it completely.

8. In the current situation 90% powerlooms are busy in manufacturing grey cloth made of cotton, P.C. roto and man-made fibre or filament yarn on the same (thrown out from the mills) old and out dated looms. So the cloth produced by old looms does not compete with the cloth produced by modern looms of the mills.

9. Slack in market, lack of sufficient capital, market crisis, dependence on local yarn and cloth merchants, credit transactions, keeping of proper accounts, improper or no knowledge of modern cloth production and negligence of export are such factors by which the powerloom owners of Malegaon are in great loss. Due to continued loss in business they have lost their own capital
and have become bankrupt. As a result most of the looms are locked (nearly 50%) and remaining powerlooms are working two or three days in a week for one or two shifts.

10. The grievances of the powerloom owners were not adequately and properly represented in Parliament.

11. The powerloom industry has not made such a progress in the co-operative movement. The majority of the powerloom owners of coloured sarees have been totally dependant for the yarn, provision of finance and marketing of cloth.

12. It is an electronic and computer age. Automatic looms took place and changed the face of Textile industry. But the weavers of Malegaon are not thinking about them. They are still working in their traditional way.

Textile Policy - 1985

A guided frame work regarding the textile industry was announced in March 1981 by the Government of India. Taking into consideration the achievements of the frame work a full fledged policy was declared by Government of India on 6th June 1985.8

(a) Aims and Objectives:

i) To restructure the textile industry with a longer replacement.

ii) To increase the cloth production in order to meet requirements of cloth for the growing population at reasonable rate.

iii) The textile industry classified into sector wise or fibre wise should be changed into manufacturing process as spinning, weaving and processing.

iv) The powerlooms in mill sector as well as in unorganized sector shall be treated at par and compete according to their strength.
v) The small hand processing shall be considered specially with limited output.

vi) There shall be compulsory registration of all powerlooms in the country. The production of cloth which is reserved for the handloom should be kept under vigil.

vii) The handloom sector shall be provided full potential for higher earnings.

viii) To improve the condition of the handloom workers, several schemes put forward.

ix) Adequate funds shall be provided from IDBI for the modernizations.

x) The coloured saree manufactured by handloom shall get subsidy of Rs. 2/- per meter, while the sarees nine meter shall get the subsidy of Rs. 20/.

xi) According to the new Textile Policy Excise duty was imposed on the cotton yarn as following.

**New Excise Duty - 1985 on Cotton Yarn**

**Table No. 5.1**

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<th>Count No</th>
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<th>Revised Excise Duty Per Kg. 1985</th>
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<td>0 - 90</td>
<td></td>
</tr>
<tr>
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<td>1 - 40</td>
<td>1 - 75</td>
<td></td>
</tr>
<tr>
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<td>2 - 20</td>
<td>2 - 65</td>
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<td>120</td>
<td>7 - 80</td>
<td>8 - 95</td>
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(For Awami Awaz 29-11-1985)

Table shows the Excise Duty on Artificial Yarn and Cotton Yarn 1985.

**Table No. 5.2**

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<th>No.</th>
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<th>Previous E. Duty Per Kg.</th>
<th>Revised E. Duty Per Kg.</th>
<th>Condition</th>
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(For Awami Awaz 29-11-1985)
<table>
<thead>
<tr>
<th>No.</th>
<th>Quality</th>
<th>Previous E. Duty Per Kg.</th>
<th>Revised E. Duty Per Kg.</th>
<th>Condition</th>
</tr>
</thead>
</table>
| 1   | Prepared by artificial yarn  
  i) More than 50% but less than 70% polyester used price per cubic meter not more than Rs. 25/-  
  ii) More than 40% but | Rs. 2.0 %  
  On the rate of cloth  
  On the rate  | Rs. 2.0 %  
  On the rate + 2% per cubic meter  
  On the | Instead of Polyster, Roto & cotton is not used.  
  ii) Filament yarn are not used. |
| 2   | a) Polyster Yarn  
  b) Acrylic Yarn  
  i) Corded Cotton yarn in weight more than 40% & less than 50% Polyster  
  ii) Cotton yarn more than 40% but less than 50% Polyster | 45.0  
  17.50  
  10.0 | 25.0  
  10.0  
  4.0 |  
  
  5.0  
  2.0 | In this cotton yarn, Polyster cotton sylostic yarns are used only.  
  ii) Non-sylostic cotton more than 50% but less than 70% Polyster |
| 3   | i) Non-Acrylic corded yarn more than 50% Polyster but less than 70% Polyster  
  ii) Non-sylostic cotton more than 50% but less than 70% Polyster | 10  
  5.0 | 5.0  
  2.0 |  
  In this cotton yarn instead of Polyster cotton are used. |

After the critical study of the above tables, the dual policy of government becomes obvious. On the one hand the excise duties are increased on cotton yarn, which are generally used by powerloom owners. On the other hand, the excise duty is reduced by 50% on polyster yarn which is generally used by the mill sector. This partial policy of government creates dissatisfaction at all powerloom centres. It was absolutely favouring the capitalist on one hand and killing the powerloom owner on other. Similarly Excise duty was imposed on cloth as follows:

**Table No. 5.3**

<table>
<thead>
<tr>
<th>No.</th>
<th>Quality</th>
<th>Previous E. Duty Per Kg.</th>
<th>Revised E. Duty Per Kg.</th>
<th>Condition</th>
</tr>
</thead>
</table>
| 1   | Prepared by artificial yarn  
  i) More than 50% but less than 70% polyester used price per cubic meter not more than Rs. 25/-  
  ii) More than 40% but | Rs. 2.0 %  
  On the rate of cloth  
  On the rate | Rs. 2.0 %  
  On the rate + 2% per cubic meter  
  On the | Instead of Polyster, Roto & cotton is not used.  
  ii) Filament yarn are not used. |
less than polyester used
a) Per cubic meter
nor more than Rs. 25/-
b) More than Rs. 25/-
iii) Prepared by artificial yarn, polyester is used and rate 25-0 per cubic meter.

<table>
<thead>
<tr>
<th>10%</th>
<th>rate 5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the rate 10%</td>
<td>On the rate 5% + 2% c.m.</td>
</tr>
</tbody>
</table>

In which polyester, cotton, Remi or sylotic are used only. Polyester filament yarn are not used.

Notification No.82/79 are deleted by notification no. 9/84

Bhiwandi Conference:

In protest of new textile policy (1985), a conference was held in Bhiwandi on 1-12-1985. Representatives from all the powerloom centres attended it. In the conference it was disclosed that, artificial yarn of Rs 200 crores has been smuggled in to the country. Therefore the economic condition of the country was ruined. The handloom, powerloom owners as well as the cotton growers were also in trouble on account of the policy. The policy was formed in the favour of mill owners who provided funds for election to political parties favouring capitalism.

EFFECTS OF THE POLICY (1985):

The new textile policy was defective, partial, unjustified for the sake powerloom industry. On account of the policy, the powerloom owners suffered a lot.\(^6\)

i) In Madhya Pradesh - 60,000, in Uttar Pradesh - 15,000 in Gujrat 40%, in Dhule 50% in Bhiwandi 70% and in Malegaon 70% powerlooms were locked due to excise duty on cotton yarn and cloth. The situation of Malegaon was worse than other centres in the country.
ii) With the efforts of political leaders and agitations, a scheme was arranged for the distribution of yarn. Due to mill owners and directors of spinning mills, the scheme failed.

iii) With the exemption of excise duty on artificial yarn and cloth, the smuggling was increased for such yarn.

iv) Millions of rupees were provided as loan to the mill owners which were not used in proper manner.

EXIM POLICY (THE EXPORT, IMPORT POLICY):

Due to the fast and rapid change in the textile industry and international market and tough competition, the Government decided to review the textile policy of 1985. It aimed at improving the productivity and competitive edge of the textile industry. To achieve the goal, an export committee under the chairmanship of Shri S. R. Sathyam was set up in July 1998. The committee submitted its report in April 1999. In the policy, many changes have been introduced for export and import by the committee. It emphasized more on export. In Exim policy several schemes have been introduced to improve the level of export, as well as the strength of small sectors.

The measures have been taken not to allow the use of second hand capital goods, under the EPCG scheme. The small scale powerloom units were not able to purchase the modern machines to improve the quality under the TUFS (Technology Upgradation Fund Scheme). Therefore it was proposed to reconsider the scheme for the sake of powerloom industry.

It was also made clear that the present quota system should be abolished in respect of export fabrics. In the Exim policy, the restrictions of shipping bills had were removed. The export of cotton textile was centralized with TEXPROCIL. The PDEXCIL would not be able to export the cotton for the powerloom textile.
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