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Book for the Indian Cotton Textile Industry**

The Indian Cotton Textile Industry— (1945-46 Annual)

Vol. IX

Editor : Mr. M. P. GANDHI

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THE INDIAN COTTON TEXTILE INDUSTRY— (1945-46 ANNUAL)

CONTENTS

	PAGE
Preface	i-iv
Contents	i-iii
"The Cotton Industry at a Glance"—23 Statistical Tables, Texts of Government Control Orders regarding Cloth and Yarn, and Movement, Textile Industry (Control of Production) Order, 1945, etc.	i-xii
<i>Introductory</i>	xiii-xl
New Forces—New Perspectives	1
Financial Position	2
Production Control	3
Utility Scheme Modified	4
1945 Supply Position	5
Distribution on all-India Basis	6
Revised Quotas to Provinces	7
Price Reductions—Less Scope	7
Control to continue	8
Exports—Weapon of Barter	8
Should India Export?	10
Post-war Planning	11
Targets of Output	12
Regional Location	12
Allocation of Equipment	13
Economic Units	14
Mill Lay-out	14
Statistical Babel—Divergent Estimates of Production	16
Mill cloth available for civilian consumption in India excluding handloom cloth	18
Yarn available for civilian consumption to handloom and other industries	18
Total cloth available for consumption in India—(Mills and Handlooms)	18
Labour Legislation	20
Trade Union Bill, 1945	21
Scope for Price Reduction	22
The State of Japanese Textile Industry (1946)	24

	PAGE
Supply of Cotton to Japan—Substantial Export Favoured ...	25
Close Control of Industry	25
Silk Production in Japan—Government's Measures ...	26
Silk-reeling Plan	27
Need for Wider Technical Education in India	27
Technical Staff with latest knowledge	28
Spread of Technical Education	28
Need for Co-ordination between Technical Staff and Textile Research	29
Need for Training Technical Men in Foreign Countries ...	31
Raw Cotton	32
Members' Deposits	34
Government's undertaking	35
Statistical Position	36
Indian Central Cotton Committee's Recommendations ...	37
RAYON	39
Synthetic Fibres in Relation to their Competitiveness with Cotton	48
Labour Legislation	55
Workers' Health Insurance Scheme	58
Dearness Allowance to Textile Workers in Bombay ...	61
Dearness Allowance in Ahmedabad	61
Dearness Allowance in Sholapur and Khandesh	1
Victory and War Bonuses	2
Staggering of Mill Holidays	2
Progress of the Industry in 1944-45	2
Regional Analysis of the Cotton Mill Industry	4
The War-time Progress (Quantitative) of the Industry ...	4
Reciprocal Trade Marks Registration	4
Cotton Mill Earnings	5
Dividends in Cotton Mill Industry	7
Mill Earnings in 1940-44—Background	7
Future Taxation should be watched with care	9
Tax Relief Necessary	69
Cotton Board Committee of the U. K. in 1943	70
Platt Report, 1944	72
Post-war Reconstruction	73
Target of Expansion	74
Registration of Capital Requirements	75
New machinery vs. Second-hand machinery	76
Imports of Equipment	77

CONTENTS

iii

	PAGE
Resolution of the Government of India on Post-war Planning ...	77
Criticisms of the Textile Planning Committee's Plan ...	79
Scope of Expansion of Industry in Post-war period ...	81
Immediate Post-War Target of Consumption should be 18 Yards on an Average for 90% of the Rural Population ...	81
Capital Cost involved in immediate Post-War Target for Mill Production of 7,200 Million Yards—i.e. 18 Yards per person	82
Utilisation of Sterling Balances for Import of Machinery for Textiles	83
Scheme for Government to Supply Plants at a fixed Rate for 10 Years in Post-war Period	83
Textile Enterprise in other Countries	84
Import Duty on Raw Cotton	85
Future Goal of the Industry	85
The Handloom Industry	86
The All-India Handloom Board for 1945 and 1946 Meetings (see Appendix B)	87
Great Importance of the Industry in the National Economy ...	87
Prosperity of Country linked with Industry's Prosperity ...	88
Duty of Industrialists	88

APPENDIX A

Raw Cotton in India and the World (Production, Consumption, Import and Export Aspects)	i-xx
---	------

APPENDIX B

Handloom Weaving Industry in India (up-to-date with Preface)	1-56
--	------

APPENDIX C

List of Cotton Mills in India (1945-46) with names and addresses of Managing Agents, No. of Looms, Spindles etc.	i-xxvii
--	---------

Consolidated Abridged Balance Sheet as at 31st December, 1945.

(in round figures)

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RESERVE FUNDS ...	30,13,000	Advances and Bills Discounted ...	4,37,33,000
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PREFACE

The year 1945 has been memorable in more ways than one. It saw the end of the Second World War. It was also the year in which problems of the transition from wartime to peacetime economy engaged the attention of Governments. The throes of that transition are by no means over; and in fact, the first full year of this post-war period has seen very little progress made towards the problems of recovery and rehabilitation. Europe may take years to get on its feet. America is on the verge of a colossal inflation which stares it like a Frankenstein monster. Britain is painfully attempting a recovery; anxious to expand exports, but none the less anxious to achieve progress through socialism and national ownership of the instruments of production. As for India, her economic problem is really political. It is now clear that nothing but a National Government can hope to tackle with success even a part of the immense schemes of post-war planning. There has been much talk of post-war planning in the last one year under the aegis of the Planning Department of the Government of India, which, alas, has just been disbanded. A few committees have done some useful 'spade work, but that is not to say that the blueprints of post-war industrial India have been properly drawn up. They could not be, for the simple reason that only a truly popular Government can decide upon the objectives and the direction of progress; and only such a Government can ever hope to command the co-operation of the people in the methods adopted to achieve those ends. It is a pity that the political horizon is so dark. On the economic side, so much remains to be done, so much will go to nought if a fully authoritative and national Government is not in power. We can only hope for the best. Until that materialises, it is obvious that there is bound to be an economic void, the counterpart of that in the political sphere.

A countrywide and indeed a worldwide cloth shortage has placed the Indian textile industry in what at first sight seems a very enviable position. To admit prosperity is not necessarily to assume that there are no problems ahead. In fact, on second thought it would seem that our textile industry is not free from its teasers in the shape of numerous problems. One has only to look beyond one's nose to realise that the present shortage cannot last for ever; and that the present instruments of production are so obsolete that when a really competitive economy sets in, a host of problems such as efficiency, quality and other factors of productions will cry out for solution. Let there be no mistake about it; the most serious problem confronting the industry will be that of

replacement and our own fear is that the present deceptively favourable conditions will tend to blind the industry to the difficulties ahead.

The Post-war Planning Committee (Textiles) has covered the problem as best as it can. They have outlined in their report the steps by which further expansion can be achieved and also the tempo in which such expansion would take place. Nevertheless, we cannot help feeling that when expansion is actually taken on hand, the lines on which the question will be tackled by the future Government (s) may be entirely different.

The 1945-46 *Annual* is being published later than the previously announced date. To be frank, it has been no easy task to cover the varied developments within the past one year. We make bold to think that a clear pattern of development of the industry in the past year will emerge from the account given in the following pages. Perhaps, no apology is needed for the variation in the emphasis on different aspects of the industry. There is less about control and all its tortuous and often irrational mazes. Control is played out, and things have come to a pass in which either it has been proved to be thoroughly ineffective and therefore valueless, or an entirely different method of tackling the shortage of cloth has to be attempted. We notice that Government are anxious to grant more and more licenses for the establishment of new mills and are apparently eager to step up production.

RAYON AND ITS FUTURE

We have been at pains to collect detailed information about the synthetic fibre industry, viz *Rayon* which, in our opinion, is the *enfant terrible* and is likely to shatter all our present ideas of textile manufacture. In a few years, the synthetic industry will prove a very serious rival to the cotton textile industry, and in this regard, the upward trend of raw cotton prices all over the world has a special significance in that it will tend to reduce the competitive power of the cotton industry.

LABOUR

The subject of costs takes us to the question of wages which have also been on the increase. A complete chapter has been devoted to the various pieces of labour legislation in India. While every measure for improvement of the working conditions of industrial labour is to be welcomed, there is also the danger of these upward revisions of wages landing the industry in the vicious spiral characteristic of inflation. The U.S.A. is already seeing this tendency at work. In India, the rather leftist tendencies may bring about a similar situation before long. All these problems need patient and wise statesmanship.

QUESTION OF PROTECTION

Protection to the industry which was continued for one year will expire on the 31st March 1947. During this period the Tariff Board enquiry will be held. We trust that the industry will receive the measure of assistance it needs after the Tariff Board has made its recommendations.

We would invite the Tariff Board's attention to one glaring feature in the management of the industry, namely, that of charging commission on the sales by the Managing Agents of some mills. This appears to us to be rather iniquitous and we suggest for the consideration of all concerned whether it would not be in the general interest of the industry and the consumer if the Managing Agency commission were based not on sales but on profits. The latter method of remuneration would be fair and equitable.

Last year we supplied to purchasers of the *Annual* a list of Cotton Mills in India with names of Managing Agents, number of looms, spindles, etc., separately, but as it was found rather inconvenient by a large number of persons, we have appended a revised list of mills as Appendix "C" to this year's *Annual*.

We are grateful to the various firms and companies for the utilisation of our *Annual* for display of their advertisements.

We have to thank Mr. Dharma Vira, Textile Commissioner, for the willing help he has given in bringing out this publication in its present up-to-date form.

We have dealt with at considerable length the problems relating to cultivation, export, import, consumption and prices of raw cotton, including forward trading therein, in Appendix I, in order that the treatment may be of some use to Commerce students who have to study the subject as a part of their course for the B. Com. degree.

In view of the great importance of the handloom industry and its potentialities during the post-war period, we have treated the subject at considerable length in Appendix II, and have given considerable fresh data appertaining to this industry from official and non-official sources. We have also given a brief summary of the meetings of the All-India Handloom Board during 1945 and 1946 and have brought the *Annual* entirely up-to-date.

We are gratified to find that this *Annual* is continuously growing in popularity and is receiving an increasing measure of appreciation from its expanding circle of readers in India and abroad.

We would appreciate suggestions from all readers for enhancing the utility of this *Annual* to the Industry, University students, commercial community, officials and non-officials, and the general public interested in studying the vicissitudes of this largest national industry of the country. It should be remembered that the Cotton Textile Industry not only represents a capital investment of about Rs. 52 crores, gives employment to no less than 6 lakhs of workers and 5,000 University men, consumes about 41 lakhs bales of Indian Cotton, and stands as the most magnificent example of national achievement in the industrial sphere, and as a symbol of India's potentialities as an industrial country, given the necessary facilities during the initial period of the establishment of a new industry.

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Dated 15th July, 1946.

M. P. GANDHI,
Editor,
Indian Cotton Textile Industry
Annual.

P.S.—Since the accompanying pages were printed, an announcement was made by the Govt. of India for a decrease and increase in the prices of yarn and cloth to be made effective from the 1st of August 1946. The reduction ranges from 9 pies to 12 pies in the rupee in the case of finer varieties of cloth, and the increase ranges from 6 pies to 15 pies in the rupee in the case of coarser varieties of cloth. There is a reduction, in the price of all counts of yarn from imported cotton, with an increase of $\frac{1}{2}$ anna to 1 anna per lb. in the case of yarn of counts up to 25's spun from Indian cotton. The Government of India have stated that they were mainly influenced by the decision to reduce the working hours of mills from 9 hours to 8 hours with effect from the 1st August 1946 and the high prices of Indian cotton that have been ruling for the past few months. They also state that some increases in the prices of coarser and cheaper varieties of cloth and yarn were unavoidable if the desired level of production of all these varieties was to be maintained. These increases in prices have been agreed to by Government on the clear understanding that the workers will continue to get from the 1st of August 1946 the same wages that they get at present. There is also the understanding that workers engaged on piece work will continue to get the same level of wages as at present.

THE COTTON INDUSTRY AT A GLANCE (1945-46)

NOTE.—Due to restrictions on the publication of trade statistics during the war period it was very difficult to give the latest figures. An attempt is, however, made to give such authoritative figures as are possible, compiled from various official and reliable non-official sources. We hope that better statistics will be available from 1946.

World-production statistics of *Cotton* and *Rayon* are given in Tables Nos. 14, 19 and 20.

TABLE NO. 1

Progress of Cotton Mills in India from 1932 to 1945.

Year ending 31st August	Number of Mills	Number of Spindles installed	Number of Looms installed (Figures in thousands)	Average No. of hands employed (thousands)	Approximate quantity of cotton consumed (Bales of 392 lbs.)
1932	339	9,506	1,86	4,03	2,911
1933	344	9,581	1,89	4,00	2,837
1934	352	9,613	1,94	3,85	2,704
1935	365	9,685	1,99	4,15	3,123
1936	379	9,857	2,00	4,18	3,110
1937*	370	9,731	1,98	4,17	3,147
1938	380	10,020	2,00	4,38	3,663
1939	389	10,059	2,01	4,41	3,812
1940	388	10,058	2,00	4,30	3,680
1941	390	9,961	1,99	4,60	4,251
1942	396	10,026	2,00	4,80	4,740
1943	401	10,130	2,01	5,03	4,890
1944	405	10,197	2,02	5,04	4,843
1945	417	10,238	2,02	5,10	4,909

* Figures prior to 1937 include Burma.

TABLE NO. 2.

Indian Cotton Crop (Acreage and Yield)

Season	Area in thousand of acres	Estimated Yield in thousand of bales of 400 lbs. each	Estimated approximate money value of crop in lakhs of Rs.
1932-33	22,483	4,657	45,06
1933-34	24,137	5,108	50,90
1934-35	23,972	4,857	51,58
1935-36	25,962	5,867	63,57
1936-37	24,759	6,234	69,61
1937-38	25,746	5,722	43,60
1938-39	23,490	5,051	43,31
1939-40	21,580	4,909	54,07
1940-41	23,311	6,080	49,06
1941-42	24,151	6,223	49,75
1942-43	19,203	4,702	67,00
1943-44	21,086	5,259	89,00
1944-45	14,803	3,543	64,75

TABLE NO. 3.

Imports of Raw Cotton into India

Year (April- March)	From U.S.A. Quantity Tons	Value in 000's Rs.	From Egypt Quantity Tons	Value in 000's Rs.	From Kenya Quantity Tons	Value in 000's Rs.	Total Quantity in Tons	Value in 000's Rs.
1932-33	45,791	38,458	6,447	6,625	20,694	17,766	84,758	72,573
1933-34	8,126	6,398	6,068	5,331	24,188	20,226	42,896	35,570
1934-35	1,638	1,601	16,911	15,479	32,725	27,658	60,564	52,838
1935-36	10,437	9,083	15,484	14,092	36,631	31,295	76,487	67,385
1936-37	927	824	18,546	18,398	35,925	30,618	64,988	58,468
1937-38	29,186	22,101	28,404	28,349	47,702	42,361	134,451	121,288
1938-39	4,580	3,747	18,990	18,720	56,112	47,348	96,374	85,092
1939-40	9,204	8,872	25,498	26,483	32,125	28,725	83,665	80,544
1940-41	8,704	8,041	22,307	26,204	31,578	31,628	89,082	94,692
1941-42	201	220	34,026	41,761	62,676	64,627	137,548	153,442
1942-43	2	2	36,329	75,005	24,515	33,275	87,575	154,248
1943-44	—	—	43,431	102,067	10,860	24,161	76,102	175,276
1944-45	—	—	49,659	150,569	30,490	67,901	89,717	240,061

COTTON INDUSTRY AT A GLANCE

TABLE NO. 4

Exports of Indian Raw Cotton to Other Countries

Year (April-March)	U. K.		Japan		Total	
	Quantity	Value in 000's	Quantity	Value in 000's	Quantity	Value in 000's
	Tons	Rs.	Tons	Rs.	Tons	Rs.
1932-33	29,434	16,084	193,686	1,11,231	364,852	2,03,721
1933-34	61,087	33,741	197,414	1,14,761	503,720	2,75,274
1934-35	61,956	34,193	366,801	2,15,320	623,276	3,49,536
1935-36	81,454	45,147	314,187	1,79,441	606,536	3,37,703
1936-37	114,447	65,350	433,223	2,54,117	762,133	4,44,091
1937-38	70,554	42,756	242,695	1,47,802	487,764	2,97,725
1938-39	73,379	35,458	216,301	1,12,736	482,658	2,46,665
1939-40	84,406	52,378	188,570	1,07,650	526,516	3,01,118
1940-41	52,840	32,993	125,889	70,486	387,977	2,35,625
1941-42	97,747	64,660	68,672	40,008	256,811	1,59,464
1942-43	40,943	26,262	—	—	53,720	36,420
1943-44	32,131	43,462	—	—	50,281	63,635
1944-45	41,726	56,511	—	—	56,918	69,338

TABLE NO. 5

Yearly Mill Consumption of Cotton in India by Varieties

[All figures in 000's of bales]
regardless of weight.

Year ending	Indian	American	Egyptian	Sundries	Total
31st July 1932	2,296	190	63	151	2,700
" " 1933	2,268	135	35	197	2,635
" " 1934	2,229	40	42	203	2,514
" " 1935	2,559	67	64	240	2,930
" " 1936	2,617	70	54	271	3,012
" " 1937	2,545	18	56	335	2,954
" " 1938	2,933	55	63	351	3,402
" " 1939	3,036	100	60	358	3,554
" " 1940	2,995	63	70	299	3,427
" " 1941	3,591	75	68	303	3,837
" " 1942	3,842	27	88	436	4,393
" " 1943	4,107	27	82	324	4,540
" " 1944	4,091	Nil	184	315	4,590
" " 1945	4,159	6	155	398	4,718

TABLE NO. 6

Consumption of Indian Cotton in the Various Provinces of British India and
Indian States during the last 7 years

(Based on returns made under the Indian Cotton Cess Act)

(Figures in thousand bales of 400 lbs.)

(September-August)

	Years 1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45
BRITISH INDIA:							
Bombay Island	...	750	634	982	1,058	1,271	1,224
Ahmedabad	346	305	341	415	365	402
Bombay Presidency	...	1,316	1,172	1,579	1,764	1,939	1,911
Madras Presidency	...	470	507	526	594	647	604
United Provinces	...	356	349	381	427	437	414
C. P. & Berar	...	165	143	154	179	174	148
Bengal	85	101	135	126	136	136
Punjab & Delhi	...	124	165	172	180	182	181
Rest of British India	45	47	56	59	52
Total of British India	...	2,562	2,483	2,995	3,325	3,575	3,465
Total of Indian States	...	558	557	622	690	731	695
Total for India	...	3,120	3,040	3,617	4,025	4,306	4,160

COTTON INDUSTRY AT A GLANCE

iii

TABLE NO. 7
Imports of Cotton Twist and Yarn into India

Year (April-March)	U. K.		Japan		(000's omitted) Total	
	Quantity lbs.	Value Rs.	Quantity lbs.	Value Rs.	Quantity lbs.	Value Rs.
1932-33	13 357	13,180	18,149	16,071	45,103	37,882
1933-34	9,952	9,578	11,684	9,567	32,055	25,750
1934-35	9,792	10,050	11,339	11,595	34,022	30,986
1935-36	9,767	9,745	21,307	17,921	44,570	37,119
1936-37	7,662	7,887	15,830	13,742	28,520	25,487
1937-38	6,632	7,763	14,643	16,824	21,998	25,073
1938-39	4,681	4,945	21,169	17,690	36,459	29,291
1939-40	2,829	3,164	27,164	24,211	41,132	35,196
1940-41	1,297	1,963	11,822	13,484	19,334	21,795
1941-42	370	848	4,207	7,283	8,173	12,405
1942-43	60	141	...	...	945	1,632
1943-44	66	136	...	...	630	1,184
1944-45	45	121	...	...	192	402

* Excludes Burma from 1937-38.

TABLE NO. 8
Imports of Cotton Manufactures into India

Year (April-March)	U. K.		Japan		(000's omitted) Total	
	Quantity Yds.	Value Rs.	Quantity Yds.	Value Rs.	Quantity Yds.	Value Rs.
1932-33	597,119	*1,20,966	579,735	78,539	1,225,279	2,12,591
1933-34	425,833	87,465	349,041	44,313	795,763	1,34,917
1934-35	552,394	1,11,440	373,774	51,958	943,714	1,69,289
1935-36	439,676	90,055	495,738	63,526	946,729	1,57,796
1936-37	334,165	73,077	416,947	55,996	763,985	1,33,672
1937-38*	244,606	64,207	306,202	45,935	590,950	1,16,936
1938-39	205,536	46,256	424,808	51,339	647,264	1,02,744
1939-40	144,562	36,165	393,373	51,276	579,002	96,493
1940-41	56,146	19,347	368,086	56,569	446,976	80,818
1941-42	31,213	15,416	135,684	24,858	181,539	44,531
1942-43	11,764	7,275	...	...	15,759	8,386
1943-44	3,275	2,072	...	...	3,730	2,418
1944-45	4,866	3,074	...	...	5,205	3,228

* Excludes Burma from 1937-38.

TABLE NO. 9
Exports of Cotton Twist & Yarn, and Cotton Piecegoods from India

Year (April-March)	Twist and Yarn		(000's omitted) Piecegoods	
	Quantity Yds.	Value Rs.	Quantity Yds.	Value Rs.
1932-33	15,108	7,865	66,442	20,861
1933-34	16,388	8,172	56,461	16,630
1934-35	12,789	6,272	57,693	17,670
1935-36	9,608	4,694	71,250	20,295
1936-37	12,137	5,862	101,636	26,328
1937-38*	40,124	20,253	241,255	65,032
1938-39	37,960	18,781	176,992	47,938
1939-40	36,943	17,939	221,405	61,142
1940-41	77,723	40,912	390,144	106,432
1941-42	90,529	73,783	772,355	265,133
1942-43	34,210	38,175	817,991	387,565
1943-44	18,937 lbs.	31,487	461,337	364,920
1944-45	16,918 lbs.	22,808	423,021	337,930

* Includes Exports to Burma from 1937-38.

COTTON INDUSTRY AT A GLANCE

TABLE NO. 10

Quantities of Yarn Spun and Woven Goods Manufactured in Indian Mills
(000's omitted)

Year (April-March)	Yarn lbs.	Piecegoods Yds.
1932-33	1,016,422	3,169,998
1933-34	921,061	2,845,052
1934-35	1,001,420	3,397,456
1935-36	1,059,117	3,571,371
1936-37	1,050,636	3,571,987
1937-38	1,160,716	4,084,276
1938-39	1,303,246	4,269,269
1939-40	1,234,873	4,012,259
1940-41	1,349,038	4,269,475
1941-42	1,577,177	4,493,613
1942-43	1,533,796	4,109,337
1943-44	1,680,463	4,870,687
1944-45	1,650,925	4,726,472

TABLE NO. 11

Changes in Customs Tariff on Cotton Yarn and Piecegoods in India since 1894*
YARN

All counts	Date	Tariff Rates
From 10th March, 1894 to 26th Dec., 1894 ...	Free	
" 27th Dec., 1894 to 2nd Feb., 1896 ...	5 p.c. <i>ad valorem</i> .	
" 3rd Feb., 1896 to 28th Feb., 1922 ...	Free	
" 1st March, 1922 to 21st Sept., 1927 ...	5 p.c. <i>ad valorem</i> .	
" 22nd Sept., 1927 to 29th Sept., 1931 ...	5 p.c. <i>ad valorem</i> or $1\frac{1}{2}$ as. per lb. whichever is higher.	
" 30th Sept., 1931 to 30th April, 1934 ...	$6\frac{1}{2}$ p.c. <i>ad valorem</i> or $1\frac{1}{2}$ as. per lb. whichever is higher.	

From 1st May, 1934:—(Effective up to 31st March, 1947).

Schedule No. 47 (b).

Counts 50s and below :—

- | | | |
|---------------------------------|-----|---|
| (i) British Manufacture | ... | 5 p.c. <i>ad valorem</i> or $1\frac{1}{2}$ as. per lb. whichever is higher plus 1/5th of the total duty. |
| (ii) Not of British Manufacture | ... | $6\frac{1}{2}$ p.c. <i>ad valorem</i> or $1\frac{1}{2}$ as. per lb. whichever is higher plus 1/5th of the total duty. |

Counts above 50s :—

- | | | |
|---------------------------------|-----|---|
| (i) British Manufacture | ... | 6 p.c. <i>ad valorem</i> . |
| (ii) Not of British Manufacture | ... | $7\frac{1}{2}$ p.c. <i>ad valorem</i> . |

Cotton Piecegoods

Date	Tariff Rates.
From 10th March, 1894 to 26th Dec., 1894 ...	Free
" 27th Dec., 1894 to 2nd Feb., 1896 ...	5 p.c. <i>ad valorem</i> .
" 3rd Feb., 1896 to 6th March, 1917 ...	$3\frac{1}{2}$ p.c. <i>ad valorem</i> .
" 7th March, 1917 to 28th Feb., 1921 ...	$7\frac{1}{2}$ p.c. <i>ad valorem</i> .
" 1st March, 1921 to 3rd April, 1930 ...	11 p.c. <i>ad valorem</i> .

* An excise duty was imposed on cotton piecegoods woven in Indian mills at the rate of 34 per cent *ad valorem* from 1896. This excise duty was suspended in December 1925, and abolished in 1926.

COTTON INDUSTRY AT A GLANCE

v

Changed Classification. (From 4th April, 1930)

Date	PLAIN GREY				OTHERS	
	British		Foreign		British	Foreign
	<i>Ad valorem</i>	As.	<i>Ad valorem</i>	As.	<i>Ad valorem</i>	
	% (whichever is higher)	per lb.	% (whichever is higher)	per lb.	%	
4th April 1930	15	or 3½	20	or 3½	15	20
1st March 1931	20	or 3½	25	or 3½	20	26
30th Sept. 1931	25	or 4½	31	or 4½	25	31½
30th Aug. 1932	25	or 4½	50	or 5½	25	50
7th June 1933	25	or 4½	75	or 6½	25	75
8th Jan. 1934	25	or 4½	50	or 5½	25	50
1st May 1934	25	or 4½	50	or 5½	25	50

POSITION SINCE 1936

* Under Government of India Notification No. 341-T(10)/36, dated the 25th June 1936, protective duties on following were amended as under :—

Cotton fabrics, not otherwise specified, containing more than 50 per cent of Cotton :—

- (i) Grey piecegoods (excluding bordered grey chadars, dhoties, saris and scarves)—

Of British Manufacture ... 20 p.c. *ad valorem* or 3½ as. per lb. whichever is higher.

Not of British Manufacture ... 50 p.c. *ad valorem* or 5½ as. per lb. whichever is higher.

- (ii) Cotton piecegoods and fabrics not otherwise specified—

Of British Manufacture ... 20 p.c. *ad valorem*.

Not of British Manufacture ... 50 p.c. *ad valorem*.

* In accordance with the recommendations of the Special Tariff Board Report 1936. Government of India, Commerce Department Notification, dated 1st April 1927

(1) In exercise of the powers conferred by Section 19 of the Sea Customs Act, 1879 (VIII of 1878), the Governor-General-in-Council is pleased to prohibit the bringing into British India by sea or by land of goods liable to duty under item No. 49(1) (b) of the First Schedule to the Indian Tariff Act 1934 (XXXII of 1934), and

(2) In exercise of the powers conferred by sub-section (1) of Section 4 of the Indian Tariff Act, 1934 (XXXII of 1934), the Governor-General-in-Council is pleased to increase the duty chargeable under the First Schedule to the said Act on the articles specified in the annexed table to the extent set forth therein.

TABLE NO. 12

Protective Duty till 31st March 1947 †

Item No.	Name of article.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of Burma.
	TEXTILE MATERIALS AND TEXTILE GOODS—		
48(1)	Fabrics, not otherwise specified, containing more than 90 per cent of artificial silk—		18 per cent <i>ad valorem</i>
	(a) of British manufacture ...	30 per cent <i>ad valorem</i> or 2½ annas per square yard, whichever is higher plus one-fifth of the total duty.	
	(b) not of British manufacture* ...	50 per cent <i>ad valorem</i> or 4 annas per square yard, whichever is higher plus one-fifth of the total duty.	

* Under Government of India, Commerce Department, Notification No. 341-T.(6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50 per cent *ad valorem* or 7 annas per square yard, whichever is higher plus one-fifth of the total duty.

† Existing duties have been continued till 31st March 1947 when a fresh Tariff Board enquiry will be undertaken to determine the quantum of protection thereafter.

COTTON INDUSTRY AT A GLANCE

TABLE NO. 12 (*Contd.*)

Item No.	Name of article	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of Burma.
TEXTILE MATERIALS AND TEXTILE GOODS—(<i>contd.</i>)			
48(3)	Cotton Fabrics, not otherwise specified, containing more than 90 per cent of cotton—		6 per cent <i>ad valorem</i>
	(a) Grey piecegoods (excluding bordered grey chadars, dhoties, saris and scarves):—		
	(i) of British manufacture ¹	15 per cent <i>ad valorem</i> or 2.5/8 annas per lb., whichever is higher plus one-fifth of the total duty.	
	(ii) not of British manufacture	50 per cent <i>ad valorem</i> or 5½ annas per lb., whichever is higher plus one-fifth of the total duty.	
	(b) Printed piecegoods and printed fabrics—		
	(i) of British manufacture ²	21 per cent <i>ad valorem</i> .	
	(ii) not of British manufacture	60 per cent <i>ad valorem</i> .	
	(c) Cotton piecegoods and fabrics, not otherwise specified—		
	(i) of British manufacture ³	18 per cent <i>ad valorem</i> .	
	(ii) not of British manufacture	60 per cent <i>ad valorem</i> .	
48(5)	Fabrics, not otherwise specified, containing not more than 10 per cent silk but more than 10 per cent and not more than 90 per cent artificial silk—		18 per cent <i>ad valorem</i>
	(a) containing 50 per cent or more cotton—		
	(i) of British manufacture...	30 per cent <i>ad valorem</i> or 2 annas per square yard, whichever is higher plus one-fifth of the total duty.	
	(ii) not of British manufacture ⁴	50 per cent <i>ad valorem</i> or 3½ annas per square yard, whichever is higher plus one-fifth of the total duty.	
	(b) containing no cotton or containing less than 50 per cent cotton.		
	(i) of British manufacture...	30 per cent <i>ad valorem</i> or 2½ annas per square yard, whichever is higher plus one-fifth of the total duty.	
	(ii) not of British manufacture ⁵	50 per cent <i>ad valorem</i> or 4 annas per square yard, whichever is higher plus one-fifth of the total duty.	
48(9)	The following cotton fabrics, namely, Sateens including Italians of Sateen weave, velvets and velveteens and embroidered all-overs—		6 per cent <i>ad valorem</i>
	(a) Printed fabrics—		
	(i) of British manufacture ²	21 per cent <i>ad valorem</i> .	
	(ii) not of British manufacture	42 per cent <i>ad valorem</i> .	
	(b) Other fabrics—		
	(i) of British manufacture ³	18 per cent <i>ad valorem</i> .	
	(ii) not of British manufacture	42 per cent <i>ad valorem</i> .	

For figures 1, 2, 3, 4 and 5, see next page.

¹ Under Government of India, Commerce Department, notification No. 20-T.(17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 12½ per cent *ad valorem* or 23/16 annas per lb., whichever is higher plus one-fifth of the total duty.

² Under Government of India, Commerce Department, Notification No. 20-T.(17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 18 per cent *ad valorem*.

³ Under Government of India, Commerce Department, Notification No. 20-T.(17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 15 per cent *ad valorem*.

⁴ Under Government of India, Commerce Department, Notification No. 341-T.(6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50 per cent *ad valorem* or 5½ annas per square yard, whichever is higher plus one-fifth of the total duty.

⁵ Under Government of India, Commerce Department, Notification No. 341-T.(6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50 per cent *ad valorem* or 7 annas per square yard, whichever is higher plus one-fifth of the total duty.

TABLE NO. 13

Customs Duty on Import of Raw Cotton (under the Indian Tariff Act)

Duty imposed on 31st March 1931, @ 0-0-6 per lb.

Increased Duty from 31st March 1939, @ 0-1-0 per lb.

Increased Duty from 29th January 1942, @ 0-2-0 per lb.

The Cotton Fund Ordinance under which the duty was levied was repealed by clause 8 of the Indian Finance Act, 1946, but the duty was amalgamated into a consolidated duty of two annas a pound without any surcharge, which will be leviable only under the Indian Tariff Act.

Thus, present duty is @ 0-2-0 per lb. (1946).

Customs Duty on Export of Cotton Cloth and Yarn

A Customs Duty at 3 per cent was imposed on all cloth and yarn manufactured in India and exported from British India at the rate of 3 per cent of the maximum ex-factory price, with effect from 1st February, 1945. It does not apply to handloom cloth.

TABLE NO. 14

Cotton Piecegoods : Production of Principal Countries, * 1937 & 1942

	1937	Million Sq. yards 1942
U. K.	3,806	1,850
U. S. A.	9,321	2,000
India	5,548(a)	5,800(a)
Brazil	900	1,400

(a) Including handloom production.

* World's production in 1937-38 was 34,530 million yards.

COTTON INDUSTRY AT A GLANCE

TABLE NO. 15

Net I Available Mill Production, and Estimated Handloom Production
of Cotton Piecegoods in India, along with *per capita* Consumption from
1919-20 to 1944-45

Year	Net Imports	Net available Mill Production (after deducting exports)	Estimated Handloom Production	Net available for Consumption	Per Capita available for consumption in yards.
April-March	(Quantity in crores † of yards. crore = 10 million)				
1919-20	90	144	56	299	9.34
1920-21	145	143	115	403	12.59
1921-22	102	157	119	378	11.81
1922-23	152	156	134	452	13.40
1923-24	142	154	101	397	12.03
1924-25	177	179	126	482	14.61
1925-26	153	179	118	450	13.18
1926-27	176	206	136	518	15.15
1927-28	194	219	130	543	16.60
1928-29	191	174	108	473	13.52
1929-30	190	229	138	557	15.97
1930-31	87	246	136	469	13.49
1931-32	76	288	139	503	14.28
1932-33	120	311	142	573	16.70
1933-34	77	289	124	490	14.17
1934-35	94	334	124	552	15.60
1935-36	94	350	137	581	16.57
1936-37	75	347	128	550	15.50
1937-38	58	384	149	591	16.42
1938-39	63	409	192	664	17.94
1939-40	56	379	182	617	16.67
1940-41	44	388	165	597	16.03
1941-42	18	372	160	550	14.20
1942-43	1	329	150	490	12.40
1943-44*	3	441	160	601	15.20
1944-45	5	435	160	595	15.10

* NOTE.—The broad purpose of the above figures is to enable the reader to view India in the world perspective of consumption of cotton textiles. The per capita figure of 15 yards for 1943-44 indicates not so much the actual consumption of cloth per head as the quantity that would have been available but for the terrible maldistribution resulting from rampant black marketing. This figure is reduced to 12.7 yards if the quantity of cloth (viz. 900 million yards) purchased for the Defence Services is deducted, and would be reduced further still if we take into account the quantity of cloth smuggled into Tibet, China and other areas adjacent to Bengal and other illicit exports from small ports. The 1943-44 average has therefore less relation to the actual quantity of cloth available than in any of the previous years. Notwithstanding this, the above figures, we trust, have a significance that cannot be missed.

The consumption in 1944-45 works out to 15.10 yards *per capita*.

TABLE NO. 16

Estimated *per capita* Consumption
of
COTTON PIECEGOODS IN INDIA
in 1942-43, 1943-44 and 1944-45

	1942-43	1943-44	1944-45
Net available Indian Mills' Production (after deducting exports) ...	(In million yds.) 3,290	4,410	4,350
Estimated Indian Handloom Production	1,600	1,600	1,600
Estimated Hand Woven Cloth from Hand-spun Khadi ...	160	150	140
Net Imports of Cotton Piecegoods In India	15	1	5
Net quantity of Cotton Piecegoods available for consumption in India ...	5,065	6,161	6,095
Estimated <i>per capita</i> consumption of Cotton Piecegoods in India ... yds.	12.40	15.2	15.1
World's Average <i>per capita</i> consumption 42 yards in 1928-29.			

TABLE NO. 17

Table showing Population, Cloth requirement, Production, Surplus and Deficit in
each Surplus Area and Deficit Zone (1943)

Name of Area or Zone*	Popula- tion (1941 Census) in thou- sands.	Cloth re- quirements at 12 yards per head (in thou- sands of yards).	Power looms installed as on 31-8-43 (Num- ber).	Power looms production Standard &/or Civil Cloth available after de- ducting 1,200 million yards for War & Export Supplies (in thousands of yards).	Handloom production (Fact Finding Com- mittee 1942) available for internal consumption in each Area or Zone (in thousands of yards).	Surplus + or Deficit —	
						(in thousands of yards)	(in tons)
Bombay ...	32,853	394,236	136,057	2,266,152	131,412	+ 2,003,528	+ 223,586
Delhi ...	918	11,016	2,865	47,719	Nil	+ 36,703	+ 4,098
Sind ...	5,699	68,388	Nil	Nil	4,535	— 63,853	— 7,127
Punjab ...	44,145	529,740	2,904	48,369	177,558	— 303,813	— 33,908
U. P. ...	55,949	671,388	12,526	208,632	111,898	— 350,858	— 39,158
Bihar ...	31,501	378,012	744	12,392	31,501	— 334,119	— 37,290
Bengal ...	77,351	928,212	10,712	178,418	160,551	— 589,243	— 65,764
Orissa ...	16,307	195,684	Nil	Nil	37,239	— 158,445	— 17,684
C. P. ...	20,426	245,112	6,753	112,477	84,068	— 48,567	— 5,420
South ...	81,170	974,040	11,824	196,939	524,086	— 253,015	— 28,238
Rajputana ...	22,646	271,752	13,743	228,902	4,006	— 38,844	— 4,335
Total ...	388,965	4,667,580	198,128	3,300,000	1,266,854	+ 2,040,031† — 2,140,757†	+ 227,682† — 238,924†

† NOTE.—The total production of Handlooms estimated by Fact-finding Committee is 1,500 million yards. The balance, viz., 333 million yards is available for export to deficit areas.

* The Surplus area in 1944 is Bombay. The Deficit Zones are :—Sind, Punjab (including Delhi), U.P., Bihar, Bengal (including Assam), Orissa, C.P., South and Rajputana.

COTTON INDUSTRY AT A GLANCE

TABLE NO. 18

Allocation of Cloth by Provinces by Textile Control Board, 1945.

The actual allocation of cloth made in September 1945, to each Surplus Area and Deficit Zone as defined in the Cotton Cloth Movements Control Order was at the following rate :—

Geographical divisions as defined in the Cotton Cloth Movements Control Order, 1943.	Allocation of cloth per head per annum in yds.
Bombay Surplus Area	18
Western India States Surplus Area	18
Sind Deficit Zone—Sind	12
Baluchistan Deficit Zone	24
Punjab Deficit Zone (including Delhi)*	18
N.-W. F. Province Deficit Zone	18
U. P. Deficit Zone	10
Bihar Deficit Zone	10
Bengal Deficit Zone	10
Assam Deficit Zone	10
Orissa Deficit Zone	10
C. P. Deficit Zone	12
South Deficit Zone	10
Hyderabad Deficit Zone	10
Rajputana Deficit Zone	12

* 24 yards per head allocated to population in Delhi.

TABLE NO. 19

World Production of Cotton piecegoods and RAYON and Exports*

In million lbs.

1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Production of Cotton Yarn										
11,484	11,855	10,571	10,483	10,531	11,503	11,652	11,767	13,090	13,822	12,318
Index of Production (1928=100)										
100	103.2	92.0	91.3	91.7	100.2	101.5	1,025	114.0	120.4	107.2
Exports of Cotton Piecegoods.										
1,880	1,949	1,470	1,221	1,375	1,302	1,375	1,403	1,418	1,507	1,276
Index of Exports (1928=100)										
100	103.7	78.2	64.9	72.1	69.3	73.1	74.6	75.4	80.0	67.9
Production of Rayon Filament Yarn										
361	434	451	500	515	664	773	941	1,023	1,199	990
Staple Fibre										
...	7	6	8	120	28	52	140	298	619	958
RAYON : PRODUCTION AS % OF COTTON YARN PRODUCTION										
3.2	3.7	4.3	4.8	5.1	6.0	7.0	9.2	10.1	13.2	15.8

* Tables 19 and 20 are taken from the very interesting "Report of the Cotton Board Committee to enquire into Post-War problems", submitted to the U. K. Board of Trade, January, 1944.

TABLE NO. 20

Cotton Piecegoods : Estimated Production and Exports of Principal Cotton Industries *

In million yards

	Average of 1928-29			Average of 1937-38		
	Production	Exports	Exports as % of Production	Production	Exports	Exports as % of Production
United Kingdom ...	5,370	3,770	70.2	3,250	1,654	50.9
Continent ...	8,510	2,400 (c)	28.2	7,520	1,500 (c)	20.0
U.S.A. ...	7,780	555	7.2	8,360	278	3.3
Canada (a) ...	230	...	...	230	5	2.2
Brazil ...	690	...	...	900	5	.5
China ...	590 (a)	...	...	870 (a)	64	7.3
India (a) ...	2,110	147 (b)	7.0	4,130	127 (b)	3.1
Japan ...	3,430	1,605	46.8	4,000	2,412	60.3
U.S.S.R. ...	3,270 (a)	85	2.6	3,670(a)	200	5.4
Other Countries ...	750	...	...	1,600	...	...
WORLD ...	32,730	8,562	26.2	34,530	6,245	18.1

(a) Linear yards; (b) by sea only, and excluding exports to Burma; (c) includes internal trade.

N.B.—The number of spindles and looms (in place) in the U. K. Cotton Industry in 1937 were 44,000,000 and 5,05,000 respectively as compared with 39,000,000 and 4,75,000 in 1942. This was due to concentration of the industry during the war-period.

The number of operatives employed in the U. K. industry was 458,000 in 1937, 387,000 in 1939 and 242,000 in 1943. Any large increase in the volume of piecegoods in post-war period appears to be difficult of attainment unless special measures are taken to augment the number of operatives which appears to present considerable difficulties. In view of this factor, among many others, it is unlikely that the U.K. will attain anything like its previous position in the matter of export of piecegoods during the next few years, in spite of its keen desire to do so.

For very instructive statistics of Mill production, Handloom production, total consumption, *per capita* consumption of cloth in India during the last 25 years, and allocation of cloth to various provinces in 1944-45, please see Tables 15, 16, 17 and 18. Tables Nos. 19 and 20 above show statistics of production and export of cloth for various countries of the world in the pre-war period.

Table No. 21 shows the allocation of further spindlage in post-war years for the various zones in India.

Table No. 22 shows at a glance the production of all mill yarn and cloth for calendar years from 1938 to 1944 and Table No. 23 shows the supply position of cloth for civil consumption in India for 12 months ended June, 1945.

COTTON INDUSTRY AT A GLANCE

TABLE NO. 21

Final detailed allocation of expansion of spindlage of the Indian Cotton Textile Industry in the post-war period in the various zones, as recommended by the Planning Committee and accepted by the Government of India in April 1946.

Zone	Provinces and States	Fine Spindles	Coarse Spindles
Bombay Surplus Area	Bombay Presidency	1,14,000	...
	Baroda	38,000	...
	Nawanagar	...	25,000
	Junagadh	...	25,000
	Bhavnagar	...	25,000
	Cambay	19,000	...
Sind Zone	Sind Province	...	75,000
	Khairpur	...	25,000
Punjab Zone	Punjab Province	1,14,000	3,23,000
	Delhi Province	...	...
	N.-W. F. P.	...	...
	Bhawalpur	...	50,000
	Nabha	...	25,000
	Kapurthala	...	25,000
United Provinces Zone	United Provinces	1,14,000	1,50,000
	Benares State	...	25,000
Bihar Zone	Bihar Province	38,000	1,75,000
Bengal Zone	Bengal Presidency	1,25,000	2,00,000
	Assam Province	1,00,000	(Coarse and fine mixed)
	Seraikala	...	25,000
Orissa Zone	Orissa Province	19,000	1,00,000
	Mayurbhunj	...	25,000
Central Provinces Zone	Central Provinces	76,000	75,000
	Rewa	...	25,000
South Zone	Madras Presidency	1,52,000	2,00,000
	Hyderabad	19,000	50,000
	Mysore	19,000	25,000
	Travancore	...	50,000
	Cochin	...	25,000
	Pudukottah	...	25,000
Rajputana Zone	Gwalior	19,000	...
	Bharatpur	...	25,000
	Bikaner	...	25,000
	Dholpur	...	25,000
	Alwar	...	25,000
	Palanpur	19,000	...

Total:

8,85,000 Fine Spindles.

18,73,000 Coarse Spindles,

1,00,000 for Assam, coarse and fine together.

28,58,000 Spindles.

(Two other interesting Tables on pages xxxix and xl.)

COTTON CLOTH AND YARN (CONTROL) ORDER, 1945.

[Amended upto 26-3-1946]

GOVERNMENT OF INDIA DEPARTMENT OF INDUSTRIES & CIVIL SUPPLIES

NOTIFICATION

New Delhi, the 21st July 1945.

No. TB(3)/45.—In exercise of the powers conferred by sub-rule (2) of rule 81 of the Defence of India Rules, the Central Government is pleased to make the following Order :—

1. (1) This Order may be called the Cotton Cloth and Yarn (Control) Order, 1945.

(2) It shall come into force at once.

2. (1) The provisions of this Order shall be in addition to and not in derogation of any other law for the time being in force.

(2) The Cotton Cloth and Yarn (Control) Order, 1943, is hereby repealed :

Provided that anything done under any provision of that Order shall be deemed to have been done under the corresponding provision of this Order :

Provided further that any reference in any order issued under the Defence of India Rules or in any notification issued thereunder to any provision of the Cotton Cloth and Yarn (Control) Order, 1943, shall, unless a different intention appears, be construed as reference to the corresponding provision of this Order.

3. In this Order, unless there is anything repugnant in the subject or context,

(a) "Cloth" and "Yarn" mean respectively any type of cloth or yarn manufactured either wholly from cotton, or partly from cotton and partly from any other material and containing not less than 10 per cent of cotton by weight, but "cloth" does not include—

- (i) ready-made clothing other than *dhoties* and *sarees* ;
- (ii) hosiery ;
- (iii) any articles which are Indian woollen goods as defined in the Indian Woollen Goods (Control) Order, 1944 ;
- (iv) leather cloth and inferior or imitation leather cloth ordinarily used in book binding ;
- (v) tracing paper ;
- (vi) cloth manufactured partly from cotton and partly from wool and containing 40 per cent or less of cotton by weight ;
- (vii) synthetic proofed fabrics, whether single textured or double textured, used as substitutes for rubberised sheets and leather cloth.

(b) "dealer" means a person carrying on the business of selling cloth or yarn or both, whether wholesale or retail, and whether or not in conjunction with any other business and shall include master weavers of handloom cloth ;

(c) "manufacturer" means a person engaged in the production of cloth or yarn or both, including any process ancillary to such production like dyeing, bleaching, embroidering, printing and finishing ; and "manufacture" shall be construed accordingly ;

(d) "Textile Commissioner" means the Textile Commissioner appointed by the Central Government and includes such Additional Textile Commissioners as may be appointed by the Central Government.

4. (1) The Central Government may constitute a Textile Control Board (hereinafter referred to as the Board) consisting of 25 to advise the Central Government through the Textile Commissioner generally on matters connected with the purposes of this Order (including matters connected with the export of cloth, yarn and raw cotton) and in particular in respect of the functions of the Textile Commissioner under clauses 10 and 11 :

Provided that the Central Government may appoint a substitute member when, for any reason, a member of the Board is unable to attend to his duties as such member, for such period as, in the opinion of the Central Government necessitates the appointment of a substitute. Such substitute member shall have and exercise during the period he is so appointed all the powers, duties and privileges including the power to vote at all meetings as the member in whose place he has been appointed had.

(2) The Chairman of the Board shall be such non-official member thereof as the Central Government may designate in this behalf.

5. (1) The Board may by resolution form from among its members such Committees as it thinks expedient to exercise on its behalf such of its functions as may be specified in the resolution :

Provided that any such Committee formed for the purposes of advising on technical matters connected with the purposes of this Order and in particular on matters relating to the fixation of prices, increase in production, standardisation and rationalisation shall be composed only of members representing the Textile Industry, and subject to the provisions of clause 9 its advice on all such matters shall ordinarily be acted upon.

(2) Any such Committee shall not exceed fifteen in number and it shall elect a Chairman from among its members.

6. Any Committee of the Board may co-opt such additional members not exceeding ten in number as it thinks fit and having special knowledge of the subject with which the Committee is concerned and the members so co-opted shall have the same rights as the other members of the Committee.

7. (1) A Committee of the Board may by a resolution form from among its members a Standing Sub-Committee to exercise on its behalf such of its functions as may be specified in the resolution.

(2) Any such Standing Sub-Committee shall not exceed five in number and if the Chairman of the Committee is a member of the Standing Sub-Committee he shall be the Chairman thereof.

8. The Board may in consultation with the Central Government make rules to regulate the calling of, and procedure at, meetings of the Board, Committees and Standing Sub-Committees (including the fixing of quorum).

9. (1) The Board or any Committee or Standing Sub-Committee acting in the exercise of the functions assigned to it under clause 5 or as the case may be clause 7 may tender advice to the Central Government through the Textile Commissioner on matters connected with the purposes of this Order and in particular in respect of the functions of the Textile Commissioner under clauses 10 and 11 :

Provided that if the Textile Commissioner is unable to recommend to the Central Government to accept the advice so tendered he shall refer the matter back to the Board, Committee or Standing Sub-Committee as the case may be for further consideration.

(2) If after such reference the Textile Commissioner is still unable to recommend to the Central Government to accept any advice so tendered by the Board or any Committee or Standing Sub-Committee, he may, or if the Chairman of the Board so requires shall, refer the question for the decision of the Central Government who shall consult the Board or the Committee or Standing Sub-Committee as the case may be before giving its decision.

(3) Before issuing any notification under clause 10 or any direction under clause 11 otherwise than in pursuance of advice tendered to him by the Board or a Committee or Standing Sub-Committee, the Textile Commissioner shall consult the Chairman of the Board, who shall refer the question to the Board or, in his discretion, to the appropriate Committee or the Standing Sub-Committee.

(4) The Textile Commissioner may refer any matter on which he desires advice, or make any proposal, to the Chairman of the Board who shall refer the same to the Board or, in his discretion, to the appropriate Committee or Standing Sub-Committee.

(5) If the opinion of the majority of members of the Board or any Committee or Standing Sub-Committee, as the case may be, present at the meeting at which the question is discussed is adverse to the Textile Commissioner's proposal, he shall, if he does not accept the advice of such majority, refer the question for the decision of the Central Government who shall consult the Board or the Committee, as the case may be, before giving its decision.

10. Subject to the provisions of sub-clause (3) of clause 9, the Textile Commissioner may, by notification in the *Gazette of India*, specify—

(a) the maximum quantity of handloom cloth which may be stocked by any dealer and the maximum period for which he may hold such stocks ;

(b) the maximum prices, ex-factory, wholesale and retail, at which any class or specification of cloth or yarn may be sold ;

(c) the markings to be made by the manufacturers and dealers on any class or specification of cloth or yarn manufactured or sold by them, and the time and manner of making those markings.

10A. (1) The Textile Commissioner may, for the purposes of a notification under sub-clauses (b) and (c) of clause 10 relating to cloth or yarn imported from outside India provide in such notification for the determination of the landed cost of such cloth or yarn, the issue of certificates as to such landed cost and the charging of fees therefor.

(2) Every importer of cloth or yarn from outside India shall submit within such time, in such form, and to such authority such information relating to the clearance, location, cost and other matters relevant for the determination of the landed cost under sub-clause (1) as may be specified by the Textile Commissioner by notification in the *Gazette of India*.

10B. Notwithstanding anything contained in clause 10, the Provincial Government or an officer authorised by the Provincial Government in this behalf may fix—

(a) the ex-factory maximum price for the purposes of the special markings under clause 15-A in respect of any type of cloth for which such price has not been specified by the Textile Commissioner under clause 10 ;

(b) the maximum prices, ex-factory, wholesale and retail, at which cloth produced by a manufacturer or other person referred to in the explanation to sub-clause (2) of clause 13 may be sold and may further specify the markings to be made on such cloth and the time and manner of making them.

11. Subject to the provisions of sub-clause (3) of clause 9, the Textile Commissioner may from time to time issue directions in writing to any manufacturer regarding the classes or specifications of cloth or yarn, and the maximum or minimum quantities thereof, which he shall or shall not manufacture during such periods as may be specified in the directions, and the manufacturer shall comply with all such directions.

11A. Save in accordance with a special or general permission of the Textile Commissioner and subject to such restrictions as he may prescribe no manufacturer shall manufacture any article of clothing or any other article from cloth :

Provided that nothing in this clause shall apply to a manufacturer who does not have in his possession 25 power-looms or more, or is engaged solely in any process ancillary to the manufacture of cloth.

12. (1) No manufacturer or dealer shall sell or offer to sell any cloth or yarn at a price higher than the maximum price specified in this behalf under clause 10 or under sub-clause (b) of clause 10B.

(2) Every sale of cloth or yarn by a dealer, except to a consumer, shall be at a price either F.O.R. station of despatch or ex-godown of storage at the buyer's option :

Provided that the commission of a Commission Agent shall be paid by the buyer.

(2A) No person acting as a Commission Agent in respect of a sale of cloth or yarn [to which sub-clause (2) applies] shall receive a commission which exceeds $\frac{1}{2}$ per cent of the maximum price of the cloth or yarn the subject-matter of such sale.

(3) Every dealer shall exhibit on his premises a true copy of each of the notifications that may have been or may hereafter be issued by the Textile Commissioner under clause 10 specifying the maximum prices at which cloth or yarn may be sold.

(4) No manufacturer or dealer shall, without sufficient cause, refuse to sell cloth or yarn to any person.

*Explanation :—*The possibility or expectation of obtaining a higher price at a later date shall not be deemed to be a sufficient cause for the purposes of this sub-clause.

13. (1) Where the markings to be made and the time and manner of making them in respect of any class or specification of cloth or yarn have been specified under clause 10 or 10B—

(a) the manufacturer of, or as the case may be the dealer in, such cloth or yarn shall cause the markings to be made thereon at the time and in the manner specified ;

(b) no person other than such manufacturer or dealer shall cause the markings to be made on any such cloth or yarn ;

(c) no person other than the manufacturer thereof shall have in his possession or under his control any such cloth or yarn which is not so marked, unless it be for *bona fide* personal requirements ;

(d) no person shall alter or deface or cause or permit to be altered or defaced the markings made on any such cloth or yarn held by him otherwise than for his *bona fide* personal requirements ;

(e) no person shall make on any cloth or yarn any other markings resembling the prescribed markings in a manner calculated to mislead ;

(f) no person shall have in his possession or under his control otherwise than for his *bona fide* personal requirements any cloth or yarn the markings whereon are altered or defaced or are of the character specified in paragraph (e).

(2) No manufacturer shall sell or deliver any cloth or yarn of which the maximum prices have not been specified by the Textile Commissioner under clause 10 :

Provided that a manufacturer who has applied to the Textile Commissioner for the fixation of the price of such cloth or yarn may, before the prices thereof are notified, deliver any such cloth or yarn marked with prices provisionally sanctioned by the appropriate member of the Industry's Committee of the Board ; and in relation to the cloth or yarn so delivered, the prices marked shall be deemed to have been fixed under this Order.

*Explanation :—*Nothing in this sub-clause applies to a manufacturer who does not manufacture any yarn and who had in his possession or under his control not more than 24 power-looms on the 1st January 1944, or to any person engaged solely in any process ancillary to the production of cloth or yarn.

(3) No person shall use in the manufacture of cloth—

(a) yarn (other than hand-spun yarn) the maximum price of which has not been fixed by the Textile Commissioner under clause 10 ;

(b) sewing thread.

14. (1) No dealer shall, after the 31st December 1944 buy or sell or have in his possession—

(a) any cloth or yarn manufactured in India before August 1943 ;

(b) any cloth or yarn manufactured in India and packed after the 31st July 1943 and before the 1st January 1944.

(2) No manufacturer or dealer shall buy or sell or have in his possession any cloth or yarn, whether manufactured in India or elsewhere, other than that referred to in sub-clause (1), after the expiration of twelve months from the last day of the month marked on the cloth or yarn in accordance with the directions of the Textile Commissioner under clause 10 ; and no person shall buy or sell or have in his possession any such cloth or yarn in unopened bales or cases after the expiration of six months from the said date.

(3) For the purposes of this clause—

(i) cloth or yarn shall be deemed to be in the possession of a person when it is held on behalf of that person by another person ;

(ii) a bale or case shall be deemed to be unopened if the hoops or other bindings and all outer covering have not been removed ;

(iii) cloth or yarn of Indian manufacture not bearing any markings in accordance with the directions of the Textile Commissioner under clause 10 shall, unless the contrary is proved, be deemed to have been manufactured in India before the 1st August 1943.

(4) Nothing in this clause shall apply to hand-loom cloth.

15. The Textile Commissioner may by general or special order exempt any cloth or yarn, or any class of cloth or yarn, from all or any of the provisions of clauses 13 and 14.

15A. Notwithstanding anything contained in clauses 14(1) and 14(2) cloth or yarn not disposed of within the period specified in those clauses may be kept and sold by a dealer subject to the conditions notified in this behalf by the Textile Commissioner prescribing the special markings to be made on such cloth or yarn, the agency by which the marking shall be made and the fee payable for such marking.

Provided, however, that no such cloth or yarn shall be kept undispensed of by any dealer, or by any person holding on behalf of a dealer for more than six months after the date of such marking.

16. Where, in pursuance of a notification under clause 10 or clause 15A any piece of cloth is required to be marked at one end with the price at which it is to be sold retail and the piece is not sold as a whole that portion of the piece containing the price marking shall be sold last by the dealer.

17. Every manufacturer, every dealer and every person to whom any stocks of cloth or yarn have been pledged by a manufacturer or dealer shall declare the stocks of cloth and yarn held by him on such dates in such form and to such authority as may be specified by the Textile Commissioner by notification in the Gazette of India.

18. (1) No manufacturer shall, save with the permission of the Textile Commissioner, at any time hold —

(a) stocks of cloth exceeding the total quantity manufactured by him during the preceding three months ; or

(b) stocks of yarn exceeding—

- (i) in the case of a person engaged in the manufacture of yarn alone, the quantity of yarn manufactured by him during the preceding two months ;
- (ii) in the case of a person engaged in the manufacture of cloth alone, the quantity of yarn reasonably required by him for manufacturing cloth during the next three months ; and
- (iii) in the case of a person engaged in the manufacture of both cloth and yarn the sum total of the quantity of yarn reasonably required by him for the manufacture of cloth during the next three months and the amount equal to yarn manufactured by him during the preceding three months surplus to his own requirements during that period.

For the purposes of this sub-clause, cloth on looms and yarn in process of manufacture into cloth shall not be taken into account in computing the stocks held by the manufacturer.

(2) No dealer or other person not being a manufacturer shall, save with the permission of the Textile Commissioner, at any time hold stocks of cloth or yarn in excess of his normal requirements.

*Explanation :—*In the case of a person engaged in manufacturing from cloth or yarn articles such as ropes, tapes, newar, bandages or canvas, his normal requirements of cloth or as the case may be, of yarn for the purposes of this sub-clause shall be deemed to be the quantity of cloth or yarn used by him during the preceding three months in such manufacture.

(3) Nothing in sub-clause (2) shall be deemed to apply in relation to the possession by any person carrying on the business of banking of cloth or yarn pledged with him by a dealer or a manufacturer.

(4) For the purposes of sub-clauses (1) and (2) any cloth or yarn agreed to be sold to a dealer by a manufacturer and of which delivery has not been taken by the due date shall be deemed to be held by the dealer and not by the manufacturer.

18A. (1) No manufacturer shall, save in accordance with a general or special permission of the Textile Commissioner or in compliance with a direction given under clause 18B —

(a) sell or agree to sell cloth or yarn to any person who —

- (i) is not a licensed dealer under the rules framed in this behalf by the Provincial Government; and
- (ii) did not as a dealer buy any cloth or yarn from him at any time during the years 1940, 1941 and 1942;

(b) during any quarter deliver to any dealer, whether in pursuance of a pre-existing contract or otherwise, cloth or yarn in excess of his quota determined under sub-clause (2).

(2) For purposes of sub-clause (1) (b), a dealer's quota of cloth shall bear to the value of the total deliveries of cloth made to all dealers during the quarter by the manufacturer concerned the same proportion as the value of the total deliveries of cloth made to that dealer during the years 1940, 1941 and 1942 bore to the value of the total deliveries of cloth made to all dealers during the same years by the same manufacturer; and a dealer's quota of yarn shall be similarly determined.

(3) Every manufacturer shall maintain a register of contracts and deliveries and shall submit returns in such form and at such time as the Textile Commissioner may prescribe.

18B. (1) The Textile Commissioner may, with a view to securing a proper distribution of cloth or yarn or with a view to securing compliance with this Order, direct any manufacturer or dealer, or any class of manufacturers or dealers—

(a) to sell to such person or persons such quantities of cloth or yarn as the Textile Commissioner may specify;

(b) not to sell or deliver cloth or yarn of a specified description except to such person or persons and subject to such conditions as the Textile Commissioner may specify;

(c) to furnish such returns or other information relating to his or their undertaking, and in such manner, as the Textile Commissioner may specify;

and may issue such further instruction as he thinks fit regarding the manner in which the direction is to be carried out.

(2) Every manufacturer or dealer shall comply with the directions and instructions given under sub-clause (1).

18C. Save in accordance with a general or special permission of the Textile Commissioner—

(1) no manufacturer of cloth who has no spinning plant shall work or cause or permit to be worked—

(a) looms in excess of the number of looms working in the undertaking on the 30th September 1944;

(b) any loom for a period which in any one month exceeds the average number of hours of work per loom per month in the undertaking during the year ending 30th September 1944;

(2) no manufacturer of cloth who has a spinning plant shall in any quarter—

(a) purchase a quantity of yarn exceeding $\frac{1}{4}$ of the quantity of yarn purchased by him in the year 1944;

(b) sell a quantity of yarn less than $\frac{1}{4}$ of the quantity of yarn sold by him in the year 1944.

(3) no manufacturer of yarn who has no weaving plant shall install or cause or permit to be installed any loom in his undertaking.

18D. (1) Save in accordance with the general or special permission of the Textile Commissioner no manufacturer of cloth shall pack cloth except in bales containing not less than 1,450 yards nor more than 1,550 yards.

(2) The Textile Commissioner may by a general or special order prescribe the manner in which any manufacturer or manufacturers shall pack cloth or yarn in bales.

18E. Save in accordance with any general or special permission of the Textile Commissioner no manufacturer of cloth having 25 or more powerlooms in his possession shall undertake or carry out any ancillary processes such as printing, dyeing, bleaching or calendering of any cloth not manufactured by him.

19. The Textile Commissioner may with a view to securing compliance with this Order,—

(a) require any person to give any information in his possession with respect to any business carried on by that or any other person ;

(b) inspect or cause to be inspected any books or other documents belonging to or under the control of any person ;

(c) enter and search, or authorise any person to enter and search, any premises and seize, or authorise any person to seize, any cloth or yarn in respect of which he has reason to believe that a contravention of this Order has been committed.

20. If any person with the intent that any provision of this Order may be evaded refuses to give any information lawfully demanded from him under clause 19, or conceals, destroys, mutilates or defaces any book or other document, he shall be deemed to have contravened the provision of this Order.

21. A Textile Commissioner may, with the sanction of the Central Government and by general or special order in writing, authorise any person to discharge on his behalf all or any of his functions under this Order.

22. Any cloth or yarn in respect of which any of the provisions of this Order has been contravened shall be liable to be forfeited to His Majesty, and such forfeiture may be adjudged by a Collector under sub-rule (3D), or by a court under sub-rule (4), of rule 81 of the Defence of India Rules.

23. No prosecution for the contravention of any of the provisions of this Order shall be instituted without the previous sanction of the Provincial Government or of such officer of the Provincial Government (considered by them to be) not below the rank of District Magistrate as the Provincial Government may by a general or special order in writing authorise in this behalf.

GOVERNMENT OF INDIA

DEPARTMENT OF INDUSTRIES & CIVIL SUPPLIES

COTTON TEXTILES (CONTROL OF MOVEMENT) ORDER 1946

New Delhi, 5th January 1946.

No. 107/1-TA/45(i).—In exercise of the powers conferred by sub-rule (2) of rule 81 of the Defence of India Rules, the Central Government is pleased to make the following Order, and to direct with reference to sub-rule (1) of rule 119 of the said Rules that notice of the Order shall be given by the publication of the same in the *Gazette of India* and by the issue of a press note summarising and explaining its provisions :—

1. (i) This Order may be called the **Cotton Textiles (Control of Movement) Order, 1946**.

(ii) It shall come into force at once.

2. In this Order, unless there is anything repugnant in the subject or the context,—

(a) “Apparel” includes a garment or other article of personal or domestic use made wholly or principally from cloth other than knitted cloth but does not include old or used garments;

(b) “Carrier” includes a railway administration or any other person engaged in the business of transporting property from place to place by land, sea or inland navigation;

(c) “Hosiery” means stockings, vests, drawers, or other articles of personal use made from knitted cloth or knitted from yarn;

(d) “Cloth” and “Yarn” have the same meaning as they have in the Cotton Cloth and Yarn (Control) Order, 1945;

(e) “Textile Commissioner” means the Textile Commissioner, Bombay, and includes any officer authorised by him to exercise all or any of the powers of the Textile Commissioner under this Order.

3. No person shall offer for transport by rail, or cause to be transported by rail, any cloth or apparel except under and in accordance with—

(i) a general permit notified in the *Gazette of India* by the Textile Commissioner; or

(ii) a special permit issued by the Textile Commissioner and countersigned by the Regional Controller of Railway Priorities, Bombay; or

(iii) a special transport permit issued by the Textile Commissioner.

4. No person shall transport or cause to be transported any yarn by rail, road, sea or inland navigation except under and in accordance with—

(i) a general permit notified by the Textile Commissioner in the *Gazette of India*; or

(ii) a special permit granted by the Textile Commissioner,

5. The Textile Commissioner may by order in writing direct any carrier to close the booking and transport of cloth, apparel or yarn or any class or description thereof by rail, road, sea or inland navigation between such places and for such period as may be specified in the order, and such carrier shall comply with the order.

6. The Textile Commissioner may by notification published in the *Gazette of India* prohibit the transport of cloth, apparel, hosiery or yarn or any class or description thereof from any place within such area as is specified in the notification to any place outside that area by rail, road, sea or inland navigation except under such conditions, limitations and restrictions as may be so specified.

7. A carrier may require any person offering any package for transport to make a statement in writing declaring its contents, and may refuse to accept for transport any package unless such declaration of its contents is made.

8. The Textile Commissioner may with a view to securing compliance with the provisions of this Order:—

(a) require any person to give information in his possession with respect to any stock of cloth, yarn, apparel or hosiery in his possession or in the possession of any other person,

(b) inspect or cause to be inspected any book or document belonging to or in the custody of any person,

(c) enter and search or authorise any person to enter and search any premises or search or authorise any person to search the luggage of any person travelling in a railway train, vessel or any public conveyance, and seize any cloth, apparel or yarn in respect of which he has reasonable cause to suspect that a contravention of this Order has been committed.

9. The Textile Commissioner may by notification in the *Gazette of India* prescribe the manner in which any applications for a special or transport permit under this Order shall be made.

10. No prosecution for the contravention of any of the provisions of this Order shall be instituted except with the previous sanction of the Central or the Provincial Government or an officer authorised in that behalf by the Central or Provincial Government.

11. Any court trying a contravention of any of the provisions of this Order may, without prejudice to any other sentence which it may pass, direct that any article or articles in respect of which it is satisfied that the Order has been contravened shall be forfeited to His Majesty.

12. The Cotton Cloth Movements Control Order, 1943, and the Cotton Cloth and Yarn (Transport) Control Order, 1944, are hereby repealed :

Provided that anything done under any provision of the said Orders shall be deemed to have been done under the corresponding provision of this Order, and any reference in any instrument to any provision of the said Orders or any notification issued thereunder shall be deemed to be a reference to the corresponding provision of this Order or any notification issued thereunder.

**GOVERNMENT OF INDIA
DEPARTMENT OF INDUSTRIES & CIVIL SUPPLIES.**

NOTIFICATION

New Delhi, 5th January 1946.

GENERAL PERMIT NO. 1

No. 107/1-TA/45(ii).—In pursuance of sub-clause (i) of clause 3 of the Cotton Textiles (Control of Movement) Order, 1946, I hereby notify for public information the following General Permit (which may be called General Permit No. 1).

2. *Zones.*—For the purposes of this Permit, India shall be divided into the following Surplus and Deficit Zones, namely:—

A. Surplus Zones:

1. *Bombay Zone.*—Comprising the Province of Bombay, Baroda State, Gujerat, Kolhapur and the Deccan States and the States of Radhanpur, Idar, Vijayanagar, Satambha, Vasna, Jawhar and all territories attached thereto.

2. *Western India States Zone.*—Comprising the following States of Western India, namely,—Junagadh, Navanagar, Bhavnagar, Porbandar, Dhrangadhra, Morvi, Gondal, Cutch, Wankaner, Palitana, Dhrol, Limbdi, Rajkot, Wadhwan, Cambay, Janjira (including Jafrabad) and all territories attached thereto and the Civil Stations of Rajkot and Wadhwan.

3. *Central India States Zone.*—Comprising the States included in the Gwalior Residency other than the States of Rampur and Benares and States included under the Central India States Residency, that is to say,—

Gwalior, Indore, Bhopal, Dewas (Senior), Dewas (Junior), Kilchipur, Narshingharh, Rajgarh, Baoni, Datia, Samthar, Alirajpur, Barwani, Dhar, Jaora, Jhabua, Ratlam, Sailana, Sitamau, rest of Central India, Kaniadana Ajaigarh, Baraunda, Chattarpur, Charkhari, Maihar, Nagod, Orchha, Panna, Rewa and such other States or Estates that are included in the Central India Residency.

B. Deficit Zones.

1. *Assam Zone.*—Comprising the Province of Assam and Manipur and Khasi Hill States.

2. *Baluchistan Zone.*—Comprising the Province of British Baluchistan and the States of Kalat and Las Bela.

3. *Bengal Zone.*—Comprising the Province of Bengal and the States of Sikkim, Bhutan, Cooch Behar and Tripura.

4. *Bihar Zone.*—Comprising the Province of Bihar.

5. *Central Provinces Zone.*—Comprising the Central Provinces, Berar; and all the States of the Central India States Agency lying to the north of the Central Provinces and to the east of the Jhansi District, except the States of Barwani Dhar, Jaora, Jhabua, Ratlam, Sailana

and Sitamau, and such other States and Estates included in the Indore-Malwa Agency.

6. *Hyderabad Zone*.—Comprising the Hyderabad State.

7. *North-Western Frontier Zone*.—Comprising the North-West Frontier Province.

8. *Orissa Zone*.—Comprising the Province of Orissa and all states in the Eastern States Agency except those included in the Bengal Zone or the C. P. Zone.

9. *Punjab Zone*.—Comprising the Province of the Punjab, the Province of Delhi and all states to the north of the Punjab and the Punjab States except the States of Kairpur and Tehri Garhwal.

10. *Rajputana Zone*.—Comprising the Province of Ajmer-Merwara and such other States and Estates as are included under the Rajputana Agency and are not included in the Central Provinces Zone.

11. *Sind Zone*.—Comprising the Province of Sind and the Khairpur State.

12. *South Zone*.—Comprising the Province of Madras, Coorg, the Madras States and the States of Mysore, Baganpalle and Sandur.

13. *United Provinces Zone*.—Comprising the United Provinces and the States of Benares, Rampur and Tehri Garhwal.

3A. *Transport by Railway Passengers*.—A railway passenger may offer for transport by rail or cause to be transported by rail cloth and apparel as part of his luggage if such cloth and apparel do not together exceed in weight.

(i) 13 lbs. where the transport or intended transport is between any place in the Western India States Zone and any place outside that zone;

(ii) 20 lbs. in any other case.

3B. *Transport under Military Credit Notes*.—Any person may offer for transport by rail or cause to be transported by rail a consignment of cloth or apparel if such consignment is made under Military Credit Notes and is booked for transport by rail:—

(a) from any place in the South Zone to any place beyond that zone;

(b) from any place in the Central Provinces Zone to any place in the Assam, Bengal, Bihar or Orissa Zones or to any place in the United Provinces lying on or to the east of the railway line connecting Jhansi, Cawnpore, Lucknow and Gorakhpur;

(c) from any place in the United Provinces Zone to any place in the Assam, Bengal, Bihar, North-West Frontier or the Punjab Zone;

(d) from any place in the Bihar or Orissa Zone to any place in the Assam or Bengal Zone;

(e) from any place in the Rajputana Zone to any place in the Baluchistan, North-West Frontier, Punjab or United Provinces Zone;

(f) from any place in the Bombay Zone to any place outside that Zone;

(g) from any place in the Hyderabad Zone to any place outside that Zone;

(h) from any place in the Western India States Zone to any place outside that Zone.

4. *Transport by Goods Train within any Zone.*—Any person may offer for transport or cause to be transported by goods train any cloth or apparel from any place in any zone described in para 2 to any other place in the same zone. Provided that nothing in this paragraph shall apply to such transport within the Western India States Zone or the Central India States Zone involving transport through any part of British India.

5. *Exceptions.*—This General Permit is subject to the restrictions which may be imposed from time to time by any Order of the Textile Commissioner under Clause 5 or any Notification of the Textile Commissioner under Clause 6 of the Cotton Textiles (Control of Movement) Order, 1946.

DHARMA VIRA,
Textile Commissioner.

GOVERNMENT OF INDIA

DEPARTMENT OF INDUSTRIES & CIVIL SUPPLIES.

NOTIFICATION

Bombay, 5th January 1946.

GENERAL PERMIT NO. 2

No. 107|1-TA|45 (iii).—In pursuance of sub-clause (i) of clause 4 of the Cotton Textiles (Control of Movement) Order, 1946, I hereby notify for public information the following General Permit (which may be called General Permit No. 2).

2. For the purposes of this General Permit India shall be divided into the following regions namely :—

1. *The Assam Region.*—Comprising the Province of Assam, the State of Manipur, the Eastern States situated between Bengal and Assam Khasi and Jaintia Hills and Bhutan States.

2. *The Baroda Region.*—Comprising all portions of the Baroda State territory situated outside the Kathiawar Peninsula.

3. *The Bengal Region.*—Comprising the Province of Bengal and the States of Cooch Behar and Sikkim.

4. *The Bihar Region.*—Comprising the Province of Bihar.

5. *The Bombay Region.*—Comprising the Province of Bombay, Gujerat States and States of Jawhar, Bhore, Phaltan, Aundh, Miraj, Sangli, Radhanpur, Idar, Vijayanagar, Satambha, Vasna and Janjira.

6. *The Cambay Region.*—Comprising the State of Cambay.
7. *The Central India Region.*—Comprising Ajmer-Merwara and all States situated in Rajputana and Central India other than the portions of Gwalior State falling within the main block of territory known as Gwalior State.
8. *The Central Provinces Region.*—Comprising the Central Provinces, Berar, Kawardha, Khairagarh, Nandgaon and Chhuikhadon.
9. *The Delhi Region.*—Comprising the Province of Delhi.
10. *The Gwalior Region.*—Comprising the main block of Gwalior territories but excluding portions of the Gwalior territories falling within Central India Region.
11. *The Hyderabad Region.*—Comprising the State of Hyderabad.
12. *The Kolhapur Region.*—Comprising all States of Kolhapur and Deccan other than Jawhar, Bhore, Phaltan, Aundh, Miraj and Sangli.
13. *The Madras Region.*—Comprising the province of Madras, the Province of Coorg, Mercara and the States of Cochin, Travancore, Sandur and all States completely surrounded by the districts of Madras Province.
14. *The Mysore Region.*—Comprising the State of Mysore.
15. *The Punjab Region.*—Comprising the Province of Punjab and the Punjab States but excluding Khairpur and Tehri Garhwal.
16. *The Sind Region.*—Comprising the Province of Sind and Khairpur State.
17. *The United Provinces Region.*—Comprising the United Provinces and the States of Rampur, Benares and Tehri Garhwal.
18. *The Kashmir Region.*—Comprising the States of Kashmir, Jammu, Chitral and Swat and States comprising the Gilgit Agency.
19. *The Orissa Region.*—Comprising the Province of Orissa and all Eastern States except those included in the Assam Region.
20. *The Baluchistan Region.*—Comprising the Province of British Baluchistan and the States of Kalat and Las Bela.
21. *The North-Western Frontier Province Region.*—Comprising the North-West Frontier Province and tribal areas.
22. *The Kathiawar Region.*—Comprising all the States of Kathiawar and Cutch, those portions of Baroda State territory falling within the Kathiawar Peninsula, the territories of Jafraabad belonging to Janjira and all territories thereto attached and the Civil Stations of Rajkot and Wadhwan.
3. *Transport within a Region.*—Any person may transport by rail, road, sea or inland navigation or offer so to transport, or cause so to be transported any yarn from any place within any Region to any other place in the same Region.
4. *Transport from one Region to another.*—Any person may transport by rail, road, sea or inland navigation, or offer so to transport,

or cause so to be transported, any yarn from any place in one region to any place in a different region where such transport is necessary in order to comply with, and is undertaken for the purpose of complying with any direction of the Textile Commissioner or the principal officer appointed by a Provincial Government or the Government of an Indian State for the administration of the Textile Control.

5. *Sewing Thread*.—Any person may transport sewing thread by rail, road, sea or inland navigation, or offer it for such transport or cause it to be so transported from any place in any region to any place in that or any other region.

6. This General Permit is subject to the restrictions which may be imposed from time to time by any order under clause 5 or any notification under clause 6 of the Cotton Textile (Control of Movement) Order, 1946.

DHARMA VIRA,
Textile Commissioner.

GOVERNMENT OF INDIA

DEPARTMENT OF INDUSTRIES & CIVIL SUPPLIES.

NOTIFICATION

Bombay, 5th January 1946.

No. 107|1-TA|45(v).—In pursuance of sub-clause (e) of clause 2 of the Cotton Textiles (Control of Movement) Order, 1946, I hereby authorise each of the Officers specified in Column I of the Table below to exercise on my behalf, within the regions specified in Column II thereof, as defined in General Permit No. 2 published in the notification of the Government of India in the Department of Industries and Civil Supplies No. 107|1-TA|45(iii) dated the 5th January 1946 the function of granting transport permits under sub-clause (ii) of clause 4 of the said Order.

Table

<i>Designation of the Officer</i>	<i>Region</i>
1. (i) Provincial Textile Commissioner, Madras.	The Madras Region.
(ii) Additional Provincial Textile Commissioner, Madras.	The Madras Region.
2. Director of Food Supplies, Rajkot.	The Kathiawar Region.

DHARMA VIRA,
Textile Commissioner.

GOVERNMENT OF INDIA
DEPARTMENT OF INDUSTRIES & CIVIL SUPPLIES.

NOTIFICATION

Bombay, 5th January 1946.

No. 107/1-TA/45(iv).—In exercise of the powers conferred by clause 6 of the Cotton Textiles (Control of Movement) Order, 1946, I hereby direct that except with the permission of the Textile Commissioner, no person shall transport or cause to be transported by inland navigation any cloth or apparel from any place in the Punjab Zone, as defined in General Permit No. 1 published in the notification of the Government of India in the Department of Industries and Civil Supplies No. 107/1-TA/45(ii) dated the 5th January 1946 to any place outside that Zone.

DHARMA VIRA,
Textile Commissioner.

PERSONNEL OF THE TEXTILE CONTROL BOARD AND
ITS SUB-COMMITTEES
(1945-46)

Personnel of the TEXTILE CONTROL BOARD

Chairman: Mr. Krishnaraj M. D. Thackersey. *Members:* Mr. T. V. Baddeley; Mr. B. M. Bagri; Mr. B. W. Batchelor; Sir Vithal N. Chandavarkar; Sheth Chaturbhujdas Chimanlal; Sir Chunilal B. Mehta; Mr. S. A. Dange; Sir James Doak; Mr. Hamidul Huq; The Hon'ble Mr. Hossain Imam; Haji Abdul Sathar Haji Ishaq Seth; Mr. R. C. Jall; Mr. Kasturbhai Lalbhai; Mr. J. C. Lancashire; Mr. Gordhandas Goculdas Morarjee; Mr. S. C. Mitra; Sir Padampat Singhanian; Sir Purshotamdas Thakurdas; Dewan Bahadur C. S. Ratnasabapathy Mudaliar; Mr. Sakarlal Balabhai; Sir Shri Ram; Mr. Bhogilal C. Sutaria; Mr. Mohanlal L. Shah; Mr. Herbert Jackson.

Personnel of the INDUSTRY'S COMMITTEE

Chairman: Mr. Krishnaraj M. D. Thackersey. *Members:* Mr. T. V. Baddeley; Mr. B. M. Bagri; Mr. B. W. Batchelor; Sir Vithal N. Chandavarkar; Seth Chaturbhujdas Chimanlal; Sir James Doak; Mr. R. C. Jall; Mr. Kasturbhai Lalbhai; Mr. J. C. Lancashire; Sir Padampat Singhanian; Dewan Bahadur C. S. Ratnasabapathy Mudaliar; Mr. Sakarlal Balabhai; Sir Shri Ram; Mr. Herbert Jackson.

Personnel of the EXPORT COMMITTEE

Chairman: Mr. Krishnaraj M. D. Thackersey. *Members:* Mr. T. V. Baddeley; Sir Vithal N. Chandavarkar; Mr. S. A. Dange; The Hon'ble Mr. Hossain Imam; Mr. Kasturbhai Lalbhai; Sir Purshotamdas Thakur-

das ; Mr. Mohanlal L. Shah ; Mr. Dawood Hajee Nasser ; Mr. Purshotam Mulji Kapadia ; Mr. H. St. G. Mc. Clangahan ; Mr. M. B. L. Dar ; Mr. W. Foges ; Mr. M. A. Khan.

Personnel of the DISTRIBUTION COMMITTEE

Chairman : Mr. Krishnaraj M. D. Thackersey. *Members :* Mr. T. V. Baddeley ; Haji Abdul Sathar Haji Ishaq Seth ; Mr. Gordhandas Goculdas Morarjee ; Mr. S. C. Mitra ; Mr. Bhogilal C. Sutaria ; Mr. Mohanlal L. Shah ; Mr. Purshottam Mulji Kapadia ; Mr. Gokalchand Dwarkadas Morarka ; Mr. K. J. Mc-Neill ; Rai Saheb L. Gurprasad Kapoor ; Mr. Ramnarayan Chellaram ; Mr. Sankalchand G. Shah ; Mr. V. B. Karnick ; Mr. Kasturbhai Lalbhai.

Personnel of the STANDING SUB-COMMITTEE ON CLOTH

Chairman : Mr. Krishnaraj M. D. Thackersey. *Members :* Mr. B. W. Batchelor ; Mr. Kasturbhai Lalbhai.

Personnel of the STANDING SUB-COMMITTEE ON YARN AND SEWING THREAD

Sir James Doak ; Mr. J. C. Lancashire ; Dewan Bahadur C. S. Ratnasabapathy Mudaliar ; Mr. Herbert Jackson.

Personnel of the ADVISERS TO STANDING SUB-COMMITTEE ON YARN AND SEWING THREAD

Mr. Gokalchand Dwarkadas Morarka ; Mr. G. K. Devarajalu Naidu ; Mr. Jayantilal Amritlal ; Mr. S. H. Batliwala.

Personnel of the ADVISORY COMMITTEE ON SEWING THREAD

Mr. S. H. Gidwani ; Mr. J. A. Grimshaw ; Mr. H. F. Milne ; Mr. Ranchhodlal Amritlal ; Mr. J. A. Sutton.

Personnel of the STANDARDISATION AND RATIONALISATION SUB-COMMITTEE

Chairman : Mr. Krishnaraj M. D. Thackersey. *Members :* Mr. B. W. Batchelor ; Mr. R. C. Jall ; Mr. Kasturbhai Lalbhai ; Sir Shri Ram.

Personnel of the STANDING SUB-COMMITTEE ON STANDARD CLOTH

Mr. Krishnaraj M. D. Thackersey ; Mr. B. W. Batchelor ; Mr. Kasturbhai Lalbhai.

Personnel of the LABOUR COMMITTEE

Chairman : Mr. Krishnaraj M. D. Thackersey. *Members :* Mr. T. V. Baddeley ; Mr. S. A. Dange ; Mr. S. C. Mitra ; Mr. Sakarlal Balabhai.

ALL-INDIA HANDLOOM BOARD : ITS FUNCTION AND COMPOSITION

The following is a Resolution (No. 10|1-TC|45, dated the 12th February 1945) of the Government of India in the Department of Industries and Civil Supplies :—

The Government of India have had under consideration the problems facing the Handloom Industry, which have been in many ways considerably aggravated by the war, and have now resolved to constitute an All-India Handloom Board with the following functions :—

(1) To make recommendations to the Government of India on the proportion of the yarn available from Indian production which should be supplied to each Province and State interested in obtaining it for handloom weaving.

(2) To assist handloom weavers in obtaining dyes, chemicals, stores, etc., at fair prices through their recognised associations or through Provincial or State Governments.

(3) To investigate and report on the best methods of marketing handloom products.

(4) To undertake research particularly into markets and the improvement of production. In pursuing such researches the Board should make use of any Provincial or State organisations already in existence.

(5) To advise on the administration of the Grant-in-Aid given by the Government of India for the furtherance of the handloom industry.

(6) To consider the conditions of work of handloom weavers.

If in the opinion of the Chairman any recommendation of the Board appears likely to affect in any manner the interests of the mill industry, he should, before submitting it to Government for their consideration, take steps to consult the Textile Control Board and obtain its views thereon.

2. The Board will consist of 30 members, who will hold office in the first place for one year.

(i) The Textile Commissioner (*Ex-Officio* Chairman).

(ii) 3 Non-Officials nominated by the Government of India.

(iii) 17 Members nominated by the Provinces as follows :—

Assam	-	-	1	
Bengal	-	-	3	(including 2 representatives of Handloom industry).
Bihar	-	-	1	
Bombay	-	-	2	(including 1 representative of Handloom industry).
C. P.	-	-	1	
Madras	-	-	4	(including 3 representatives of Handloom industry).
Orissa	-	-	1	
Punjab	-	-	2	(including 1 representative of Handloom industry).
U. P.	-	-	2	(including 1 representative of Handloom industry).

(iv) 4 members nominated one each by the following States:—

(a) Hyderabad; (b) Mysore; (c) Travancore; and (d) Kolhapur and Deccan States.

(v) 5 members representing the millowning interest (nominated by the Textile Control Board).

3. The Special Officer, Handloom Board, will be Secretary to the Board, *ex-officio*.

4. The Board may appoint sub-committees to deal with specific subjects within its terms of reference.

5. These sub-committees may co-opt extra members to an extent not exceeding one-third of their numbers.

Personnel of the ALL-INDIA HANDLOOM BOARD

Chairman: Dharma Vira, I.C.S. *Members:* Rao Saheb N. M. Sundaram; Director of Industries, Bengal; Mr. Hamidul Haq Chaudhury, B.L., M.L.C.; Khan Saheb Dr. M. Khan; Director of Industries, Old Custom House, Yard, Bombay; Khan Saheb A. B. Hakeem, M.L.A.; Mr. N. L. Belekari, M.A., LL.B.; Mr. Habibur Rahman; Lieut. M. G. Abhyankar; S Venkateswaran, I.C.S.; Sri M. Somappa; Sri Muppanna Vishwanatham; Sri K. Raghunatha Chettiar; Mr. B. K. Murthy, B.E. (Mech.), M.Sc. (Tech.), A.M.C.T.; Director of Development, Orissa; Mr. Mulraj; Mr. Diwan C. Mehra; V. S. Arumukham Pillai; Registrar, Co-operative Societies, U. P.; Nawab Sayed Aizaz Rasool, M.L.A.; Sir James Doak; Mr. Sakarlal Balabhai, M.L.A.; Mr. J. C. Lancashire; Mr. B. M. Bagri; Dewan Bahadur C. S. Ratnasabapathi Mudaliar, C.B.E.; The Honourable Mr. Hossain Imam; Nawab Siddique Ali Khan, M.L.A.; Abdul Majid, B.A.; Director of Industries, Bihar.

Personnel of the MARKETING AND RESEARCH COMMITTEE OF THE ALL-INDIA HANDLOOM BOARD

Chairman: S. Venkateswaran, I.C.S. *Members:* Director of Industries, Bengal; Director of Industries, Bihar; Director of Industries, Bombay; Mr. Habibur Rahman; Mr. Diwan C. Mehra; Registrar, Co-operative Societies, U. P.; M. S. Abdul Majid, B.A.; Sir James Doak, Kt.; Nawab Sayed Aizaz Rasool.

Personnel of the RAW MATERIALS COMMITTEE OF THE ALL-INDIA HANDLOOM BOARD

Chairman: S. Venkateswaran, I.C.S. *Members:* Mr. Hamidul Haq Chaudhury, B.L., M.L.C.; Director of Industries, Bihar; Director of Industries, Bombay; Sri M. Somappa; Mr. B. K. Murthy, B.E. (Mech.), M.Sc. (Tech.), A.M.C.T.; Mr. Mulraj; Registrar, Co-operative Societies, U.P.; Sir James Doak, Kt.; Nawab Siddique Ali Khan, M.L.A.

LIST OF VARIOUS CONTROL ORDERS ISSUED UNDER THE DEFENCE OF INDIA RULES WHICH MORE PARTICULARLY CONCERN THE COTTON TEXTILE INDUSTRY

In addition to the Cotton Cloth and Yarn (Control) Order, 1945, the Government of India have issued several orders under the Defence of India Rules for regulating the supply of various articles required for the Cotton Textile Industry. For purposes of easy reference, we give below a complete list of such Control Orders along with the dates on which they were issued :—

The Cotton Cloth and Yarn (Control) Order, 1945, issued on 21-7-1945 as amended up-to-date	} TEXT GIVEN IN PREVIOUS PAGES. Text on page xxxv
The Cotton Textiles (Control of Movement) Order, 1946, as amended up-to-date	
The Textile Industry (Control of Production) Order, 1945	
	Date
1. Bleaching Powder & Chlorine Control Order, 1945 ..	31-10-45
2. Chrome Compounds Control Order, 1945 ..	25-10-45
3. Colliery Control Order, 1944 ..	1-4-44
4. Control of Capital Issues ..	17-5-43
5. Cotton Cloth Movement Control Order, 1943. ..	23-10-43
6. Cotton Cloth & Yarn (Transport) Control Order, 1944. ..	29-4-44
7. Cotton Cloth & Yarn (Transmission by Post) Control Prohibition Order, 1944. ..	19-7-44
8. Cotton Movement Control Order, 1945. ..	22-9-45
9. Indian Cotton (Control) Order, 1945 ..	29-12-45
10. Cotton Textiles (Dyes & Chemicals) Control Order, 1945	14-7-45
11. Factories (Control of Dismantling) Ordinance, 1943. ..	15-9-43
12. Factories (Control of Dismantling) Ordinance, 1943— Rules Under. ..	6-11-43
13. Foreign Cotton Control Order, 1945 ..	11-8-45
14. Hides Movement (By Rail) Control Order, 1944. ..	27-3-44
15. Hydrosulphite of Soda Control Order, 1945. ..	4-8-45
16. Machine Tool Control Order, 1941. ..	15-2-41
17. Iron & Steel (Control of Distribution) Order, 1941. ..	1-8-41
18. Iron & Steel (Movement by Rail|Movement by Road & Rivers) Order, 1942. ..	17-12-42
19. The Textile Industry—(Miscellaneous Articles) Control Order, 1945. ..	4-8-45
20. Motor Vehicles Spare Parts Control Order, 1943. ..	22-9-43
21. Paper (Packing of Cotton Textiles) Control Order, 1943	12-6-43
22. Pipes Control Order, 1943. ..	25-11-42
23. Cotton Textiles Sizing and Filling Control Order, 1945	5-12-45
24. Starch Control Order, 1945. ..	4-8-45
25. Sulphate of Alumina Control Order, 1943. ..	19-4-43
26. Sulphuric Acid Control Order, 1942. ..	13-8-42
27. Zinc Chloride Control Order, 1945. ..	4-8-45
The Cotton Cloth & Yarn (Contracts) Ordinance 1944 Ordinance No. II of 1944—(In operation with regard to sales on and after the 15th August, 1943).	

Cloth & Yarn (Export Control) Order, 1945 & Cotton Textiles Fund Ordinance, 1944.

The Cotton Cloth and Yarn (Forward Contracts Prohibition) Order 1945 of 11-8-45.

The Government Contractors (Disposal of Cotton Textiles, Unused Materials and Rejected Stores) Order 1945 of 5-1-46.

We have given texts only of those Orders which are of considerable importance, in order to save paper.

NEW INDIGENOUS INDUSTRIES AUXILIARY TO THE TEXTILE INDUSTRY

The Textile Commissioner has been rendering assistance to indigenous manufacturers of mill machinery, spares, chemicals and mill-stores and priority assistance has been granted in the case of items which could not be manufactured in adequate quantities in India by Indian manufacturers. Amongst the industries which have received help of this kind may be mentioned—

1. HEALDS & REEDS INDUSTRY

The production of healds has gone up from 16,000 dozen in 1940 to 22,000 dozen in 1941 and 24,000 dozen in 1942. The production of reeds has gone up from 5,500 in 1940 to about 10,800 dozen in 1941 and still more during 1941-45.

There appears to be considerable possibility of increasing this production, if necessary imported raw materials can be obtained.

2. STARCH INDUSTRY

The Starch Factories have also received assistance. At present there are five important ones working in the country, and their monthly production amounts to about 1,500 tons. The acute shortage of food-grains has been a handicap in the way of successful running of this industry, as manufacture of starch from wheat is now not permitted, without a permit from the Starch Controller, who is the Textile Commissioner.

Prior to the introduction of the Size Control Order, in August 1942, which limits the amount of size that Cotton Mills are permitted to use, (generally 10 per cent of the weight of cotton in the cloth) enormous quantities of starch were consumed in India. This order has, however, reduced the consumption within the capacity of the starch industry. Incidentally, prices of maize and tapioca starch have been fixed.

3. SHUTTLE INDUSTRY

The Shuttle manufacturers in India found considerable difficulty in obtaining suitable timber for manufacture of shuttles. Imported timber was not available at all and endeavours have been made to manufacture shuttles from indigenous timber but the quality is not so good as that of imported shuttles. Still, it has answered the immediate needs of the industry, and it is hoped that the industry will develop slowly.

4. BOBBIN INDUSTRY

The Bobbin industry has also made some progress. The introduction of the Bobbin Control Order brought to light the information that

there are about 400 indigenous manufacturers of Textile Bobbins. This new indigenous industry has been of help to the industry during the present emergency.

5. Workshops and foundries for the manufacture of textile machinery and spares have also been helped in obtaining essential minimum supplies of iron, steel, coal, coke, etc.

Priority Assistance for all Supplies other than Cotton

The Textile Commissioner also renders help to the industry in obtaining its various requirements, like coal, cement, dyes, lubricating oils, etc. Assistance is also rendered to mills in obtaining priority for transportation of cotton goods, yarn and other materials. For purposes of railway transport, the country has been placed under the jurisdiction of Regional Controllers of Railway Priorities. Thus, Mr. K. J. McNeill is the Regional Controller of Railway Priorities in Bombay, and his jurisdiction is over the area served principally by the G. I. P. and B. B. & C. I. Railways.

The authority for issuing Railway Permits is the Regional Controller of the area in which goods are to be received, and not the area from which the goods are to be despatched.

GOVERNMENT OF INDIA, DEPARTMENT OF INDUSTRIES & CIVIL SUPPLIES, NEW DELHI, THE 11TH AUG. 1945.

No. 74 (1)-TB/45.—In exercise of the powers conferred by sub-rule (2) of rule 81 of the Defence of India Rules, the Central Government is pleased to make the following Order, namely :—

1. (1) This Order may be called the “Textile Industry (Control of Production) Order, 1945.”*

(2) It shall extend to the whole of British India.

(3) It shall come into force on the 11th August 1945.

2. In this Order, unless there is anything repugnant in the subject or context—

(a) ‘producer’ means a person engaged in the production by power of cloth or yarn or both; and the term “power” shall have the meaning attributed to it by Section 2(f) of the Factories Act, 1934;

(b) ‘utility cloth’ means cloth described in Schedule B;

(c) the expressions ‘cloth’, ‘yarn’ and ‘Textile Commissioner’ shall have the meanings respectively attributed to them in the Cotton Cloth and Yarn (Control) Order, 1943.

3. (1) No producer shall produce yarn of counts larger in number than the number of counts specified in column (2) of Schedule A for a plant of the size of his spinning plant.

Provided that for the purposes of this clause—

(a) the same count of warp and weft yarn produced from the same mixing shall be deemed to be one count;

(b) where the producer’s plant is laid out in two or more different sections for different classes of work, that is to say for coarse yarn and

* Verbatim reproduction of the order promulgated in May 1945.

fine yarns with combers, each such section shall be deemed to be a separate plant ;

(c) where any part of the spinning plant is employed exclusively for the performance of any contract with the Crown such part shall if the producer so elects be deemed not to form a part of the plant and nothing in this clause shall apply in relation to the production of any yarn in pursuance of such contract ; and the producer shall be deemed to have employed a part of the plant exclusively for the performance of any such contract where it is employed for the production of yarn for being supplied to any person under contract with the Crown to utilise such yarn for the production of any article for sale to the Crown and the producer has submitted to the Textile Commissioner a report in writing stating the quantity, counts, period of delivery and the consignee of such yarn and the number of spindles employed and the period requisite for the production of such yarn.

(2) Nothing in this clause shall apply to the production by a producer on a waste spinning plant of waste yarn's of 6s or coarser.

4. No producer shall in any month utilise less than 90 per cent of his entire weaving energy as expressed in loom-hours for the production of utility cloth :

Provided that in determining the entire weaving energy for the purposes of this clause the loom-hour employed for the production of cloth in performance of any contract with the Crown, and the loom-hours of looms specially designed for the production of Terry and Turkish towels, cotton blankets, tapes and of small-ware looms not exceeding 22" in reed-space, shall be excluded.

5. (1) No producer shall use folded yarn either in warp or in weft in the production of any cloth ;

(2) nothing in this clause shall apply in relation to—

(a) the use of folded yarn in borders of sarees and dhoties and in selvages in other cases ; and

(b) the use of yarn of 2|22s or coarser in coatings other than utility cloth or in Terry in Turkish Towels or in Tapestry.

6. No producer shall produce any cloth with a border whether plain, dobby or jacquard exceeding 2" in width.

7. The Textile Commissioner may, by an Order in writing, require any producer to utilise such part of the producer's weaving energy as may be specified in the Order for the production of sarees and dhoties and the producer shall comply with such Order.

8. No producer shall produce cloth of more than three varieties ; provided that if he has more than 100 looms, he may produce cloth of 3 additional varieties for every additional 100 looms in his possession.

For the purposes of this clause, cloth shall be deemed to be of the same variety if it is woven in the same counts of yarn in warp and weft and in the same reed and pick notwithstanding that it is woven in different widths and patterns.

9. No producer shall in any month produce new varieties in excess of the number represented by 1 per cent of the looms in his possession.

10. The Textile Commissioner may, by a special or general order and subject to such conditions as may be specified therein, wholly or partially exempt any producer or class of producers from the operation of all or any of the provisions of this Order.

11. (1) The Textile Commissioner may with a view to securing compliance with this Order—

(a) require any person to give any information in his possession with respect to any business carried on by that or any other person;

(b) inspect or cause to be inspected any books or other documents belonging to or under the control of any person;

(c) enter and search, or authorise any person to enter and search any premises, and seize, or authorise any person to seize any cloth or yarn in respect of which he has reason to believe that a contravention of this Order has been committed.

(2) Every producer shall submit to the Textile Commissioner returns in such form and at such time as the Textile Commissioner may prescribe by notification in the *Gazette of India*.

SCHEDULE A

Maximum Number of Counts of yarn which a producer may produce :

Size of plant, with reference to the numbers of spindles installed and in working order. 1	Number of counts of yarn. 2
1	10,000
10,001	20,000
20,001	30,000
30,001	40,000
40,001	50,000
For every additional 10,000 spindles or part thereof.	1

SCHEDULE B

'Unity cloth' means cloth—

(a) of the following varieties, that is to say :—

- (i) Dhories ;
- (ii) Sarees (printed included) ;
- (iii) Longcloth, Sheetings, Chaddars and Domestics, Grey and Bleached (Printed Chhintz included) ;
- (iv) Shirtings including Cellular Shirtings Grey, bleached striped and checked ;
- (v) Voiles and Mulls (not made from hard twisted or over twisted yarn—printed Voiles included) ;
- (vi) Drills and Twills ;
- (vii) Tussorees and Coatings, including coatings from cotton dyed warp or weft, all from single yarn ;
- (viii) Towels, grey and bleached, with not more than 5 per cent coloured yarn ; and

(b) which complies with the specifications prescribed below :—

Reeds and Picks for Utility Cloths in all Types of Weave

1. The number of warp threads per inch and picks per inch in the grey cloth for various counts of yarn used shall not be higher than those indicated in the Table below ;

2. The maximum reed in which a cloth may be woven will be determined by taking as an indicator the average of the warp and the weft counts and referring to the Table below ;

3. In the case of odd number counts, the reed for the next higher count shall be taken.

Average of warp and weft counts.	Maximum reed allowed.	Number of warp threads per inch in woven grey cloth.	Maximum number of picks per inch allowed for any count of weft used.
1	2	3	4
6's	28	32	28
8's	32	36	32
10's	36	40	36
12's	40	44	40
14's	44	48	44
16's	46	50	46
18's	48	52	48
20's	52	56	52
22's	52	56	52
24's	52	56	52
26's	54	58	54
28's	54	58	54
30's	56	60	56
32's	58	62	58
34's	60	64	60
36's	62	66	62
38's	64	68	64
40's	66	70	66
42's	68	72	68
44's	68	72	68
46's	68	72	68
48's	68	72	68
50's	70	74	70
52's	70	74	70
54's	72	76	72
56's	72	76	72
58's	72	76	72
60's	72	76	72
64's	72	76	72
68's	72	76	72
72's	74	78	74
76's	76	82	76
80's	78	84	78
85's	78	84	78

Notes.—For all counts the maximum reed specified in column 2 may be increased provided a corresponding reduction is made in the number of picks per inch.

Exceptions.—(a) 3 and 4 shaft drills. The same reed counts will be permitted drawing in 3 or 4 in a dent as the case may be, but the maximum pick will be the maximum pick permitted as for plain weave with this reed.

Example.—4 shaft drill AV. counts 14's, 44 reed, 4 in a dent—88 reed, maximum pick will be 44.

(b) In the case of Poplins and shirtings with single yarn (other than selvedge) made from imported cotton, carded or combed and made in counts 35s to 50s warp, the reed shall not exceed the maximum number of 96 per inch and the pick 56 per inch in the grey cloth. The weft count must be in the same range of counts.

(c) 2½ Twills. The number of warp threads in the reed may be increased up to 50 per cent provided the total number of threads per inch in the weft is not higher than for a plain weave cloth as determined above.

TABLE NO. 22

Total Production of Mill-made cotton cloth and yarn for calendar years from 1938 to 1944.
(000's omitted.)

Period.	Total All-India Production of		
	Yarn.	Cloth.	
	Lbs.	Lbs.	Yds.
1	2	3	4
1938	1,286,035	920,834	4,303,879
1939	1,264,010	899,661	4,113,547
1940	1,274,515	921,773	4,091,446
1941	1,537,811	1,087,138	4,530,678
1942	1,528,784	1,041,419	4,024,373
1943	1,670,075	1,175,137	4,715,255
1944	1,622,923	1,186,839	4,811,357
1945 (Ten months upto October)	1,352,313	990,857	3,910,915

Notes.—Data in respect of the years 1938 to 1944 are as published by the Director-General of Commercial Intelligence and Statistics, Calcutta. Since January 1945, the figures are as collected by the Textile Commissioner.

TABLE NO. 23

Statement showing the supply position of Cloth for Civil Consumption in India in bales during the twelve months ending June 1945.*
(One bale of cloth = 1,500 yards on an average.)

COTTON INDUSTRY AT A GLANCE

Geographical divisions as defined in the Cotton Cloth Movements Control Order, 1943.																	
Serial No.	Item	Total.															
		Bombay Surplus Area	India States Surplus Area	Sind Deficit Zone.	Baluchistan Deficit Zone	Punjab Deficit Zone (including Delhi)	N. W. P. Deficit Zone.	U. P. Deficit Zone.	Bihar Deficit Zone.	Bengal Deficit Zone.	Assam Deficit Zone.	Orissa Deficit Zone.	C. P. Deficit Zone.	South Deficit Zone.	Hyderabad Deficit Zone.	Rajputana Deficit Zone.	Total.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	Cloth available for internal consumption of Civil population during the twelve months ending June 1945 ...	467,609		78,207		586,755		385,310	225,980		489,074		66,755	156,403	578,662	152,164	3,186,879
2	Requirements during the twelve months in bales of 1,500 yds. (This figure is the theoretical quantity of cloth that each Zone is entitled to based on allocation per head per annum) ...	386,120		52,456		536,592		375,640	242,267		483,414		108,713	163,408	541,134	181,168	3,070,912
3	Surplus (+) or deficit (-) (i.e. cloth available in excess of or less than the requirements respectively) for the twelve months ...	+81,489		+25,751		+50,163		+9,670	-16,287		+5,660		-41,958	-7,005	+37,488	-29,004	+115,967

* Compiled by the Textile Commissioner.

THE INDIAN COTTON TEXTILE INDUSTRY— (1945-46 ANNUAL)

(A Review of the Industry in India, during 1945-46)

Editor : M. P. GANDHI

Introductory

The year 1945 is an important milestone in human history. Not only did it see the end of a great global war, but it also ushered in a new era. When the Germans sued for peace on 7th May 1945, the curtain of peace had not been rung down on the world. It was only on 14th August 1945, that fighting all over the world came to an end with the surrender of Japan. Perhaps no other war of similar proportions in history has been marked by such a short spell of relief even mentally. For no sooner had the victors gained the victory than came a host of problems, the strain of which statesmanship is ill able to bear. Almost a year has passed, but the nations are still groping for real peace. In the case of the last war in 1918, democracy won the war but lost the peace. It is still to be proved that in this respect history is not repeating itself. The atom bomb has vastly added to the complications and might be a power for good or evil depending upon the fundamental moral and good sense of the Big Three. One effect of this pre-occupation with the political aspect of forging a new weapon for peace is that economic problems are starved of attention. The war-torn economies of nations are crying aloud for regeneration and so far the transition to peace has been a most painful affair in all countries, what with strikes, bottlenecks in production, shortage of transport, etc. World economy is struggling to get on its feet again, but at the moment it has little more than managed to crawl on its shins.

These observations have special relevance to the textile industry on two counts. First, the industry was harnessed almost entirely to the war effort, as few others have been, and in the process inevitably depreciated its capital equipment to a considerable degree, in many cases bordering on breakdown. Secondly, the world industrial situation which has been characterised by a colossal shortage of textile production in almost all countries, invests the position of the Indian cotton textile industry with a unique significance. But in India itself, cloth shortage is still acute and the indigenous industry is hardly in a position to take advantage of world conditions to advance its prosperity. Nor would it be proper perhaps to do so, seeing that the needs of the home markets should have paramountcy. We merely refer to the question to emphasize the dilemma which is facing the industry and which is reflected in the steadily increasing measure of exports of textiles from this country, notwithstanding the shortage within the country.

So far as the consumer in India was concerned, the year 1945 may be said to have provided a slight, almost imperceptible, degree of relief. All the steps taken to rationalise and thereby increase production did not produce much extra cloth over the output of the previous year, for reasons which would be discussed at length below. The reduction in the needs of the Defence Department was not much and what there was by way of relief in this direction was cancelled by the larger quantum of exports. Although the Hydari Mission gave hopes of reduced exports and of increased production from facilities for importing mill stores etc. nothing actually materialised. So far as production went, the *status quo* was more or less maintained. Relief to the consumer had therefore to come from the distribution side. The control was modified during the year to ensure better distribution in co-operation with the provinces and States and since the third quarter of 1945, there has been some abatement in the cry against shortage of cloth. Price-wise, 1945 witnessed only two reductions and even those did not go far enough. Any improvement there has been, should be deemed to be more psychological than material. People heaved a sigh of relief when the war came to an end; and the awareness of the difficulties attending cloth production was tempered with a hope that somehow in a few months relief from fresh supplies would make itself felt. The tendency to go to the black market became less. The consumer, about the turn of the year, was inclined to hope more and more for foreign supplies or at least increased domestic supplies. While thus there was a weakening in the rush-and-buy-at-any-cost attitude, the cloth traders were no longer addicted to hoarding on the same scale as before, partly because of better distribution and partly owing to the apprehension that imports might come in any time and upset their apple cart. The cumulative operation of all these forces has resulted in whatever improvement there has been, though no one can dispute that it is still very meagre. The expansion of handloom production, albeit small, was also a helpful factor in this connection.

New Forces—New Perspectives

The *modus operandi* and the effects of textile control have no longer the same interest or significance, although on a short term view these will affect the consumer for some time. As in the previous *Annuals*, the changes in this respect are given in detail in the succeeding pages. We would however point out that the absorbing interest of textile problems today lies not so much in the existing operation of control as in the future of the industry as a whole. For the industry has to content itself with not only the immediate questions of supply and distribution, but has to cast its eyes farther afield to the not so distant future when competition from other fibres, synthetic and otherwise, will arise. An entire chapter has been devoted to these competitors of cotton and it will be clear therefrom that rayon and others are going to put up a stiff fight to oust cotton textiles from their present position in the clothing map of the world. The danger is very real, especially as rayon producers are not sparing anything to push their manufactures in world markets. In addition to the competition from synthetic fibres, the textile industry has to reckon with the possibility of intensified competition from other producers of cotton textiles. Lancashire and

Manchester will not always be depressed as now; Japan and China will not for ever be prostrate. There must come a time when the very extent of the existing shortage will give rise to a number of producers vying with each other to cater to world demand. The dependence of the Indian industry for its supplies of capital equipment, which it badly needs, almost entirely upon British manufacturers carries with it an automatic limitation to the progress which the industry can achieve for some time. Hence the need becomes all the greater for setting up suitable capital goods industry in this country which will lessen the dependence upon foreign sources and which will help in the early renovation of the existing equipment in the mills. In other words, everything conspires to turn our eyes to the future. It is in that view that we have sought to give a fresh orientation to the present *Annual* so that all these problems are placed in and viewed from a proper perspective. It is not claimed that these problems have necessarily become urgent. It has only been thought that it is wiser to plan from now on and to anticipate the trends of the coming years.

Financial Position

In this connection, one recalls with unmitigated satisfaction the fact that the industry on the financial side has made vast strides of progress during the war period. It may be recalled that the end of the last war saw the collapse of so many businesses and when one considers the number of cotton mill companies that were forced into liquidation by having to dispose of their assets at a fraction of their real value, it will be admitted what a vast change has come over the industry. Not only have shareholders been able to reap a rich harvest of dividends during the war years nearly making up the losses of the depression years, but the companies themselves have in most cases been able to strengthen their finances by impressive additions to the depreciation fund and to reserves. The cases where the shareholders were pampered at the expense of the intrinsic welfare of the company as a whole can be counted on one's hand. They deserve no sympathy nor need we consider them here. The amounts set aside out of earnings and the refunds of taxes to be made by Government have together placed most companies in a sound financial position. Latterly, the trend of mill earnings has been broadly downwards, which was only to be expected in view of the still steady cost of production and the diminishing war orders. Nevertheless, the mills can contemplate the future, uncertain as it might be, with a degree of confidence which they lacked after the first world war. Unlike other industries, there is no serious problem posed by the transition from war to Peace. Save for its wear and tear, the machinery can turn out goods for the civil population with the same ease as for military needs. The technicians and marketing staff have already been engaged in drawing up careful plans for post-war requirements. The problem is not merely one of replacing worn-out machinery by the latest type. The problem is to ensure that the machinery in each section is balanced with that in all the other sections, so that maximum production combined with flexibility can be assured. A bright beacon which reassures the industry is the fact that Japan whose industry did all the damage on the last occasion is now reduced to absolute beggary for the moment. It would

be difficult indeed for the Japs to make any headway for years to come under the MacArthur regime. Reports from Japan testify to the fact that Japan is not having even a tenth of her former spindles and looms. It may also be added that the days when our industry had to face State subsidised competition are definitely over, and hereafter competition would be conducted on commercial lines and to that extent can and must needs be less fruitful.

With this introduction, we pass on to a survey of the developments in the past year (1945-46).

Production Control

In April 1945, grave concern was felt in official circles at the increasing outcry against control from the public. The failure of distribution aggravated the prevailing shortage, and the authorities concerned were actively exploring all means of increasing production in terms of yardage, with the existing plant. The only absolute solution for the difficulties in the cloth trade was to produce more cloth, which was dependent upon either more machinery or fewer stoppages or both. Neither of these conditions could be fulfilled for well-known reasons. It had become obvious that coal could be saved by curtailing the manufacture of styles requiring excessive finishes—bleaching, dyeing, mercerising, etc. and using the coal so released for the manufacture of yarn or grey cloth. This implies sacrifices by the bleaching and dyeing trade. Besides, ceiling prices had been very much in favour of these luxury cloths and a schedule of revised prices was introduced so as to discourage the production of luxury varieties. Then the Textile Control Board investigated the possibilities of rationalisation and on the advice of the Industry Committee and Rationalisation and Standardisation Committee, the utility cloth scheme was introduced. In the last *Annual*, we could make only a brief reference to it. In spite of the fact that the utility cloth scheme has been substantially modified lately, it would be worthwhile to record here the main features of the scheme, which are as follows:—

(1) Mills are restricted to spin only a limited number of counts according to the number of spindles installed; (2) mills are required to set apart 90 per cent of their looms for the production of "utility cloth"; (3) mills were required, at the request of the Chairman of the Textile Control Board, to set apart 50 per cent of their maximum capacity in all widths of looms from 48" to 58", both inclusive, for the production of dhoties and saris; (4) mills are restricted to manufacture at one time not more than three sorts per 100 looms per month which include both "utility" and "non-utility" cloths; and (5) mills are not permitted to change more than one sort per 100 looms per month. (6) The "utility" cloth will consist of the following eight varieties; (a) dhotis, (b) saris (printed included), (c) longcloth, sheetings, chaddars and domestics, grey and bleached (printed chhintz included), (d) shirting, including cellular shirtings, grey, bleached, striped and checked, (e) voiles and mulls (printed included), (f) drills and twills, (g) tussorees and coatings all from single yarn, (h) towels, grey and bleached, with not more than 5 per cent, colour yarn. All these varieties may be manufactured in grey, scoured, bleached, dyed,

printed and mercerised state. Inasmuch as, however, the profit margins for all these processings had been substantially cut, it was believed that there will be a considerable fall in the output of dyed, printed and mercerised goods. (7) To ensure the best use of all yarns woven by mills into cloth, no mill was permitted to manufacture any "utility cloth", the maximum density of which exceeds the prescribed scales. Under these scales, there can be no "utility cloth" over 85s. The effect of this provision will be that the quality of production of all the mills will tend to be almost the same.

In making its recommendations, the Industry Committee also made an appeal to every millowner to increase the production of cloth and of yarn to the utmost capacity and by all possible means such as (a) working longer hours, (b) changing on as few occasions as possible the spinning preparations, and (c) reorganising their spinning sections. At the same time, an appeal was made to the Government to realise that the insuperable difficulty in the way of increased production is the supply of coal and/or electricity which must be removed at all costs; that every facility should also be provided for housing labour, to enable the mills to work longer hours, for quick transport of cotton and of manufactured goods from the mills to the consumers; for adequate and regular supplies of mill stores, spare parts, etc. It also recommended that the whole of the distributive machinery should be under the control of the Textile Commissioner. In a resolution tabled by the Committee, it stated that (1) "Government must insist on provincial and State Governments to control distribution properly and in accordance with principles laid down by the Textile Control Board, (2) exports of cloth and yarn be completely stopped, (3) the Supply Department must alter its specifications so that wherever possible other fibres in place of cotton may be used, (4) no cloth of any quality better than that made in India should be imported.

Utility Scheme Modified

Some of these recommendations which were adopted more or less *in toto* by the Board have been considerably modified owing to the end of the war. The effect of the Textile Industry (Rationalisation of Production) Order, 1945, which was promulgated by the Textile Commissioner was to earmark 90 per cent of the civilian production capacity of the mills for the manufacture of the utility cloth. The full text of the order is given elsewhere. At this point, we may make a brief reference to a part of a speech which the Chairman of the Textile Control Board made in April 1945, as if in reply to the criticisms made in these and other columns. He said, "it is often pointed out that mills are manufacturing too many varieties of cloth, perhaps as a result of a Tariff Board recommendation that Indian mills must diversify production, if they wished to exist in normal times. The position is not as bad as would appear from the list of cloth ceiling prices. There are not as many different sorts being manufactured at one time as would appear to be the case. There is however room to rationalise and to materially reduce the number of counts of yarn and number of qualities of cloth each mill shall manufacture. India is a continent with many different communities living under differing climatic conditions,

and the 400 million people cannot and will not wear one standard type of clothing. There is a suggestion that the whole country should be asked to buy only unbleached, undyed grey cloth. But, in the opinion of the industry, such a degree of austerity would not materially increase the total cloth and is both unnecessary and very undesirable. The necessary amount of cloth which is required, bleached or dyed or printed should continue to be supplied by the mills in that form for these communities which have clothed themselves in this type of cloth for centuries past."

At the same time, in a communication to the Government, the Chairman demanded an assurance from the Government in regard to imports of cloth from abroad, while Indian mills were engaged in the production of utility cloth. He said, under the utility cloth scheme, mills in India are precluded from manufacturing certain kinds of high pick qualities specified under the term "luxury". Some of the mills have in the past few years, as a result of recommendations made by the various Tariff Boards, diversified their production to a large extent. They have spent huge sums of money on producing qualities of cloth which can match and in many cases replace imported cloth. It is therefore imperative that the Government of India should give an undertaking that no imports of cloth superior to those manufactured by mills in India under the scheme will be permitted. It will be conceded that this request of the industry is reasonable."

1945 Supply Position

The rationalisation was expected to bring about an increase of 400 million yards in the output of cloth. On that basis and as a result of the Hydari Mission which was expected to effect a cut of 200 million yards in exports and in supplies to the Defence Services, the cloth supply position for 1946 was looked forward to in an extremely hopeful spirit. Unfortunately, all these calculations went wrong as we shall see presently. The 1945 supply position was indicated by Mr. Krishnaraj M. D. Thackersey in a statement to the press as follows: Based on the figures of surplus yarn available for extra factory consumption, it is estimated that the quantity of cloth produced on small powerlooms and handlooms amounts to about 1,500 million yards. The total cloth production in India in 1945 was therefore 6,300 million yards as against the estimated pre-war supply of 6,600 million yards (including 600 million yards imported). If this 6,300 million yards are available for distribution in the country to the population, the *per capita* distribution will work out at 15.75 yards. However, as out of this 6,300 million yards, 750 million yards were being supplied to the Defence Services (this was reduced in the last quarter of the year), Government were utilising 100 million yards and exports remained at 600 million yards, the net quantity available for civilian consumption was only 4,800 million yards which gave 12 yards per head per annum. It is interesting to note here that the Chairman estimated the potential consumption at 25 yards per head. It is needless to add, lest there be a misconstruction of this figure, that this is the consumption of a part of the population, inevitably at the expense of many others. Another way of looking at it would be that the country today will consume 25 yards per head per

annum, as against about 15 yards per head before the war. Readers may derive their own conclusions from this.

Distribution on all-India Basis

The recommendations concerning the distribution scheme were partly put into effect in the last quarter of the year. The quota system was amended in favour of distribution on an all-India basis. Provincial Governments took a more active interest in the drawing up of the distribution scheme and by September, in a province like U.P. the Government had undertaken the work of distributing the entire production and all cloth frozen with the mills. Just prior to this, there were reports of heavy accumulation of stocks in certain centres while in others, no stock was received for periods of over three months in some cases. The distribution in the semi-wholesale and retail stages, that part which comes under the control of provinces and States, caused considerable heart burning in the trade. Charges of nepotism, victimisation and of imposing additional financial burdens in the shape of licencing fees, deposits, etc. were laid at the door of the local authorities. Meanwhile, the consumer was grouching against insufficient and irregular supplies. These drawbacks were entirely due to administrative mishandling. It is no easy task to cut across the ordinary distribution channels which have been in existence for decades and to authorise provincial cloth dealers to buy direct from producing centres with suitable permits, when transport was such a serious bottleneck. Still it will perhaps be conceded that latterly distribution has been better and supplies have been coming rather freely though only in dribblets. In his speech to the Textile Control Board, Mr. Thackersey went to the length of suggesting that a directive should be issued to all Provincial Governments and States that cloth and yarn now in the possession of wholesale dealers should be automatically free for sale after it had been in their possession for a month.

Revised Quotas to Provinces

At a conference of provincial textile controllers and representatives of States held in Bombay in the first week of September 1945, it was represented that the quotas of cloth and yarn to the provinces should be revised in the upward direction. The broad basis of allotment remains the same as the one noticed in the last *Annual* with the following difference. The Textile Commissioner sent extra supplies to provinces like Bengal, Madras and others whenever an acute stage had been reached. It will be remembered that the provinces of Madras, U.P., Bengal and the States near them had been getting on the basis of ten yards *per capita*, which was a very low figure. By contrast, provinces like Bombay and Punjab were receiving a high allotment based at 18 yards *per capita*. The feeling was therefore very strong that a higher allotment to the Cinderella provinces was no more than bare justice and accordingly a revised scheme of quotas was put through with effect from October 1945. About the time of *Diwali*, special arrangements were also made to rush a special consignment of supplies to the deficit provinces, all of which therefore had some effect in easing the situation. It was generally believed that the extra allotment of quotas

under the new scheme was made possible by the improvement in the overall supply of cloth in the country as a result of a number of factors. While the consumption of yarn by the mills increased after the introduction of rationalisation, the supply of yarn to the handloom industry deteriorated.

Price Reductions—Less Scope

After February 1945, there was no important reduction in prices of cloth except such reduction as was made necessary by the introduction of rationalisation. The Textile Control Board at its meeting held towards the end of October adopted the suggestion of the Industry Committee to effect a further cut in the ceiling prices of cloth and yarn from 1st November 1945. The reduction applied to all grey pieces of cloth and amounted to two annas in the rupee on very coarse cloth made from Indian cotton, one and half annas in the rupee on coarse cloth made from Indian cotton, one anna in the rupee on medium counts of cloth made from Indian cotton, three-fourth anna in the rupee on cloth made from African cotton and quarter of anna in the rupee on all cloth made from Egyptian cotton. The reduction in the case of yarn worked out at 10 annas per 10-pound bundle on counts ranging from 4s. to 15s., and eight annas per bundle on all other counts. The Chairman had stated at the time that "the question of any further reduction in prices of both cloth and yarn is entirely dependent on the taxation policy of Government. . . . It is time now for the Government of India to announce their intention in this respect (taxation) so that the over burdened industries in the country may know where they stand."

We are aware that textile profits have begun to decline, particularly in respect of those mills which manufacture coarse and medium varieties out of short staple cotton. The price of the latter has shot up greatly as a result of the very favourable statistical position (which is reviewed at length in another chapter). The scope for reduction is therefore less in the case of such mills than in the case of mills which turn out finer cloth. Indeed, there has all along been a complaint that the margin of profit on goods manufactured from foreign cotton is more than double that on goods manufactured from Indian cotton. The charge has been refuted by official spokesmen, but as the charge has been reaffirmed with equal stress by knowledgeable persons in the trade, the position is rather intriguing. We can however conceive of the possibility of fine cloth fetching a higher margin of profit if only for the reason that there has been no such increase in the price of the raw material as in the case of Indian cotton varieties. In spite of the seven successive reductions in prices, cloth prices are still double the pre-war prices and even making allowance for the undoubted rise in costs of production, it would be difficult to rebut the charge of profiteering laid by the consumer at the door of the industrialist.

Control to continue

Towards the close of 1945, there was a clamour from all sections of the country for a complete sweep away of control and restoration to a pre-war basis. Such responsible commercial bodies like the U.P.

and S. I. Chamber of Commerce joined in the demand for a large relaxation of control over the industry and the trade. A few people pressed for reduction of prices, removal of utility cloth scheme and of all restrictions of movement of manufactures. Much of the clamour was ill advised and proceeded from wishful thinking or inadequate appreciation of the chaos that would undoubtedly follow if at such a crucial stage, control were to be lifted bag and baggage. The Textile Control Board considered all the suggestions and rightly decided that though the war was over, the conditions, which required the imposition of control, had not undergone any material change. Mr. Thackersey however held out the hope that it might be possible to relax control measures in a gradual manner with the beginning of 1946. He expressed the view that though it may be necessary to continue the price control for some time, "the time is not distant when we shall be in a position to lift the control on the distribution side, because whatever may be the machinery of Government for control and howsoever successful it may be from the point of production and equitable allocation of quotas to the various provinces and States on population basis, it is admitted on all hands that freer movement and lesser control over distribution within the provinces will make available to the community, large cloth in a much easier manner than now". We are in entire agreement with this view. The ultimate end of distribution is that there should be no machinery of distribution. There should only be the flow of goods from the supplier to the consumer. It is to be hoped that as the year progresses this stage will be reached with advantage to the consumer and relief to the authorities from criticism.

Transport is half the solution to the distribution problem. Unfortunately, the end of the war has not eased the transport position appreciably owing to lack of wagons and rolling stocks. It is only a question however before imports of these are effected. Mr. Thackersey at the last meeting in October, 1945, put in a special plea for the relaxation of transport control. He said, "now that the war has ended, I do hope it will be possible for Government to arrange for the freer movement of cotton and cotton piecegoods from one place to another and in certain instances back-railing as well. Unless adequate and regular supplies of the suitable types of cotton are assured to the industry, it will be difficult for production to be maintained. To quote one instance, owing to failure of cotton to move freely from one area to another and to the exorbitantly high transport charges, certain areas, notably South India, have not been able to obtain cotton at the same prices as the rest of India. The situation, in my opinion, can only be ameliorated if Government restores the free movement of cotton from one area to another and take immediate action to (a) remove the penalty freights equalising rail freight on cotton with steamer freights; (b) restore the special rates of rail freights on cotton; and (c) where cotton cannot move except by sea, to arrange for reasonable freights to be charged. In addition, the same or other, restrictions imposed on the free movement of cotton piecegoods and yarn should also be relaxed."

Exports—Weapon of Barter

The Government of India have raised the annual export quota for cotton piecegoods to 500 million yards per annum. Last year, Sir Akbar Hydari after the return of his Mission from London had promised that the quota for 1946 would be fixed only at 400 million yards as against 540 million yards per annum in the latter half of 1945. Owing to the exigencies of cloth requirements of countries like Burma, Siam and China, His Majesty's Government were reported to have brought pressure to bear upon the Government of India in order to raise the export quota to 500 million yards. The textile supply position in Europe, Middle East, and the Far East countries is very acute and India's help is badly needed. It was even stated in a section of the press that H. M. G. used the Burma market for Indian goods as a bargaining counter for forcing India to export more cloth. Whatever that may be, it is a fact that India has been given a substantial export quota in Burma and 35 million yards of cloth have already been supplied to that country. 10 million yards of cloth are to be shipped from India to Siam to relieve the acute shortage in that country. It appears that this is in return for a considerable quantity of rice which is expected to be spared to India from Siam's surplus. The exact quantity of rice which India will get in return for sending cloth will however be decided only by the Combined Food Board in Washington !

India thus gets valuable foodstuffs and in procuring them our precious cloth is a valuable bargaining weapon. Lest there be any misunderstanding, it may be stated here that this supply to Siam will not much affect the cloth position in India as the exported varieties are mostly items not much in demand in the Indian market. For instance, about 5½ million yards are to be used for mosquito curtains while the rest is coarse shirting cloth. Moreover, such exports are intended, it seems, for the agriculturists in Siam whose goodwill might be useful to our country. Siam also wants cotton blankets numbering about 500,000 and the Anglo-Thai Corporation is arranging these exports from India. A Reuter message from Shanghai stated sometime ago that the Government of India have decided to export large quantities of piecegoods to China as part of the export drive. As a first step, it was stated, a large shipment of surplus cotton piecegoods will be sent, to be sold at prices only a quarter of the quotations in Shanghai. The shipment will include coarse and fine cloth, drill and other fabrics. According to the Commercial News Agency "United Credit Information Bureau", export merchants in India have telegraphed their agents in Shanghai to be prepared to handle the cargo, and 30 export houses in China were said to have completed arrangements to make the cheap sale a success. It is not clear why the Indian exporter should not take advantage of the inflationary conditions obtaining in China when in fact American and British manufacturers are selling their goods at prices which ensure a very high margin of profit owing to the abnormal inflation in China. It is to be hoped that China will reciprocate this attitude on the part of India. China manufactures goods like electric batteries, silk, etc. which it can supply to India.

In this connection, it may be noticed that the Government of India have revised their attitude towards the exports of cloth to the

Middle East countries. Uptill recently, the understanding between the Government of India and the Governments of these countries was that the latter should undertake to ensure that consumers in those territories obtain the full advantage of the controlled prices at which alone exporters from India were allowed to sell the cloth. The object of such a control was that the public in those countries should understand that India was not exploiting the scarcity conditions to exact a high price for its manufactures, thus earning a measure of goodwill in those countries for the Indian industry. This laudable motive has however been completely foiled by the monstrous profiteering indulged in by the merchants in those countries, with the full connivance of the administrations. Such abuse of the facility offered by India has naturally, and rightly in our opinion, compelled the Government of India to decide in consultation with the control authorities here that control of prices on exports to Iran, Iraq, Syria, Palestine and Abyssinia may be lifted. Thus manufacturers and exporters of cloth to these countries can take the maximum advantage of the high prices obtaining in those countries.

Should India Export ?

In view of the still acute cloth shortage in India, the desirability of exporting from our limited supplies is questioned in some circles. It is pointed out that charity begins at home and that the interests of the Indian consumer should have the first consideration. The logic of this position cannot be denied. But one may also notice the opposite school of thought which believes that the present opportunity to develop our export trade is too good to be missed. After all, it is said, India exports only 500 million yards which is a mere fraction of the total production of 6,300 million yards. Further, these exports are ordinarily only under items other than piecegoods which this country can spare without much difficulty. The extreme attitude towards exports was exemplified by the views of Sir Victor Sassoon in an interview to the press last year (1945). In his view, "India should build up an export market for her cotton textiles, taking advantage of the present world demand, even if this necessitates her importing textile goods from abroad, because export markets cannot be acquired at a later date if the present opportunity is missed". He added, "there is also going to be an unsatisfied demand outside India. I would prefer to see India importing such cloth as she can for sale in the country and exporting such cloth as will find a foreign market. I would like this opportunity to be seized to build up our export market because, speaking from a national selfish point of view, it is very much easier to stop imports whenever necessary than to find an export market. You cannot create an export market when you want it. You have to exploit the present opportunities to build up goodwill. India has to establish reputation for her textiles so that she may be able to capture and retain markets which used to be served by Japanese manufacturers". We refrain from passing any judgment on these views, except to observe that the correct policy is probably the mean of these opposite views. There is no point in throwing away completely our export trade when such a small part of our total production enables India to build up an impressive amount of goodwill in other countries,

apart from the purely commercial aspect of the advantages resulting from the development of such exports. Who knows but that the connections now effected through exports of cloth may stand the country in good stead in the years to come when Indian production expands as a result of new mills and of encouragement to the already fast developing handloom industry? The quality of our handloom products is so exquisite, and good, that their export to other countries will beget gratitude.

Post-war Planning

As in the case of other industries, the Government of India have appointed a Textile Panel to investigate the question of how the industry should expand in the future. However acute may be the cloth position today, it is obvious that uncontrolled and unregulated development would not be conducive to the good of the industry. In fact, all over the world, industries are being regulated in the light of the war experience, particularly in view of the considerations like vulnerability to aerial attack, suitable dispersals, etc. The Textile Panel submitted its preliminary report, and some of its recommendations may be noticed here. The Committee recommends a target of 7,200 million yards being reached by the mill industry in the first five years after the war. (*Vide* our recommendation on page 64 of the 1944 *Annual* recommending a target of 7,200 million yards.) Conscious however that this level of production may not be easily reached for some time in view of the special difficulties of this transitional period, the Panel has recommended a smaller target of 6,500 million yards per annum for mill production in the immediate future. The Committee planned on the basis of a *per capita* consumption of 18 yards including both mill made and handloom cloth on an All-India basis, assuming a population of 400 millions. It has apparently taken the production of the handloom industry at the conservative figure of 1,500 million yards, partly because of the uncertainties attending handlooms and partly because the target for the handloom industry is a matter to be determined by the All-India Handloom Board. If the handloom production should reach 2,000 million yards as it might in view of the special efforts taken to regulate the supply of yarn to handlooms, then the *per capita* consumption for the whole of India will correspondingly increase over the present estimated figure of 18 yards which the Committee has assumed.

Targets of Output

To bring about the expansion in production by 1,700 million yards as stated above, the Committee has recommended expansion of the productive equipment of the industry suitably. It is of course common knowledge that the present equipment of the mills, after the immense wear and tear it has suffered during the war years, stands in need of complete renovation and overhaul except in the case of a few mills who had installed modern equipment just previous to the war. Any increase in production depends entirely on the spindles and looms which are supplied to the industry in the present period. The Planning Committee has recommended that the Government should make every

effort to procure the machinery necessary not only to increase the productive capacity to the measure stated above but also for the purpose of enabling the mills to make necessary renewals and replacements of existing units. It also urged that the sources of supply of such equipments should not be limited to the United Kingdom alone but should also be extended to both Switzerland and United States and that the necessary supply of hard currency should be made available immediately. (That aspect of foreign exchange is dealt with more completely on the section regarding Sterling Balances.) The Post-war Planning Committee has recommended that the productive capacity should be increased by 2.75 million spindles with a proportionate addition to the complement of the looms. These 2.75 million spindles will be composed of 1.25 million spindles capable of spinning of counts of yarn of 40s. and above, and of 1.5 million spindles capable of spinning counts of yarn of 39s. and below. The effect of this proportion will be to raise the production of fine cloth by about 500 million yards per annum, while the production of coarse cloth will be increased by 1,200 million yards. The criticism can perhaps be levelled against this on the ground that the expansion of production of fine varieties is not sufficient to meet the demand in view of the fact that the higher purchasing power in the country has led to an increase in demand for fine cloth from almost every section of the population. That was of course during the inflation period of the war; in view of the large drop in Defence expenditure and the likelihood of deflationary conditions setting in in the near future, it would perhaps be difficult to maintain the purchasing power at the present levels, and the abnormal demand for fine cloth may not continue much into the post-war period. There is also another aspect to this question of fine cloth manufacture. It concerns our raw cotton problem. The production of fine cloth depends upon imports of long staple cotton from other countries, which in the post-war period is rather difficult to obtain. From the point of view of the stability of the raw cotton economy of India, there can be no doubt that as far as possible the production of cloth must be achieved from the raw material available within the country. Much would of course depend upon the progress of planning in general in the coming years and the level at which the national income is maintained.

Regional Location

A rather thorny question is that of laying down the criteria for distribution of new equipment among the existing mills and those which may come into existence. Much emphasis has been laid upon the desirability of proper regional distribution of the industry and of bringing the Indian States also into the picture so as to make planning well knit and comprehensive. It is generally conceded that further expansion should take place in the deficit regions and that concentration in existing centres should be avoided as far as possible. Modern war, alike on account of the menace of bombing and the difficulties of transport in war-time, has stressed the need for effecting suitable dispersal of industry. The need becomes all the greater in the case of a sprawling vast sub-continent like India. The advantages of regional distribution having been granted, the question arises as to how the division

of the country should be made for this purpose. Some have pointed out that the zones defined in the Cotton Cloth Movements Control Order might provide a suitable basis for division, but though the suggestion is interesting, we doubt whether these zones which were mapped out during an emergency can best serve the purposes of post-war planning. Anyhow, we would leave the question at that since it is a matter to be decided by Government in consultation with the new entrepreneur in the textile industry.

Allocation of Equipment

The next question that arises is the basis on which the extra productive capacity that is decided upon should be distributed to the various zones. In this context, too, alternatives suggest themselves. First, should the basis be that of population and a pre-determined *per capita* consumption or should it be decided on purely economic consideration such as free and easy supply of raw materials, labour, and other facilities? It is necessary to remind ourselves at this stage that what is desired is not a sort of autarchy or self-sufficiency for each zone because there is going to be no quarrel between the several zones (not even if Mr. Jinnah's *Pakistan* should come into being!) The aim is to have balanced distribution so as to lessen the strain on transport and incidentally also to ensure that the backward areas profit economically by the emergence of new manufacturing units in those centres. On this view, economic considerations should decide the basis of the distribution of extra productive capacity. No hard and fast rules can be laid down for obvious reasons. Thus, if a fine count mill were to be started its location would depend upon easy accessibility and importability of raw materials as well as upon availability of skilled labour; and a town on the west coast might, for instance, be preferable to a centre in Berar or the Punjab. Another factor to be considered is whether, in giving permission for the establishment of new mills, preference should be given to a promoter who has shared previous experience in the line or to a new one. Preference to the former may probably result in high efficiency, suitable turnover and low costs of production, but obviously such most favoured treatment will lead to concentration of industry in the hands of a few persons, which is not entirely desirable, and may not be viewed with favour from the socialistic school. We mention these only to point out the difficulties of adjudicating claims for new equipment.

Economic Units

There will however be no difference of opinion on this point, viz. that the first preference should be given to uneconomic units to expand wherever they may be situated. In the view of the Planning Committee, an economic size for a composite spinning and weaving mill may be 25,000 spindles and 600 looms, and if this is a proper estimate as it appears to be, all mills having less than the above spinning and weaving complement should be given the first option to enlarge their equipment. The most difficult question is going to arise when the competing claims for machinery are advanced by the existing mills and the new mills, of which there has been quite a number of flotations

recently. Of course, the problem arises only because of the supply of textile machinery is so very limited as compared with the almost universal demand for it. It has been suggested that, after the needs of the uneconomic units have first been satisfied, the balance of available supplies of equipment should be distributed on a fair basis between both old and new mills. The claim of the former rests on the important fact that their machinery has been worn out in the war effort and being also old, stands in need of urgent replacement. It has been urged therefore that they should obtain preference. The practical application of this principle is fraught with difficulties because the Central Government has already given permission for the flotation of new companies and because some of them are going to be erected in the Indian States which are themselves deficit areas. On this ticklish question, we would not venture any opinion. But the Bombay Mill-owners' Association appears to have suggested that that of available supplies 1,000,000 spindles may be allocated to the deficit areas and the balance may be distributed in the proportion of $66\frac{2}{3}$ per cent to the existing mills for renovation and $33\frac{1}{3}$ per cent to the new mills. Some people urge that there should be no minimum allocation to deficit areas but that available supplies should be in the ratio of 2 to 1 between established mills and new ones. On the face of it, the Millowners' Association's proposal seems to be more reasonable since it recognises the claims of the deficit areas and therefore contains the possibility of securing co-operation of the different producing units. It is necessary to underline the fact that all this implies a strict control over procurement and distribution of machinery. In fact, such control is already in operation and there is no reason to think that it will be removed.

The proposals put forward by the Planning Sub-committee appear to have been largely acceptable to the Government of India and the States. But, Bombay has dissented, according to our reports, and appears to have staked out a much larger claim for machinery than the meagre allotment proposed by the Committee. The case for Bombay is easily stated. It is that the province is best suited for the erection of more cotton mills by virtue of the natural facilities possessed by the province in regard to climate, skilled labour, etc. It is also argued that if India were to achieve a rapid increase in the production of cotton manufactures and take full advantage of the existing favourable conditions, the main criterion for deciding location of mills should be the availability of a plentiful supply of skilled labour force which Bombay has in abundance. If backward provinces like, Bihar, Orissa (from the textile point of view) are to be given first preference in this matter, the result might easily be that they may take a very long time to establish a textile mill industry in the provinces and that therefore those mills might be making their appearance long after the present favourable conditions have passed and probably just when a depression in the textile trade starts! There is certainly a lot of sound, industrial horse-sense in this argument. At the same time, the fact cannot be entirely overlooked that there has already been terrible over-concentration of the industry in one province and that therefore further substantial additions are not desirable. It may be added here with reference to the target recommended by the Planning Committee for

the next five years that the Bombay Millowners' Association feel that the target is too high and that in view of the uncertain post-war conditions it would be wise to work for a lower target. It is hardly necessary to add that this is a view not entirely based upon self-interest and should therefore be not dismissed as such.

Mill Lay-out

Another Post-war Planning Committee consisting of Mr. T. V. Baddelley and Sir Frederick Stones have drawn up a report on post-war mill planning and lay-out. The report is valuable if only because of the number of new mills being planned at the moment. The terms of reference of the Committee were: (a) minimum standards for buildings, (b) spacing of machinery, (c) lighting, and (d) humidification and other conditions. The main object of the report is, to quote the authors, "to provide the industry with a steady supply of suitably well-trained operatives and the provision of congenial conditions of employment which will attract and maintain under the best working conditions". The suggestions by their very nature are intended only for new mills, since very few of the existing ones can implement them except at prohibitive cost. The Committee have borne this in mind. The recommendations are presumably guided by the official intention to spread the industry throughout the country. An interesting suggestion put forward by the Committee is that it might be made a condition for the grant of a licence to start a mill or before a permit is granted for machinery, that a guarantee should be given concerning certain minimum conditions for the employment of labour. These proposals will have the effect of at least arresting the rising tide of migration of workers from rural to urban areas and ensuring that there is no denudation of labour in one part of the country and an abundance of the same in the already over-crowded cities.

Statistical Babel—Divergent Estimates of Production

Statistics in India are notoriously inadequate. Even in the midst of an acute cloth famine such as the country has been passing through in the last three years, there are no absolutely reliable figures of cotton mill production. There are often serious divergences between the statistics given by government officials and those supplied by representatives of the industry. A recent instance is the one in which Sir Vithal Chandavarkar stated at the annual meeting of the Bombay Millowners' Association that in 1944-45, Indian cotton mills produced 4,796 million yards of cloth and 1,650 million pounds of yarn as compared with 4,870 million yards of cloth and 1,680 million pounds of yarn in 1943-44. He estimated that the production figures for 1945-46 will be around 4,700 million yards of cloth and 1,600 million pounds of yarn. Elsewhere we have given the corresponding figures available from the Chairman of the Textile Control Board. This triangle of disparities in regard to production of cloth and yarn may be completed by a reference to the statistics provided by the Supply Member in the Central Assembly recently. He said that the figure for 1945-46 would only be 5,000 million yards. When such is the case, the difficulties of those who wish to comment, like this *Annual*, on the productive aspect of the textile industry can be easily imagined. Fortunately, these disparities are not large

for one thing ; and for another, so long as demand runs well in excess of supply, a slight inaccuracy here or there does not matter much. And yet, from the standpoint of the consumer, in the present as well as the future, there can be no doubt that we should have hundred per cent accurate production figures, since after all planning can proceed only on the basis of reliable data. We refer to this difficulty of statistics in passing merely to emphasize this important drawback on the official side.

If there had been a proper machinery for providing data, we should have been spared the unedifying spectacle of a regular passage-at-arms between the Bombay Millowners' Association on the one hand and the textile control authorities on the other. The series of advertisements published by the former in the press gave rise to not a little dissatisfaction in the minds of the public, especially when the Textile Commissioner himself came out to controvert the production figures stated in the advertisements. Sir Vithal referred to the question in his speech and said, "This, I think, is the most appropriate place to refer to the series of 'Fact' advertisements published in the Press under the authority of your Committee in the latter half of 1945, and which led to some controversy between the Association and the Textile Commissioner. Briefly stated, the circumstances which led to the publication of the 'Fact' series were that various misleading and definitely mischievous statements appeared in the Press, some of which definitely alleged that the industry was mainly responsible for the acute cloth situation in the country, and the Committee, therefore, decided that the real position should be placed before the public in a series of advertisements containing a dispassionate statistical review of the production and supply position in respect of cloth and yarn. We were not actuated by any desire to vilify or run down any department or person or persons. The figures we used were mostly taken from Government sources, which were then available ; certain estimates were also made, and, on the whole, the broad conclusions noted and advertised by us approximated very closely to those published and admitted by Government in the monthly bulletins issued by the Department of Industries and Supplies. Yet Mr. Velodi, who was until recently the Textile Commissioner, stated at the meeting of the All-India Handloom Board at Nagpur, with reference to the claim made by the Association in respect of yarn, that the Association was talking through its hat. Mr. Dharma Vira, the present Textile Commissioner, was good enough to dub our 'Fact' series as gross exaggeration. But strangely enough, neither of these gentlemen told the press and the public as to what, according to them, was the correct position. The language of our 'Fact' series was quite simple ; there was no ambiguity about the claims made therein ; it was also made clear beyond doubt that we were referring to the 1943-44 figures, the subsequent year's figures not being available when the advertisements were written up. Our 'Facts' have been well received judging from the number of congratulatory letters received by the Association, but I cannot understand the remarks of the gentlemen I have referred to, unless it be that they have not carefully read our 'Fact' series, and hence failed to appreciate their full implications. Anyway, let me take this opportunity of telling them that mere statements like those they have used are not calculated to help anybody, and by giving expression to these, they are not, by any

means, contributing to the knowledge which has already come in possession of public."

We give below the figures and the comparison stated by Sir Vithal Chandavarkar :—

Mill cloth available for civilian consumption in India excluding handloom cloth :

(Net retained in the country after providing for exports and Defence requirements) :—

1944-45	..	..	..	..	3,660 million yards.
1943-44	..	..	..	..	3,308 million yards.
Average for the five years preceding the war					4,270 million yards.

Yarn available for civilian consumption to handloom and other industries :

(Net retained in the country after providing for exports and Defence requirements) :—

1944-45	..	..	..	..	531 million lbs.
1943-44	..	..	..	..	512 million lbs.
Average for the five years preceding the war					398 million lbs.

Total cloth available for consumption in India—(Mills and Handlooms)

(Net retained in the country after providing for exports and Defence requirements) :—

1944-45	..	..	..	..	6,300 million yards.
1943-44	..	..	..	..	5,868 million yards.
Average for the five years preceding the war					6,260 million yards.

Thus he came to the conclusion that "despite a somewhat shorter mill output the total available supplies of cloth for civilian consumption have exceeded 1943-44, this happy state of affairs being mostly brought about by a reduction in Defence requirements from 900 to 585 million yards and in exports from 667 to 486 million yards. The supply position has now approached the pre-war levels". We refrain from comment upon this curious conclusion which so few find it possible to echo.

The production figures, as supplied by Mr. Krishnaraj M. D. Thackersey, at the meeting of the Textile Control Board on 28th March 1946, were as follows :—

In the calendar year 1945, Indian cotton mills produced 4,687 million yards of cloth and 1,625 million lbs. of yarn as compared with 4,811 million yards of cloth and 1,623 million lbs. of yarn in 1944 and 4,715 million yards of cloth and 1,620 million lbs. of yarn in 1943. The loss in production in 1944 over 1943 is principally due to reduction in output following stoppages of mills for lack of coal or inferior coal. In 1945, a

higher production might have been attained, had it not been for the large number of spindle and loom hours lost through hartals, shortage of labour, shortage of raw materials, etc. In Bombay City alone, as pointed out by Sir Vithal Chandavarkar in his recent speech at the Meeting of the Millowners' Association, Bombay, 577 million spindle hours and 13 million loom hours were lost in 1945, accounting for a loss of production approximating to 78 million yards of cloth and 24 million lbs. of yarn.

Out of the above total production of cloth and yarn, it is estimated that the total quantity of cloth and yarn exported in 1945 would be approximately 387 million yards of cloth and 13 million lbs. of yarn as compared with 434 million yards of cloth and 18 million lbs. of yarn in 1944. Supplies of cloth and yarn for Defence Service requirements in 1945 have amounted to 417 million yards of cloth and 25 million lbs. of yarn, as compared with 573 million yards of cloth and 28 million lbs. of yarn in 1944. The net available supplies of mill-made cloth for civilian consumption in 1945 amount, therefore, to 3,883 million yards as compared with 3,794 million yards in 1944.

Including handloom production it is estimated that the cloth available for the civilian population of India in 1945 is approximately 14 yards per head per annum for India's population of 400 millions.

In 1946, I will not be far wrong in forecasting that if the production of Indian cotton mills continues on the same scale as in 1945—which it is hoped it will—the quantity of cloth which will be available per head of population of India will be increased, following a reduction in the Government takings against military requirements which are not likely to exceed 100 million yards as compared with the total takings in 1945 of 417 million yards."

It is a matter for serious regret that labour has not played its part in the situation. It is generally admitted that strikes, hartals, and shortages of labour have increased to an unreasonable extent resulting in a loss of production of approximately 78 million yards of cloth and 24 million pounds of yarn in Bombay alone. In the calendar year 1945, there were 38 strikes, almost all of them in flagrant breach of the Bombay Industrial Disputes Act and therefore illegal. They involved a loss of 340,000 man-working days. These figures may be compared with 25 strikes and loss of 313,000 man-working days in 1944. Apart from these excesses of popular emotion like hartals, there is an even more dangerous evil which impairs production. This is the evil of absenteeism which is rampant to the extent of 25 per cent in Bombay City, according to one reckoning. Not only does this lead to loss of production of cloth at a critical time, but it also impairs efficiency, which is a more serious matter from the point of view of the industry. It should be brought home to the worker that he too should play his part to remove cloth shortage by putting in as much work as possible. Unfortunately, the political situation is readily conducive to excesses of every kind, and the worker who has tasted the fruits of higher wages is not afraid to stay away from his job.

The labour policy of Government has given rise to acute criticism from the millowners who feel that, however, genuine may be the inten-

tion of Government in enacting legislation for the welfare of labour, the method they have followed is open to serious objection. Few will doubt that the worker has on the whole received a square deal from the millowners (within the framework of a capitalistic society) and in any case, no genuine grievances are responsible for the recent manifestation of a lackadaisical attitude on the part of the worker. According to Sir Vithal Chandavarkar, the number of complaints registered by workers of member-mills with the Government Labour Officer was the lowest on record at 500 in the year 1945 as against 875 in 1944, 1,914 in 1943, 1,939 in 1942. As revealed by available figures, the parties were able to come to an understanding in about 65 per cent of the cases by following the procedure outlined in the Bombay Industrial Disputes Act. But still they were over 35 illegal strikes during the year, often because the workers were wantonly refusing to work. It would also appear that in most of the illegal or unjustifiable strikes, the workers had been misled by some agitators. There have been cases in which workers had even demanded a dismissal of their superior officers in the mills. All these denote an intransigence which is somewhat disturbing. Sir Vithal was frank in saying that neither the Central nor Provincial Governments have shown any real appreciation of the realities of the situation. He seemed to feel that the Government of India were rushing half-baked and imperfect measures without a proper awareness of their consequences.

Labour Legislation

The official measures may be briefly reviewed. At the Second Tripartite Labour Conference, it was unanimously agreed and recommended "that with a view to providing adequate materials on which to plant a policy of social security for labour, the Central Government, in co-operation with Governments of the provinces of British India, Indian States, and the Chamber of Princes, should immediately set up machinery to investigate questions of wages and earnings, employments and housing and social conditions generally". It was also resolved that after the required data were collected, the Central Government should appoint a mixed committee to formulate plans of social security. In terms of this decision, a committee presided over by Mr. Rege, I.C.S., was appointed and its report has already been submitted to Government. Though this report has not yet been published, the millowners feel that Government have put a proposal relating to housing, minimum wages, social insurance and other matters. This, it is contended, is a breach of faith on the part of Government, and against the spirit of the resolution passed at the Second Tripartite Conference. The Tripartite machinery for consultation on labour matters consists of representatives of Local and Central Government, employers and labour. The employers are feeling aggrieved that their point of view is totally ignored and that the other three groups always combine against them and succeed in forcing down unwelcome measures. The charge is also hurled that wherever it is a question of contribution to be made by Governments, the official dislike for spending money asserts itself, whatever employers and labour may feel.

It is also alleged by employers that the agenda of these conferences is never made known in time to them and that Government invariably

confront them with a *fait accompli* on such occasions. At any rate, Government is accused of having done this in connection with the reduction of hours of work in factories, social insurance and housing. These are all serious charges which deserve careful consideration by Government. There ought to be discipline within the factory and the worker has a duty both to the employer and the public. Similarly, the employer has a duty which in these days of advancing socialism may be construed at the minimum as one of providing the necessary amenities for labour and proper insurance against unemployment. No good will be served by each group hurling bricks at the other. Each should recognise the motto of *noblesse oblige* and learn to balance its rights against its duties. Of course, as Mr. J. C. Lancashire observed in his speech at the millowners' meeting, the basis of labour welfare measures must be dictated by the ability of the industry to bear the burdens, and still be able to produce adequately at a reasonable cost to the consumer.

Trade Union Bill, 1945

It would be useful to note in detail the reaction of employers to the bills sponsored by the Government. The Bill to amend the Trade Unions Act has been introduced in the Assembly. It is not possible to discuss all the provisions of this Bill. Suffice it to say that the employers regard the principle underlying the Bill as most unusual if not pernicious and that most of the provisions are vague and incomplete and might lead to endless friction between employers and workers. It is also feared by a section of millowners that the additional burdens which the new proposals involve might be too onerous. It is calculated that the holidays with pay, the contemplated reduction in hours of work from 58 to 48 per week and the sickness insurance scheme will together cost the employer about Rs. 12 per month per operative. It is necessary that the profits made by the industry in recent years should not alone influence the amount of help to be given to labour. The depression years from 1923 to 1938 when the industry had to make large financial sacrifices should also be borne in mind in arriving at the fresh burdens which may be put upon the industry. On a matter like the housing of industrial labour, the millowners emphatically want to dispel the idea that to provide housing for employees is an obligatory duty on them. They are not loath to providing housing but they want to make it clear that the State must bear full responsibility in the matter. The employers are prepared to concede only that they are only one of the parties and not the sole one responsible for housing.

Clearly, there is a good deal of bitterness in the reactions of employers to the method and the content of Government's labour relief proposals. This is very much to be regretted, and it certainly does not augur very well for the future of industrial relations in this country. There is no wisdom in forcing the pace of reform beyond a point in these fluid days for every industry, but it would be equally futile for industry to kick its feet at every proposal designed to improve the lot of labour. This is a changing world, and the underdog is really coming up. Employers can ignore that only at their peril. A proper compromise of the very divergent points of view can only be brought

about by a closer association of authority and employers, both aware of each other's difficulties. Perhaps, when a national government comes into existence, it would give less room for acrimonious debate on an issue like this. It is important for everyone to bear in mind the necessity for relating wages and the costs of labour generally to the economic situation that prevails. If costs are pushed up to too high levels, it might well be that when these days of lucrative earnings disappear and harder days come in their wake, high production costs remain like a millstone round the neck of the industry. If a depression intervenes, it might not be so easy to step down costs proportionately to the needs of the hour. Those who try to fashion the structure of the textile industry will do well to bear in mind all these considerations. We do not for one moment suggest that the question admits of a cut-and-dried and facile solution. But that can hardly be an excuse for evolving an untenable and unstable arrangement whose potentialities for harm cannot be glimpsed with certainty now.

Scope for Price Reduction

There will be some measure of disappointment among the public over the decision of the Textile Control Board to let prices remain at the present controlled levels. The public had been expecting a further reduction in the prices of cloth, and the expectation seemed reasonable in view of the reduction in taxation. It would appear that the full facts of the situation tell a different story. The real facts, as recounted by Mr. K. M. D. Thackersey, in support of the Industry Committee's decision are as follows:—During the last 2½ years, there has been a reduction of 55 to 60 per cent in the prices of cloth from levels of June 1943. Latterly, certain spinning sections of the industry have found it necessary to close down, while others are about to do so and some others have threatened to close down unless steps are taken to help them to make both ends meet. Even in the weaving section, as far as the classes of goods manufactured from Indian cotton are concerned, the margin of profits to the industry has been so reduced that any further reduction in prices may result in the mills being obliged to shut down. In some counts of cloth, mills are today actually put to a loss. Taken as a whole; "my estimate is that the industry will not make a gross profit of more than 10 per cent to 12½ per cent on its total sales for 1946. I do not think anyone can suggest this profit as unreasonable when out of every rupee of the gross profit that the industry will make, approximately 50 per cent will have to be surrendered to Government under the present taxation scheme. This means that the industry will be left with only 5 to 6½ per cent margin of profit. Naturally, there is no room at present for further reduction in cloth prices".

We have quoted the President of the Textile Control Board at some length on his crucial question, because it is necessary that the consumer should know not only where he stands but where the industry stands at present. If one looks at the matter closely and dispassionately, it will be seen that price reduction lies within a vicious circle. If the mills make only a six per cent profit, then obviously it would be unfair to ask them to reduce prices further. The scope for reduction clearly

therefore resides only in lower costs of production. Such costs are made up of wages for labour, price for raw cotton and prices of mill stores. Taking these each in turn, a reduction in wages is not practicable politics so long as general level of prices in the country remains steady at the present high levels. In any case, even were it justifiable from a cost accounting point of view, it would be psychologically a blunder to reduce wages now, when already labour is so restive and inclined to stampede at every opportunity. Any hasty action in this regard might well result in further loss of production. We are painfully aware how the country has lost about 80 million yards through strikes and disturbances already. The wages question has therefore to be left as it is, whether we want it or not.

Coming next to the raw material, it is a fact that the prices of raw cotton of almost all varieties not excluding the short staples have increased to a considerable extent. The question is whether this is a desirable development. The answer must be firmly in the affirmative. Nothing can be more gratifying than that the cotton grower ought to derive the advantage of a higher price now, if only to make up for the series of lean years he has had, as we all know. The statistical position of raw cotton, which is discussed at some length in another chapter, is one of the strongest in the history of cotton in India and there is a real shortage of cotton in the country, thanks to the necessity for growing more and more food. And yet, the volume of exports of raw cotton, which was in the past determining to a great extent the return to the cotton grower, has hardly improved to the levels which it can well reach considering that so many countries need cotton today. The official policy in regard to exports of raw cotton is still not clear and it would be no easy task for the authorities to evolve one, in view of the need to reconcile conflicting interest of food and cotton. The inference to be gathered from all these considerations is that the prices of raw cotton are not likely to move down. Nor would anyone, who has the interests of the primary producer of this country at heart, recommend that steps should be taken to bring cotton prices down.

To resume our arguments re: price reduction, it will therefore be seen that neither in regard to the level of wages nor in regard to the price of cotton or mill stores is there any scope (from a strictly practical point of view) for a reduction in costs of production of the mill industry. The conclusion to which we are driven by the stern logic of these facts is that the country must reconcile itself to the present levels of cloth prices, at least for some time to come. We know that this is hard on the consumer, but we fail to see a way out of the situation. If this is conceded, it is the duty of the industry to see that the consumer is compensated for the higher price by larger supplies and better distribution. The onus of the industry to bring speedy relief in these directions is therefore of a most serious and responsible kind, and we hope that that is fully realised. The stage has apparently been reached when further reliefs to the consumer can only come with an easier situation in the national economy as a whole.

The State of Japanese Textile Industry (1946)

In any discussion of the future prospects of the Indian textile industry, the present stage and strength of the Japanese textile industry is very important. Japan in the past was a very serious competitor, and though owing to defeat she lies low now, the possibility of a rapid resurgence of strength to the eastern industry can never be entirely discounted. Allied control under the MacArthur regime is very stringent, and to all appearances it appears that neither Britain nor America will ever again allow the Japanese industry to gain sufficient strength to offer serious competition with them. Japanese manufacturers have little doubt that they could recapture a large part of their pre-war trade in exports, if they had the opportunity. They are aware that India, Britain and America are acutely export conscious and will leave no stone unturned to expand their exports at the expense of Japan. It appears that Japanese plans envisaged a limited export trade in nearby countries like Korea, Formosa and Manchuria. The Jap argument for a resumption of exports is the acute food shortage facing the country which they feel can be overcome only by bartering textiles for food. A textile mission in which India, Britain and China have their representatives is now studying conditions in Japan. Japan, if she is allowed to resume exports, will require about 800,000 bales, it is estimated, in addition to the 1,250,000 bales she would require for domestic cloth needs. Speaking of capacity, Japan is said to have no more than 3 million spindles intact today against 13 millions she had in pre-war. Moreover, all sorts of shortages and labour difficulties complicate the textile industry's problems. The textile machinery manufacturers in Japan are, however, confident of being able to manufacture a million spindles in a year if materials and labour are available and if the occupation authorities allocate steel and other necessary materials for them. The Japan Textile Control Association has been exploring the possibilities in this regard. Munitions factories reconverted to peacetime productions have the necessary facilities for making looms and spindles wanted by the textile industry. But steel is the hurdle and the authorities are not likely to allocate steel easily. The question of manufacturing more machinery is clearly secondary to the question of finding raw cotton for the existing spindles and looms which is not yet solved. Food supply is Japan's greatest problem today. And the trained workers are already dispersing, it seems, in the country, in order to search for food. Coal shortage is another great obstacle and coal production has slumped markedly. If to these difficulties we add the transportation difficulty which must be undoubtedly severe in a bombed and defeated country, then one gets a picture of Japan lying all prostrate, with hardly any hope of ever again attaining her former industrial eminence. What is Japan's meat is India's poison, and the outlook for the Indian textile industry is therefore regarded brighter.

For a very long time, the Japanese textile industry can only function on a domestic supply basis.

The position is clearly brought about by the following special messages from Tokio :—

Supply of Cotton to Japan—Substantial Export Favoured

Economic officials of SCAP headquarters favour shipment of substantial quantities of cotton to Japan in the immediate future even though it is probable that spinners cannot absorb immediately the 100,000 bales a month which their reported spindle capacity is capable of consuming.

Officials here who have considered spinners' problems understand that mills are operating at a very low percentage of capacity. Therefore, while it will require some time for spinners to step up their operations to a higher level, it is felt that sufficient cotton should be imported to allow them to build up a backlog of the fibre. It is considered good business practice to maintain a month's supply and to keep cotton and cotton goods flowing smoothly through manufacturing channels and into the consumer goods market.

This attitude is in direct contrast with that of some Washington sources, as reported in press dispatches published here. These sources, it is said, feel that initial shipments should be relatively small so as to test out the Japanese capacity to absorb the fibre, and increased later, if the mills are able to use the first shipments.

Japanese trade sources point to the statistical picture, to support their desire for 100,000 bales of cotton a month. While spindle totals are in the process of being revised upwards, the figure of approximately 3,000,000 in place is generally accepted at the moment. These are capable of consuming approximately 1,300,000 bales a year. Stocks of all fibres, including a small quantity of cotton, in the hands of spinners amounted to approximately 20,000 bales at the end of January.

There are two schools of thought concerning the policy to be adopted towards the Japanese cotton industry. The first feels that the War Department should finance imports of cotton to Japan to the point of a "necessary minimum" to prevent disease and unrest.

The second school of thought which appears to be dominant, holds that Japanese textile capacity should be used to the maximum extent possible, to help alleviate the present world textile shortage. Under such a policy, the Japanese would import as much cotton as they could consume, and repay the countries from which the raw materials came, in manufactured goods. These manufactures would then be distributed to the areas of the world where the textile famine is the greatest.

Close Control of Industry

It is emphasized that this trade in raw cotton and textiles will be entirely out of Japanese hands, and that there will be no semblance of free export for the Japanese. They will deal only with agencies of the occupation forces. In this way, close control of every phase of operation of the industry will be maintained.

Shipment of 100,000 bales of cotton for Japan's domestic use is contemplated. This is approximately equal to the 2,880,000 piculs reported to have been requested by the Japanese Government. One-

quarter of this would be used for thread, tyre fabrics and other special purposes, and the remainder for clothing.

In addition, the Japanese would receive 560,000 bales to be manufactured into yarn and cloth to be returned as payment for the raw cotton. Total amount of cotton supplied would, therefore, be 1,360,000 bales. In pre-war years, Japanese spindles consumed 44 per cent per year. If this average is maintained, the 3,000,000, or more spindles should be able to use this quantity of cotton without difficulty.

The parallel problems of coal supply for the mills and food supply for the workers will also have to be solved, however, before mills can operate at a satisfactory level of efficiency.

It is understood that the textile mission now investigating conditions in the Japanese industry concur with SCAP officials' estimates of the consuming capacity of the Japanese mills, and even consider their estimates conservative.

Commenting on the attitude expressed by American textile interests—that the Japanese textile industry should be kept on a domestic-supply basis only—a yarn association official said that by importing large quantities of cotton and providing textiles to other parts of the world, Japan would help stabilize the world cotton market. This, he said, would react to the benefit of manufacturers as well, since cloth markets cannot be stabilized when the raw material market is not.

Silk Production in Japan—Government's Measures

In an attempt to stimulate production of raw silk and mulberry, the Japanese Government have announced an increase in the domestic price of raw silk and have provided additional rations of coal and fuel for the filatures. A price increase for cocoons is also expected shortly.

The latest estimates of cocoon production place the total yield this year at 23,340,520 kan, which is equivalent in terms of raw silk reeled, to 190,000 to 200,000 bales and indicates an excess of cocoon supply over reeling capacity equivalent to 45,000 bales of silk. It is felt, however, that this current surplus may well be held over into 1947, when production may slacken, while reeling facilities are being expanded.

For the year 1945-46, ending this May, the Japanese Raw Silk Bureau estimates the total output at 74,898 bales, against an earlier figure of 83,172 bales. For the 1946-47 silk year, the anticipated production is placed at 155-430 bales, against 177,890 bales. These figures indicate that the supply available to American importers may be somewhat smaller than 10,000 bales a month, considered necessary to maintain a satisfactory flow through manufacturing channels. According to trade reports, Great Britain and Australia have also indicated their desire to purchase a portion of the production, and it is understood that several other countries, whose needs are smaller, are also interested.

The occupation authorities have made preparations for a partial resumption of Japan's export trade in silk. The United States Commercial Corporation, a subsidiary of the Reconstruction Finance Corporation, will handle the sale of silk in the U. S. American importers and manufacturers have stated that they will not be able to afford to

pay more than \$3.50 a lb. for D grade, f.o.b. warehouse, New York. As far as the Japanese are concerned, the marketing will be entirely out of their hands and all transactions will be made in terms of dollars.

Silk-reeling Plan

The Japanese Government have made known to SCAP headquarters a tentative plan for the expansion of the silk-reeling industry, so that by May, 1947, production is expected to reach 18,140 bales, compared with an estimated output of 5,160 bales in January this year. At the end of the war, Japan had about 28,000 basins, both multiple and single-reeling types, compared with 183,000 in 1940. It is planned to increase their number so as to reach 42,698 by the end of the 1946-47 silk year. Owing to the grow-more-food campaign, the acreage under mulberry declined during the war by 60 per cent. The prefectural Governments have taken the problem seriously. In considering these plans, it must be remembered, however, that it requires about four years for newly planted mulberry to mature to a point where it is economically productive.

According to Mr. H. Shiga, Manager of Raw Silk Control Corporation, the Government are going to raise the official price of cocoons from the new crop to levels where the farmer can economically produce larger quantities. He also holds the view that about 70 per cent of the production is suitable for export, as against a normal percentage of 85 to 90. As regards the export prices, he holds the view that the Japanese are most concerned with the quantities of food and other materials that the silk will bring in return.

The future of Japanese silk in the world market depends on stability of prices, improvement of quality to meet standards set by nylon and other synthetics, an assurance to manufacturers of a dependable and steady flow of silk and pricing of the raw material.

There is no doubt that there is a ready market for all the silk that Japan can produce in the near future. However, American trade sources are not nearly so optimistic as the Japanese themselves about the ability of Japan again to sell silk in as large a volume as before the war. Long-range prospects are viewed in the light of effective competition from nylon, rayon and other synthetics. The Japanese silk men believe that they will be able to fulfil their customers' desires. According to Mr. Gosuke Imai, dean of Japanese reelers, nothing can compete with silk in fineness of texture and new industrial uses will be developed for the fibre.

Need for Wider Technical Education in India

We cannot but emphasize the need for wider technical education because we feel that the industry would absorb after the war many technically trained young men in the erection of new plants and as soon as textile machinery is made available to the industry many more textile mills would be floated. It is necessary, therefore, that the authorities of the technical institutions in consultation with the mill-owners' organisations should lose no time in considering ways and means for wider training in textile technology for regular students

and apprentices. Such a scheme would have the complete co-operation from everybody concerned with the textile industry.

We do not think that we have today sufficiently well-qualified technical man-power for post-war reconstruction of the textile industry on a sound basis, if such a reconstruction is to be planned by mill-owners. It is a different matter if advantage is to be taken only of the boom period which has set in after the war and then leave the industry to take its own course, as it must not be forgotten that a large number of technical staff retire from industry every year due to old age, etc. and replacements are essential. If the textile industry is to work double shift at full production and at the same time successfully plan reconstruction without any hindrance to production, more technical and skilful staff would be essential.

(a) *Technical Staff with latest knowledge*

The post-war demands of industry are for textile men—either over-lookers, heads of the departments or managers—possessing a sound knowledge of physics, chemistry, mathematics, economics and labour laws and an intimate acquaintance with the properties of raw materials and processes, over and above the perfect technical knowledge of any textile line so that they would be able to control successfully the operations of a modern textile mill.

The research and modern textile literature of the world require that the mill staff should (1) understand the exact bearing on day-to-day practice of a new piece of knowledge communicated to him by a scientific organisation and to be ready to modify his own practice if it is found out that an advantage would result; (2) be skilful and quick enough to see what problems should be referred for scientific investigations, if facilities for such an investigation exist; (3) have a planning outlook which means a special type of thinking, inductive in character and analytical in method. It implies a knowledge of management, principles and practice combined with the possibility of self-elimination in decision-making. It means the scientific attitude in facing problems, the assembling of all relevant data, the weighing of facts, the formulating of alternative solutions, the testing of their soundness, the decision and its application in detail; and (4) have a general trade knowledge, knowledge of human nature, the art of communication, and a forward looking mind.

(b) *Spread of Technical Education*

So far practically no attention has been paid towards technical education of operatives. Technical school conducted by the Social Service League is the only instance of an organised effort in this direction. There are in India a few examples of textile training but they are yet in infancy.

The first action necessary now and for future planning is the appointment of a suitable committee for writing simple textile books in Hindi, Urdu, Marathi and Gujarati, with sketches of machines, their functions and how to handle them for better and easy work. Each book should deal with each type of textile machine and should

be distributed free of charge to the workmen engaged on the job work attending to that particular machine. This step would lead to the desire of attending a school if there be any, by some workmen. We may point out here that in Lancashire, the home of textile industry, there are today more than 3,000 textile operatives and students undergoing training in about 40 textile schools. These schools impart training in the following manner:—

There are two groups (a) Evening; and (b) Day. The part-time day and evening courses forms the third group. Over and above this, special classes are arranged for managers and over-lookers in both spinning and weaving and they are intended to assist these men with their problems. Various labour and technical staff societies are interested in the welfare of these classes and give special prizes for merit. There are minor courses for evening students and senior courses also organised for training students for City and Guilds of London Institute and similar examinations.

The cost of training per session varies from £6 to £15 depending upon the nature of the course taken by the student. The syllabuses of the courses have been laid down by advisory committees and changed from time to time to suit the requirements. In India, prizes for textile essays have been offered by the Panday Textile Trust, the pioneer organisation, conducted by Seth Cowasji Dorabjee Panday, a retired mill manager who has rendered considerable service for spreading technical education among mill staff by perseverance and individual effort during the last two decades. Now everybody looks upon the Textile Association (India) to carry on this work and spread education among the textile workers. The Association should form a suitable committee for spreading textile education and chalk out a programme of work on the lines suggested above. After careful consideration we have come to the conclusion that the initiative for spread of textile education should be from the Textile Association and other similar bodies. Nobody else is in a position to understand what this would mean in post-war from internal administration point of view in a cotton mill. It would not only help the labour and welfare officers but would minimise ill-feelings and unnecessary strikes.

Thus the Textile Association which has given a lead in organizing this Conference at the most opportune time in the history of India's textile industry should think of devising ways and means whereby a textile education drive would take place soon. We have no hesitation in saying that millowners and labour organisations would co-operate in full and an all-India committee formed jointly would go a long way in securing Government co-operation for this most important work.

(c) *Need for Co-ordination between Technical Staff and Textile Research*

Before saying anything on co-ordination between technical problems and research, it is briefly necessary to examine where we stand with regard to textile research at present.

Sir Ness Wadia, a mill magnate in his article "The Industry in Retrospect" published in the well-known *Indian Textile Journal Golden Jubilee Souvenir*, 1940, emphasized the necessity of research for improving (a) technical efficiency; and (b) labour. He has made special reference to the Department of Chemical Technology, University of Bombay, for research in dyeing, bleaching and finishing processes whereas no mention is made about research in spinning and weaving. Another point which Sir Ness Wadia stressed is technical education. It is gratifying to note that he has expressed satisfaction with regard to work of technical and managerial staff employed in cotton mills and trained at the Victoria Jubilee Technical Institute, Bombay. He has expressed the desire for further special training in order that immediate employment may be offered to the newly passed out students from the Victoria Jubilee Technical Institute in administrative and/or executive work.

With regard to cotton research, the technological laboratory of the Indian Central Cotton Committee has done some useful work during the last 20 years. Directly or indirectly, and apart from the question as to the benefits derived, it must be stated that the establishment of the technological laboratory and its work on the standard Indian cottons with the object of determining the degree of improvement in different varieties of cotton grown year after year in India by carrying out physical, chemical and actual spinning tests has not only sown the seed of textile research in India but has largely assisted a section of the textile technical staff to develop and think on textile research and how and why it should be applied to textiles. The addition of textile testing house equipment to the laboratory, as we are all well aware, is a step in the right direction and the time is fast approaching when further developments of importance are bound to take place. Sir Sri Ram suggested a few years back that the technological laboratory of the Indian Central Cotton Committee should carry out experiments to find out whether there was any possibility for Indian labour to manage 6 looms or 8 looms to a weaver after suitable modifications in the existing power looms at the same time supplying a quality of yarn which would enable the weaver to look after more machines. The scheme was based on a sound proposal for capital and recurring expenditure. Somehow, it was not thought advisable to put this scheme into practice. This is a form of co-ordination between textile mills and research. Time is now approaching when problems of this nature must have full consideration. If nothing is done now the industry will have to repent in future.

While looking ahead with confidence for a better future, Sir Ness Wadia emphasised some sort of special training for Victoria Jubilee Technical Institute students in order that they may immediately be employed in the executive capacity. When he wrote this article the war was in its first year but the position today is quite different. We are at the end of this terrible war and know exactly the amount of strain the industry is undergoing. The technical staff employed in mills and the new recruits should work hard to improve their technical knowledge as replacement of obsolete plants would mean a great deal of erection of modern plants with many new devices and mechanisms not handled so far.

For co-ordination of textile research, textile education and technical staff, it is necessary that the industry should appoint co-ordination officers, whose duties would be to contact heads of the research organizations, technical institutes, and technical staff in different mills with a view to acquaint one and all what are the best ways of handling the raw materials and processes and what should be done by way of investigations. The conservative ideas and secrets from industry must vanish if we are to look ahead and stand in the future world ready not only to maintain but increase textile production, not only serve our own country but serve the foreign markets by supplying a large share of their clothing requirements and maintain higher wages and standard of living.

The Indian textile industry does not have any benefit of research organisation as none exist. Moreover, there is no suitable education for the purposes of research. The textile education as imparted at present can be broadly defined to consist mainly of a systematic account of the various operations and the ways in which these were modified to meet different materials and varying conditions together with such instructions in calculations and drawing as is needed for carrying out and supervising operations in a cotton mill. This technical education has been very moderately influenced so far on account of the research carried out at the technological laboratory of the Indian Central Cotton Committee and the Chemical Technological Laboratory, University of Bombay. The methods followed in textile education in the West are being constantly influenced by the organised scientific research on the textile fibres and machinery during the last three decades by the combined efforts of various cotton, woollen, silk and linen industries' associations. Textile education in England is based on two different lines. In one, the training in textile technology is imparted in textile schools of the type of the Victoria Jubilee Technical Institute, Bombay, to handle raw materials to be treated by the various processes and machines whose details and adjustments are taught for the production of the finished fabric. In another line of textile education—there is none in India—are included the scientific investigations on the raw materials by the organised trade associations and learned and experienced persons.

It is necessary, therefore, that a scheme should be prepared to evolve the second type of textile education in India and plan the textile research organisation with the object of conducting textile research. Employment of co-ordination officers suggested above may be of considerable use in preparing the initial outline of this important task.

(d) *Need for Training Technical Men in Foreign Countries*

It is necessary that selected young men from textile trades are sent to Europe and America for acquainting themselves with the modern scientific and technical developments. There is a likelihood of throwing open doors of science and progress for empire subjects in future and we must not miss any opportunity to send our best men to acquire first-hand trade and scientific knowledge available in Western countries. We must bear in mind that our young men should not join foreign universities for training. In this respect, we cannot

but draw attention to what the Indian Industrial Commission in 1916-18 has stated in their report on page 107 "The results anticipated from the grant of scholarships . . . have only in part been realised. This is due to inherent defects in a scheme adopted and possibly even more largely in the methods by which it was administered. In practice it was found that while educational institutions were freely opened to scholars, access for workshops was denied them". It is hoped that conditions would change hereafter and that our men would get admission in research and trade organisations with Government assistance.

Reference is made to this important aspect of the textile question because the first Indian Technical Investigation Committee has just returned to India after a visit to Germany. It would appear, according to the Committee, that German technicians are ready and willing to train visitors in the technical aspect of industry; and, in fact, many British teams of technicians have already been to Germany to have first-hand knowledge of industrial problems. The Committee referred to above has submitted its report to the Government. Apart from the reparations aspect, it would be worthwhile for India to find out whether any German plant and equipment could be had. German industrial resources are being exploited to the bone by all the Allied Powers. As an instance, we might cite the report that over 25,000 volumes of the German patent office have been removed from Germany, while transfer of plants and technicians wholesale has been reported from time to time in the press. Everybody is out to wrest German secrets and there is no reason why India should not send its committees to have a share in this loot. On the eve of setting up machinery for the manufacture of textile stores and machinery, such as this country is at the moment, close investigations of German industry may provide valuable guidance to India. We are of course aware that Germany was not such an important exporter of textile machinery to India in the past, but on the chemicals and dyes side, we are sure there is a lot to be learnt from German methods.

Raw Cotton

A feature of India's raw cotton economy in the years 1944-45 and 1945-46 (the cotton season is from September to August) was the fixation of maximum and minimum prices by Government which undertook to support the market through its purchases whenever the Cotton Contract or prices went below stipulated levels. The purchases made by the Textile Commissioner in the 1944-45 season not only helped to restore equilibrium to prices at a time when markets were inclined to be unduly depressed, but it enabled the Government to have at its disposal a stock of good quality cotton which it was able to supply to mills at opportune moments. In the 1944-45 season, the total purchases were over 2 lakhs bales. The authorities were not put to a loss on these transactions but even made a small profit, as the stocks were liquidated when the market had firmed up and cotton of good quality was badly needed by the mills. In the second season, 1945-46, the policy underwent further changes in the light of the previous year's experience, particularly in regard to the floor and ceiling prices. An

important meeting of the Cotton Committee of the Textile Control Board was held on July 3, 1945. The main question discussed was the fixation of the "floors" and the granting of permission to trade in hedge contract for the season 1945-46. The Government proposed the reduction of "floors" in all varieties ranging from Rs. 40 to Rs. 75. Most of the members present strongly opposed the proposed reductions. In the course of discussion, it was pointed out by some members that the millions of cotton cultivators in India had suffered heavy losses on account of the policy of indifference to the welfare of the cotton cultivators pursued by the Government for several years, and complete denial of fair-play and justice to them since March 1943. *Vis-a-vis* the Government's proposal, the members referred to the following facts: (a) reduction in "floors" effected last year; (b) short crop resulting from heavy reduction in cotton acreage effected in compliance with the Government plan to grow more food and reduce cotton acreage; (c) average price realised this season is below the average for the same period of the last season; and (d) no reduction either in the cost of living or in the cost of production. The arguments advanced considerably impressed the members present. It was further stated that despite fabulous earnings, the mills had shown callousness towards cotton cultivators. It was even suggested that in justice to the growers, the prices of raw cotton must be linked with the prices of piecegoods and yarn, so that reasonable reduction in the profit of the mills may go towards mitigating the lot of the cultivators. The Chairman of the Textile Control Board was requested to furnish to the Committee with the average figures of profits made by the mills per pound of cloth and yarn. The Committee postponed consideration of the question to the end of the month as at that time (July) the formation of a National Government at the centre seemed possible.

At the resumed meeting of the Cotton Committee held early in August 1945, the differences between the Government and the members were composed somehow and a compromise was reached. Floor prices for the 1945-46 season were left unchanged except for a reduction of Rs. 25 for Westerns and Rs. 20 for Sind NT, these being adjustments necessary to bring the theoretical Government bases at the floors into line with the tendering basis of the E.I.C.A. Ceilings for descriptions stapling $\frac{3}{8}$ " as well as for Oomra and Sind Deshi remained unchanged while descriptions stapling 13/16" were reduced by Rs. 10 and $\frac{3}{8}$ " by Rs. 20. Bengal was reduced by Rs. 15. The changes were not accepted without protest by some members, but on the whole the Government's concession was appreciated. While maintaining the maximum prices at the previous season's levels and by relating official purchases to actual cotton prices, a note of flexibility and effectiveness was introduced into the cotton policy of Government. The futures markets were strong in the beginning but when weakness set in in December, the Government was ready with its purchases.

An official notification setting out the policy stated as follows:—

At a meeting of the Cotton Committee (D) of the Textile Control Board held in Bombay on August 4, the Government of India announced that they had given very close consideration to the various recommendations made by that Committee at its earlier meetings and, subject

to the consent of the Governments of Bombay and Sind being obtained by, respectively, the East India Cotton Association, Limited, and the Karachi Cotton Association, Limited, they sanctioned trading in futures (hedge) contracts during the season 1945-46 on the terms and conditions set out below :

Trading shall be permitted only in the official markets of the East India Cotton Association, Limited, in Bombay and the Karachi Cotton Association, Limited, in Karachi, subject to the by-laws of these Associations. Such trading in any other market shall be a penal offence.

Trading in options shall continue to be prohibited and shall remain a penal offence.

Trading shall be subject to a maximum price of Rs. 530 and a minimum price of Rs. 350 per candy for the Indian Cotton Contract in Bombay and Rs. 55-8 per maund and Rs. 37 per maund for the 4F (hedge) Contract in Karachi, maximum and minimum prices for other descriptions being as set out below. These maximum and minimum prices shall apply to all cotton transactions, including prices fixed in the case of "On call" Contracts.

Members' Deposits

Every member of the Associations concerned shall deposit with the Associations, which shall in return deposit with the Imperial Bank of India, a sum (not carrying interest) which shall not be less than Rs. 12-8-0 per bale on the net open position of each member regardless of price levels.

The Associations concerned shall enforce rigidly their various by-laws and, in the event of failure to do so, the Government reserve the right to take such action as may be considered appropriate.

The Associations shall retain their power to call upon any member at any time to submit a statement showing his open position and the accounts on which it is held and such statements shall, if called for, be made available to the Government. If the Associations are unwilling to exercise such powers when necessary, the Government will themselves exercise them.

The following are the floor and ceiling prices fixed for the 1945-46 season :

(For Table, see next page)

These prices are ex-godown Bombay, $\frac{1}{4}$ per cent brokerage payable by the seller to the buyer and include the usual sample and stone allowances. In the case of American Seed descriptions, Karachi equivalents of the floor prices are to be calculated at Rs. 18 per candy less than the Bombay minimum prices, "i.e." Fine R.G. 4F Punjab|American or Sind|American $\frac{3}{4}$ " floor price Rs. 370 less Rs. 18 eq. to Rs. 352 per candy eq. to Rs. 37 per maund. Karachi equivalents of ceiling prices are to be calculated by deducting Rs. 21 per candy from the Bombay ceiling prices, "i.e." Fine R.G. 4F Punjab|American or Sind|American $\frac{3}{4}$ " ceiling price Rs. 550 less Rs. 21 eq. to Rs. 529 per candy eq. to Rs. 55-8 per maund.

Description.		Staple Length	Floor price 1945-46	Ceiling price 1945-46
Fine Jarilla	..	3|4"	350	530
Fine Broach	..	3|4"	350	530
Fine Surti	..	7|8"	445	645
Fine RG 4F PA	..	3|4"	370	550
Fine RG LSS P|A	..	13|16"	400	590
Fine RG 289F P|A	..	7|8"	460	660
Fine SG 4F P|A	..	3|4"	390	580
Fine SG LSS P|A	..	13|16"	425	625
Fine SG 289F P|A	..	7|8"	500	715
Fine RG 4F S|A	..	3|4"	370	550
Fine RG LSS S|A	..	13|16"	400	590
Fine RG N.T. S|A	..	7|8"	420	645
Fine SG 4F S|A	..	3|4"	390	580
Fine SG LSS S|A	..	13|16"	425	625
Fine RG N.T. S|A	..	7|8"	455	690
Fine Dhollera	..	3|4"	...	500
Fine Kalagin	..	3|4"	...	500
Fullygood Bengal Deshi		...	...	300
Fine Oomra Deshi		...	...	375
Fine Sind Deshi		...	...	375
Fine M.G. Compta	..	7|8"	430	630
Fine M.G. Upland	..	13|16"	390	580
Fine M.G. Western	..	13|16"	370	580
Fine M.G. Cambodia	..	7|8"	450	650
Fine M.G. Karuganni	..	13|16"	390	580

Government's Undertaking

When prices are at the minimum rates for any or all of the descriptions for which such rates have been fixed, the Government of India undertake to buy such cotton of grade and staple specified for those minimum rates in Bombay on terms set out above and at equivalent prices elsewhere. The Government reserve to themselves the option of buying higher grades or longer staples at premia to be determined by them, but the premia for the various descriptions need not necessarily be the "on" allowances awarded by the East India Cotton Association and the Karachi Cotton Association for cotton tendered against the hedge contracts of those Associations.

At the maximum rates listed, the Government reserve the right to requisition cotton of the descriptions listed, grade and staple as named, whether for the use of mills or otherwise. In the event of higher grade or longer staple cotton being requisitioned, a premium will be paid for such cotton but the premia for the higher descriptions need not necessarily be the "on" allowances awarded by the East India Cotton Association and the Karachi Cotton Association for cotton tendered against the hedge contracts of those Associations.

Staple standards shall be prepared by the East India Cotton Association in accordance with the procedure laid down in the resolution of the Board of the East India Cotton Association and the Textile Commissioner shall have the right of appeal against such standards.

In permitting the continuance of futures (hedge) trading in cotton, the Government again emphasise that this action is designed to meet the special circumstances of the cotton market but it should be understood that safeguards will be rigorously enforced in the interests of price stability.

Statistical Position

The Office of Agricultural Relations (U.S.A.) announced some time back that the world production of cotton in 1945 was the smallest in 22 years, at about 22,650,000 bales. That was 7 per cent less than the 1944 production of 24,470,000 bales and is much lower compared with the pre-war average of 31,000,000 bales. Production in India in 1945 is estimated at 3,300,000 bales compared with 2,965,000 bales in 1944. The crop for 1946 will be even lower in view of the grave food position in the country which makes it imperative to reduce the acreage under cotton.

The 1945-46 season is just in the middle and we may therefore briefly notice the statistical position in the 1944-45 season. The difficulty of obtaining 100 per cent accurate figures in regard to cotton is well-known and the following figures should therefore be taken to give a rough indication and no more. According to one source, the total consumption in 1944-45 might be placed at 5,200,000 bales, composed of 4,300,000 bales being the consumption by mills, 500,000 bales being extra factory consumption and 400,000 bales for exports. Since the output of cotton is estimated at 4,000,000 bales, the excess of consumption would be 1,200,000 bales. This is the extent to which the previous season's carry-over should have been reduced. Stocks at the end of the previous season (1943-44) were said to be only 3,300,000 bales on a liberal estimate. We may therefore place the closing stock with which the 1944-45 season ended at 2,100,000 bales. That is the lowest carry-over we have had for years. The above estimate may now be projected into the prospective statistical position for 1945-46 season.

Supply		Consumption	
	Bales.		Bales.
Carry-over ..	2,100,000	By Mills ..	4,200,000
Output ..	4,500,000	" exports ..	900,000
		" extra factory	500,000
		" excess ..	1,000,000
Total	<u>6,600,000</u>	Total	<u>6,600,000</u>

The value of these figures intrinsically may not be much, but they suffice to show the very great improvement that has come in the statistical position of Indian cotton today. Whereas two years ago everybody was bemoaning the large accumulation of cotton to the extent of 5 million bales owing to the loss of export markets during the war, today things have swung to the other extreme. The mills consume very much more than before and the outlook for exports is reasonably bright as other countries need cotton. There is in fact

not enough cotton to go round, and an increase in the cultivated area has become out of the question as every inch of land has to be put under food cultivation. The squeeze for raw cotton is therefore very real and raw cotton prices have jumped up a great deal in the last two months. In fact, the mills are finding it very difficult to spin counts below 40s at the present control prices for cloth and yarn, as the price of raw cotton has moved up so much that they have no margin of profit worth mentioning at all. This is particularly the case with the short staple varieties. The problem of cotton now is not a surfeit of it but a very grave dearth.

Indian Central Cotton Committee's Recommendations

In such a context, the Indian Central Cotton Committee is to be congratulated on its decision not to advocate any increase in the acreage devoted to cotton at the expense of food crops for 1946-47 season. This was a bold decision to take by a body interested in promoting the welfare of cotton-growers and demonstrates its appreciation of the gravity of the food situation in the country. A carefully prepared and well thought out case for raising the area under cotton was presented by Sir Chunilal B. Mehta, Vice-President of the Committee, which apparently cut no ice with the majority who rightly decided that the claims of food must have precedence over cotton.

After considerable discussion of the competing claims of cotton and food crops for more acreage, the Committee passed the following resolution :—

"The Indian Central Cotton Committee after a careful review of the statistical position of Indian cotton and of the plan for cotton production for 1946-47, is of the opinion that, from the purely cotton standpoint, an extension of the cotton acreage is highly desirable. In view, however, of the gravity of the food position in the country, the Committee strongly recommends to the Government of India that all Provincial Governments and States be required to take whatever steps are necessary to restrict the cotton acreage for the season 1946-47, so that it may not exceed the acreage sown in 1945-46. In making this recommendation, the Committee is aware that the maximum acreage suggested is below India's minimum domestic requirements of raw cotton and seed for cattle food.

"In order that the sacrifice involved, if effect is given to the above recommendation, may not be in vain, the Committee urges that every avenue should be explored to increase the yield per acre. In this connection, the Committee recommends that, amongst other measures which may be considered necessary to attain the object in view (1) special arrangement should be made for the import, to the maximum extent possible, of fertilisers which should be made available in large quantities to growers, particularly of food-grains, at more favourable concessional rates than at present, (2) every transport facility should be provided for the movement of manures in the present food situation of the country, and (3) the crushing of oilseeds in the country should be stepped up rapidly with a view eventually to prohibit their export altogether."

It will be observed from the foregoing that the Committee has so carefully worded the resolution as not to minimise the importance of cotton in the economy of the country. The resolution admits, as

anyone who knows about the cotton position in India will readily do, that, viewed purely from the point of view of India's own requirements of cotton and cotton seed, the acreage under cotton needs to be substantially raised. But, in view of the marked shortage of food, it admits the necessity for giving precedence to food crop.

Inasmuch as more land cannot be made available to cotton and in view of the need for more of that commodity, the Committee has naturally laid stress on the urgency for increasing the yield per acre. Even otherwise, there is a strong case for giving effect to this proposal. The yield per acre of cotton is perhaps the lowest in the world, and, unless the yield is increased, cotton will once again prove to be an uneconomic crop when normal conditions return. It is only by raising the yield per acre and thereby cheapening the cost of production that Indian cotton can hope to compete with foreign growths and also help Indian cotton manufacturers to hold their own in foreign lands.

The Committee has suggested a number of measures for raising the yield per acre. The most important among these is the augmenting of supplies of fertilisers by importing artificial fertilisers and by conserving the natural manure that is available in the country. The suggestion, of course, deserves to be implemented by the authorities, but we have a feeling that it will remain an unfulfilled wish of the Committee as many such have been in the past. Firstly, it is not known whether there are ample supplies of artificial fertilisers overseas. Secondly, even if there are available, we wonder whether India will be able to get priority over others. Thirdly, the Government machinery in the country is very slow and it hardly acts with vigour and speed in such matters. The way in which the Government has acted on the recommendations of the Gowing Mission for establishing artificial fertiliser factories does not inspire any confidence that it is quite alive to the urgency of the situation. Although the Gowing Mission submitted its report in October 1944, we are not anywhere near its implementation.

As regards preventing the evil of mixing of cotton, the Central Government has informed the Committee that Central legislation would not be possible owing to constitutional difficulties. In view of the growing menace, the Committee has agreed to urge the Provincial Governments to undertake the legislation without any further delay. The Committee has also resolved to request the Central Government to enact similar legislation for being enforced in the centrally administered area.

The proposal for cultivation in Sind of strains of Egyptian and Sea Island cottons of staple length varying from 1- $\frac{1}{4}$ " to 1- $\frac{1}{2}$ " has been adopted. This experimental scheme would cost India about Rs. 84,000 for five years. It was stated at the meeting that the Sind Government would depute, during the next few weeks, their Cotton Botanist, Dr. Sankaran, to Egypt to collect necessary material which would be made available for sowing at Mirpurkhas early in March this year.

The final resolution of the I.C.C.C. should really be viewed against the background of the findings of the Sub-Committee which was directed to investigate the acreage that should be sown under cotton for

the 1946-47 season. The Sub-Committee felt that, having regard to the stock position in the country, the probable export and internal demand and the acute shortage of cotton seed in certain provinces and Indian States, India should not go on growing crops whose magnitude is small in relation to long-term needs and which do not allow of sufficient exports to capture available markets in the better interests of farm incomes. The Sub-Committee estimated the stocks of cotton with the trade at 21 lakhs bales on August 31, 1946, but even this is felt to be rather on the high side, especially if exports top the 8 lakhs bales mark. The scarcity of good cottons of medium and short staple is very pronounced and according to one estimate, 50 per cent of the stocks might be of staple below $\frac{7}{8}$ ", while a large part of the short staple cotton might be unfit for spinning being more than $3\frac{1}{2}$ years old. The Committee also emphasised that the present level of production of short staple cotton was not adequate for the requirements of the local industry. In fact, the stage has already been reached when deficit is being met from the carry-over from the previous seasons. Since India has practically a monopoly of these short staple varieties, like Punjab Desi, Sind Desi, C. P. Oomras, Comillas, all of which figured largely in the export trade, there is no need to stress the desirability of retaining this advantage.

The reduced acreage under cotton also affects the supply of cotton seed which is closely linked with the welfare of animal husbandry in rural India. The production of cotton seed in 1943-44 amounted to 2,027,000 tons which is about 4 per cent less than in 1938-39. The only areas which had exportable surplus were Sind, Central India and Hyderabad State. The scarcity of cotton seed may be imagined from the fact that in 1944-45 production had dropped to 1,607,000 tons, which is a drop of 20 per cent from 1943-44. The prospects for the current season are even worse.

Some information revealed by the I.C.C.C. as regards yields makes interesting reading. The success of the attempt to improve cotton yields in India is evident from the fact that the average yield per acre rose from 96 pounds in the five years 1922-27 to 109 pounds in 1937-42. The yield improved still further in 1942-45 to 112 pounds while the figure for 1944-45 was placed at 122 pounds per acre. That is a gratifying thing, but the leeway yet to be made up in this direction may be gathered from the estimate of yields in other cotton growing countries, such as in Egypt and U.S.A., where the yields per acre were estimated at 516 and 293 pounds respectively. It has been the experience that extension of area under irrigated cotton and better seed resulted in higher yield. More rational methods of agriculture and larger expenditure on research should help to increase the yield further.

Rayon

Among the synthetic fibres which offer cotton the keenest competition, rayon is the foremost. Within a short span of 30 years, rayon has attained a position of leadership in the textile industry. In the U.S. the consumption of rayon exceeds that of all other fibres excepting cotton. She ranks first in the world both as a producer and consumer of rayon. Out of a total of 18 plants, six large producers with 13 modern factories account for a production of about 90 per cent of the total out-

put of viscose rayon. All these are efficiently managed and everyday there is an advance in the technique of production accompanied by a desire to lower the cost of production. There is no doubt that "rayon is cotton's enemy", as Sir Raymond Streat said last year. In Britain, Courtaulds are of course famous as rayon producers, and without going into a detailed discussion of the various producers, it is enough to state that in Britain itself rayon is becoming a more and more serious competitor to cotton. In India, it is surprising that, while the textile industry has developed so fast in the past few decades, very little attention was given to the development of synthetic fibre industries. If we had had a growing rayon industry in India, then the lot of the handloom and powerloom industry would have been entirely different and the periods of depression in the cottage industries could well have been avoided.

The imports of rayon in 1923-24 were about 4,00,000 lbs. They rose to 37,500,000 lbs. in 1939-40 valued at Rs. 2,64,00,000. Besides some 54,000,000 yards of piecegoods made purely of rayon valued at Rs. 2,10,00,000 were also imported, and taking the average yardage to a pound at 5, the piecegoods imported in terms of weight would amount to 10,80,000 lbs. Thus the total consumption of rayon into India in that year amounted to 48,300,000 lbs. valued at Rs. 4,74,00,000 roughly. In this reckoning, the several millions of yards of piecegoods made of rayon mixed with other materials are not taken into account. Italy, Japan and England were our principal suppliers in pre-war days, but the former two cannot now supply as their machinery is damaged irreparably, while America though a large producer, has to meet a large demand in the domestic field besides catering to South American and Mexican markets. The present is therefore a most opportune moment for India to start the industry in view of the cloth shortage and it may be noted that even industrially backward countries like Greece, Spain and Brazil have rayon plants. Experts have admitted that the facilities for starting the industry in India are not inconsiderable since raw materials necessary are available in plenty, (as we have a large quantity of wood pulp) and labour is cheap. Until such time as sulphite wood pulp can be manufactured from pine and spruce trees growing in the Himalayan valleys, the pulp can be imported from abroad. An unlimited supply of water and electric power is necessary, and it is said that about 150 gallons of water are required to make a pound of rayon. The water must be pure and soft and must be also free from iron salts. The existing customs duty of five annas per pound or 25 per cent *ad valorem* whichever is higher, plus a surcharge of 20 per cent, would appear to give sufficient protection to the industry if it were to grow in India.

An industrial survey relating to the installation of plants producing rayon yarn, to act as auxiliaries to the textile industry, was recently carried out by Mr. Henry Von Kohorn, Vice-President of Messrs. Oscar Kohorn & Co. Ltd., the rayon specialists of New York at the invitation of several prominent Indian textile groups and industrialists. For nearly two months, Mr. Kohorn was in India. In an interview, he stated that, in his view, there is no reason why India should not produce rayon yarn as cheaply as Japan ever did, and at the same time turn out a much better product. Ten years ago, the same Mr. Kohorn visited India on a similar mission but found Japanese rayon being imported so cheaply

that the question of operating a rayon plant in India was simply not within the realm of possibility. It speaks much for the changed economic outlook and the new industrial aspirations of Indian manufacturers that today one can consider the establishment of a rayon industry as at once a sound business proposition and a national necessity. In Travancore, a company has already been formed for the production of rayon. Arrangements are being speedily made to start production. At the start, the use of imported pulp is contemplated, for it is expected that production could be soon switched over to Indian cellulose.

In order to give the reader a suitable background for understanding the position of the rayon industry and other synthetic fibres *vis-a-vis* the natural fibres, we give below valuable extracts from the American Cotton Trade Journal.

'Rayon production in 1942 in the United States was 67 per cent larger than in 1939 and world production was 56 per cent larger. World rayon production in 1942 (the latest year for which estimates are available) totalled almost 3.5 billion pounds, of which almost one-fifth was produced in the United States. The world production was equivalent (assuming 425 pounds of rayon equal 478 pounds of cotton to 8½ million bales of cotton, a considerable proportion of which represented a displacement of cotton, with smaller proportions representing a displacement of wool and other natural fibres and with some representing an increase in the total consumption of fibres which probably would not have occurred except for the development of rayon. A substantial part of the increase in rayon production outside the United States since 1939 and in the years immediately preceding resulted from increased output in Germany and Japan where production in 1942 was estimated at roughly half of the world total.

New types of rayon and other synthetic fibres particularly well adapted to specific uses, have been developed and in some instances have become very important within the last decade. About three-fifths of the total 1942 world rayon production was composed of staple fibre most of which is used on cotton or wool spinning and weaving machinery—even though as recently as 1931 this type of rayon represented less than 2 per cent of the total. It is expected that in the United States the production of high tenacity continuous filament yarn in 1944 will represent roughly 18 per cent and staple fibre about 23 per cent of total domestic rayon production compared with only 1 to 2, and 14 per cent, respectively, in 1939. Relatively small quantities of nylon, casein fibre, and other synthetic fibres also are now being produced on a commercial basis with substantial increases expected in the immediate post-war period.

An annual average percentage increase in total rayon production following 1942 only half as great as in the previous 10 years would result in a world rayon production in 1952 equivalent (on the basis indicated above) to 22 million bales of cotton, about 19 million bales of which would be produced in foreign countries. Such a world production would be about three-fourths as large as the 1935-39 average annual world mill consumption of raw cotton. This, or even a considerably smaller production, seems likely to materially restrict both the domestic and foreign consumption of cotton as compared with the 1930's, at least

during the early post-war years. The alternative, of course, would be to obtain an increase in the total world consumption of fibres sufficient to absorb at least a large part of the increased synthetic fibre production as well as 26 to 27 million bales of cotton. From 1921-25 to 1934-38 the combined world consumption of cotton and rayon increased by the equivalent of roughly 9 million bales of cotton (3 million of which was rayon), a rate too small to absorb the possible future increased production of these fibres.

The downward trend in the prices of rayon undoubtedly has contributed much to the rapid increases in rayon consumption. Domestic prices of 150 denier rayon filament yarn declined from the all-time peak of \$6 a pound in early 1920 to an average of \$2.79 for the cotton crop year 1921, to 49-55 cents since early 1938. In the last two or three years rayon filament yarn has been considerably cheaper in price than many of the finer and better quality cotton yarns with which it competes. Prices of rayon staple fibre (viscose type) declined at successive intervals from 60 cents a pound, net weight, in 1928 to 1931 to 24 or 25 cents a pound since late 1937. Considering the differences in spinning waste, the cost of Middling 15/16 inch cotton, net weight, to the spinner in the last quarter of 1944 was about the same as staple fibre, whereas during the first 4 years after the introduction of staple fibre (1928-31) cotton averaged about one-fourth of the cost of staple fibre. The present cost of cotton of longer lengths, which are required for the finer and smoother yarns, is much higher than staple fibre. Further reduction in the domestic price of rayon and other synthetic fibres is expected in the post-war period, but in the case of rayon, at least, the declines will be much less than what occurred during the 1930's.

Rayon and other synthetic fibres will, no doubt, displace substantial additional quantities of cotton during the next decade or two. It is probable, however, that increasing world population and improving economic conditions may be accompanied by a new high in the total apparel fibre consumption. The lower the price of cotton the greater would be the extent to which it might reasonably expect to share in any such increase.

Special economic and political incentives of several important cotton and wool importing countries to shift from these natural fibres to rayon contributed to the rapid increase in rayon production immediately before the war and may be important in the post-war period. These countries, which are dependent upon imports for most of their raw cotton requirements, were able to make important savings in their monetary balances or foreign exchange held in other countries by using rayon instead of cotton. Wood pulp, the principal source of cellulose, is available to many of these countries at costs equivalent to not more than four or five cents per pound of fibre and often with no expenditure of foreign exchange. This situation and Governmental action to conserve exchange for use in obtaining other materials and to become more self-sufficient were especially important in Germany, Italy and Japan. During the war rayon production in the Axis areas has been further stimulated by the extremely limited supplies of cotton, wool, and jute, a large part of which is normally imported from the Allied countries.

From observations previously made in regard to raw cotton and rayon the following conclusions can be reached:—

"1. In the post-war period, natural fibres will have to face much more intensive competition from synthetic fibres than in the past. Unless aggregate world consumption of all kinds of textiles can be considerably expanded there is little doubt that rayon and other synthetics will displace cotton on a fairly large scale over the next decade.

2. To reduce the price of raw cotton to a level competitive with rayon (without depressing the standard of living of the cotton-grower) will be possible only through advanced mechanisation or production methods and the elimination of uneconomic small farms. The country with the political system most suited to large-scale mechanised farming is Russia.

3. Regardless of relative prices, countries unable to grow raw cotton owing to their geographical situation will have a strong economic incentive to produce raw material for their textile industries from home-grown wood pulp and other domestic sources of natural cellulose. This policy will be particularly attractive to countries deficient in reserves of foreign exchange—i.e. European countries.

4. The great advantage of synthetic over natural fibres is their cleanliness and their uniformity of staple. The great advantage of natural fibres over synthetics is that they produce textiles of better durability—at any rate up to the present.

5. Without some international agreement on the production and marketing of raw cotton, post-war competition between exporting countries will reduce the world price of the commodity to a level that will make cotton either a better economic proposition than rayon or force the less efficient producers to discontinue cotton-growing.

6. The countries most suited to the development of rayon industries are those possessing a soil and a climate which will produce abundant and cheap supplies of natural cellulose—i.e. Canada, the U.S.A., Australia, etc., etc.

7. The long-term future of both the cotton and rayon industries in the United Kingdom will inevitably depend on the ability of British producers to maintain supremacy in technological skill over their overseas competitors, particularly in the development of high-quality specialities whether made from natural fibres, synthetic fibres or a mixture of both. So far as the cotton industry is concerned, such a supremacy can be attained only by a complete reorganisation of its structure on lines that will bring about a thorough modernisation of production methods, intensive collective research and the development of up-to-date marketing technique.

8. Owing to the fall in the birth rate in the United Kingdom during the inter-war years there is an acute scarcity of juvenile labour in British industry after the war. The textile mills will be forced to rely on adult labour to an extent very much greater than in the past. Adult labour, on account of its higher cost, will not be an economic proposition unless balanced by a high rate of production per man-hour derived from automatic machinery. .

9. The penal rate of taxation on the profits of private enterprise in the United Kingdom, unless considerably modified, will indirectly encourage the development of new industrial ventures in countries where taxation is much lower, natural resources much greater and labour much cheaper and more abundant.

10. The sterling area can, if necessary, provide the United Kingdom with all the wood pulp or other forms of natural cellulose the domestic rayon industry is likely to require".

Extracts from Mr. Dudley Windel's 'Cotton and General Economic Review', dated the 4th May, 1945:—

"The principal topic of local discussion during the week was last Monday's announcement by the British Rayon Federation that prices of continuous filament rayon yarn for domestic consumption would be reduced by 2½d. per pound, thereby bringing the home prices down to the same levels as the export prices. This cut in rayon yarn prices came as a surprise, especially in view of the impending increase in cotton yarn prices to cover the wage advances recently granted to the operatives. The whole question of post-war competition to cotton from rayon has been suddenly brought into the limelight. It will be remembered that Mr. Courtauld, in a statement a few months ago, predicted that the cost of rayon would start falling soon after the termination of the war. This movement appears rather prematurely to have begun.

Rayon prices have been maintained at 58d. a pound for viscose yarns and 57d. for acetate since July, 1941, when quotations were advanced 2d. per lb. In the twelve months preceding that date prices were raised four times, the aggregate increase being 1s. per lb. In July, 1940, a special reduction of 2½d. per lb. under the domestic price was established for yarns used in the manufacture of rayon goods for export.

No change has yet been announced in the price of rayon staple fibre which remains at 14d. per lb. for any staple length desired by the consumer. Staple fibre is, of course, far more directly competitive to raw cotton than filament as it is a substitute (or alternative) raw material which can be spun with facility on cotton spinning machinery. Consequently, if prices of rayon staple fibre start falling the raw cotton situation will be fundamentally affected.

Commenting on the rayon outlook the "London Financial News" remarked:— "... Already 'rayon' prices have started falling substantially. . . . Further reduction will doubtless be made as and when—or, perhaps, even before—the position permits, and this at a time when the costs structure of cotton is causing real concern. It is not that the rayon industry is behaving as a sort of 'enfant terrible' of the textile trades. Rather has it a superb confidence in the future. . . . It has good reason for this attitude. Output of synthetic fibres was rising rapidly before the war, and found a ready market. Restraint on production has been necessary during the war, but the laboratories and research staffs have been busy. They have discovered new substances of great value in the textile and other fields and have greatly improved the older products. Nylon, for instance, had only just reached the marketing stage before the war. Now it is ready for exploitation in a variety of markets.

Ardel fibre, which the Imperial Chemical Industries hope to produce on a commercial scale before very long, is said to have many of the properties of wool and to be cheaper. Nor does this by any means complete the list of new and bettered synthetic fibres likely to be presented to the consumer after the war. . . . The British Rayon Federation, the Central Rayon office and the Rayon Producers Committee, the councils of a now united industry, have fully accepted the Courtaulds concept that the best way to attract custom is to sell a good quality article cheaply. In this way, mass produced articles find a mass market. And a large turnover of the cheaper brands permits the sale of 'quality' articles at a reasonable price. The rayon industry is determined resolutely to meet competition, on the price plane, whether that competition comes from overseas producers or from the cotton, woollen, linen or real silk industries. . . ."

The energy and drive of youthful rayon is certainly to be admired. Unless the cotton industry throws off the conservative caution it has built up from decades of tradition; unless it accepts the challenge and makes an all-out united effort to beat the B.R.F. at its own game . . . the long-term odds will remain strongly in favour of rayon reaching the winning post first. The cotton industry cannot possibly hold its own unless it can produce textile goods at least equal in quality and price to those of this new formidable competitor."

Extracts from Mr. Dudley Windel's 'Cotton and General Economic Review', dated the 11th May, 1945:—

"Commenting upon the growing challenge of synthetic to natural fibres the "London Financial Times" remarks:—"One of the outstanding problems to be solved in the near future is a shortage of textile both for clothing and furnishing purposes. Meanwhile the position of the raw materials to meet this need, whether cotton, rayon or wool, is giving rise to much concern on the part of those immediately interested. Each commodity has its own internal problems to solve, but the main difficulty will arise out of questions of inter-relation among the three, arising from the fact that they are to a very large extent interchangeable. Without very careful handling a situation may arise of internecine competition of the bitterest kind among the respective producers, and the potential conflict between cotton and rayon has already been adumbrated by Sir Frank Platt in the phrase, 'Rayon: the enemy.' The ordinary consumer, whose main concern is to get the best quality at the lowest price, may well say 'A plague on both your houses'; but the considerations at stake are too important to be lightly dismissed. Industries of national importance are involved.

"Paradoxically, the old problem of redundancy appears likely to become again the crux of the problem. Cotton supplies this year are estimated at some 51 million bales, or twice the estimated consumption. Even before the war certain well marked trends were in progress, in the direction of production of cotton in low standard countries and in the industrialisation of such countries as India and Brazil, thus bringing in new competitors to Lancashire. No amount of internal tinkering with the disposition of factories can alter this overhead factor, even though the war may have eliminated Japan, for instance, as a competitor in certain fields.

Moreover, rayon production is rapidly cutting into the field held by cotton, and other new products, such as Ardel, the I.C.I. fibre with many of the qualities of wool, are promised after the war. The growth of rayon and similar materials has been meteoric and world production is estimated at over 1,000,000 tons, equal to about a quarter of the cotton industry's output in finished products, and its potentialities are illimitable. The recent reduction of 2-1/2d. per pound in the price may be one of the first shots in the campaign. Owing to official secrecy figures for wool are not so readily available, but production in Australia was in the region of 4-1/2 million bales in the 1943-44 season, against some 3.7 million bales before the war, with possibly half as much again from South Africa and South America.

"Release of labour and raw materials and relaxation of many controls at the earliest opportunity necessarily suggest themselves as steps in the direction of remedying what threatens to be a dangerous situation. At the same time it is impossible to avoid the conclusion that something more than internal reconstruction on the old lines will be necessary. Advances in invention and industrial technique hastened by the urgencies of war have been bringing about a new industrial revolution. The work of the engineering chemist, in the production of synthetic fibres and other materials is threatening the natural products such as cotton and wool. The alternatives appear to be competition to the death, or some form of agreement among the protagonists in the form of Government action for bulk purchasing or buffer stocks. Such arrangements suggest a cartel, to use a term much blown up at the present time, but the range would have to be much wider than implied by the word in its ordinary sense, as relating to control of prices or production within an industry and embrace spheres of activity only possible for Governments or by international action."

It is also the opinion of the writer that a cut-throat competition between producers of natural and synthetic textile raw materials would have unfortunate consequences. Both would suffer if prices were forced down below economic levels. The whole subject, in his view, should be thoroughly examined by some international body representative of the interests concerned. The only way to avoid a return to the disastrous chaos of the inter-war years is by establishing international co-operation in regulating broad economic trends. The rapidity of modern communications and transport and the enormous potential productivity of this scientific age make it impossible to reconstruct a stable world based on the exclusive sovereignty of national States."

In a special despatch on the subject last year, Reuter's City correspondent wrote :—

The sharp cut in rayon yarn prices on April 28 ominously underlines the Cotton Controller's warning, given both here and in Egypt, that rayon is cotton's "enemy" at a time when cotton yarn prices are rising owing to both, firstly the U.S. Govt.'s artificial elevation of raw cotton prices and secondly, the rising costs of yarn manufactures. The present cut of two and half pence a pound in rayon yarn is related to the increase of three pence in the autumn of 1940 to create a fund for encouraging exports at the time when Britain needed foreign exchange for the prosecution of the war. Owing to Lend-lease etc., this fund was never needed for the origi-

nal purpose. Hence the present cut means a real decrease in the producers' selling prices. Actually it equalises home trade and export prices of rayon yarn and hence is perhaps less ominous than last year's three pence cut in viscose rayon staple fibre but both together are very ominous for cotton especially as rayon producers foresee the possibility of further price cuts when improvement of labour and materials enables them to embark on a great expansion phase, thus reducing overhead costs per pound and transmitting to the consumer the benefits of war-time technical advances. Leading rayon producers foresee that rayon production costs may eventually be reduced to or below pre-war and their policy is to reduce selling prices correspondingly. Significantly Govt. has sanctioned cuts in staple fibre and rayon yarn, although owing to the hundred per cent excess profits tax, the cost of cuts falls almost wholly on the Treasury's tax revenue, not on rayon manufacturers' earnings. Obviously public policy does not require any manufacturers to charge excessive prices merely to maximise Treasury's tax receipts. Trying to stifle rayon's growth would be bankrupt and only a temporary policy for cotton and anyway because firstly, rayon is now too strong, secondly, while political factors in the U. S. favour cotton, the foreign exchange stringency here as well as in many other countries favours synthetics against cotton because imported raw materials for synthetic yarn cost far less than imported raw cotton for cotton yarn. This has dominant importance when the Chancellor already expresses acute anxiety about the fact that even the most essential imports during the first three post-war years will entail continuance of 'very heavy deficit on current account' additional to Britain's already huge external debts. This factor is not mitigated by the fact that some imported cotton comes from the British Empire and other countries against sterling payment because, firstly so—under the recent Anglo-Swedish Agreement—does Swedish pulp for rayon, secondly much more cotton does not, thirdly, considering their already fabulous sterling balances the British Treasury will be almost as sensitive about paying any unnecessary sterling for Egyptian or Indian cotton as about paying dollars or other hard currency for U. S. or Brazilian. During the war, rayon has been closely restricted but has made vast technical strides and will attack post-war markets with an unprecedented range of products with prospect of almost limitless expansion. Rayon mixtures with wool and cotton will benefit those natural fibres possibly considerably but the whole field will be highly competitive.

Production of rayon goods rose tenfold in the 1920's and quadrupled again in the 1930's and now exceeds one million tons annually with a capacity of already one quarter of the world's cotton industry and may well double again during the next five years. The cut in the staple fibre price gave spun rayon yarn prices much leeway against the continued uptrend of spinning costs while the present cut in rayon yarn gives a similar leeway against actual and prospective uptrend of weaving costs as affecting rayon fabric prices. Moreover rayon is energetically exploring specialised machinery which will doubtless cut processing costs besides improving qualities. Consequently cotton industry faces firstly the already doubled price of raw cotton compared with pre-war, secondly further increase of raw cotton price here when raw mate-

rial is again purchased through ordinary commercial channels whereafter the price here (which at present is subsidised considerably below overseas prices especially United States) must be aligned with the latter; thirdly with even bigger proportionate increases than other industries—to attract workers in unpopular conditions; fourthly, much obsolete buildings and plant. During worldwide clothing famine in the early post-war years, any fibre that can find processing machinery can find a market regardless of competitive costs—but that boom is likely to be cotton's last chance. Thereafter the cotton industry can 'appease' rayon: extensive introduction of specialised machinery for rayon must take time owing to the sheer bottleneck of textile machinery capacity (though the rayon industry has ideas about clearing that bottleneck for its own purposes) and meanwhile nearly all staple fibre is spun on cotton and wool machinery and nearly all spun rayon and FILAMENT yarns are woven (though not knitted) on cotton or wool looms. (The whole argument applies to wool to only a lesser extent than cotton). But instead of solving the cotton and wool growers problem this appeasement will aggravate it. Natural fibres could do much by research but most of the present talk about research is sheer alibi or escapism for unrealistic price policies. Synthetic producers are human beings with brains weighing no more than cotton or wool growers and with no monopoly of enterprising mentality—but they have very different ideas about the function of price in an expanding consumption. An inter-governmental cartel for cotton such as Washington favours would simply give synthetics a further long start over cotton whereas actually cotton now badly needs a start over synthetics. Facts can be artificially masked in the next few years but eventually a heavy price will be payable.

Synthetic Fibres in Relation to their Competitiveness with Cotton.

The following illuminating note was prepared by an eminent scientist for the benefit of a cotton research body in India.

"During the past few years many synthetic fibres have been developed, and these have found numerous outlets in the manufacture of textile and other industrial uses. The oldest and the most important among them is rayon, while the others, listed below, are as yet in their infancy. Some of them are best suited for certain uses, while others have found a more general utility, but judging from the developments which have already been made and the amount of research work devoted to them it is safe to assume that we will see considerable expansion in their use in the post-war period. These man-made fibres have all one common advantage over the natural fibres such as cotton in so far as their fineness and, in many cases, staple length can be readily changed at will, while their other physical properties can also be modified, within a certain range. Each one of them possesses certain special characteristics and limitations, and the object of this brief note is to consider the probable impact of their development on natural fibres, with special reference to cotton. The synthetic fibres considered are:—

Nylon,
Vinyon, Vinyon E and Saran,
Protein fibres,
Glass fibre.

NYLON

This trade name covers a group of chemical compounds (polyamides) which may be made into sheets, bristles, moulded plastics, coating material for fabrics and wires and textile fibres. Its production has increased rapidly since it was first produced on a commercial scale, rising from 4 million pounds in 1939 to 20 million pounds in 1942. Later figures are not known but it is known that further expansion is planned for the post-war period. As regards the Nylon fibre, so far as I have been able to ascertain, there would not appear to be great likelihood of long staple cotton suffering from a severe competition from it in the near future, though with the continual advances being made in its production and utilisation, it is difficult to foresee what might happen twenty or thirty years hence. This conclusion is based primarily upon two considerations, (1) the disparity between the price of Nylon and cotton and (2) the physical properties possessed by Nylon as distinct from those characterising cotton. As regards the first point, the present disparity between the price of Nylon and cotton is very large, being in the ratio of about 6 to 1, with the result that whereas cotton fabrics are within the reach of the masses, Nylon fabrics may be bought only by well-to-do classes, or used for special purposes such as military requirements. When it was first made in 1940, its price ranged from \$4.27 to \$4.55 per pound in yarn sizes suitable for hosiery, but since then its price has been reduced, and in 1944 certain sizes suitable for special military purposes (but not suitable for hosiery) ranged in price from \$1.62 to \$2.65, per pound. It is possible, even probable, that with technological advance and higher production, the price of the material suitable for wearing apparels may come down after the war, but even so, it is regarded as unlikely that it will fall to the level of the price of long stapled cotton owing to the high cost of chemicals (benzene or phenol, ammonia etc.) required in its manufacture. At the same time, it should be noted that vigorous efforts are being made in the U.S.A. to bring down the cost of cultivation of cotton by improved farming, mechanical picking etc., and there is evidence to show that large quantities of cotton can be produced in the U.S.A. at cost considerably lower than those which have prevailed in the immediate past. The opinion was expressed to me by several well informed persons that it might be possible, in normal times after the war, to stabilise the price of ginned cotton at about 12 cents. per pound. Thus, the effect of a reduction in the price of Nylon due to technological advance and increased production might be neutralised, to some extent, at least by a decline in the price of raw cotton.

As regards the second factor, namely the physical properties of Nylon, it is true that it possesses many excellent properties such as high tensile strength (from 4.5 to 7.0 gms. per denier) high elasticity (superior to all fibres in this respect) high wet strength (90% of the dry strength) ability to take a permanent set or shape when heated with hot water or saturated steam, resistance to alkalis, mildew, marine and soil micro-organisms, etc., which have given it a great start. But on the other hand, it possesses certain properties which place it at a disadvantage as compared with cotton. It absorbs very little moisture which might be a point in favour of its use in the manufacture of rain-coats. but is clearly a disadvantage in the manufacture of numerous

kinds of fabrics, especially those which are worn next to the skin, as the Nylon fabrics feel clammy and become slippery on account of unabsorbed perspiration. Again, it becomes easily charged with static electricity, which makes it very suitable for insulation materials, but rather unfit for certain other kinds of fabrics. It is, of course possible that these defects may be eliminated in course of time, but I am concerned in this comparison with the material as it is offered at present.

Before the war Nylon was used mostly for women's hosiery and to a lesser extent for neckties, fishlines, thread, foundation garments, knitted underwear etc. During the war it has been used largely for parachutes, raincoats, mosquito curtains (for rainy areas) tow-lines, tyre cords, etc. In many of its uses it has replaced and will replace natural silk, where the price is about the same, though in some of its uses (mosquito curtains, tyre cords etc.) it has also affected cotton to some extent. But taking both the factors mentioned above into account, it is fairly certain that although the production of Nylon will increase in the post-war period and probable that its price will come down, yet it is unlikely in the near future to make deep inroads into many of the uses to which cotton is put at present.

RAYON

The position, however, is quite different with rayon. Its expansion since 1920 has been truly phenomenal, its output increasing from about 33 million pounds in 1920 to 3,473 million pounds in 1942, of which U.S.A. contributed about 650 million pounds. One of the outstanding reasons for this rapid increase has been the development of the rayon staple fibre, which, in a pure or blended state, can be spun upon cotton machinery with a few insignificant modifications. In 1942 the world production of staple fibre was reported to be 2,026 million pounds of which the U.S.A. contributed about 150 million pounds. In my talks with some of the industrialists in U.S.A. I was informed that they are planning to increase the production of rayon by 100% in the post-war period, and it is highly probable that a similar expansion will take place in Great Britain and in some of the European countries.

The price factor has been greatly in favour of rayon. Since its manufacture on a large scale after the last Great War, its price has been continually brought down as a result of technological advance and increased production. Thus, from 1920 to 1943, the average price of rayon yarn in U.S.A. declined from \$4.5 to \$0.55, the latter price being the same as that of cotton yarn of similar quantity. It is noteworthy, in this connection, that, despite the general rise in price level in the U.S.A. the price of rayon has either remained at the pre-war (World War II) level or even declined slightly, and there are indications to show that it might be possible to effect further reductions in price in the post-war period. Thus it can compete very strongly in respect of price with long staple or even medium staple cotton.

Apart from the price factor, the numerous uses to which rayon has been put either in the pure or blended state, are those for which cotton was commonly used in the pre-rayon days. These are wearing apparel (woven goods) of many types, tablecloths, napkins, draperies, upholstery fabrics, blankets, tyre fabrics etc. The ability of viscose

rayon (which constitutes the bulk of rayon production) to take cotton dyes is another point in its favour, while, after blending it with wool, linen, etc. very attractive effects can be produced by cross dyeing. During my visit to the U.S.A. I had occasion to see in the industrial research laboratories many new designs and patterns made from rayon, pure and blended with other materials, and I was greatly impressed by their range and attractiveness. The research staff in these laboratories have worked all the working details of these new designs and patterns and they propose to put them into large scale production as soon as the times permit. After seeing these new designs and the price at which they will be offered, I felt convinced that they will constitute serious rivals to many types of cotton fabrics, and understood why the American industrialists are planning to increase the production of rayon by 100% soon after the war.

It is true that as against its attractive, appearance, cheap price and pliability in use, rayon possesses several disadvantages as compared with cotton which have imposed certain limitations on its use in the past. Chief among these are its low wet strength (about 50% of the dry strength) poor durability, susceptibility to permanent distortion through stretching, susceptibility to tendering in laundering, low resilience, etc. As a result of these drawbacks its use has been somewhat restricted in many lines, especially where appearance is not the primary consideration and durability has to be combined with cheapness, such as bags work clothing, men's and boys underwear, sheets and pillow cases, business and dress shirts, towels, wool suitings, cordage and twine, etc. It should, however, be noted, in this connection, that during the last few years great improvements have been made in some of the physical properties of rayon, and it is anticipated that this process will continue as a result of intensive technological research. Thus, the approximate dry tensile strength of 150 denier viscose yarns has improved from 1.6 gms. in 1925 to 2.0 gms. in the same period, while the emergence of the so-called high tenacity viscose yarns during the war has opened up a new group of uses such as parachutes tyre cords for aeroplanes, buses and heavy duty trucks etc. In view of these improvements and the amount of research devoted to rayon, it is more than probable that its sphere of use will expand rather than contract in the post-war period.

In view of these reasons I feel that rayon will be in a position to offer very powerful competition to cotton in the post-war period, and even though it might not be able to displace cotton from some of its present day uses, it would impose severe restrictions upon its use in other fields, thereby neutralising, to some extent at least, the advantages that may be expected to accrue from normal increase in population and general rise in the standard of living. This forecast is supported by the trend prevailing in the past, which shows that whereas the ratio of cotton to the total fibre consumed in the U.S.A. declined from about 87% to 80% since 1925, that of rayon increased from 0.3% to 10.3% in the same period thereby denying to cotton and other fibres any substantial position of the expansion accruing from increase in population, rise in the standard of living etc. Corresponding figures for the world bring out this feature even more strikingly. The total world production of rayon in 1942 was equivalent to 8½ million bales of cotton

which represents some 27% of the average annual consumption of cotton for the period 1935-39.

The cotton authorities in the U.S.A. whom I met seemed to be fully alive to the danger facing cotton from competition by rayon in the post-war period. The consensus of opinion among them appeared to be that the most effective way of meeting this danger is to intensify research on all phases of cotton from the cultivation of the raw materials to the marketing of finished goods. According to them cotton possesses many natural advantages which have not been fully exploited in the past, possibly on account of the sense of security bred by the dominating position it has occupied among the textile fibres of the world. Since this position is now seriously threatened they are planning to expand their research activities in all directions relating to cotton, and many of them felt confident that in this way cotton would be able to hold its own against the competing fibres. These activities will cover the development of new varieties, bigger yields per acre, higher output per man, better ginning and baling and grading, improved storage, improvements in spinning, weaving and finishing, modification of the physical properties of the cotton fibre, diversion of cotton to the new uses, better utilisation of cotton seed and its products, better marketing of raw cotton and textiles, etc. The Department of Agriculture had plans ready for extension of its research activities along these lines; in addition I saw many new research institutes springing up under the auspices of the National Cotton Council, the Cotton Textile Institute and many cotton mills. I was informed by an official of the Department of Agriculture that the present expenditure of research on cotton by the Government agencies in U.S.A. is of the order of 2.5 million dollars (about Rs. 80 lakhs) but when these new schemes fructify it will be at least double this amount. It is not possible to estimate the additional expenditure on research incurred by the National Cotton Council, the Cotton Textile Institute and Cotton Mills, but it must run into several million dollars per annum.

VINYON, VINYLON E AND SARAN

These fibres are made from synthetic resins, and while possessing certain common features, have each certain distinctive properties. They are all thermo-plastic and offer very good resistance to water, acids and alkalies. Since Vinyon shrinks at 150 deg. F., it cannot be used for garments which are ironed, but it has been used with considerable success for making fitter cloths, fish nets, fishlines, gloves, upholstery, millinery cloth and tyre cord. It is now sold from \$1.40 to \$1.80 per pound in continuous filament form. Vinyon E while possessing the other properties of Vinyon has a very high extensibility (150 to 300 per cent) which makes it especially useful as a substitute for rubber in elastic tapes and suspension cords. Saran is superior to Vinyon in its resistance to rupture from flexing, impermeability to water and ability to withstand higher temperature (240 deg. to 280 deg. F.) before shrinking. It has been used principally for screening material, upholstery and cordage, and its present production is estimated to be about one million pounds per annum.

In view of the special properties possessed mentioned above, it is doubtful if these fibres will replace cotton to any appreciable extent in

the near future. On the other hand, it is possible they might open up new uses for cotton in union fabrics.

PROTEIN FIBRES

These are derived from proteins of animal (milk casein) or vegetable (soyabeans, corn, peanuts etc.) origin, and like the synthetic resin fibres, are as yet in their initial stages of development. The fibre made from milk casein in the U.S.A. is known as Aralac, it is sold at about 64 cents per pound and its present production is estimated at 8 million pounds per annum. In its appearance, susceptibility to alkalis, crimp warmth qualities reaction to dyes and moisture absorption it closely resembles wool, but it is inferior to it in elasticity, crease-resistance and clinging power. So far it has been used largely in dress fabrics, suitings, scarfs, neckties, etc. but fabrics made entirely of Aralac are not regarded as very satisfactory owing to their low wearing quality. The soyabean fibre, which alone of the vegetable protein fibres, has made any headway and is planned to sell at about 65 cents per pound after the war, also resembles wool in its dyeing properties, resiliency and heat insulation, but its wet strength is so low that, in its present form, it is extremely doubtful if it can be used on a large scale for commercial purposes. A fibre belonging to this class, called 'Ardil' has recently been developed by the Imperial Chemical Industries, and I was shown some suitings made from it when blended with cotton. It also resembles wool in its appearance and general physical properties, and is likely to be used as a substitute for wool in certain types of fabrics. Even after these fibres, which are as yet in their infancy, reach a high degree of perfection and shed off their present deficiencies, they are likely to offer much more competition to wool than to cotton owing to their special properties, while it is possible that they might help cotton finding new uses for it in union fabrics and materials.

GLASS FIBRE

I saw some samples of fabrics and insulation materials made of glass fibre in the U.S.A. which showed that it has made considerable progress during the last few years. It is now available in extremely fine deniers both in continuous filament as well as cut staple forms. Besides possessing a very high tensile strength it has many distinctive properties which are not shared by many of the textile fibres. The fabrics made from it are immune to damage from ordinary acids, alkalis and micro-organisms causing mildew, they can withstand high temperatures and can be washed clean readily. The dyes can be built in the fibres and the fabrics made from it are completely fast to light, perspiration, washing etc. As against these advantages, the glass fabrics suffer from the disadvantages of possessing very low extensibility (1 to 2 per cent) brittleness, roughness to feel, and are apt to break at creases or with frequent bending. Owing to these limitations, its use for wearing apparel, especially of every day use, is likely to remain extremely restricted, but it is eminently suited for insulation material and tapes, fire-proof fabrics, lampshades, curtains, strengthening base for boards, etc. It is, therefore, not likely to offer very serious competition to cotton in the near future.

CONCLUSIONS

The above survey which has been necessarily brief, should suffice to show that on the basis of the information which I have been able to collect, most of the synthetic fibres developed in the U.S.A. in the last few years have somewhat restricted uses which make it unlikely that they would be in a position to displace cotton to any appreciable extent in the near future. There is, however, one exception to it, namely rayon, which has made truly phenomenal progress, both in quality and volume of output and holds very serious threat to cotton on account of its competitive price and the wide range of material which can be made from it, using, in the case of the staple fibre, the existing cotton machinery, and, in the case of the continuous filament, the cotton looms. The rayon companies are spending annually very large sums of money in improving the raw material further and in imparting new and attractive finishes to the fabrics which should make its appeal more general and its utility and durability more satisfactory. If the force of this competition is to be neutralised to enable cotton to maintain at least its present position, it can be done by taking vigorous and effective steps on the following lines :—

(1) To intensify research on all phases of cotton, especially with a view to achieving the following objectives :—

- (a) Development of improved varieties possessing high yield per acre, high ginning percentage and good fibre properties and spinning performance.
- (b) Reduction in the cost of cultivation per acre by the application of improved farming methods and elimination of uneconomic holdings.
- (c) Better utilisation of cotton seed and its products, e.g. linters, oils and fats, proteins, etc.
- (d) Better ginning, baling and storage of cotton.
- (e) Rationalisation of manufacturing processes leading towards lower costs of manufacture and elimination of obsolete machinery.
- (f) Better finishes to cotton textiles with a view to improving their strength, durability, appearance, range, etc.
- (g) Modification of the properties of the fibre with a view to imparting new qualities to it.
- (h) Better grading of the raw materials, standardisation of the finished goods and better marketing of both.

(2) Balanced equilibrium between the production and consumption of cotton, especially in regard to the types required for different uses, so as to avoid the ill effects of the so-called "orphan cottons" on the market.

(3) Stabilisation of agricultural prices.

(4) Scientific study of the trends in the consumption markets with a view to adjusting range and volume of production to actual requirements.

(5) Close watch on the development of new synthetic fibres which are likely to compete with cotton and a systematic study of their trends in production, prices and consumption.

All these items, if properly studied, need money to provide for laboratories, staff, equipment and running expenses. Committees of practical men can very usefully indicate and guide research along broad lines and check up the results against their practical experience, but they cannot take the place of research workers nor go into those details which are necessary for the formation of sound conclusions. If the expenditure is forthcoming on a scale which is compatible with the magnitude of the problems, the size of the crop, the numbers of people whose livelihood and welfare depends upon the production, marketing and manufacture of cotton, the share of cotton in the economy of the country as a whole, it is almost certain that cotton possessing many natural advantages and the force of traditional use, will be able to hold its own against the competing synthetic fibres, including rayon."

It is, however, clear from Mr. Windel's review dated May 4, 1945, as well as the report on synthetic fibres that cotton has a serious rival in rayon. In this connection it may be noted that the price of rayon staple fibre is already 14d. per lb. for any staple length desired by the consumer. This is equivalent to Rs. 610 per candy. Further reduction in the price is probable as the production of rayon is expected to be doubled both in the U.S.A. and in England in the next few years. Another pointer which may be borne in mind, is the opinion expressed by several well-informed persons in U.S.A., that in normal times after the War, it may be possible to stabilize the price of ginned cotton at about 12 cents per lb. (which is equivalent to Rs. 312 per candy).

These figures need not be taken as unduly depressing at the present moment, as any comparison between prices in England, U.S.A. and India is not at all fair to the Indian cultivator owing to the inflationary conditions ruling in India. But Indian cotton will have to face some kind of adjustment after the War if it is to survive competition with synthetic fibres, and therefore, earnest attention should be devoted to this problem, so as to put the economy of Indian cotton on a basis on which it can stand competition in the world. Temporarily, this adjustment may take the form of import duties on synthetic fibres or a change in the Rupee-Sterling exchange, but for a permanent solution of the problem, one must look to the increased efficiency of the production and manufacture of Indian cotton.

Labour Legislation

The post-war period is characterised all over the world by intense industrial unrest. There is probably little doubt that the industrial worker is more conscious of his rights than at any time in history; and this awareness coincides with an industrial situation in which there is the highest need to increase production to maintain national economies in some sort of equilibrium, but industrial relations are very strained everywhere. In Britain, a Socialist Government with a thumping majority has a very great advantage in being able to meet the wishes of labour and at the same time keep the economy intact; not so happily placed

is a country like India with its politics, economics and sociology all in a state of flux. Labour is, if anything, intensely overconscious of its rights without any corresponding awareness of its obligations, even at a time of national emergency such as the present. The employer class has still to adjust its ideas to the new milieu, and is still engaged in what seems to be a forlorn resistance to the tide of progressiveness. The triangle is completed by a Government whose days in the saddle are numbered but which would yet like to lay the flattering unction to its soul that it was not unmindful of the claims of labour.

This is the stage in which we perceive industrial relations in India at the moment. To make the philosophy of high wages, high productivity and low prices work would tax the most modern and practical of nations; but it would seem that India on the threshold of its new career is not loath to tackle the problem. Such courage deserves praise, and before going into the details of the new experiments, we should like to utter a note of warning that there is a very serious danger of costs and prices running away if the problems receive no more than a tinkering treatment; and it might be worthwhile for our economic statesmen to concentrate on the problem of raising production and efficiency to the highest pitch before attempting to assign a higher place in the industrial scheme of things to the worker.

A surprising quantum of new legislation pertaining to industrial matters was enacted during the recent session of the Central Legislature. The Bills passed were those amending the Indian Factories Act, the 48-Hours Week Bill, the Indian Coal Mines Act. The Factory (Amendment) Act, 1945, which provides holidays with pay for workers came into force with effect from 1st January 1946. The rules framed by the Government of India under this Act fall into two parts, the first dealing with compensatory holidays and the other with holidays with pay. The 48-Hour Week Bill emerged from the Select Committee and has been passed on to the Statute Book. The Bill provides for a reduction of the maximum weekly hours of work from 54 to 48 in perennial factories and from 60 to 50 in seasonal factories. Provincial governments have power to exempt any industry from the operation of the Act if circumstances require it. The Bill also doubles overtime rates of wages and will come into force from the 1st August 1946. Mention may also be made of the impending measures of legislation such as the Health Insurance Bill, the Payment of Wages Act Amending Bill and the Labour Disputes Bill, all of which are due to be taken up by the Legislature in the next session. The Bill relating to minimum wages is one of the most important pieces of legislation and will cover workers in all industry, commerce and agriculture. Its most essential provision is that a provincial government has a duty to fix a minimum wage, within two years from the date on which the Bill comes into force, payable to any worker. The provincial governments have power to fix different minimum wages for different regions and industries, depending upon the type of worker. The clauses of the Bill were discussed at the last Labour Conference and general support was forthcoming. The Bill is circulated for opinion.

On the 21st February 1946, a Bill to amend the Trade Union Act, 1926, was introduced in the Assembly. Under it, it would be obliga-

tory on employers to recognise a trade union, provided an Industrial Court duly recognises it as representative. After recognition, the Union has a right to negotiate with the employer, while at the same time irregular strikes will not be countenanced. In the last Annual, reference was made to Prof. B. P. Adarkar's scheme of health insurance. The Bill embodying the scheme will come up for consideration very soon. It confers certain rights on employees who are under obligation to make suitable contributions to the Health Insurance Fund. Employers in industrial establishments are required formally to define the conditions of employment (such as is already operative in Bombay) and to observe them without violation after the conditions have been agreed, accepted and registered.

As regards the Indian Trade Unions (Amendment) Bill, the original draft has been changed by the Labour Department and the revised Bill was placed before the 7th Labour Conference held at Delhi towards the end of November 1945. A special sub-Committee appointed by the Conference is examining the draft Bill.

The Government of Bombay enacted the Bombay Industrial Disputes Amendment Act, 1945, in November 1945, introducing a new subsection to Section 25 of the Original Act empowering the official Labour Officer after giving reasonable notice to convene a meeting of the employees in the premises of the Factory. The Amendment also empowers the officer to ask the employer to allow announcement of such meetings to be put on the premises and at the same time prohibits such meetings once a lock-out has been declared. The Committee of the Millowners' Association was mainly responsible for the above amendment since the original proposal sought merely to empower the Labour Officer to convene a meeting within the premises and to ask the employer to affix notices of the meeting at his dictation.

By far the most far-reaching legislation is that which relates to the grant of holidays with pay for workers. The amended Bill was put before the Assembly on 10th March 1945 and became law on 16th April 1945. One of the major changes made in the Bill by the Assembly was in respect of the total number of holidays allowed to a worker; the Bill provided for at least 7 consecutive days in the case of an adult and fourteen in the case of a child; the Assembly changed it to ten and fourteen days respectively in the case of every completed period of every twelve months' service in a factory. The Act came into force from 1st January 1946. Under Section 49F of the Factories Amendment Act, the provincial governments have powers to make rules to give effect to the provisions relating to holidays with pay though the Central Government may give directions in the matter. A preliminary set of draft rules was framed by the Government of India, Labour Department, last June and the Millowners' Association, Bombay, submitted a representation to the Bombay Government in November seeking clarification of many issues arising therefrom. Elucidation was sought of terms like "continuous service", "authorised leave and involuntary unemployment". It is not possible to go into further details, except to observe in passing that the new legislation is definitely helpful to the worker and imposes a definite burden on the employer.

Prof. Adarkar's sickness insurance scheme was adopted by the Committee of the Millowners' Association subject to the following conditions :—(1) That the scheme would be of a contributory character in which the employers, the employees and the State would participate, it being understood that the basis of contribution of the three parties suggested by Mr. Adarkar should not be exceeded. (2) That in the unfortunate event of the Insurance Fund being insufficient to meet all claims, any deficit irrespective of its size should be met by Government over and above its usual contribution. (3) That the success of the sickness insurance scheme or its failure to work properly shall not be made an excuse for introducing other forms of social legislation, regardless of their effect on industry. Adarkar's proposals were examined by experts Mr. Stack and Rao of the International Labour Office who were brought out by the Government of India for the purpose. The amendments suggested by the two experts did not commend themselves to the Association which preferred the original proposals of Prof. Adarkar.

At the risk of repetition in view of its economic and social importance, we give below the nature of Prof. Adarkar's researches into the problem and its implications (see 1944 *Annual* for full account).

Workers' Health Insurance Scheme.

In 1943, the Government of India appointed Prof. B. P. Adarkar as Special Officer to draft a tentative scheme of sickness insurance—now appropriately termed as health insurance—for industrial workers in India. Prof. Adarkar applied himself to the work of drafting his report by issuing questionnaires, as also by touring widely over the country, discussing the problem not only with employers and employees but with all those who evinced any interest in the subject. He was assisted in his task by a panel of Advisers representing employers' and workers' associations, consisting of Sir Shri Ram, Mr. Kasturbhai Lalbhai, Mr. J. Bishop, Mr. S. C. Joshi, Mr. S. S. Mirajkar, Mr. V. M. Tarkunde and Mr. G. Lobe. He had also the help of an Actuarial Advisory Committee consisting of Mr. L. S. Vaidyanathan (Chairman), Mr. S. N. Vaidya, and Mr. B. K. Shah. After a period of over 15 months of thorough investigation and careful study, Prof. Adarkar submitted for the Government of India's consideration a scheme of health insurance costing in all Rs. 2½ crores per annum.

One of the main features of the scheme is that, in character, it is both compulsory and contributory, and is intended to provide security of income during sickness, and cure and prevention of disease to industrial workers. It applies, in the first instance, to three groups of factory industries, namely, textiles, engineering, mining and metals. These industries cover, it is stated, nearly 60 per cent of factory workers or about 12 lakhs of workers out of a total of some 20 lakhs. In due course, it will be extended to other industries. There will, however, be some "scheduled exceptions" where the scheme will not apply.

The scheme being, as already stated, contributory in character, the employer will have to pay Rs. 1-4 per month per worker. The workers' contribution will be As. 12, if he is a permanent worker; As. 8 if a temporary worker; and As. 4 if a casual worker. Although, in pursu-

ance of earlier decisions of Labour Conferences and Government, the contribution is to be bipartite. Prof. Adarkar has made out a strong case for Government participation in the scheme. He has accordingly made an alternative recommendation that the State in India also should contribute As. 8 per worker, of which the Government of India should contribute As. 2 and Provincial Governments As. 6 correspondingly—thereby suggesting a relief of As. 6 for employers and As. 2 for workers in each category. The total cost to the Governments, if they contribute on this basis, will be in the neighbourhood of Rs. 72 lakhs per annum (for 12 lakhs of workers) of which the Central Government will have to pay Rs. 18 lakhs per annum, while the Provinces will have to pay the balance of Rs. 54 lakhs on a *pro rata* basis according to the number of industrial workers, in their respective jurisdictions. The total budget of the scheme is estimated at about Rs. 252 lakhs per annum. The employer will collect his own and the workers' contribution, and for the latter purpose, the stamped card system prevalent in other countries has been recommended.

As regards benefits to workers under the scheme, medical benefit, including free medical attendance and treatment, almost without limit, will be given. Cash benefit will be subject to certain conditions regarding "qualifying" and "waiting" periods. Additional benefits will be available at a later stage when the scheme is stabilised.

On the financial and actuarial side, the scheme will be centralised so as to facilitate "pooling of risks." The budgetary method, which is simpler, more economical, and administratively easier to manage than the capitalisation method will be followed. There will be a Government "guarantee" in the event of deficit arising. There will be two reserve funds, namely, the Contingency Reserve Fund and the Epidemic Reserve Fund. The former is intended to meet the occasional fluctuations in budget and the latter, the special contingency of epidemic. The author of the scheme has recommended periodical actuarial valuations to feel the pulse of the scheme as it were, from time to time.

The administrative machinery will, it is stated, consist of a statutory Corporation, with a Central Board, a number of Regional Provincial Boards, and a network of local committees in industrial centres, with functions appropriate to each body. The medical organisation will be based mainly on the principle of salaried medical service although the Panel system will prevail in certain limited number of cases. It is recommended that the medical organisation should be largely independent so as to meet the special requirements of industrial workers and that, to prevent laxity in certification, there should be medical supervision and sick visitation. In order to deal with disputes and offences, a judicial machinery also has been proposed.

Prof. Adarkar recommends that, in view of the comparative failure of the Maternity Benefit Acts and of the Workmen's Compensation Act, and in view of the great importance of health insurance, maternity benefit should be provided on an insurance basis in conjunction with health insurance and that the Workmen's Compensation Act should be scrapped and replaced by a scheme of insurance against industrial disability.

The foregoing are the main outlines of the scheme. It is based, to quote Prof. Adarkar, on four assumptions which are necessary for the success of the scheme. These are: (1) the early adoption of a scheme of unemployment insurance and the creation of new employment in the post-war period through a drive for national planning and development; (2) the establishment of a scheme of old age pensions; (3) the adoption and enforcement of certain "pre-medical" measures such as regulations of wages, rigorous enforcement of factory laws, housing, nutrition, education in health, and improvement of environmental hygiene, and (4) a national health drive. Prof. Adarkar rightly thinks that these measures are necessary to keep down the incidence of sickness to the minimum possible and to prevent the scheme from being saddled with burdens legitimately belonging to other aspects of social security.

The Government of India has considered the scheme but it is not committed to all the views expressed by Prof. Adarkar. The Government, however, is inclined, it seems, to accept the opinion that health insurance should not be considered in isolation.

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The sickness insurance scheme, as envisaged by Government, has made no provision for the Government to share the financial liability on account of introducing the scheme. This is quite contrary to what has been done in other countries. In the U. K., for instance, the State has come for its due share of responsibility with regard to such schemes, and there seems to be no reason why the Indian Treasury should not willingly come forward to share its burden, while calling upon employers' and labour to pay for the scheme. The absence of the Government's share of responsibility in financing the scheme appears very strange to us, especially when we ponder over the gigantic blue-prints of social insurance schemes being drawn up by the States themselves, if not under their auspices, in the U. K., Canada, the U. S. A. and Australia. The Beveridge scheme, for instance, has left the world wondering at its ambition to make the State provide security to all from the cradle to the grave. That being the case, one is inclined to question the propriety of the State in India keeping itself aloof though today it is one of the biggest employers of labour in this country. After all, what is the reward which the State in this country is going to confer on industry and labour which are doing so much to help it in its war effort if it now fails to join in financing the scheme of sickness insurance which it is ready to launch?

In our view the Government should not only pay, but it should also bear the entire Government portion of the total cost of the scheme. If Prof. Adarkar's proposals are accepted, the entire cost will be Rs. 252 lakhs. Of this, the Government's share will be Rs. 72 lakhs, the Central Government paying only Rs. 18 lakhs and the Provincial Governments Rs. 54 lakhs. We feel that the latter's share of Rs. 54 lakhs is a small sum, to be collected in parts from various Governments on a *pro rata* basis. Besides, it should be noted that the scheme is centralised and that, as there seems to be a feeling that labour should be treated as a Federal subject instead of as a Provincial item, the Central Government's contribution will facilitate the transfer of "Labour" from

the Provinces to the Centre, when it is warranted. Again, the Government at present controls the War Risks Insurance Schemes and has a machinery well experienced in insurance business. It is therefore not only in a better position to administer the scheme but control by it would also greatly facilitate collection of premia. The Government, since it contributes the entire share, will have to finance a number of post-war plans and will be in need of funds. The relief provided by the Centre in accepting the full share of the Government cost of the scheme will, therefore, be welcomed by the Provincial Governments.

If the post-war period is to be a period of industrial expansion as we hope it will be, a realisation by the State of its true role in insuring workers against want and sickness will go far towards creating a better working class, eager to do the jobs assigned to it however arduous.

Dearness Allowance to Textile Workers in Bombay

The Bombay working class cost of living index number for the purpose of calculating dearness allowance during the twelve months ending December 1945 and the appropriate dearness allowance applicable in each case were as under :—

Month.		Cost of living index number.	Dearness allowance for a month of 26 days.		
			Rs.	a.	p.
January	1945	236	31	2	0
February	"	229	29	6	0
March	"	229	29	6	0
April	"	225	28	7	0
May	"	226	28	11	0
June	"	230	29	10	0
July	"	235	30	13	0
August	"	240	32	0	0
September	"	243	32	11	0
October	"	240	32	0	0
November	"	242	32	7	0
December	"	242	32	7	0
Average		...	30	0	0

Dearness Allowance in Ahmedabad.

The grant of Dearness Allowance in Ahmedabad continued to be regulated during 1945-46 by the previous awards of the Industrial Court. The average Dearness Allowance in 1945 was Rs. 51-8-5, the maximum being Rs. 61-5-9 in January 1945.

Dearness Allowance in Sholapur and Khandesh.

In Sholapur and Khandesh the Dearness Allowance continued to be given according to the sliding scale based on the Sholapur cost of living index numbers and in accordance with the settlement reached under the Bombay Industrial Disputes Act in 1944, respectively.

Victory and War Bonuses

Cotton mill operatives received also the victory bonus equal to one-twelfth of their total earnings in the period 1st September 1944 to 31st August 1945 inclusive, if they were on the musters of member-mills in Bombay City and Island on 31st August 1945. The bonus was calculated on the earnings exclusive of dearness allowance and war bonus distributed in the period; in the case of women, maternity allowance drawn by them were taken into account. The bonus was paid in one instalment on 15th October 1945.

A war bonus equal to one-sixth of total earnings in the period 1st January 1945 to 31st December 1945 was also granted as a special case to all workers who were on the rolls on 31-12-45. Considering that the war ended on August 1945, this was a gracious gesture. The bonus was calculated on the earnings exclusive of dearness allowance and bonuses paid in the period above referred to. The war bonus was paid in two instalments, in the middle of January and middle of March 1946.

Staggering of Mill Holidays

The Millowners' Association requested the Government of Bombay in the middle of September 1945 to withdraw the scheme for staggering of mill holidays (originally introduced in 1943 as a war measure) as the war having ended the need for continuance of the scheme no longer existed. Further, the scheme had dislocated the domestic and social life of cotton mill operators who were therefore clamouring for its repeal. No decision was made by Government and the old provisions continue.

Likewise, the scheme for staggering hours of work in cotton mills put forward to effect power and fuel-economy was dropped as it was represented to the authorities that the workers would resent a change in timings.

The proposal for having a power holiday for Bombay mills was also dropped by the Bombay Government. The original proposal was to ask the mill to close for one day in each week, in addition to Sunday or other holidays. The object was to save consumption of electric power. The Millowners' Association, Bombay, pointed out that the proposal was inconsistent with the drive for increased cloth and yarn. Already the cotton textile industry by staggering holidays had been able to release a seventh of its daily consumption of power for the use of war industries, and it was therefore for other industries to effect saving in consumption decided by the Government. No wonder, the proposal for a power holiday could not be put through.

Progress of the Industry in 1944-45.

According to the statement issued by the Bombay Millowners' Association in their extremely valuable annual publication for the year ended 31st August 1945, the total number of mills in India increased from 407 to 417, with a corresponding increase in the paid-up capital of the industry by Rs. 1.65 crores at Rs. 54.36 crores. Looms installed showed a slight increase from 10,222,107 to 10,238,131 while spindles also

increased from 201,761 to 202,388. The number of workers on the day shift showed a welcome improvement from 505,562 to 509,778. (In the latter half of 1945, this improvement was not maintained owing to very disturbed conditions). The total quantity of yarn spun during the cotton year under review showed a definite improvement from 1,632 million pounds to 1,643 million lbs. Naturally, the cotton consumed was higher at 4,909,314 bales against 4,844,564 bales in the previous year, each bale being 392 lbs. The broad conclusion to be drawn from the above statistics is that the year 1944-45 witnessed an all-round improvement in the manufacturing side of the cotton mill industry in India. The improvement can be seen in better perspective from the tables given on P. 64.

The number of 407 mills as at the close of August 1945 stated above does not include 14 mills which had either been registered or were in course of erection, and the looms and spindles mentioned above are exclusive of these 14 mills. It is notable that whatever expansion took place occurred mostly outside the Bombay Province. Such dispersion is to be welcomed, particularly as it is generally admitted that there is excessive concentration in Bombay. Thus, of the ten new mills, eight were claimed by provinces and States outside Bombay; of the remaining two Ahmedabad accounted for one, while the other was in Bombay province. Bombay city had no increase. Among the fourteen mills registered recently or in course of erection, the same tendencies are noticeable. For, all of them are outside Bombay province. Since the above figures were prepared by the Association, we have seen a number of new prospectuses of cotton mills being published in the newspapers. Most of them are from Bengal, while a few are also to be located in other provinces besides Bombay. Generally, among new flotations, Bengal leads with Punjab, Madras and others following. This trend is particularly significant and it may be noticed here that Bengal is most critical of the allocations of new equipment recommended by the Textile Planning Committee and adopted by the Government of India. (The Committee's Report and the Government of India's Resolutions thereon have been exhaustively dealt with in another section under Post-war Planning, to which reference may be made. (Also *vide* Table No. 21 in "Cotton Industry at a Glance.")

Another noteworthy tendency was the continuance of fewer idle mills during the year. According to the statement of the Bombay Millowners' Association, at the end of August 1945, there were only six idle mills as against seven in the previous year. This is, of course, an indication that, notwithstanding the difficulties in coal supply, the profit margins obtained by the mills during 1944-45 were sufficiently attractive to keep even inefficient mills working. In fact, towards the latter half of 1945, though there was a distinctly falling trend in earnings, mills continued to work the maximum number of shifts except when coal stoppage enforced a shut-down. We mention this to emphasise the contrast which set in early in 1946, when the continued rise in raw cotton prices and other factors were driving many mills towards shut-down, particularly those with spinning sections utilising medium and short staple cotton. The next statement of the Millowners' Associa-

tion would make very interesting reading indeed, and here we cannot anticipate it more than in these general terms.

Regional Analysis of the Cotton Mill Industry

	Spindles	Looms	No. of hands employed	No. of mills
Bombay City and Island				
31-8-1939	2,850,774	67,235	113,338	68
31-8-1944	2,834,052	66,179	129,642	65
31-8-1945	2,803,416	66,164	129,510	65
Ahmedabad				
31-8-1939	1,901,872	46,853	77,859	77
31-8-1944	1,792,995	42,961	78,383	73
31-8-1945	1,816,583	43,909	78,053	74
Rest of Bombay Province*				
1-8-1939	1,264,651	26,852	63,541	62
31-8-1944	1,290,217	26,707	71,085	69
31-8-1945	1,286,886	26,783	70,732	70
Outside Bombay Province				
31-8-1939	4,043,073	61,524	187,211	182
31-8-1944	4,304,843	65,814	226,562	200
31-8-1945	4,331,256	66,132	230,483	208

The War-time Progress (Quantitative) of the Industry

	As at 31st August			
	1939 (Eve of war)	1944 Fifth year of war	1945 Last year of war	
Number of mills	389	407	417	
Spindles installed (A)	10,059,370	10,222,107	10,238,131	
Spindles working (B)	8,986,000	9,493,784	9,466,098	
Proportion of B to A	90%	93%	93%	
Looms installed (C)	202,464	201,761	202,388	
Looms working (D)	183,000	189,241	190,601	
† Proportion of (D) to (C)	92%	94%	95%	
Number of hands employed	441,949	505,562	509,778	
‡ Cotton consumed in bales	3,810,734	4,844,564	4,909,314	
Yarn spun (in millions of lbs.)	1,298	1,632	1,643	
Cloth woven (in millions of lbs.)	914	1,213	1,182	
Paid-up Capital	Rs. 42.81 crores	52.71 crores	54.36 crores	
Number of idle mills	25	6	5	

Reciprocal Trade Marks Registration

An important development during the year in regard to trade marks is that the Trade Marks Act, 1940, was amended to provide for a scheme of reciprocal registration with the Indian States. Section 83 of the Act

* Inclusive of Sind.

† In day shift only.

‡ Cotton consumed is in bales of 392 lbs.

provides for such reciprocal arrangements. Representations had been made to the Government of India by the commercial public in British India that if each Indian State were to pass a Trade Marks Act of its own as it would be constitutionally entitled to, then the cost of protecting a trade mark throughout India would become prohibitive. This is, of course, because the Trade Marks Act, 1940, applies only to British India. In response to the representations made by the public, the Government of India Commerce Department, sent its officials around to the prominent Indian States for ascertaining their views in regard to the evolution of a reciprocal understanding with them, so that not only the procedure of registration would be simplified and made uniform but full protection would be secured to the trade marks at a reasonable cost to the proprietors of such trade marks. On the 5th April 1946, the Central Legislative Assembly passed an amending Bill which provides for a reciprocal understanding on specified terms. Much work is still to be done since each of the contracting States have to pass trade marks legislation on the lines of the British Indian Act and then only they can apply to the Government to obtain the benefits of the reciprocal arrangement envisaged in the amending Act.

Incidentally, we are pleased at the manner in which the Trade Marks Registry has handled the enormous work in its hands. By all accounts, the work of registration is being proceeded with in as expeditious a manner as possible, which is saying a great deal since trade marks law is one of the most abstruse and difficult branches of commercial law. Even in the U.K. with nearly 70 years of experience and interpretation by the highest judicial authorities, many sections of the law have still to be interpreted. The Indian Act follows closely the U.K., and in its short period of working there has already been at least one important case in which the decision of the Registrar was appealed from but upheld by the Calcutta High Court. We refer to the "India Fan" case. It would appear that nearly 1½ lakhs of trade marks have been tendered for registration at the registry up till now. More are bound to come as Indian industries develop. For the information of readers, we may add here that the Government of India have notified under Section 68 of the Act that it would be an offence after 1st January 1947 to use the word "registered" with respect to a trade mark unless it is actually registered under the Trade Marks Act, with prescribed exceptions in regard to exports, etc. We trust that as many of the Indian States as possible will elect to enter into a reciprocal arrangement with British India, so that the commercial public will not be handicapped in any manner.

Cotton Mill Earnings

A number of factors have combined to reduce cotton mill earnings in 1944-45. On the one hand, the successive price reductions were themselves responsible for a lower level of earnings, while on the other the cost of the raw materials had gone up so appreciably that after paying excess profits tax, the mills found themselves left with very much

lower profits. The figures of dividend distributions given below confirm this view and show how the cry of the textile industry making enormous profits no longer holds good. Rather, our anxiety is that the stage has already been reached when the profit margin has been reduced to very exiguous proportions and the incentive to production is all but lost. The steady and uninterrupted rise in the price of raw cotton, particularly of the medium staples used by most of the mills in the country, has made deep inroads into the level of profits. In fact, even the Government have shown their awareness of this serious position by repeal of the E.P.T. lock, stock and barrel in the 1946-47 budget even against expectations. The Finance Member's Budget speech contained gloomy forebodings of severe deflation brought about by the cut in military expenditure to the tune of over Rs. 600 crores; we feel that the fear of deflation is a little premature and that owing to shortage of production in many industries, inflation is still the major problem in the country as wages are still moving upward and costs are also moving up.

As Mr. P. C. Jain has worked out in *Capital's* Annual Supplement, 1945, the average dividend of cotton mills in 1944 suffered a spectacular decline of nearly 9 per cent and amounted only to 17.88 per cent as against 26.82 per cent in 1943 and 27.03 per cent in 1942. The cotton textile mills had to pay higher costs for labour, chemicals, mill-stores, etc. but the prices of finished products both for supply to the internal market and for export, were constantly reduced by the Textile Control Board. The All-India price index (August 1939 = 100) for cotton manufactures declined from 381 in January to 285 in December 1944, without a corresponding fall in the costs of production. In the case of exports, the Cloth and Yarn (Export Control) Order, 1944, lays down maximum limits for export prices over ex-mill prices which leave only a small margin of profit to the manufacturers. Along with this, the total production and exports of cotton piecegoods have declined from 4,871 million and 462 million yards, respectively, in 1943-44 to 4,965 million and 415 million yards in 1944-45. The output of yarn has also declined. The lower output, lower prices and higher costs have reduced the profits of the cotton textile industry.

Cotton textile machinery has suffered extraordinary wear and tear due to high pressure working and constant readjustments in productive organisation. The Textile Industry (Rationalisation of Production) Order, 1945, has involved further readjustments in machinery in order to produce "utility" cloth to the extent of 90 per cent of civilian production capacity in each mill. These constant adjustments, in the absence of new machinery have increased manufacturing costs. Moreover, apart from paying larger sums of money in taxation, the cotton mills have built up reserves to enable them to buy machinery at the prevailing higher prices, whenever it is available for purposes of replacement and renovation. This has reduced the rate of average dividend in 1944 and prospects for any increase of dividends in the future are none too bright.

Dividends in Cotton Mill Industry

Dividend % p. a. (exceeding the first but not exceeding the second figure)	1944 Dividends
0-2½	Nil
2½-5	2
5-7½	7
7½-10	10
10-12½	5
12½-15	11
15-20	14
20-25	6
25-30	14
30-40	5
40-50	Nil
50-60	1
60-70	Nil
70-80	Nil
80-90	Nil
Average dividend per cent per annum in	
1938	11.47
1939	10.50
1940	10.88
1941	14.44
1942	27.03
1943	26.82
1944	17.88

Mill Earnings in 1940-44—Background

Owing to the absence of control over prices of cloth and yarn up to 1943, mill earnings were running at a high level as compared with the first three war years. Earnings for 1943 were not affected to any great extent as the reduction in prices came about only towards the end of the year and most of the mills had sold out their production at remunerative rates. In 1944 it was generally expected that profits would be much affected by the fixation of ceiling prices and the quarterly downward revision of these prices. The experience of the industry in 1944 however, did not bear out these fears. The relatively low levels at which cotton was obtainable and the maintenance of production at fairly high levels kept up earnings. Only in the current year earnings were affected to a great extent, though it is pointed out by some that the stoppage of Standard Cloth might compensate to a certain degree for

the loss in earnings on account of the lower average selling price. Also, the frequent shutdowns in production on account of the shortage of coal supply have militated against any appreciable increase in earnings.

In determining the trend of profits of cotton mills after the introduction of control, it is perhaps not correct to study the cumulative profits of the cotton mills which published their earnings during the last year, but as they relate mostly to the earlier periods of control, they serve to give an idea of the profits mills were allowed to earn under a system of ceiling prices. The criticism is sometimes heard that there has been profiteering at public expense by mills with the connivance of the Government and that, as has been pointed out, in the earlier pages of the last *Annual*, Government, in their anxiety to conserve their sources of revenue, did not want to be unduly severe in the matter of control of prices. (The Textile Commissioner himself spoke last year of the increase in costs of production by $2\frac{1}{2}$ times justifying an increase in the selling prices by the same proportion.) It should not, however, be forgotten that the $2\frac{1}{2}$ times ratio was achieved at the end of one and a half years of control and at one stage there were expressions of opinion that the industry had reached its limit of concessions to the public and that it would not be possible to effect substantial concessions in the matter of prices. In this respect, the reduction of five per cent in the ceiling prices of certain categories of cloth with effect from February 1945, is reassuring. Ceiling prices of yarn also were reduced by one anna in the rupee from the same date and there would also be a reduction in the export of fine cloth. This is the last reduction made since the beginning of control, but naturally the extent of reduction grows exiguous with each fresh reduction. We have now reached a stage when upward revision of prices has started.

We were not opposed to the cotton textile industry making any large profits in wartime if only to average up the depression years. We maintain that the biggest national industry is entitled to the most liberal consideration in regard to wartime earnings. This industry, which was the victim of competition from the highly industrialised nations of the United Kingdom and Japan has to be amply compensated for her earlier difficulties. In the pre-depression days, the standard of earnings was so low that the incidence of the Excess Profits Tax was preponderatingly heavy and the industry deserved special consideration. This point of view was put forward to the authorities on so many occasions but it was never at any time considered necessary by them to make any relaxation in the basis of E. P. T. though it is satisfactory to note that the authorities have agreed to consider the claims of the industry for special relief for rehabilitation purposes, and repealed E. P. T. from April 1946.

To enable the industry to improve its financial position, the mills should perhaps have been allowed to pay tax on a different basis but the authorities were content to argue that tax refunds will form a big sum. They perhaps believe that there will be no need for strengthening of the financial position of the industry since the compulsory deposits and the tax refunds form a substantial reserve. But the industry will need all these reserves and more in replacing worn out machinery and effecting expansion, especially as machinery prices are so high.

Future Taxation should be watched with care

The future taxation policy of the Governments, Central and Provincial, is an issue on which the future of the industry hangs. It is conceivable that the needs for post-war planning in the provinces require the imposition of new duties, excise or sales taxes, all of which would react on the industry. For that matter, the Government of India have not yet made clear how far they would persist with the present rate of taxes, beyond removing E.P.T.

The complete repeal of E.P.T. in the new financial year 1946-47 is greatly appreciated by the industry. But other special reliefs are needed in the post-war period.

Tax Relief Necessary

Reference has been made earlier to the need for tax relief for mills in future in view of the large increase in the value of machinery in the post-war period so that the burden of replacement costs may not be prohibitive and the industry may be in the same position as in the last war period.

In September 1944, the Committee of the Millowners' Association met Sir John Sheehy, Member, Central Board of Revenue and Mr. C. W. Ayres, Excess Profits Tax Officer, Government of India and discussed the problem of monetary assistance for rehabilitation of the cotton textile industry at the end of the war. Following this discussion the Association made a representation to the Government in which it raised the following very relevant points:—

(1) The expenditure to be incurred in recovering the industry to the post-war footing should be allowed as an expenditure and adjusted in the last E.P.T. assessment if such conversion took place within a specified reasonable period after the termination of the war, or the removal of the Excess Profits Tax, whichever is later.

(2) Mills had to defer until the end of war certain repairs and renewals, which, though due, cannot be undertaken as it will involve curtailment of production resulting from stoppage of machinery. In this connection, it has been suggested that, where an industry has set aside a special sum for repairs and renewals, that should be allowed as deduction for purposes of the E. P. T., even though it has not been utilised, on the understanding that if the amount has not been utilised within a reasonable time it can be regarded as income in the last year of the E. P. T. and assessed as such.

(3) The return of the industry from wartime production to peacetime production may involve the scrapping of buildings, plant and machinery which has been provided as part of the war effort. The law already provides relief in respect of any loss incurred but it has been pointed that relief should not be confined to cases where the equipment is actually scrapped but should also cover any loss of value in cases where equipment may continue in use.

(4) Mills may hold at the end of the war stocks of various items which are carried at higher cost than will probably be justified by peacetime conditions. Stock figures and valuations are carefully scrutinised

by the Taxation Officer that they are not unduly written off and it has been pointed out that if the valuation taken for the purposes of assessment in the last year of the E. P. T. is not realised within a reasonable period thereafter, the assessee should be given an opportunity for re-opening the last E. P. T. assessment with a view to set off the losses arising from the drop in valuation.

(5) There will be cases in the last year of the E. P. T. when there may not be sufficient information at the time of the closing of accounts and the assessee may possibly discover a loss after a year or two following the closure of the accounts and the assessee should be given an opportunity to reopen the E. P. T. assessment if he proved to the satisfaction of the authorities within a reasonable time after the assessment that when he closed the accounts he did not have sufficient information at his disposal to ascertain the exact loss.

It is not clear whether the authorities have given the concessions claimed by the industry but there are signs that the authorities will sympathetically consider the claims of the industry and help it in the work of rehabilitation. We hope and trust that they will render all the necessary help to the industry in these respects.

We have so far dwelt on the need for rehabilitation in the post-war period, the difficulties in the way and the importance of Government assistance in the matter.

Cotton Board Committee of the U. K. in 1943.

Cotton is one of Britain's chief industries with special features: First, it is traditionally an export industry. As such, it gradually contracted during the inter-war period, partly because of the general world depression, partly because of Japanese competition, and partly because of the rapid development of the Indian cotton textile industry. Next, it is organised horizontally with separate firms engaged for spinning, weaving, finishing and merchanting. This means that sales and purchases take place at almost every stage of manufacture. The spinner buys raw cotton, the weaver buys his yarn, the finisher buys his cloth and so on. This makes it difficult to introduce a stable price system. It is, or rather was, an industry of individualists filled with the spirit of independence. Finally, the industry has experienced competition from new materials, such as rayon, and indeed, even glass. Thus, in formulating the industry's future, the Cotton Board Committee were faced with a formidable task. Many of their recommendations follow the familiar line. They emphasized the importance of research. They insisted on an early relief from taxation, particularly excess profits tax, which has been given by Dr. Dalton.

To begin with, they wanted to get the industry under its own Board representatives of all sections of the industry, but with an independent Chairman, constitutionally responsible to the Minister who appoints him. They would invest this Board with wide powers. These include registration of firms in the industry, collection of levies, administration of schemes to fix prices and to deal with redundant plants, collection of statistics and organisation of research. They would also have the Board inherit the many duties of the Board appointed under the Cotton

Industry (Reorganisation) Act, 1939, which was suspended on the outbreak of the war.

There is also the question of the size of the industry. In 1937, home trade and export requirements were, after deducting yarn and cloth imports into Britain 1,284,000,000 lbs. of yarn and 4,212,000,000 square yards of cloth (these figures include rayon). Post-war estimated requirements range from 1,125,000,000 to 1,418,000,000 lbs. of yarn and from 3,700,000,000 to 4,626,000,000 square yards of cloth. The conclusion reached is that the post-war spinning industry can be as big as it was in 1939. This means that the mills closed down under the war-concentration-of-industry schemes can safely be reopened, but that installation of new spindles should be controlled.

There would, however, be some danger of excess capacity on the weaving side, if all mills closed down during the war were reopened. It is recommended that new looms should only be installed as and when old looms are scrapped. This should prevent development of excess capacity. Excess capacity is most marked in the finishing side of the industry.

A proposal was also made that a levy should be made from this branch for the purpose of compensating firms who decide to drop out of business. There is no suggestion of compulsory closure of firms. The hope is that the offer of compensation will induce the required number of firms to close down so that the excess capacity is at least brought within manageable proportions.

It must not be supposed that the Cotton Board Committee was opposed to installation of new plant. On the contrary, it placed on record the prospect that, during the five years following the defeat of Germany, the industry will place orders for £43,000,000 of new machinery valued at pre-war prices. Moreover, it asked for early diversion of some textile machinery makers from their present war production to their normal job and also asks that British purchasers of textile machinery should be given priority over overseas purchasers.

On the question of price management, the Board proposed both ceiling and floor. The necessity of maximum prices is recognised as a defence against inflation. Minimum prices are regarded as equally essential. The Board also pleads for an early transition of the industry from war footing to peace footing. It is opposed to the direction of labour into the industry after the war, though it recognised that there may be a shortage of labour. On the other hand, it pleads for early demobilisation of key workers.

The main outline of the Streat Committee's proposals is that maximum and minimum prices for cotton cloth should be fixed by law; that there should be an organized redundancy scheme, financed if necessary by compulsory contribution; and that the whole plan should be worked by a Board designed to be representative of the industry. It is significant that the Report pins its hopes for the industry's future prosperity on price management as well as reduction of capacity. The final shape of the industry after the war would depend upon the Government's policy, as to whether they favour high prices so that no one works at a loss, or whether they favour low prices so that trade can

expand. In brief, it depends upon whether the British Government regard restrictive monopoly or cut-throat competition as the greater danger. Price fixing has been tried often in the past and has never had much success to its credit. The conclusion that emerges from the history of price fixing with any clarity is that the attempt to fix any such economically justified price is met with shouts of distress from the producers. And any price, in the fixing of which the producers have had the biggest say will inevitably be too high for the long run stability of the industry. Even in Britain, the 'fair price' is regarded as an elusive thing if not a mirage and economists are agreed that the soundest attitude to take towards schemes of price fixing is one of healthy suspicion. The occasions on which the power to fix prices whether conferred by law or by agreement, can be turned into a device to enrich vested interests will only be too many. After all, the economic test for a fair price is that it should, in conditions of competition, bring forth exactly the amount that is demanded at that price, neither more nor less. Such a state of economic equilibrium is seldom attained. The textile problem in Britain is likely to be one of the hardest that the British people have come up against in recent times.

Platt Report, 1944

In the midst of numerous proposals for expansion of the British export trade, easily the most outstanding is the Report of the Cotton Textile Mission to the U. S. A., headed by Sir Frank Platt, the Cotton Controller. Some of its recommendations have appeared in the Indian press from time to time, but beyond giving excessive prominence to the backwardness of the British industry as compared with the American industry in point of efficiency of output, little is known in this country. It is therefore pertinent to consider the contents of the Platt Report in some detail. The Report gives (1) the comparative output per man-hour in the U. S. A. and Britain in spinning and weaving, (2) a general review of American industrial organisation with special reference to the improvement in productive technique, quality of equipment, processing methods and working conditions finely contrasted in the two countries, (3) an account of labour conditions and of managing capacity, (4) finally, recommendations of a short term as well as long term nature are made for increasing British production. The point on which special stress was laid and which has been publicised in the world at large is the superior technique employed in all sections of the American industry. In America, machinery is more modern, methods up-to-date and automatic machines are much in vogue, whereas the rest of the world including Britain are still only considering the advisability of these. It appears that in America they make the machine do more of the work and the operative less, thereby bringing about improved conditions for the workers. In Britain, weaving practices have stood still where they were half a century ago. For instance, the loom is non-automatic and efficiency of weaving depends entirely on the weaver (often a female) on whom the strain of supervising anything from four to eight hour looms tells. Warp preparations are inferior in British mills and also cause a loss to the weaver in wages besides the loss of production to the mills. In America, the mechanical devices employed permit anything between 32 to 60 looms per weaver.

As regards labour, the report states that British labour requirements exceed the American by 22 to 98 per cent in spinning, by 381 to 571 per cent in winding, by 366 to 786 per cent in beaming and by 129 to 203 per cent in weaving. American operatives work three shifts of 48 hours a week, against one shift of 48 hours a week in Britain. Automatic looms cover 95 per cent of the American industry, while in Britain these are hardly more than 5 per cent. As regards British plant, the report includes a table compiled in 1930 based on a survey of 200 spinning mills and says that in the past 25 years re-equipment has been on a small scale and that only five new spinning mills have been erected.

Another important difference is the standardisation policy which in America is applied to the plant, the worker and the product. The mills concentrate on mass production of a few varieties of yarn and cloth and over a number of years they stick to these methods. Hence, they are said to be able to establish both cost and quality controls. In Britain, such standardisation is absent. On the other hand, there have been too frequent changes in quality and style, which have often not only led to loss of production and piling up of stocks but have resulted in great complications in internal organisation and costing. It appears that American mills are organised vertically and have all the processes upto weaving and sometimes even finishing. They almost always work on bulk production methods. Even in regard to sales, Britain, according to the Platt Report, should learn from America where the whole output is said to be sold through just 50 merchanting firms. These are all trends which the Indian industry would do well to take note of.

Post-war Reconstruction

Reference has already been made in the earlier chapters to the reports about the proposals of the Post-war Planning Committee (Textiles). At the time of going to the press, we have received both the summary of the report as well as the resolution of the Government of India on the recommendations of the Committee. It is, therefore, appropriate to notice them at some detail in this connection. About the Committee itself, it may be stated that it was appointed in February 1945 with Mr. D. M. Khatau (the present Chairman of the Bombay Millowners' Association) as its Chairman and consisted of Messrs. T. V. Baddeley, B. M. Bagri, Sakarlal Balabhai, B. W. Batchelor, Chaturbhujdas Chimanlal, R. C. Jall, Kasturbhai Lalbhai, Dewan Bahadur C. S. Ratnasabapathi Mudaliar, Sir Shri Ram, Krishnaraj M. D. Thackersey, J. Tinker and Neville Wadia. The Committee was assisted by the Textile Commissioner, and the Honorary Technical Advisers of the Government, namely, Sir Frederick Stones, Sir J. B. Greaves, while Mr. Nandulal M. Mehta was the Secretary. After meeting on six occasions in addition to the seven meetings of the Sub-Committee, the report to Government was submitted in November 1945. Although the Government has released the report, copies have just been printed. The fine work done by the Committee was acknowledged by the Government itself in its resolution, which says that the Committee is to be congratulated "on a notably clear and able report which would contribute greatly to the understanding of the problems of this great

industry", and on the public spirit and competence shown by the Committee. Nothing worse could indeed have been expected from such honourable and true men who adorned the Committee. A feature of its proposals is the balance and realism with which they have been framed. Going through the report, at many places one notes an awareness of practical difficulties such as could not have been expected from any but those who have actually been running mills under their control. No wonder that the most important and useful document on post-war planning has come from the textile side, while others are yet to come. We recommend the report to readers as the best document today on the problems of the industry.

Target of Expansion

Earlier, reference had been made to the target of production. The target originally suggested by Government was 7,200 million yards, an increase of 2,400 million yards (apart from handloom production). This target was to be reached by the year 1951. The general opinion in the industry was that this was an impossible target having regard to the difficulty in obtaining machinery. The Bombay Millowners' Association was the first to point out that on the basis of the proposals the country would have in 1950-51 a total of 9,200 million yards (including handloom production) as against a pre-war supply of 6,700 million yards. The Association doubted whether the purchasing power of the masses would have increased sufficiently to permit such an increase in the consumption of cloth. It pointed out that the post-war schemes and plans for expansion of purchasing power have yet to take shape and that the mills were before 1940 finding it extremely difficult even to dispose of the very much lower production turned out in 1938-39. The Association was positive that the expansion of productive capacity should take place by instalments in line with expansion of mass purchasing power and that care should be taken to see that stocks did not accumulate bringing about a slump in prices. In short, the Association is for a cautious policy in regard to post-war expansion.

The Planning Committee naturally gave careful attention to these views and therefore its plan aims at only 8,000 million yards as the target for total production, i.e. 1,200 million yards less than the target suggested by the Government, while agreeing in principle with the higher limit. The Committee has pointed out that the difficulty of obtaining machinery precludes the laying down of a period within which the target of 8,000 million yards would be attained. The Bombay Millowners' Association drew attention to the fact that not enough regard had been paid to the possibility of reasonable quantities of imports; and as for exports, the Association is extremely doubtful whether "in the years to come when India's overseas competitors would emerge from their war seclusion in a modernised form and compete with the industry in overseas markets, any sizeable exports of cloth from this country would be possible". After all, cotton mills are springing up in other parts in the world; and since no one knows the future trend of tariffs, the Association felt it extremely unwise to draw up our plans in anticipation of a share in the piecegoods trade of other countries. It, however, duly recognised the part played by exports in relieving

depression in the home market and stated that the Planning Committee should recommend to the Government to free the industry from the following disabilities which it was suffering from in overseas markets *vis-a-vis* its competitors: (1) the duty on importing cotton; (2) duty on imported stores and dyestuffs; (3) the high freight which has to be paid on Indian goods as compared with the U. K. It may be added that the target of 7,200 million yards (without taking into account imports which seemed unlikely for some time) will give a *per capita* cloth supply of 18 yards taking the population as 400 millions. The overall supply position would be as follows:—

	<i>Millions of yards.</i>
Existing production of mill-made cloth	.. 4,800
Handloom production (based on Dr. Thomas' Fact Finding Report of 1942)	.. 1,500
Anticipated production from new plants	.. 1,700
	<hr/>
Total	8,000
Less probable exports	.. 800
	<hr/>
Available for domestic consumption	.. 7,200
	<hr/>

The expansion of 1,700 million yards in mill-made cloth is expected to be made up of 510 million yards of fine cloth and 1,190 million yards of coarse cloth. In terms of yarn production, the respective figures would be 63.75 million lbs. of fine yarn and 297.5 million lbs. of coarse yarn per annum.

The Committee plans an addition of 1.25 million spindles for fine counts (40s and above) and 1.5 million spindles for spinning coarse counts.

The above is a conservative estimate since it does not allow for possible increases in handloom production and even in mill-made cloth. The Government, however, have gone further than the Committee in the matter of equipment and have allotted a total spindleage of 2,988,000 against the Committee's recommendation of 2.5 million spindles. In estimating production, we should not overlook the fact that the working week has been reduced to 48 hours now, thanks to the new legislation, and there has also been a reduction in the shift from nine to eight hours, after the post-war committee finished its labours. Taking everything into account, we should think that the target of 8,000 million yards should not prove to be unduly difficult of achievement, especially if there is some improvement in the availability of machinery.

Registration of Capital Requirements

In accordance with the scheme formulated by the Government of India in December 1944, applications for registration of all categories of capital goods both for war and post-war requirements were to be made to the Chief Controller of Imports. The applications in regard to post-war requirements were placed before the Planning Committee for scrutiny and recommendation. Last August, the Committee laid

down certain principles for the disposal of such applications. These were that no recommendation would be made for the import of second-hand and/or reconditioned textile productive machinery, the latter being defined as all spinning machinery upto and including ring frames and doubling frames and all weaving machinery inclusive of looms. Applications for the import of reconditioned machinery for bleaching, dyeing and finishing plants were to be given consideration. On the question of imports of machinery, a number of suggestions have been put forward by the Committee, of which Government has accepted the suggestion that priority should be given to orders for expansion and new mills over orders for replacement of existing machinery. Originally, apart from 2.75 million spindles and 40,000 looms for new mills in five years, it was also suggested that machinery covering 10 million spindles and 200 thousand looms should be supplied for existing mills over a decade. *In short, the expansion programme is to take definite precedence over replacement programme.* In this connection, the view has been taken that an economic size for a composite spinning and weaving mill would be 25,000 spindles and 600 looms. The Planning Committee also recommended that not more than 10 per cent expansion of spindleage or loomage should be considered in the so-called surplus areas defined by the Cotton Cloth Movement Control Order, 1943.

New machinery vs. Second-hand machinery

The Government have chosen to differ from the industry in regard to the advisability of importing second-hand machinery. They are not against it, as the Committee was, and indeed, propose to allow imports of second-hand productive machinery, provided that such machinery will be serviceable for at least a reasonable period and suitable for economic production. This is a highly questionable decision as the industry realises. For, as our contemporary *Commerce* has pointed out in an editorial article, "apart from the fact that this will result in the community as a whole paying a heavy price for it, there is danger of capital being locked up in, and ultimately wasted over, inefficient and old-fashioned machinery which will seriously undermine the competitive capacity of the industry". We live in an age of rapid new inventions and it would be perhaps folly to go in for old and worn-out machinery just because there is a shortage in the country and a profit margin could be earned anyhow. It is a pity that the Government have disregarded the advice of the Committee which is emphatically against second-hand equipment. Another aspect in which the Government have differed from the Committee is in regard to scrapping of plant which has been replaced by new equipment. Government take the view that in the present acute cloth shortage it will be criminal to scrap any plant which can be run for some more time. They, therefore, propose to allow scrapped plant being utilised further.

Again, from the long-term point of view, the wisdom of this decision seems highly doubtful. In any case, manufacturers are going to be the sole judge of their requirements in these matters and since the Government of India have undertaken to impress the desirability of eliminating inefficient plants on the Provincial Governments and States, we would leave the matter at that. Present conditions of scarcity of cloth

and unavailability of plant are so entirely abnormal that any long-term counsels are necessarily open to the charge of being "perfectionist". Present experience no doubt dictates certain courses of action which on a long-term point of view seem inadvisable. There is, however, something to be said at the moment for taking a teleological view on these matters. Our only presentiment is that the present conditions should not prove a strong temptation to manufacturers to instal any and every kind of machinery. The temptation will be the more severe since new machinery prices are so high. Government, however, have agreed to use their influence to secure a reduction in the present prices of textile machinery.

Imports of Equipment

As regards imports, the Planning Committee has boldly urged free imports of machinery from all parts of the world. Government, however, take the stand that, in view of the currency difficulties, imports from outside the sterling area could be permitted only "when there is reason to believe that the plant will be delivered appreciably earlier or will be considerably cheaper or better than if obtained from the sterling area". This at least shows that imports from non-sterling areas are not tabooed, but its actual value is very little since, in these days of seller's markets, the millowners in India will not find it easy to discharge the onus of proving that plant from outside the sterling area is available easier, and at a lower price, than from the sterling area. It is indeed regrettable that the Government has not found it possible to be generous in this regard, in the face of the urgent and vital needs of the industry for new equipment. If they had been more generous, and allowed imports from outside the sterling areas freely, the world at large would have benefited since the expanded production resulting from such machinery could have been readily made available to the queue of cloth-starved countries in the world. It is equally to be regretted that Government have not accepted the recommendations of the Committee to reduce the import duty on cotton back to the original level of half of an anna per pound. In Government's eyes, there is no justification for the reduction in the present non-competitive trading conditions. They, however, promise to review the position when competitive conditions return. When custom duties on raw materials are being removed, it appears unwise to keep this duty.

Resolution of the Government of India

The Government of India is in substantial agreement with the Committee and the differences on certain aspects discussed below do not affect the fundamental scheme for expansion which the Committee has proposed.

The Committee recommends in essence that expansion should be distributed all over India. With this recommendation the Government is in entire agreement, and it has accepted, with some minor modifications, the detailed suggestions of the Committee for the allocation of new spindleage in the various zones. The annexure (given in statistical pages of this *Annual*) to this Resolution shows the final

detailed allocation decided upon. In addition to the allocation shown in this annexure, it is proposed to allot some 130,000 spindles for the purpose of expansion of small mills in various States in the South Deficit Zone and in the Rajputana Deficit Zone.

The Committee has taken the view that the amount of free yarn at present available from India's mill production is adequate for the needs of handloom weavers and other consumers of yarn. The Government, however, thinks it is necessary to ensure increased supplies of yarn for handloom weavers and other consumers, and has to this end directed that at least 25 per cent of the new spindles installed shall be left uncovered by looms. Each British Indian Province and Indian State would, of course, be the best assessor of its own exact needs and the Government of India proposes, therefore, that the Provinces and States may, if so advised, receive a large spindleage for such purposes.

The Committee has recommended a reduction in the duty of foreign cotton and a full rebate of import duty paid on cotton for the benefit of India's export trade. The Government, however, does not consider that these measures are justified in the present non-competitive conditions of world trade; but it will review the matter on the lines recommended by the Committee when competitive conditions return, in order that the Indian export trade may be enabled to compete in world markets on equal terms with other countries.

The Committee recommended that the import of second-hand productive machinery should be prohibited. Since it will be some years before India can produce enough cloth for her own requirements, the Government has not been able to accept this recommendation; it will allow import licences for second-hand productive machinery for the present, if it is fully satisfied that the machinery in question will be serviceable for a reasonable period and suitable for economic production.

The Committee has recommended that import of certain machinery should be permitted freely from any country in the world. Having regard to existing currency difficulties, the Government considers that import of plant from countries in respect of which they exist should be permitted only when there is reason to believe that the plant will be delivered appreciably earlier or will be considerably cheaper or better than if obtained from the sterling area.

The Committee has recommended that where the replacement of existing by new plant is allowed, the replaced plant should be scrapped. While the Government appreciates the force of the Committee's recommendation on this point, it cannot see its way, in the present conditions of cloth shortage, to accepting it *in toto*. But it will urge on Provincial and State Governments the desirability of preventing the use by mills of inefficient and uneconomic plants.

The Committee recommends that applications for import licences received after the 30th September 1945 should be excluded. The Government of India has not accepted this recommendation because it feels that the relevant Press advertisements did not come in good time to the attention of all industrialists concerned.

The Committee has modified its original recommendation made in paragraph 24 of its Report, and now recommends that the Government of India should indicate to manufacturers that priority should be given to orders for expansion to new mills over orders for replacement of existing machinery. The Government of India accepts this recommendation.

The Committee has pointed out in its Report that the present prices of textile machinery manufactured by firms in the United Kingdom are high. The Government of India agrees that this is so, and will endeavour to obtain a reduction in those prices.

Criticisms of the Plan

The lines of expansion of the industry decided on by the Government of India as noted above have not been entirely well received by some of the provinces who have voiced the grievance that they have not been allotted a due measure of the planned increases in productive capacity. Bengal is loudest in its grouches and feels that the allotment of only 325,000 spindles out of a total of 2.85 millions does not do her sufficient justice. As the Bengal National Chamber has pointed out, Bengal would require at least 1,260 million yards to obtain 18 yards per head of the population; her present production of mills and hand-loom is only about 400 million yards. It is therefore pointed out that the balance of 860 million yards is too large to be made good by the allocation of extra spindles and looms as recommended by the Planning Committee. Similarly other provinces will no doubt feel the allocations to be inadequate to their requirements. These complaints derive special emphasis from the experiences of the war period and the still existing shortage of cloth.

It is not easy to frame the criteria for deciding upon the quantum of expansion which each province should be allowed. Conflicting claims of different provinces cannot easily be adjudicated upon; thus, for instance, while Bengal clamours for more mills, Bombay claims that it is the ideal province for expansion of the cotton mill industry and ought to be allowed a higher productive capacity, if only by reason of its brilliant record so far and the so-called natural advantages for expansion of industry in the shape of a ready supply of skilled and trained labour, of cotton, etc. The predominance of Bombay in the total cloth production in India has long been an eye-sore to the other provinces who would fain have a cotton mill industry as large and as flourishing as Bombay's. But it seems to us that it would be wrong to apply the criterion of self-sufficiency in deciding upon this question. The Planning Committee has, in our opinion, been well advised to lay no more than ordinary emphasis on the regional development aspect and to base its recommendations upon the selection of zones now forming the basis of the Cotton Movements Control Order. In the new India of tomorrow, one never knows how much co-operation there would exist within the different units and zones, and the trend of the Cabinet Mission's proposals as well as of public opinion at the moment shows only too clearly that centrifugal forces are gathering strength. We would not be surprised therefore if self-sufficiency becomes the motto of each group of the provinces. We, however, hope that in the

All-India Union of States and Provinces, there will be a sufficient measure of cohesion between the different member units to permit of desirable degrees of expansion and to prevent lopsided growth. After all, it must be borne in mind that industry will be a provincial subject.

The most important argument in favour of regional development of the cotton industry is that such development will form an important part of the foundation of a balanced economy. As our contemporary, *Indian Finance*, points out in a leading article: "the development of the cotton textile industry according to the resources of each area not only assures each province of its requirements of cotton cloth but bears a vital importance to its economic development of control. In conjunction with the existing distribution of agricultural production, it will help to correct the inequalities which the localisation of other industries like coal, jute, iron and steel, and minerals generally must inevitably produce. A State which aims at uniformity of standards of living all over the country—and every democratic State should aim at such an objective—must recognise that it must bring about a diffusion of industrial activity where it can, if only because the number of industries in which it has no similar choice is by no means restricted. India is in fact very fortunately placed in regard to the cotton textile industry, because not only, as we have said already, is cotton widely grown, and cotton cloth widely used, but the difference in weight and volume between the raw materials used and finished product is so negligible that transport costs do not figure much and the centres of consumption are suitable as centres of production. The fact that in the past the development of the industry in the country was extremely uneven by itself is no evidence of marked or decisive differences of advantage. At any rate, so long as no practical difficulties can be cited as standing in the way of comparatively equal distribution, present conditions should be rather a stimulus for working for a change than a pretext for acquiescing in their continuance".

We are in entire agreement with this point of view which indeed nobody who has the larger interests of the consumer at heart can question. Yet, so much is in the melting pot, politics are so fluid, and the economic situation has hardly settled down to a peace-time pattern that we feel the greatest diffidence in swearing by a particular argument. On questions like these, it would seem that the instinct of the industrialist can be more relied upon for present and future guidance than the enthusiasm of the politician. We observe that the Bombay Millowners' Association has pleaded for going slow in the matter of expanding the productive capacity of the industry. To dismiss such a point of view as merely the capitalists' desire to keep down production and keep up prices is to carry suspicion too far and to refuse to be guided by practical wisdom. As we have stressed in the earlier pages of the *Annual*, there is the development of synthetic fibres to be taken into account and the emergence of cotton mill industry in almost all countries of the world. Should the world experience another great Depression as in the thirties, all this projected expansion in productive capacity would come home to roost; and who knows but that there might be such over-production in the world that many of the new units with their higher overheads in capital charges might have to go to the wall in the event of a state of over-production co-existing with declining demand?

In view of these and other considerations, the Planning Committee's proposals appear to be well advised especially as they only try to steer the middle course in these matters. After all, it must be noted that the plan is only of an interim nature and Government in acknowledging the tentativeness of the proposals for expansion have also made it clear that much would depend on world economic forces in the near future.

Scope for Expansion

The scope for expansion of production if purchasing power expands cannot be denied. The world's average *per capita* consumption of cotton piecegoods was 42 yards in 1928-29, when the production of piecegoods was at the peak level. We give below statistics of consumption of cotton piecegoods *per capita* for a few countries in 1929* in yards :—

U. S. A.	.. 64.0
Canada	.. 37.7
Sweden	.. 36.0
Germany	.. 34.0
Malaya	.. 30.6
Denmark	.. 30.0
Japan	.. 21.4
Egypt	.. 19.1
Brazil	.. 18.9
Iraq	.. 16.9
India	.. 16.1
Greece	.. 15.0

The Indian National Planning Committee of 1939 recommended that minimum requirement of clothing in India would be 30 yards *per person*. To reach this standard, we would need about 11,000 million yards of cloth, as against 6,000 million yards at present.

Immediate Post-War Target of Consumption should be 18 Yards on an Average for 90 Per Cent of the Rural Population

We are also convinced that 30 yards† on an average‡ is the barest minimum of cloth which must be assured to every person every year in India for ensuring him a fair standard of comfort. We feel, however, that in spite of our best wishes it may take time to achieve this. We would, therefore, reiterate the suggestion made by us last year in our 1944 *Annual*—and which we are glad to see, has been endorsed by the Planning Committee in their recent Report referred to in the earlier paragraphs—that in the *immediate* post-war period the target for mill production should be 7,200 million yards *per annum*—an increase of 50 per cent of the present production of mills. If we plan for a very modest increase of this dimension, i.e. 2,400 million yards, that is, half the present annual production of mills, 4,800 million yards, it would

* *Vide The World Textile Industry—Economic and Social Problems*, Vol. I, p. 168.

† The assumption is that the durability of this cloth should be one year.

‡ It should be noted that *per capita* estimates fail to present a realistic picture of the economic conditions, and are apt to be misleading and deceptive. It would be desirable to stipulate that the *per capita* consumption for 90 per cent of the rural population should be at least 18 yards now.

be interesting to see the approximate capital cost of such increased production in the establishment of new plants, whether we can raise the amount of money that is required for the purpose, and if so, how.

Capital Cost involved in Immediate Post-War Target for Mill Production of 7,200 Million Yards—i.e. 18 Yards per Person

At present, we have roughly 10,000,000 spindles and 2,00,000 looms in India. On this spindleage and loomage we manufacture roughly now (1944) 1,620,000,000 lbs. of yarn (of various counts) per year. Assuming a production of 4 yards of cloth to a lb. of yarn, we produce enough yarn for a potential production of 66,48,000,000 yards of cloth. Out of this we produce in mills only 48,00,000,000 yards of cloth (= 1,200,000,000 lbs. of yarn) and the balance of 4,20,000,000 lbs. of yarn is made available to handlooms and for other purposes like manufacturing of fishing nets, newar, tape, hosiery, and other uses. Thus handlooms roughly consume 400 million lbs. of yarn equivalent to in their estimated production of 1,600 to 1,800 million yards.

A production of a further 2,400 million yards of cloth means also a production of a further 600 million lbs. of yarn (against the present capacity of 1,620 million lbs.), or roughly an addition of about one-third of the present capacity for spinning.

Now let us see how many spindles and looms will be required for meeting this additional requirement. If 1,620 million lbs. of yarn can be produced by 10 million spindles, for a further production of 600 million lbs. of yarn, we will require nearly 3.6 million spindles.

Thus, 3.6 million spindles will be required for manufacturing 600 million lbs. of yarn which will be sufficient to manufacture 2,400 million yards of cloth. And as the present 2 lakhs looms produce annually 4,800 million yards of cloth, we have to provide for a further 1 lakh looms.

Thus the structure of our mill industry would, in future, be :

Today	Pre-war Capital Cost for same	Post-war period	Estimated Post-war Capital Cost of Machinery alone
10 Million spindles } 2 Lakhs looms }	Ra. 120 crores (Machinery alone = 80 crores)	13.6 Million spindles } 3 Lakhs looms }	Ra. 62 crores (additional)

The proportion of looms and spindles would thus vary from 1 to 50 as at present, to 1 to 45 in the post-war period.

No adjustment has been made in the above calculation for the possibility of further machinery being set up for the production of finer quality yarn and cloth above 40's. The assumption has been of the same average quality of production as at present, viz. between 24s-32s.

Now let us turn to the ticklish question of costs. It is not possible for us to estimate with any degree of exactitude how much this further equipment will cost. Firstly, there is no exactly reliable figure of the present capital cost for equipment of the looms and spindles which was made over a period of 20-25 or 50 years, with fluctuating prices of machinery. We feel, however, that, by and large, an acceptable estimate of capital cost in India (including land, building, power plant,

initial stores—in fact everything except working capital) for the pre-war period would be Rs. 80 to Rs. 100 per spindle and Rs. 1,000 to 1,200 per loom.

Assuming, for the sake of argument, the same level of prices as in the pre-war period (which is far from being the case), the additional capital cost of plant will be roughly :

3.6 Million spindles @ Rs. 100	.. Rs. 360 millions = (Rs. 36 crores)
1 Lakh looms @ Rs. 1,000	.. Rs. 100 millions = (Rs. 10 crores)
	<hr/>
	Rs. 460 millions = (Rs. 46 crores)
	<hr/>

The present (1946) price of machinery, however, may be computed at least double the pre-war level, and on that basis the cost of the additional equipment would be about Rs. 92 crores.

As stated above, this figure of capital cost of textile machinery includes other items than actual machinery, e.g. land, buildings, and if the machinery alone were to be taken into account, the cost would be about 2/3rds of Rs. 46 crores = Rs. 31 crores.

The present (1946) price of machinery being about twice the pre-war average cost of equipment, it would be safe to assume that the capital cost alone in making the addition of such plant, in the post-war period as stated above would be not less than Rs. 62 crores.

Utilisation of Sterling Balances for Import of Machinery for Textiles

As is well known, we have millions of rupees lying as sterling balances in the United Kingdom and perhaps the best way in which these balances could be utilised would be by their employment in purchase of capital goods like machinery for the cotton industry. Owing to lack of foreign exchange other countries would not supply plants for manufacture of piecegoods and yarn immediately and to the extent that we need, perhaps it would be best to get new equipment from the United Kingdom, and incidentally, also to liquidate in an advantageous manner our sterling balances accumulated in the U.K. at as early a date as possible.

Scheme for Government to Supply Plants at a fixed Rate for 10 Years in Post-war Period

It appears to us, however, that it would be very risky for an individual industrialist to order out his plant at a time when the price of machinery is two to three times the pre-war level, as in that case he would be unable to work his plant profitably in relation to the other units operating in the country, owing to the extremely heavy capital cost of the new equipment. Further, if for any reason the industry were to undergo a period of depression, or if the price of machinery during the period immediately following such purchase were

to fall considerably, it would affect those mills which purchased their plants at a peak level of price of machinery, very adversely, and would make it impossible for them to avoid losses.

We would, therefore, suggest for the consideration of all concerned whether it would not be possible for the Government of India to undertake to supply plants for all those who would like to establish new units in the industry, at a flat and stabilised rate for a period of, say, 10 years, thus equalising the conditions for all new *entrepreneurs* regarding capital cost of their plants. The Government may fix, for instance, the price of new equipment at, say, $1\frac{1}{2}$ times the present price, for a period of, say, 10 years, after the cessation of hostilities, and absorb any profit or loss arising from the actual payment they may have to make to manufacturers of plants in other countries over a period of years depending upon market conditions from time to time. If this is not done, those who happen to buy the plants at a time when the machinery prices are at the highest level may be hard hit and they may be serious sufferers * whereas, if the above suggested Co-operative Central Buying is effected by the Government of India for and on behalf of the industry, the conditions would be equalised and fairly comparable capital cost can be guaranteed to all who order the new plants. Additions to existing plants and replacement of worn-out machinery will also come under the scheme, and the Government will have to arrange necessary priorities, having due regard for national requirements, and early liquidation of sterling balances.

For this purpose, we suggest the appointment of a Committee of industrialists who could work out the details as to how this scheme could be worked most equitably and in the interests of the country as a whole. We hope that the Government of India will give this matter their best attention.

Textile Enterprise in other Countries

The prevailing world textile shortage is an incentive to the springing up of textile mills in all countries of the world, regardless of natural advantages. During the past four years plans have been prepared by consultants of industrial development including an English expert for the establishment on an economic basis of a large cotton textile enterprise in South Africa. Details of these plans are finally being checked, it is now learned, and opinion from overseas is being obtained in view of the magnitude of the scheme envisaged. The proposal has been discussed fully with the Union Government which is prepared to approve of the establishment of this enterprise subject to its feasibility being confirmed. The enterprise envisages establishment of a plant of some 60,000 spinning spindles and 2,000 looms to produce between 50 and 60 million yards of cloth yearly and will provide direct employment for about 35,000 employees. Similarly, new spinning mills in East Africa and Rhodesia are expected to be erected. In Australia, the great British firm of Courtaulds was recently reported to be floating a company for textile manufacture. In the Americas, Brazil has developed a world-wide trade, while Mexico's textile exports have increased greatly during the war. The trend is thus for expansion of the industry in each Contin-

ent and it would be foolish to assume that only those who have the advantage of natural conditions will be able to build up the industry.

Import Duty on Raw Cotton

The stage has been reached when the import duty on raw cotton operates as a definitely adverse factor to the Indian textile industry. Sir Archibald Rowlands in his 1946 budget proposed to amalgamate the customs duty at the rate of one anna per pound and the additional duty levied on the Cotton Fund Ordinance into a consolidated duty of two annas per pound. The Cotton Fund has sufficient balance to its credit to carry out the purpose for which it was created. The country is badly in need of cloth of finer varieties for which the right quality of cotton is not available locally and has to be imported from abroad. The Millowners' Association in their protest against the import duty pointed out to Government that the import duty to be reduced to the original six pies per pound imposed in 1931 purely as a revenue measure; and that the subsequent increases which were purely for the war emergency should all be removed. The taxation of raw materials of an industry is against all canons of industry and the Finance Member himself has admitted this in his 1946 budget in which raw materials for industry are exempt from taxation. Yet, raw cotton is being taxed though India does not grow commercial quantities of cotton comparable in staple and spinning qualities to imported varieties. The duty increases the cost of production of Indian cotton manufactures and imposes a needless handicap on the Indian producer whether for internal use or for export in competition with similar goods of foreign manufacture. The duty should therefore be immediately abolished.

Future Goal of the Industry

In previous *Annals*, we had formulated the goal of development of the cotton industry as of either having a full command of the Indian market or of manufacturing the whole output of Indian cotton. In view of the greatly changed position of raw cotton statistically and in view of the fact that the surpluses of cotton have changed to scarcity relative to mill requirements, the latter objective naturally loses its meaning. The problem of marketing for the cotton grower in India has ceased to exist and in fact, things have so changed that Government find themselves obliged to put a ban on exports of cotton even though there is a ready market for it in countries like China and Japan. Owing to the diminished production of mills, the Government of India have also been obliged to suspend the exports of cloth and to prohibit the mills from manufacturing any cloth for exports with effect from August 1, for a period of three months. It is expected that only by these means can the internal supply position be kept steady. A 10 per cent cut in the quantity of cloth allowed to individuals with effect from June 1st has also been decided upon. These show that the industry will require all its resources and all possible help to supply indigenous requirements alone. The goal of attaining a full command of the Indian market is therefore no more than a Hobson's choice. Of course, if the *per capita* consumption increases, such a goal becomes all the more worthy and advisable of attainment. The possibility of imports for some years is very small, and assuming that a small quantum

of exports is desirable in the interests of the foreign trade, and having regard to the great backlog of unsatisfied requirements of the nation, and having regard also to the increased yarn requirements of the handloom industry, there is only one problem for the industry and that is to step up its production anyhow. In view of that, no delicate questions of choice of objectives nor any dilemmas arise. What is needed is a proper regulation of the growth of the industry in different parts of India and some sort of relationship between the mill industry on the one hand and the handloom and *charkha* on the other. The days of antagonism are over, and in the new scheme of things, the complementary nature of their roles in the national economy must be duly recognised and implemented, particularly by the Congress Governments who have always evinced great care and shown great concern for the welfare of the handloom industry.

The Handloom Industry

The war period and the existing acute shortage of cloth in the country have completely changed the status of the handloom industry in India. Time was when the handlooms were only thought of as rivals to the mills and the economic problems of the industry could not be tackled adequately for lack of a proper appreciation of its usefulness and its importance in the national economy as a whole. The admirable manner in which the handloom industry has been able to expand its production and come to the rescue of the hard-hit consumer in India has served to concentrate attention, official and non-official, on the industry. The authorities have wisely refrained from subjecting handloom products to price control and this has had the effect of drawing many people to the industry, particularly to the weaving side. It is true that the prices of handloom goods are rather stiff, and in fact, there has been a demand from a certain section of the public and from the millowners that the industry is exploiting the sympathy and consideration shown to it by the authorities. Perhaps such instances of opportunism could not be helped and we endorse the action of the authorities in resisting the temptation to control prices of handloom goods. After all, the higher margin of profit which the weaver might be able to make is a well deserved compensation for the decades of lean years through which the industry passed. What is more to the point is that anything that tends to increase production is welcome at the moment. Precise figures are not available, but it is generally thought that handloom production is well over 2,000 million yards at the present date. On the question of prices of finished goods, it must not be overlooked that the price of yarn produced by the mills has recently been enhanced with official approval, and therefore a reduction in the prices of handloom goods is perhaps out of the question.

It is gratifying to note that the post-war planners have had the interest of the handloom industry closely at heart. As has been noticed in the previous pages, the allotment of new machinery is going to be made only on condition that a definite percentage of yarn production will be made available to handlooms. This is indeed the proper way in which yarn supplies to the handloom industry should be ensured. Otherwise, the mills are apt to consume all the yarn produced by them in their own weaving sections and starve the handlooms of the yarn supplies so

badly needed by them. Throughout its long history, that has indeed been the problem of the cottage industry and we are glad that the Sub-Committees appointed by the Handloom Board are going into the minutest details to place the industry's raw material supplies on a stable and sound footing. That is by no means an easy task. But given the helpful spirit now in evidence on the part of the Government, proper provision could surely be made for supplying the yarn needed, whether by making arrangements for imports from abroad mainly in the shape of rayon and silk yarn or by putting the indigenous mill industry under a definite obligation to supply a part of its yarn production to the handlooms. There is a greater awareness today of the place of the handloom industry in rural economy, and since all the schemes of post-war planning have as their objective the improvement of the purchasing power of the masses and the evolution of a balanced regional economy, there is reason to hope that, more than at any other time in its history, the handloom industry's case will not go by default.

The All-India Handloom Board

The All-India Handloom Board was, as stated in the last *Annual*, formed in 1945 in which due representation was given to Provincial and State Governments. The Board consists of 30 members, of whom 17 represent Provincial Governments and the handloom industry, 4 represent the States, 5 represent millowners and 3 non-officials are nominated by the Government of India. The Textile Commissioner is the Chairman of the Board (*ex-officio*). The functions of the Board are :—

- (1) To recommend to the Government of India as to what proportion of the yarn available from Indian production should be supplied to each Province and State interested in obtaining yarn for handloom weaving ;
- (2) To assist handloom weavers through recognised Associations or Provincial or State authorities in obtaining dyes, chemicals, and stores, etc. at fair rates ;
- (3) To consider the best methods of marketing handloom products ; and
- (4) To undertake research measures particularly into market and the improvement of production, etc.

(For detailed information about the Handloom Industry, we invite a reference to Appendix B, and also to the previous portion of the annual entitled : " Cotton Industry at a Glance ").

Great Importance of the Industry in the National Economy

The Cotton Textile Industry is the biggest national Industry of India, having 417 mills, over one crore spindles and over 2 lakhs looms, represents a capital investment of about Rs. 53 crores, gives employment to no less than 5 lakhs of workers (on day shift only) including 1½ lakhs of women, and opens an avenue for absorption of not less than 5,000 graduates in Commerce, Arts, Science and Engineering, and consumes the entire production of Indian cotton. The safety and development of such a great industry must continue to receive the close and careful attention of her capitalists, labour leaders, legislators, and politicians. As custodians of the interests of India, it is also the paramount duty of

the Government to help the industry adequately in order to enable it to increase the production both of piecegoods and yarn, and its efficiency to a level which would enable it to do away before long with the necessity of a high tariff wall against import of piecegoods from foreign countries and, enable it to build up a suitable export trade in adjacent countries. It is also essential to remove the various handicaps on the industry, e.g. by a reduction of the present high railway freights on raw cotton, the burden of various other direct and indirect heavy taxes on the industry, by ensuring an uninterrupted supply of coal, by help in obtaining replacement of machinery and other spares, at as early a date as possible, etc.

Prosperity of Country linked with Industry's Prosperity

The Cotton Textile Industry of India* is, admittedly, our largest industry, controlled, manned and financed by the nationals of the country. It is one of the few organized industries† in India which the Indian industrialists have been able to develop against heavy odds, and indeed against severe competition from the U. K. as well as Japan. It stands out as the most magnificent example of national achievement in the industrial sphere, and as a symbol of India's potentialities as an industrial country.

It is the sacred duty of the people of the country to extend their patronage to cloth made in India, *even at a sacrifice*, in order to achieve maximum development and expansion of this industry which occupies a very important position in the National Economy of India and with which the well-being of millions of people in the country is closely linked up.

Duty of Industrialists

At the same time, we feel that it should be the aim of the Industry to supply cloth at reasonable prices to the consumer (whose cost of living has also gone up so high that his budgetary equilibrium has been upset), particularly because the consumer has stood by the Industry in its dark days and extended his full support to it for years, under heavy protection. It is also the duty of the industrialists at this juncture to take all steps for stabilizing the industry, for conserving its resources without frittering away the present earnings in distribution of high dividends, and to pile up large reserves which should be of assistance in the further development of the industry in the years to come. And above all, it is essential that the industrialist should develop a more generous and progressive outlook in the treatment of labour, whose status and position *vis-a-vis* the industrialist must be improved appreciably, and before long.

* For a fuller discussion, vide *The Indian Cotton Textile Industry—Its Past, Present and Future*—with which is incorporated the 1937 Annual by Mr. M. P. Gandhi, with a foreword by Sir Purshotamdas Thakurdas, Kt., p. 250.

† Another industry—second largest—which has made a remarkable development, is SUGAR. For a detailed account of the romantic development of this industry, vide *The Indian Sugar Industry Annual* for 1940, 1941, 1942, 1943 and 1944 edited by Mr. M. P. Gandhi, and also "Problems of Sugar Industry in India—Scope and Prospects of Reorganisation in Post-war Period" by Mr. M. P. Gandhi with a foreword by Sir Purshotamdas Thakurdas, published in December 1945, (375 pages, 12 Rs.).

APPENDIX A

RAW COTTON IN INDIA AND THE WORLD

(PRODUCTION, CONSUMPTION, IMPORT AND EXPORT ASPECTS)

Cotton is well-known as an international textile fibre, possessing unique properties. It is a crop which is easily cultivated, and withstands varied conditions of climate and soil. It has been standardised to such an extent that the user can have the choice of almost any character required for his needs. These different characteristics are length, strength and regularity of staple, colour and varying degrees of softness. Different kinds of cotton are blended by spinners for their requirements of strength and working qualities of yarn.

The longest and finest stapled cotton of the world, viz. Sea Island, is grown in parts of America and the West Indies while the coarsest and shortest stapled variety, viz. Comilla, is cultivated on the hilly tracts of Bengal and Assam on the Burma border. Between these two extremities lie the rest of the varieties grown in the different countries. Thus the Egyptian varieties which are reputed for their length of staple and fineness of quality come next to the Sea Island; next in order to the Egyptian types comes the group of American cottons grown in America, Sudan, East Africa and other countries. The bulk of the cotton trade of the world is in relation to this group of American cottons. The cottons of Brazil and other South American countries are partly of the American type and partly of the Bourbon types. It is considered that these styles are the real competitors to the American product. Little is known of the Russian and Chinese cottons though in respect of the bulk of their crops they occupy positions next to India. Russia is reported to have succeeded lately in growing cotton of natural colours like grey, green, etc. Cultivation of these coloured cottons on a large-scale may perhaps be accelerated as the war is over.

India is the *second largest* cotton producing country in the world, next only to the U.S.A., but it is tragic that in spite of its large area which is more or less on a par with that in the U.S.A., the production is only 35 or 40 per cent of the American crop.

World's Production of Cotton

The total cotton production of the world in 1943-44 was 25,643,000 bales, while the average of the previous three years was 27 lakhs bales. The following table shows the relative importance of India as a producer of cotton, in acreage and yield:—

Year	Area (in 000 acres)			Production (in 000 bales)		
	India	U. S. A.	Egypt	India	U. S. A.	Egypt
1933-34	24,137	29,383	1,872	5,108	13,047	2,123
1934-35	23,972	26,866	1,797	4,857	9,637	1,871
1935-36	25,444	27,509	1,731	5,867	10,638	2,113
1936-37	24,759	29,755	1,781	6,234	12,399	2,286
1937-38	25,746	33,623	2,033	5,722	18,945	2,752
1938-39	23,490	24,248	1,830	5,051	11,944	2,085
1939-40	21,580	23,805	1,675	4,909	11,816	2,173
1940-41	23,311	23,861	1,735	6,080	12,565	2,319
1941-42	24,151	22,236	1,706	6,223	10,742	2,032
1942-43	19,203	22,602	733	4,702	12,820	1,047
1943-44	21,086	21,652	740	5,259	11,128	884
1944-45	14,839	20,009	925	3,543	12,230	1,148

Cotton—A Cash Crop

The common crops of India fall into two groups. Those grown chiefly for sale which may be termed the cash crops, including cotton and other fibres, sugarcane, some of the wheat and oilseeds; and crops grown for food, especially, rice *jowar*, etc. Quality is an important factor in the cash crops (but it is impossible to define it fully), while nutritive value is more important for the food crops.

A remarkable feature of modern Indian agriculture is the increase in area under cash crops compared with that under food crops. The areas under cotton, sugarcane and wheat have risen, corresponding with the increased area under irrigation. It would be interesting to note that of the 26,000,000 acres under cotton only about 5,00,000 acres, i.e. roughly 19 per cent is under improved seeds and this explains the low yield of cotton in India to a large extent.*

India, which enjoys the distinction of being the birth place of cotton, grows mostly short and medium stapled † cotton, the finer and longer stapled varieties being mainly confined to Egypt and America. The several varieties grown in India can be grouped under two principal classes, viz. (i) the Asiatic, and (ii) the American. The area under Egyptian types is practically negligible. The bulk of Indian cotton crop is of the Asiatic class and only a fraction belongs to the American group.

Cotton under Irrigation

A rough idea of the cotton acreage under irrigation may be obtained from the following statistics which are available up to 1937-38.

	acres
Total irrigated area in India in 1937-38 under all crops	52,833,000
Total area under cotton in 1937-38	25,746,000
Total irrigated area under cotton in British India, in 1937-38	4,555,840

* Vide Sir John Russell's Report on the work of the Imperial Council, 1937.

† "Staple" may best be defined as "the average length of the bulk of the fibres of the cotton". It is usually found by taking a tuft of cotton and after removing the short fibres by drawing the same between fingers and thumbs, measuring the average length of the fibres remaining.

(Of this 28 lakhs are in the Punjab, 10 lakhs in Sind, 3 lakhs in Madras and the United Provinces each.)

In 1943-44 the total area under irrigation appears to be of the order of approximately 66,000,000 acres, about 30 million acres being irrigated by canals, 30 million by wells and 6 million acres from tanks.

On an average, the production of irrigated crops per acre is 50 to 100 per cent higher than that of unirrigated crops as $\frac{4}{5}$ of the cultivated area is unirrigated. It is roughly estimated that the provision of irrigation facilities alone can increase crop production by about 60 per cent,* and what is true of the crops generally, would also hold true of cotton.

An increase of the area under irrigation would thus make a tremendous difference in yield of cotton.

Varieties of Cotton in India

The *Asiatic varieties* are grown all over the country from the submontane tracts of Northern Punjab to Cape Comorin and from Bengal to Baluchistan. They are hardy and thrive under the most varied conditions of climate and soil. The various types included in this class are as follows:—

Bengals. This is a general name given to a number of varieties grown over the whole of Northern India, from Bengal to Punjab. As a class Bengals are the shortest stapled cottons, ranging from 3 $\frac{3}{8}$ " upwards, with a general average of 5 $\frac{1}{8}$ ".

The U. P. has developed an improved strain with a staple of 0.74" known as C. 520. This is being multiplied and distributed. The Punjab too has evolved Sanguineum, Mollisoni and Jubilee strains suitable for its *desi* cotton areas.

Oomras. This is the trade name given to cottons produced in the C. P. and Berar, Khandesh, Kathiawar, Nasik and Sholapur. The best known varieties of this group are *Jarila* and *Verum* 434.

Malvi is grown in Central India.

Dholleras. This is composed of Wagad, Lalio and Mathio, all grown in Northern Gujarat and Kathiawar. Wagator is an improved variety now being distributed in Wagad area. A new variety named *Pratap* has been evolved for the *Mathio* tract.

Broach. This is the cotton grown between Narmada-Mahi and Mahi-Sabarmati zones. It is reputed to be one of the finest indigenous cottons and the improved strain under distribution is *Vijaya*.

Surti. This variety is grown south of the river Narmada. The well-known 1027 A.L.F. that was given out by the Agricultural Department is being replaced by a more suitable strain named *Suyog* which combines high ginning, resistance to wilt disease and good spinning qualities.

* *Vide* Memorandum on the Development of Agriculture and Animal Husbandry in India of the Advisory Board of the Imperial Council of Agricultural Research, 1944.

Southerns is the trade name for the group of cottons grown in the southern part of the peninsula.

Kumptas. This is the cotton grown in the southern part of the Bombay Presidency. *Jayawant* is the reputed strain that is distributed. It is one of the best indigenous cottons.

Westerns, Northerns and Cocanadas. These varieties constitute one of the biggest group of Indian cottons but unlike in other parts, the Department has made little headway in pushing its improved strains, H. I. in Westerns and N14 in Northern tracts, although it is mentioned that the latter is one of the best cottons in India.

Tinnies and Karungannies of the extreme south of the peninsula, form a group of medium stapled varieties.

Comillas of Bengal and Assam are perhaps the coarsest cottons. These are grown under primitive conditions of cultivation, on the hills near Burma border.

Americans. The introduction of the American varieties into India may perhaps be traced to the days of the East India Company when mostly New Orleans types were obtained and strenuous efforts made to acclimatise them in different parts of the country. The results of those successful efforts may be found in the development of Punjab American in the north and Dharwar American in southern Bombay and Cambodias in the South India. Punjab American is an acclimatised American cotton mostly grown in the Punjab and Sind. In the Punjab we have now a number of strains developed to suit the requirements of each sub-tract. 4F is the original strain. 289F and other sister strains, 289F/43, 289F/K. 25, L. S. S. have been evolved later. It is understood that two more new strains—124F and 199F—have done exceedingly well in the districts in comparison with the commercial strain. The former has been released under the name of *Victory* for general distribution, and the latter is being further tested.

The Sind American group consists of three types—4F-98, Sind Sudhar, and M4. The last strain is a recent introduction and has become very popular in the province owing to its higher ginning percentage and early maturing habit.

Buri is the American cotton grown in Burhanpur tahsil of C. P. and Berar. Besides Buri, there is a good deal of Cambodia grown in the C. P.

Dharwar-American is one of the three American cottons originally acclimatised in India. Gadag I is the strain under distribution. In the South the famous *Cambodia*, originally introduced from Cochin China, is grown. Co2, Co3 and Co4 are the quality strains evolved. The latter two are said to be the best cottons available in India. Co3 is capable of being spun to 50s warp.

The following table gives the relative merits of some of the improved strains as regards staple length and ginning percentage:—

SIND			MADRAS		
	Staple	G%		Staple	G%
Sind Sudhar—	1"	30			
Sind American 98	7/8"	33	Co. 2	1"	35
M. 4.	27/32"	33	Co. 3	1 1/16	36
C. P. & BERAR			Co. 4	1 1/32	33
V. 434	7/8"	32			
Buri 107	1"	28			
UNITED PROVINCES					
C. 520	5/8"	30	1027 A. L. F.	15/16"	35
Perso American	25/32"	32	Jarila	13/16"	35
PUNJAB			Jayawant	1"	28
L. S. S.	1"	31	Gadag	7/8"	33
289 F/43	1 1/32"	29	Vijaya	7/8"	42
289 F/K 25	1 1/32"	33	Suyog	15/16"	38
			Wagotar	13/16"	42

Establishment of the Indian Central Cotton Committee in 1921

A great deal of the improvement effected in Indian cottons is due to the Indian Central Cotton Committee which was established in 1921 to improve the quality of Indian cotton in particular and to promote the cause of cotton cultivation in this country in general. The Committee has rendered signal service in this direction since its inception. Its chief functions are (i) to advise the Central and Local Governments on all questions on cotton referred to it, and to suggest suitable measures for the improvement and development of the industry, (ii) to finance and to direct research work on the problems connected with the improvement of Indian cotton including investigations into the relationship between the cotton plant and its environment, the diseases and pests of cotton and the lint qualities of the existing as well as newly evolved types, (iii) to finance schemes intended to bring into general agricultural practice the results of economic importance obtained from research, and (iv) to finance schemes, wherever possible, for extension of long and medium staple cottons of improved variety and their marketing. The funds of the Indian Central Cotton Committee are derived from a cess of 2 annas on every bale of Indian cotton exported from India or consumed in mills in Provinces in India.

Legislation and Central Cotton Committee's Work

By the enactment and enforcement of various legislations such as the Cotton Transport Act, the Cotton Ginning and Pressing Factories Act, the Indian Central Cotton Committee has endeavoured to maintain the standards of quality of cotton grown, to prevent adulteration with inferior types and to discourage the various malpractices which at present occur in a certain number of ginning and pressing factories. All these measures have prevented great economic loss to the whole country most of which fell heavily on the grower. The Committee has also succeeded in preventing growers from being defrauded when marketing their produce, by urging on the Government of Bombay to pass the Bombay Weights and Measures Act, by which weights and

measures have been standardized for cotton transactions in various places. The Committee realized early that for the benefit of the cultivators it was necessary to have regulated open markets for cotton in the country, and their efforts in this direction have been crowned with success by the establishment of such markets in Khandesh, Central Provinces, Hyderabad, Indore, Dhar, Baroda, Sangli and Tirupur. Jointly with the Imperial Council of Agricultural Research, the Committee financed an enquiry (costing Rs. 5,22,200) into the cost of growing cotton, sugarcane and their rotation crops in the principal cotton and sugarcane tracts of India.* The Committee also directed its efforts towards the ensuring of greater accuracy in cotton statistics. But above all, the Committee conducted various scientific enquiries and practical researches on the improvement of Indian cotton by the judicious hybridization of existing strains, by the naturalization of imported ones, by the eradication of undesirable ones, by the control of cotton diseases and pests and the prevention of bollweevil by the fumigation of American cotton before entry at Bombay, which incidentally is the only port from which American cotton can be imported. Most promising results have so far been obtained from these scientific investigations, and the Committee has all along been carrying on persistent propaganda to advise the grower on suitable varieties of cotton and to show him how it will give him better monetary return than short-staple cotton. Technological research essential to securing authoritative valuation of spinning qualities of cotton and to carrying out fundamental researches on the physical and chemical properties of cotton fibres is carried out at the Technological Laboratory of the Committee at Matunga. Simultaneously, the Committee is sparing no means to popularize the use of improved varieties of Indian cotton both here and abroad and for this purpose it has been working in co-operation with the Empire Cotton Growing Corporation, the British Cotton Industry Research Association, the Lancashire Indian Cotton Committee and similar other bodies.

As a result of the joint efforts of the Indian Central Cotton Committee and the Agricultural Departments, a marked change has taken place in the character of the Indian cotton crop, particularly in the percentage of short and medium staple.† The proportion of cotton of staple length 7/8" and above to the total production increased from 30 per cent in the quinquennium 1922-27 to 38 per cent in the quinquennium 1937-42; the proportion in 1942-43 was 60 per cent against 45 per cent in 1941-42; in 1943-44 it was 62 per cent and in 1944-45 the proportion rose to 66 per cent of the total compared to 60 and 62 per cent in the previous seasons respectively. The production of cotton staple length 1" and above, which was nil in 1922-27, amounted to 589,000 bales in 1942-43,‡ 654,000 bales in 1943-44 and 386,000 bales in 1944-45.

* The Imperial Council of Agricultural Research has published all the volumes of the report.

† The Annual Report of the Indian Central Cotton Committee, 1943.

‡ Statistical leaflet No. 1, August 1944, I.C.C.C.

Statistical leaflet No. 1, December 1945, I.C.C.C.

It is stated that in 1942-43, the estimated gross *extra* income realised by the grower of improved varieties of cotton, covering an area of 10,382,000 acres, amounted to Rs. 9.37 crores, giving Rs. 9 per acre on an average.

Equally important have been the results of agricultural research and its application in the yield of cotton per acre.

India:

					Yield per acre
Average	1924-27	..	..	..	92 lbs.
„	1938-41	..	..	..	111 lbs.

The average yield * per acre has risen from 96 lbs. in the quinquennium 1922-27 to 109 lbs. in the quinquennium ending 1937-42. The average yield in 1942-43 was 105 lbs. per acre against 109 lbs. in 1941-42. The average yield in 1943-44 was 112 lbs. Compared with other cotton growing countries, the yield per acre in India is still extremely low and is capable of considerable improvement. The average acre yields in other cotton growing countries (1937-38) for purposes of comparison, with our own are given below;—†

Egypt	...	...	1920—320	lbs.	Peru	...	...	531	lbs.
			1937—531	„	Anglo- Egyptian	}	...	508	„
			1944—531	„	Sudan		...		
U. S. A.	...	...	1920—187	„	Argentina	...	...	277	„
			1937—264	„	Soviet Union	...	...	322	„
			1944—293	„	Brazil	...	...	154	„
					Uganda	...	...	84	„

Long-stapled Cotton in India

We have already referred to the successful efforts of the Central Cotton Committee in the introduction of several improved varieties of cotton. The continuation of the war and the demand for increased quantities of stapled cotton has given a great stimulus for the spread of the better varieties. This was particularly noticeable in the Oomras tract where the new type, Jarila, had swept off practically all the inferior types and occupied a phenomenal area of over 20 lakhs acres in almost record time. The area under the improved varieties rose from 5,663,000 acres, or 24 per cent of the total cotton acreage in 1938-39 to 10,382,000 acres or 54 per cent of the total in 1942-43.

Jarila Cotton

The noteworthy features of the Jarila cotton are that it is resistant to the wilt disease, is medium stapled, the range of lint length being $\frac{3}{4}$ " to $\frac{7}{8}$ ", capable of spinning 24s warp compared with $\frac{1}{2}$ " staple and 10 to 12s spinning capacity of the susceptible local mixed Oomras crop. Besides it is said to be a hardy type which can withstand drought conditions and early maturing. There are, however, doubts expressed

* Annual Report of the I.C.C.C., 1943.

† Technological possibilities of improvement of Agricultural development in India, by Dr. W. Burns, 1944.

in some quarters whether it can thrive equally well in areas receiving a heavy rainfall. This is a matter for investigation and the tracts suitable for growing this excellent cotton should be demarketed. Efforts should also be made at the same time to evolve a type which can stand the rains, as otherwise there is a danger of its becoming unpopular with the growers in years of heavy rainfall. This is an urgent problem which demands the attention of the authorities concerned.

The multiplication and distribution of pure Jarila seed have been taken up by the Provincial Agricultural Departments with the aid of funds provided by the Central Cotton Committee. The area under Jarila in Khandesh in 1942-43 was estimated at about 771,000 acres. The spread of Jarila in Berar has been even more phenomenal; it was over 13½ lakhs acres.

Development of Sind Cottons

The Lloyd Barrage Canals in Sind have opened up unlimited possibilities for the development of long-stapled cotton. During the decade prior to the opening of the Lloyd Barrage Canals, the annual area under cotton cultivation in Sind averaged slightly over 300,000 acres with an average out-turn of approximately 100,000 bales. Now, as a result of irrigation, the area has been increased to 990,000 acres. Three main classes of cotton are now being dealt with, viz. (i) Sind Deshi, (ii) Sind Americans, and (iii) Imported Americans. A scheme for cotton breeding investigations has been in progress in Sind since the early part of 1940. Financed by the Indian Central Cotton Committee the programme aims at production of a superior cotton strain with a staple longer than 1-1½" which would spin about 60 counts and yield not less than 6 maunds of seed cotton per acre. Improved cotton seeds from all parts of the world have already been sown in experimental tracts and a definite breeding programme is now being worked.

The cotton problem in Sind is complicated owing to the presence of the red leaf disease and the disease of 'tirak', which in the Punjab was responsible for partial failure of the crop, and the attack by destructive insect pests like jassids and bollworms. Any variety of cotton that is developed in the scheme should necessarily combine the qualities required by the trade as well as resistance to the diseases and pests. The results from the scheme are watched with great interest. The solution of the Sind cotton problem will have a far-reaching effect on the Indian cotton position as the type that may develop, if found suitable, will in a short space of time be able to spread over the whole of Sind and thus obviate the necessity of importing at least some styles of foreign cotton now being used by the Indian mills. It is understood that at the recent meeting of the Cotton Committee a new scheme for the breeding of Egyptian and Sea Island cottons has been sanctioned for Sind. Egyptian cottons, it is well-known, are unrivalled in regard to staple and quality and all the attempts to grow them in this country in tracts suitable for their cultivation are in the right direction.

Side by side with the above programme the Indian Central Cotton Committee has sanctioned funds for large-scale demonstration to eradicate the host plants that harbour the bollworm pest of cotton. This pest has begun to be on the increase since the last few years and, it

is said, if unchecked, it is likely to reduce cotton crop in Sind in the near future. The clean-up measures undertaken by the scheme indicate that the eradication of alternative hosts in a systematic manner would reduce the pest considerably.

Physiological research on the periodic partial failures of American cotton commonly known as 'tirak' in the Punjab, has been financed by the Cotton Committee from 1935. Eight years of research has shown that 'tirak' is caused by two sets of soil conditions. Experiments carried out under the scheme on Zamindar's farm in different American cotton growing districts of the Punjab are reported to have shown that 'tirak' or bad opening can be effectively reduced by late sowings on both types of soils. Two schedules are reported to have been prepared on the basis of experiments conducted during the past few seasons: one giving details of the optimum sowing time for the commonly grown American varieties in the different districts, and the other furnishing particulars of the changing seed rates and spacings with the advancing sowing dates. It is understood that experiments to investigate the causes of 'tirak' have been undertaken in Sind also.

In Bengal, where practically the whole of the cotton-growing area is under a coarse type known to the trade by the name of Comillas (*G. cernuum*), the Committee had financed a breeding scheme for the improvement of the commercial characters of *cernuum* cotton by the isolation of a coarse, high ginning and good yielding strain, suitable for mixing with wool. The Committee is also giving assistance in connection with a scheme financed jointly by the Provincial Government and the Millowners' Association, Bengal, for investigating the possibilities of growing long-staple cotton in certain highland areas of Bengal. The varieties of cotton being tested are the acclimatized American and the Egyptian cottons. Dacca Parbhani is said to stand up to the conditions obtaining in Bengal quite well and is reported to have given satisfactory results both in respect of yield and quality during the past three years. During 1942-43, this variety is reported to have given at two centres, on an average 740 lbs. and 620 lbs. of Kapas per acre.

More Long-Staple Cotton

As a result of all these efforts of the Indian Central Cotton Committee the staple length of the Indian cotton has been continually on the increase. Not only that, production of cotton of longer staple has also made rapid strides in recent years.

The present position is that we have improved strains of cotton developed for almost all the cotton tracts of India and a stage has now been reached when we feel that the present efforts at multiplication and distribution of these varieties should be speeded up so that all the areas are covered by them completely in as short a time as possible. There is otherwise the danger of all this good work of several years being spoilt by the inevitable mixing with the inferior *desi* cottons, that are so unfortunately persisting in all parts of the country. Single strain blocks should be created and maintained. Mixing of different

varieties before the cotton reaches the mills should be made a penal offence. This is an urgent need of the industry, and we wish to urge with all the emphasis at our command that it should be attended to without any delay.

Notable Efforts of Indian States to improve Quality of Cotton

Quite in keeping with the endeavours of the British Indian Government, the States in India too are making very praiseworthy efforts in the direction of improving the quality of Indian cotton crop. In this connection mention may particularly be made of the efforts made by the Nizam's Government and the Mysore State. In the former State an improved variety of cotton named Gaorani 6 has been evolved and this has gained considerable popularity there. While in the latter, an assured and abundant supply of water brought about by the Irwin Canal has given considerable opportunities for the growing of exotic and improved varieties of cotton on a large scale. Attempts are also being made by the Mysore Department of Agriculture to multiply Egyptian cottons, such as Giza 7 and Giza 12 with the object of acclimatizing and breeding suitable types. The response of these two Giza types under Mysore conditions is stated to be very encouraging. Baroda is also forging ahead in the matter of the extension of area under the improved varieties. The State Authorities have developed an efficient seed organisation after having studied the needs of each tract within its boundaries. Thus, the types developed in Bombay, viz. 1027 A.L.F., B.D. 8, B. 9, Wagotar, are being distributed in the several tracts of the State. In the Amreli District, the newly developed Mathio cotton known as *Pratap* which is very fine and spins 30s against 10s of the local Mathio, is recommenced for distribution.

Manuring of Cotton

The note on manuring of Cotton published by Dr. V. G. Panse in *Indian Farming*, Vol. V, No. 3, 1944, is interesting as well as instructive. He has divided India into two main Cotton tracts, (1) the Indo-Gangetic alluvium, and (2) Peninsular India. In the first tract both *desi* and American cottons are grown on irrigation with the exception of a small proportion of *desi* grown on rain in the U.P. and Punjab cotton is entirely dependent on rain in the second tract except Cambodia which receives irrigation on red soil in Coimbatore and Salem Districts in Madras. Black cotton soil is the principal soil type of the tract and *desi* the predominant variety of cotton grown. Results of over 400 trials from all over India were examined by Dr. Panse. He found that of the three chief food elements Nitrogen, Phosphate and Potash supplied to plants through manures, only nitrogen was essential for increasing the yield of cotton both under irrigated and dry conditions. Emphasis was laid on the need for conducting more trials before recommendations on manuring cotton can be made with confidence. We very much wish the Departments of Agriculture take up this important problem and work out Schedules for the cultivators in the respective areas to derive the maximum benefit from the application of manures.

Cotton Seed

The bulk of cotton seed is fed to cattle in India. The experiments financed by the Indian Central Cotton Committee * have shown that so far as quality of the milk, ghee and butter produced by the group of animals fed on fuzzy cotton seed is concerned there was no distinguishable difference in taste or palatability from similar products from the buffaloes fed on ordinary rations. It was also proved that the feeding value of fuzzy seed is greater than that of ordinary seed.

Utilisation of Short-staple Cotton in other Channels

The Indian Central Cotton Committee has also been examining the possibilities of diverting short-staple cotton for purposes other than the production of textiles. They thus took a clue from America and undertook experiments with the object of finding the wide range of non-textile uses for Indian cottons, namely, making of cotton belting, artificial leather, cotton cloth for road construction, cotton cloth for use in place of hessian, and cotton bags for sugar, flour and cereals. The need for following up the various suggestions in respect of the use of short-staple cotton was at no time more urgent than under the existing conditions when millions of cotton bales are hanging heavily on the market.

Consumption of Indian Cotton by Mills in India

With the increase in production of Indian mills and the difficulty of Indian cotton in recent years. The consumption of Indian cotton in the cotton years ending August 1945 was 4,160,000 bales, while for the year ending August 1944, it was 4,116,000 bales, and 4,306,000 bales in 1942-43, 4,025,000 bales in 1941-42 and 3,617,000 bales in 1940-41. There has thus been a considerable increase in the consumption of Indian cotton during the last 4 years and this has been helpful to a certain extent in offsetting the short fall on account of stoppage of exports to Japan which was a large consumer of Indian cotton till 1940-41 (*vide* Tables 4 and 5 in the *Cotton Industry at a Glance*).

The consumption of Indian cotton in the Bombay Island during the year 1944-45 was 1,224,000 bales as compared with 1,199,000 bales in 1943-44. This represents nearly 30 per cent of the All-India total consumption. The Bombay Presidency consumed 1,960,000 bales in 1944-45 as against 1,907,000 bales in 1943-44. This represents nearly 46 per cent of the All-India total consumption. The highest consumption of Indian cotton in Indian Mills was in 1942-43.

Statistics of Stapled Cotton in India

The following table shows the different staple lengths of the cotton produced in this country during the past 10 years:—

* *Vide* I. C. C. C. Annual Report, 1943.

(In 1,000 bales of 400 lbs.)

	1935- 36	1936- 37	1937- 38	1938- 39	1939- 40	1940- 41	1941- 42	1942- 43	1943- 44	1944- 45
Total	5,867	6,234	5,722	5,051	4,909	6,080	6,127	4,554	5,094	3,543
Long staple over 1 inch	85	47	54	72	66	93	161	270	363	197
Long staple 1' & Medium staple $\frac{3}{4}$ inch	1,766	2,057	1,717	1,790	1,794	2,151	2,551	2,465	2,797	2,158
Short staple below $\frac{3}{4}$ inch	4,016	4,130	3,951	3,189	3,049	3,836	3,313	1,819	1,934	1,188

It will be evident from the figures given above that the production of improved varieties of raw cotton has been generally on the upgrade. This will also be clear from the decrease in the quantity of cotton imported into this country during the past 2 years, the total import being 76,102 tons in 1943-44 as compared with 87,575 tons in 1942-43. The imports are practically confined to Egypt and Kenya and are of staple mostly above 1".

Imports and Exports of Raw Cotton from India

The volume and character of supplies of foreign cotton in India have been fluctuating during the last five years in accordance with the changing war situation, the varied acreage and crop policies adopted by the producing countries, the size of their crops and the availability or otherwise of shipping facilities. For instance, Egypt and East Africa devoted larger acreage under food crops in recent years in preference to cotton. On various occasions it was easier to import Egyptian cotton during 1942-43 because the Mediterranean route was closed for cotton movements towards the United Kingdom or other western countries and India happened to be a comparatively safe export outlet. Imports of Sudanese and East African cotton during 1942-43, were lower than the previous season due to shortage of supplies. The total imports of foreign cotton by sea were lower in 1943-44 (being 76,102 tons as compared with 87,575 tons in 1942-43). The value of the imports was, however, 17 crores of rupees in 1943-44, as compared with Rs. 15 crores in 1942-43, which in 1944-45 the value was Rs. 24 crores.

Egyptian Cotton in India

An Official Delegation from Egypt arrived in India in June 1946, with the object of studying the potentialities of Indian consumption of Egyptian cotton in the post-war period. From the Table reproduced below from a recent bulletin published by the Ministry of Agriculture, Egypt, it will be seen that Indian offtake of Egyptian cotton has suddenly shot up since 1942-43 and is maintained more or less at that high level. India is in fact vying with U.K. in the Egyptian Cotton Market. The Table also indicates that with the progress of rehabilitation of Europe the demand for Egyptian cotton by European buyers might increase as has been the case with France.

Exports of Egyptian Cotton to Important Countries
(Thousand of Kantars—Kantar : 99 lbs.)

	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45
U. K. ...	2824	2706	2940	1685	2645	349	1968	1977
India ...	647	414	576	886	358	1278	1080	1067
France ...	1161	938	1449	...	...	...	...	698
Germany ...	1088	1027	...	...	...	...	...	...
Japan ...	493	758	634	364	...	...	...	...
Switzerland ...	382	404	299	22	...	...	...	48
U. S. A. ...	195	190	332	571	839	228	340	194
Grand Total of export to various countries	8922	8484	7504	4118	4609	2070	3611	4229

With a view to familiarise those interested in the use and purchase of Egyptian cotton, important characteristics of these Egyptian varieties are reproduced below : *

Varieties of Egyptian Cotton

The following brief description includes all varieties grown at present or represented in the carryover, or likely to be grown in the near future. The cottons are listed in descending order of spinning quality.

Amoun (introduced 1945) is the best spinning cotton yet produced. Although one-eighth inch shorter in staple, Amoun gives stronger yarn than Montserrat Sea Islands in all counts, and is a white and showy cotton to a degree unusual in Egyptian. It is suitable for the highest quality embroidery threads and fine sewings; also for parachute or balloon fabrics, or for any purpose where exceptional strength is required.

Other varieties are: Malaki, Karnak, Sakel, Sakha 4, Menonfi, Maarad, Giza 7, Wafeer, Giza 30, Uppers and Zagora.

As has already been mentioned, there is no cotton in India which can rival the Egyptian growths. It is only in Mysore that an attempt is being made at present to acclimatise the Giza types. We understand that attempts are to be renewed for similar work in Sind. Punjab also is moving in this direction. In any case, it will be long before India can produce enough quantities of these finer varieties and as such it seems that the two countries will mutually benefit by closer contact. We therefore welcome the Egyptian Cotton Mission to this country and hope that this visit of theirs will strengthen the bonds of friendship between the two cotton growing countries.

* *Vide "The Cottons of Egypt", being Bulletin No. 235-A, issued by the Ministry of Agriculture, Egypt, in 1946.*

The following table shows the consumption of cotton—Indian and foreign—in mills in 1941-42, 1942-43, 1943-44 and 1944-45:—

Consumption of Cotton (Indian and Foreign) in Mills in India

Period	Indian Cotton	Foreign Cotton	Total
(Bales of 400 lbs. each)			
1941-42	4,025,395	571,222	4,596,617
1942-43	4,306,831	568,170	4,875,001
1943-44	4,119,461	664,468	4,783,929
†1944-45	4,158,664	685,212	4,843,876

The following table shows the figures for imports of different kinds of foreign cotton during the past five years (vide *Bombay Cotton Annual*, No. 26), into Bombay:—

Import of different kinds of Cotton in India

In Bales of 392 lbs. each

Period	American	Egyptian	East African	Soudans
1940-41	2,160	195,525	295,292	175,296
1941-42	...	117,329	296,871	144,401
1942-43	...	330,716	134,578	37,405
1943-44	...	238,439	188,118	82,466
1944-45	13,339	284,702	149,107	90,470

Exports of Raw Cotton

It is all too well-known now that with the entry of Japan into the war, cotton exports from this country have been badly affected. This will be borne out by the following figures. The total exports declined from 5.26 lakhs tons in 1939-40 to 3.87 lakhs tons in 1940-41, and 2.56 lakhs tons in 1941-42. They dwindled sharply to only 53,700 tons in 1942-43 to 50,281 tons in 1943-44, which in 1944-45 the exports were 561,918 tons. The exports to U.K. have also declined from 97,000 tons in 1941-42 to 41,000 tons in 1942-43, 32,000 tons in 1943-44 and 41,000 tons in 1944-45. The total value of exports was Rs. 6.9 crores, in 1944-45, and Rs. 6.3 crores in 1943-44, as against Rs. 30 crores in 1939-40, and Rs. 44 crores in 1936-37. (*Vide Table No. 4 on page ii of Cotton Industry at a Glance.*)

It will be of interest to note that export of Indian cotton during 1943-44 was about 3½ lakhs bales. This figure of the export of Indian raw cotton was the lowest during the last 30 years. The exports have since improved slightly.

Problem of Surplus Short-Staple Cotton

The problem of the disposal of our short-staple cotton has assumed a considerable importance since the loss of Japanese market for Indian

cotton. The domestic carry-over of about 28½ lakhs bales as on September 1st, 1944, obviously contains a big proportion of short-staple cottons which must have accumulated from the previous seasons owing to absence of outlets therefor. It is true that the area under cotton has declined due to the Government propaganda for a "Grow More Food" campaign during the last two years. It is also true that the short-staple is being slowly replaced by medium staple cotton. It is imperative, however, that in order to reduce the severity of the problem, efforts should be made for the absorption of our short-staple cotton through channels already mentioned above. It is indeed a great opportunity for such people of this country as have understood the importance of hand spinning as a national vocation, to remove by self-endeavour the burden of this surplus cotton. The village organisations should bestir themselves and take up this work on a wider scale. There can be no doubt that the dearth for yarn and cloth can to a great extent be mitigated by such a vigorous all-India effort at the production of hand-spun yarn in great quantities.

Government Announcement for Purchase of Indian Cotton Crop

In November 1943, the Government of India announced minimum and maximum prices for 1943-44 cottons grown in India. The Government also declared their intention to buy Indian cotton under certain conditions.

It was reported during the year 1944, for the first time in history, the Government of India bought Indian cotton on an appreciable scale, the total number of bales being about 2½ lakhs bales. These purchases were continued in 1945 also.

Fixation of Higher Cotton Prices Essential in Growers' Interest

The money value * of 1943-44 cotton crop is roughly estimated at Rs. 89 crores as compared with Rs. 67 crores in 1942-43. It is stated that the increase in cash value was not due to any rise in the average price of cotton and that it was the result almost entirely of the fact that 1943-44 crop was bigger than 1942-43 crop. But in terms of the phenomenal rise in the cost of production and living, the condition of the cotton farmer seems to have been no better.

We earnestly suggest that the prices of raw cotton should be fixed in a liberal manner as to ensure to the primary producer a fair and adequate return from the land, particularly in view of the tremendous increase in the prices of various articles which enter into his consumption. A large bulk of the Indian cotton crop consists today of short-staples which are in the category of "Orphans" due to the loss of the Far Eastern markets. This being so, it is imperative that the cotton farmer should be assisted by the Government, in this period of distress, which is not of his making.

* Indian Cotton Review, 1943-44.

Mill Consumption of Indian Cotton

The table below shows the percentage of Indian cotton consumed by mills during the past few years :—

Year	Total Quantity of Indian Cotton consumed by Mills. (In 000 bales of 400 lbs.)	Percentage to total crop of Cotton in India	Total Quantity of Cotton consumed by Mills in India (In 000 bales of 400 lbs. each)
1930-31 ...	2,269	43.8	...
1931-32 ...	2,346	58.6	2,911
1932-33 ...	2,361	51.1	2,837
1933-34 ...	2,336	46.2	2,704
1934-35 ...	2,612	54.5	3,123
1935-36 ...	2,678	45.6	3,181
1936-37 ...	2,633	42.2	3,147
1937-38 ...	3,000	52.4	3,663
1938-39 ...	3,151	62.4	3,811
1939-40 ...	3,050	62.1	3,680
1940-41 ...	3,617	59.5	4,251
1941-42 ...	4,025	66.5	4,741
1942-43 ...	4,306	88	4,890
1943-44 ...	4,119	82	4,845
1944-45 ...	4,160	Consumption in excess of the year's production.	4,909

We would invite our readers' attention to the tables in the *Cotton Industry at a Glance*, pp. v-xvi.

Fast Improvement in Quality of Indian Cotton

The face of the Indian cotton crop has changed materially during the last decade consequent on the increased production of staple cotton. The statistics given in an earlier table bear out the truth of this statement. It will be seen that the long-staple cotton of over 1" which was about 3 per cent of the total cotton production in 1941-42, had increased to nearly 7 per cent in 1943-44 while the short-staple cotton of 27|32" and below decreased from 55 per cent in 1941-42 to roughly 38 per cent in 1943-44. The most significant increase has been in the area under the medium-stapled cottons. (Staples varying from 31|32" to 1"). A 42 per cent crop of 1941-42 of this group has risen to 55 per cent in 1943-44. It is interesting to note that the long-stapled cottons include the new improved Punjab-American types 289F|K25 and 289F|43 in the north and the Cambodia strains, Co3 and Co4 in the south, while the medium staples include almost all the improved strains in the different provinces. The growths constituting the short-staple group are the unimproved bulk crops that are still persisting. The remarkable decrease in the production of short-staple cottons and the enthusiastic spread of the improved types must be attributable to a large extent to the sudden closure of the outlets brought about by the War in the West as well as in the East.

The "Grow More Food" campaign has also partly influenced in certain provinces the shrinkage in the volume of the short-staple crop.

In this connection, it may be mentioned that the Government of India created a special fund known as the "Cotton Fund" by the levy

of an additional duty of one anna per lb. with effect from April 1942, on all imported cotton for the purpose of steadying the market by making purchases of raw cotton, and for assisting the cultivator to change over from short-staple cotton to food crops.

These measures together with stoppage of facilities for the movement of unwanted short-staple cotton to Bombay and the replacement of the Broach, Oomras and Bengals Hedge contracts by a new contract, were responsible for the reduction in the cultivation of short-staple cotton.

The character of the Indian cotton crop will totally be changed in a few years and the present problem of the short-stapled cotton will have disappeared, provided efforts at distributing the seed of improved varieties are made on a large scale by the authorities concerned.

Alongside the changes in the production of cotton, changes of great significance have also been effected in the marketing of the crop during the last few years.

New Hedge Contract "Jarila" for the War Duration

The loss of the Continental and Japanese buyers for growths represented by Oomras, Bengals and Broach hedge contracts, the lack of facilities for import of these growths into Bombay and the great improvement effected during the past few years in the quality of the Indian cotton varieties, have been responsible for the sponsoring of the new Indian Cotton Contract which has for its basis Fine M. G. Jarila Cotton of $\frac{3}{4}$ " staple length.

Target of Cotton Production in India

In the Publication entitled *Technological Possibilities of Improvement of Agricultural Development in India*, issued in 1944, Dr. W. Burns, C.I.E., D.Sc., Officer on Special Duty, Department of Education, Health and Lands, Government of India, has not laid down any special targets for cotton, being of opinion that cotton involves national and international policy. He looks upon the production of 1940-41 as a sort of maximum for peace conditions with a continuing endeavour to shift the centre of gravity of staple length higher and higher and particularly to develop staple 1-1 $\frac{1}{16}$ " and above. With this view, we are in general agreement.

World's Supply, Consumption and Carry-over of Cotton

It would be useful and instructive to note the trend of the world's production, consumption and carry-over of raw cotton during the last

* With the outbreak of the War and the loss of Chinese and Japanese markets for Indian short-stapled cotton, the measuring rod employed for assessing the price of Indian cotton had to be changed. Broach, as a measuring rod, became a relic of the past. So also, Bengal and Oomra cottons although about 40 per cent of the present crop belong to this category of short staples.

The new war-time contract with Khandesh Jarila Fine $\frac{3}{4}$ " as the basis, it may be noted, represents a cotton which, roughly speaking, was grown hardly on 13,000 acres of land throughout India during the pre-war year 1938-39, as against that season's total cotton acreage of 23,490,000 acres. Besides, Jarila was included in the list of standard Indian cottons for the first time in 1940-41.

five years. The following table published by the U.S. Department of Agriculture and reproduced in the *Textile Weekly*, dated 2nd March, 1945, will be of interest in this connection.

In thousand Bales

Year beginning August	Supply			World's Supply		Mill Consumption		
	Carry-over August 1			World Produc- tion	World Total Supply	United States	Non— U.S.	World Total Con- sumption
	United States	Non— U. S.	World Total Carry- over					
1940	10,564	9,708	20,272	28,657	48,929	9,722	16,820	26,542
1941	12,166	9,938	22,104	26,121	48,225	11,170	14,286	25,456
1942	10,640	11,979	22,619	26,578	49,197	11,100	13,790	24,890
1943	10,657	13,410	24,067	25,643	49,710	9,942	13,836	23,778
1944	10,727	15,055	25,782	...	...	...	...	...

Post-War Planning for Cotton

The following is an extract from the *Press Communique* issued recently by the Indian Central Cotton Committee, with regard to Post-War Planning of Indian cotton production, after their meeting in January, 1946.

"The most important subject affecting the interests of cotton growers in particular and of the cotton industry as a whole was that concerned with the acreage that should be sown under cotton in the ensuing season 1946-47. The matter was first examined by the Cotton Planning Sub-Committee which reviewed the plan for cotton production for 1946-47 season tentatively agreed upon at the meeting of the Committee in January 1945. The view of the Sub-Committee was that with the termination of hostilities, and having regard to the present stocks of cotton in the country, the probable export and internal demand and the acute shortage of cotton seed in certain Provinces and States, India could not go on growing crops which are dangerously small in relation to her long-term needs, and that, in the interests of farm incomes, she must now claim a rightful share of such export markets as are available. The Sub-Committee drew attention to the cotton prospects for 1945-46 and pointed out that the stocks of cotton held by the trade on the 31st August 1946, were likely to be some 21 lakhs bales of which roughly 50 per cent might be estimated to be of short staple (below 7½") and that quite in appreciable quantity of the short staple cotton stocks would not be fit for spinning, being more than three to four years old. The Sub-Committee emphasised that the present level of production of short staple cotton was not adequate for the requirements of the local industry and that the stage had already been reached when the deficit was being met from the large carry-over from previous seasons. Since

India had practically a monopoly of certain short staple styles like Punjabi desi, Sind desi, Comillas, C. P. Oomras, etc. which commanded a good export market during the pre-war years, the Sub-Committee was strongly of the view that this unique position should be exploited to the advantage of the country as a whole. Another factor to which the Sub-Committee drew pointed attention of the Indian Central Cotton Committee in its report was the shortage of cotton seed in the country resulting from reduced acreage under cotton. It was pointed out that the production of cotton seed in 1943-44 which was about 4 per cent less than in the pre-war year, 1938-39, amounted to 2,027,000 tons and that the only areas which had exportable surplus were Sind, Central India and the Hyderabad State; in 1944-45, production of cotton seed had dropped to 1,607,000 tons, i.e. over 420,000 tons or 20 per cent less than in the 1943-44 season. The Sub-Committee estimated that the production of cotton seed during the current season was not likely to exceed that in the last season. Taking into consideration the estimated internal and external demand for Indian cotton of about 51 lakhs bales during the current season, the Sub-Committee felt that the plan should be to aim at a production of 55 lakhs bales which meant reversion to the normal acreage of 21 millions. The Sub-Committee, however, concluded that, although from the standpoint of cotton, it was highly desirable that India should revert to the normal cotton acreage in 1946-47, without authentic information regarding the food position in the country which was reported to be not free from anxiety, it could not take the responsibility of recommending any change in the cotton plan for the 1946-47 season agreed to at the meeting of the Indian Central Cotton Committee in January 1945. It was with this background that the Indian Central Cotton Committee settled down to an extended discussion on this very important subject lasting for several hours. Whilst the debate was going on, official information was received that the food position in the country was in fact very grave. This came as a bomb-shell and the discussion took a different turn. The Committee readily acquiesced that the food position of the country must receive first priority and that all other considerations, however important they might be in themselves and in their bearing on the economy of the country must be subordinated to it. After a prolonged debate, the Committee unanimously passed the following resolution :—

“The Indian Central Cotton Committee, after a careful review of the statistical position of Indian cotton and of the plan for cotton production for 1946-47, is of the opinion that from the purely cotton standpoint an extension of the cotton acreage is highly desirable. In view, however, of the gravity of the food position in the country, the Committee strongly recommends to the Government of India that all Provincial Governments and States be required to take whatever steps are necessary to restrict the cotton acreage for the season 1946-47, so that it may not exceed the acreage sown in 1945-46. In making this recommendation, the Committee is aware that the maximum acreage suggested is below India's minimum domestic requirements of raw cotton and cotton seed for cattle food.

"In order that the sacrifice involved, if effect is given to the above recommendation, may not be in vain, the Committee urges that every avenue should be explored to increase the yield per acre. In this connection, the Committee recommends that, amongst other measures which may be considered necessary to attain the object in view, (1) special arrangements should be made for the import, to the maximum extent possible, of fertilisers which should be made available in large quantities to growers, particularly of foodgrains, at more favourable concessional rates than at present, (2) every transport facility should be provided for the movement of manures in the present food situation of the country, and (3) the crushing of oil-seeds in the country should be stepped up rapidly with a view eventually to prohibit their export altogether."

The question of the adoption of measures for the improvement of cotton yields in India was another subject which came in for a good deal of discussion. The problem of raising the yield per acre of cotton in India has been engaging the attention of the Indian Central Cotton Committee almost from the time of its inception. Some success in this direction has already been achieved as will be evident from the fact that the average yield per acre rose from 96 lbs. in the quinquennium 1922-27 to 109 lbs. in the quinquennium 1937-42. The average yield per acre during the triennium 1942-45 was 112 lbs., the figure for 1944-45 being probably a record at 122 lbs. per acre. Nevertheless, compared with other cotton growing countries—in Egypt and the U.S.A. the yield per acre of cotton in 1944-45 was 516 and 293 lbs. respectively—the yield per acre in India is still very low. It was agreed that whatever successes had been achieved so far was largely due to the extension of the area under irrigated cottons and the improvement of the race of the plant, and that there was little doubt that the yield per acre was capable of considerable improvement by the application of rational methods of agriculture. This was all the more necessary now in view of the impending competition from synthetic fibres; in the battle of fibres, the chief factor in the survival of cotton would be the cost of production. To safeguard the position of cotton growers, therefore, it was highly necessary that the yields should be raised. After extended discussion, the Committee recommended that investigations should be carried out in every region at a suitable farm representing the soil-climate complex of such region to ascertain what set of treatments produced maximum yields in respect of cotton irrespective of cost. It would then be for the administrations concerned to ascertain which factors contribute to the greatest increase in yield in the regions concerned. It was agreed that investigations were also necessary in regard to the part played by trace elements in cotton yields and it was accordingly recommended that such investigations should be undertaken without further delay. The Committee further recommended that two or more suitable officers possessing basic knowledge of agricultural conditions in India should be sent to the U.S.A. for a period of one or two years to study cotton cultivation and the economics of cotton production.

APPENDIX "B"

HANDLOOM WEAVING INDUSTRY IN INDIA

PREFATORY NOTE

In my preface last year to the brochure entitled the "Handloom Industry in India", I stressed the part played by the handloom industry during 1941-45 in relieving the shortage of textiles in India. Reference was also made to the steps taken by the authorities to ensure adequate supplies of yarn to the industry, and to keep its vitality as unimpaired as possible. Since then, the problems of the industry have been in the charge of the All-India Handloom Board which promises to be a good caretaker of the industry. Through its various sub-committees which are noticed in the succeeding pages, the Board has been able to get a good deal of spade work done so as to enable the Government to tackle the problems of the industry, chronic as well as present, in an adequate manner. A proper scheme for consolidating and improving this national small-scale industry is an indispensable pre-requisite to any plan for the economic betterment of India to which Government is committed. In that perspective, the attention so far given to the cottage industry encourages great hopes, the realisation of which must necessarily be a slow process. We have to be thankful now for the recognition of the importance of the industry in national planning. As I stated last year, "A vigorous cottage industry can go far to transform the face of rural India and infuse new light into the old bones. The weaver in the cottage is as indissoluble a part of the rural landscape as the tiller of the soil is. It would be a matter of pride if the weaver could be made to prosper and recapture once more the glories of ancient India".

This is not to say that everyone is agreed upon the *modus operandi* in which the industry should be stabilised. The Post-war Planning Committee (Textiles) has recognised the need for ensuring supplies of yarn from the mills by imposing the condition that new spindles under the post-war plan shall not be allotted unless the mill concerned agrees to give a part of the yarn to the handloom industry. I am not sure that this condition will be a sufficient safeguard. The attitude of the mills towards handlooms cannot always be expected to be as favourable and disinterested as one would expect. The Bombay Mill-owners' Association was opposed to the setting up of the All-India Handloom Board and Mr. J. C. Lancashire who was the Deputy Chairman in 1945 frankly stated that the policy of the Board "seems to tend more towards hostility to the cotton textile industry in India than anything else". He was referring to the recommendation that one half of the total new spindles sanctioned for post-war erection should be given only to those mills who agree not to install looms but to spin yarn for a period of five years at least from erection. In his opinion, "the handloom industry's affairs always seem to be bound up with extraneous matters which tend to rule out any dispassionate

consideration of the circumstances having a direct bearing on the subject". I am only citing that as an instance of the other school of thought, according to which the handloom industry should receive no more help than it deserves, in contrast to what I may call the proletarian view that everything should be done to help the industry.

It is not easy to strike the balance between these opposite schools of thought, but I am gratified to note that the Handloom Board has shown a high degree of sympathy with the industry. Going through the minutes of discussions in the various committees of the Board, I notice that the provinces are making a strong bid to revive the industry and help it as much as possible. The stage has not come when a concrete plan for that purpose could be evolved, but it is on the anvil. It must, however, be remembered that the Handloom Board cannot make any direct recommendations to the Government except through the Textile Control Board, in matters affecting the mills (e.g. yarn).

The industry is exempt from the operations of many of the controls which apply to mill-made goods. In spite of some clamour and outcry against the high prices of handloom goods, so far no price control has been enforced. There is a vigorous export trade in handlooms, particularly to countries like Malaya and Burma.

In addition to the usual collection of facts about the handloom industry, a brief synopsis of the trend of recent discussions is also given in this year's edition. I trust it will help readers to obtain a proper perspective of what the industry is, and what it is going to be (as I hope) in the near future under a regime which is prepared to extend every solicitude to this oldest national industry.

*Jan Mansion,
Pheroazshah Mehta Road,
Bombay, 30th June 1946.*

M. P. GANDHI,

HANDLOOM WEAVING INDUSTRY IN INDIA

It is now generally recognised that the handloom industry stands on an entirely different footing from any other industry and therefore its problems have to be tackled in a special manner. Its distinguishing features are that, firstly, it is one of the largest, if not the largest, of the cottage industries of India and therefore of the utmost importance to rural India; secondly, it is dependent primarily upon the mill industry which is its own rival and hence any planning for these two industries must necessarily be complementary and comprehensive; thirdly, the handloom industry is to be found in all the provinces and in all the States of India, each with its own peculiar local conditions in respect of skilled labour, aptitudes and tastes, and it is not an easy thing to reconcile individual interests with all-India needs. Any central scheme for the regulation of the industry often implies a certain degree of surrender of the rights of each region. As a matter of fact, it looks as if central administration of this industry will prove to be a very complicated affair; and already with the coming into existence of Provincial Autonomous Ministries, one notices a tendency on the part of some of those Governments to adopt their own methods in regard to the stabilisation of the industry. As in the political field in regard to the question of Federation, the evolution of a Central Scheme and plan for the handloom industry is fraught with great difficulties. It is to be hoped that local considerations pertinent to each area or province will be subordinated to the all-India interest.

The setting up of the All-India Handloom Board by the Department of Industries and Civil Supplies through its resolution dated 12th February 1945 was therefore, a move in the right direction. The functions of the Board were envisaged to be as follows:—

(1) To make recommendations to the Government of India on the proportion of the yarn available from Indian production which should be supplied to each Province and State, interested in obtaining it for handloom weaving.

(2) To assist handloom weavers in obtaining dyes, chemicals, stores, etc. at fair prices through their recognised associations or through Provincial or State Governments.

(3) To investigate and report on the best methods of marketing handloom products.

(4) To undertake research particularly into markets and the improvement of production. In pursuing such researches the Board should make use of any Provincial or State organisations already in existence.

(5) To advise on the administration of the Grant-in-Aid given by the Government of India for the furtherance of the handloom industry.

(6) To consider the conditions of work of handloom weavers.

It should be noted that it was also ordered that, if in the opinion of the Chairman any recommendation of the Board was likely to affect

in any manner the interests of the mill industry, he should, before submitting to Government, take steps to consult the Textile Control Board and obtain its views thereon. The terms of reference are comprehensive but for the rider stated above.

It was also ordered that the Board should consist of 30 members who will hold office in the first place for one year. The Board was constituted as follows :—

- (i) The Textile Commissioner (*ex-officio* Chairman).
- (ii) 3 Non-Officials nominated by the Government of India.
- (iii) 17 Members nominated by the Provinces as follows :—

Assam	..	1	
Bengal	..	3	(including 2 representatives of Handloom industry).
Bihar	..	1	
Bombay	..	2	(including 1 representative of Handloom industry).
C. P.	..	1	
Madras	..	4	(including 3 representatives of Handloom industry).
Orissa	..	1	
Punjab	..	2	(including 1 representative of Handloom industry).
U. P.	..	2	(including 1 representative of Handloom industry).
- (iv) 4 members nominated on each by the following States :—
 - (a) Hyderabad; (b) Mysore; (c) Travancore; and (d) Kolhapur and Deccan States.
- (v) 5 members representing the mill-owning interest (nominated by the Textile Control Board).

The Special Officer, Handloom Board, is Secretary to the Board, which is also empowered to appoint sub-committees to deal with specific subjects within its terms of reference.

The Board has met thrice so far and it might be useful to give a brief summary of the discussions in the three meetings. It is not without some difficulty that the necessary information has been collected and presented below. The trend of discussions may be carefully noted as they disclose certain features. Of these, the absence of clear ideas regarding price control of handloom products, stabilisation of wages and restriction of the number of workers in the weaving industry are conspicuous. They show how it is not going to be easy to evolve an All-India plan; much less to work it.

Inaugural Meeting of Handloom Board, August 1945

The first meeting of the Board was held at Nagpur on the 10th August 1945. The inaugural address of the Hon. Sir Azizul Huque, D. Litt., C.I.E., Member for Commerce and Industries and Civil Supplies Departments of the Government of India, was notable for setting out the problems of the industry in clear perspective. The Commerce

Member recalled how the handloom industry had been the key industry of India from time immemorial and how it had to pass through severe vicissitudes. The war brought about a change, and in the midst of acute difficulties of supply and production, the handloom industry came into its own. The Commerce Member stressed how handspinning and handweaving is part of the occupation of a large body of agriculturists in the off-season. He rightly expressed his feeling that there is a large place in the economy of India for the handloom industry and that it should occupy its place without any of the economic difficulties which are concomitant in a country which gets its industries mechanised in the evolution of industrial development. As he put it :—

“As a necessary corollary to keep the handloom industry, we must have two things before our view. Either there must be once again a development of home spinning of cotton or in the alternative, there must be sufficiency and abundance of all counts of yarn needed by the handloom industry. That is a problem of the future; the weakness of the position today in regard to handlooms is the unsteadiness of the supply of yarn in abnormal times. The handlooms for long had to depend on the supply of yarn from others, both from within and from outside India. The ups and downs of the textile industries both within and outside India thus affected the handloom industry also. As you are aware, the position today is that we have practically very little supply of yarn from abroad. We had no doubt been expecting for some supply of yarn from abroad, particularly the finer counts, but it has not yet come. In the meantime, the total yarn production in our mills is being largely used for the consumption within the mills; what remains after mill consumption is now being distributed for the handloom industry. On the other hand, mills particularly have not adequate production of finer counts to meet the demands of handloom industry.”

These are some of the aspects of the question which have to be tackled as problems for the future and in planning the future industrial development not only for India as a whole, but of the different Provinces. I do hope and trust that particular attention will be given to this question. The industrial development in the past has no doubt been large, but it exists only in congregated and congested centres. While Bombay and Ahmedabad have a number of mills and even more, while Madras has also a number of mills particularly for the production of yarn, while Nagpur has also a number of mills, the other Provinces in India are singularly deficient in not only textile mills but also in mills for the production of yarn. The industrial future of India must therefore be so planned that the mill industry of the future, specially that for the production of yarn, must be evenly distributed over the whole country.

In the past the handloom industry had certain export markets, and this is specially so in the case of the products in the South. Owing to rise in the internal consumption, one of our problems has been to keep the export market alive and at the same time to see that our internal economy is not affected. The problem is no doubt difficult. Day after day, I am on the one side being confronted with the demand for more export from certain parts of India and on the other side, I am met with the demand for more textiles, both handloom and mill-made, for the different Provinces and States. Again, if the handloom

industry has to keep its position both in the internal and the external markets, a considerable amount of research and study will have to be done and Government have already taken steps in the matter.

I am aware of the difficulties that the handloom weavers have to meet under existing conditions. Unfortunately, the actual receipt of yarn by weavers after its actual production in mills has to pass through a complicated process of distribution in which the agencies for the distribution do not always play a part in the best interests of anybody, except themselves. Actually the yarn reaches the weaver at a much higher price than the cost of production. With all their best craftsmanship, the class of weavers as a whole has been economically, the most exploited class in India. Something will have to be done to eliminate this exploitation. The weavers must have living wages, must be able to live a decent life, and after working hard for 8 or 10 hours a day or more, should not be allowed to starve. Gentlemen, these are some of the problems. This Board has to co-ordinate the handloom activities of India as a whole, to bring about co-ordination within the efforts of the mill industry and the handloom industry and to ensure the future strength of the handloom industry."

A general discussion followed the speech of the Hon'ble Member and centred mainly around the questions of yarn supply, price control of handloom fabrics and post-war reconstruction of the industry. There was general agreement that the supply of yarn, under the Yarn Distribution Scheme, was inadequate; partly because the number of looms given by the Thomas Committee Report was incorrect and partly also, because the looms had increased considerably since that Committee reported, particularly in provinces like Madras and C.P. There was sharp division of opinion on price control. Some felt that, unless steps were taken to control the prices of at least ordinary products like dhoties and sarees, the high prices could not be checked and therefore they recommended control at least on a regional basis. The difficulty in price control is that there is no standard wage which can be arrived at, for a weaver who often has to be idle because of lack of yarn, dyes, etc. factors entirely beyond his control. Those against price control mainly pointed out to the high cost of living that justified high wages and high prices. They also felt that it would be administratively impossible to launch a scheme of price control. Such was the trend of opinion that the officers from Bihar even suggested that, in the post-war period, Government should not encourage the establishment of textile weaving mills (!) and that since the problem was one of providing employment to nearly 30 per cent of India's population, more spinning mills owned by Government should be started at different centres, and the yarn from these mills should be supplied to weavers at concessional rates. The discussion was of a very discursive character and as Mr. Vellodi who was the Chairman of the Board then, observed: "the observations made by members appeared to consist of mostly individual opinions of the speakers regarding the efficiency of control rather than an attempt to state the case of the handloom weaver and the consumer of handloom goods".

Chairman's Observations

Mr. Vellodi pointed out that though control was advocated, none had suggested the basis for price control apart from putting forward

the premise that the price fixed should be on the basis of the cost of production. In regard to the supply of cotton yarn, he regretted that many of the members were not quite conversant with the details of textile control, which in his opinion only stressed the need for bringing the administration of handlooms under the same department as that which dealt with textile control.

On the question of supply of cotton yarn, Mr. Vellodi's remarks may be quoted *in extenso* :

"The total quantity of cotton yarn available for distribution in the country based on deliveries by mills over a period of months, is only 73,000 bales per mensem. According to the figures given in the Fact Finding Committee Report, a total quantity of 65,039 bales of yarn is necessary for the handloom weavers in this country. Unfortunately, as the speakers yesterday stated, the figures in the Fact Finding Committee's Report, while they are valuable as far as they go, are not complete, and further, there has been a very rapid increase in the number of active looms throughout the country. The total quantity available has therefore been found by Provinces and States to be entirely inadequate. Over a year ago, I sounded a note of warning that if the authorities in Provinces and States did not take heed, there would be increasing difficulty in the supply of yarn to handloom weavers. That warning apparently went unheeded, and handloom weavers were apparently permitted to increase the number of looms and thus increase their difficulty. Conditions became impossible, and in certain Provinces it was not possible to obtain cotton yarn at all.

In these circumstances, I took steps, in consultation with all Provinces and some of the important States to organise an equitable supply of the available quantity of yarn. Under this Scheme, yarn was divided into four groups; 1 to 10s, 11s to 20s, 21s to 40s and 41s and over. At a meeting of the representatives of the various Provinces and States, a scheme for the distribution of yarn was prepared by mutual consent of the various representatives and has been put into operation from the 1st of April 1945. While admitting hold-ups on the railways and certain difficulties that buyers may have, in obtaining their requirements at the various centres of production, I believe that the supply position regarding yarn today is better than what it was six months ago, and it was, therefore, somewhat disappointing to hear that conditions were really bad. Refinements or modifications of the existing system will be undertaken, but the essential fact to remember is, that there is only a limited quantity of cotton yarn for supply to the handloom weaver, which is apparently very much short of what the weavers require and that there is at the moment, no possibility of increasing the quantity. In fact, there is in my mind a fear that, as a result of the Rationalisation Scheme of the production of mill-made cloth, there may, in fact, be a further reduction in the supply of yarn to the handloom weaver. Considerable stress was laid yesterday on the comparative inadequacy of the higher counts of yarn. The plain fact is that in September delivery out of quantity of 62,000 bales of yarn produced in this country, only 2,500 bales were of counts of over 41s. In the pre-war years, we used to import on an average about 40 to 45 million pounds of fine yarn, most of which was 31s and above. These are the facts that should be remembered by all those who com-

plain of the overall inadequacy of yarn and the particular inadequacy under fine yarn."

These were the main discussions of the first meeting.

Second Handloom Board Meeting; December 1945

This meeting was presided over by Mr. Dharma Vira, who succeeded Mr. Vellodi as Textile Commissioner and *ex-officio* Chairman of the Handloom Board. The Government of India decided not to add to their already numerous difficulties by introducing price control of handloom articles. The disorganised state of the industry, lack of adequate data and other things such as absence of standardisation were factors which made them decide in that manner. The supply of yarn continued to engage the attention of the authorities. On this point, Mr. Dharma Vira observed :—

Yarn Supply Scheme

"The main point emphasised in connection with yarn supply was its inadequacy resulting in the unemployment of weavers for the most part of the month. Apart from this, complaints were made about the considerably larger supplies of coarse yarn, particularly of 2s, 3s and 4s which were represented to be useless for the handloom weavers. The hardships imposed on the weavers of finer counts of yarn were also stressed. Ordinarily, the present marketable surplus of yarn should have sufficed, though in a somewhat restricted manner, to meet the reasonable requirements of the handloom and other miscellaneous industries. But the position has been made difficult by the fact that 28 per cent of the looms which were formerly engaged in the manufacture of woollen, silk and artificial silk were, and to a great extent even now are, employed on the manufacture of cotton fabrics. This was due to the utilisation of woollen and silk yarn for Defence Services' requirements. As a result of the cessation of hostilities and the resumption of imports, the swing back to the original structure has no doubt begun, but the imports are meagre and it will be some time before the industry reverts to its original position. Apart from this and again according to the Fact Finding Committee's Report, about 13 per cent of the total number of handlooms in the country were idle. These and a considerable number of additional looms have been brought into commission as a result of the demand for handloom cloth, owing to the overall cloth shortage. It will thus be realised that while the marketable surplus of yarn even now available approximate more or less to the quantity consumed by the handlooms and other industries before the war and the changed circumstances resulting in increased requirements, have made the position difficult. I may, however, assure you that all that is possible is being done and in spite of the difficult coal position and in certain cases, paucity of labour, the mills in the country have been working to their maximum capacity. When the Yarn Distribution Scheme was introduced, the quantity available for distribution was a little over 73,000 bales which has now increased substantially; supplies from April to October have averaged to a little over 79,000 bales. As regards the supply of yarn of undesirable counts, according to the Fact Finding Committee's Report, 20 per cent of the

total consumption of yarn by the handloom industry was in counts 1s to 10s and a careful study of the Yarn Allocation Scheme will show that almost the same percentage has been maintained. No doubt, a considerable proportion of yarn available in this group is of counts 1s to 5s which are reported to be unsuitable for the handloom industry. This has obviously resulted from the utilisation of waste cotton by the mills to a much greater extent than before. As a result of the complaints received, however, the matter was referred to the Chairman of the Textile Control Board, which has very kindly addressed the mills requesting them to spin, as far as practicable, yarn of counts 6s and above. I am, however not very optimistic in the matter, because in view of the increased utilisation of waste cotton by the mills, the spinning of yarn of counts below 6s may be reduced to any appreciable extent. I would, therefore, request the Provincial and State authorities concerned, not only to endeavour to utilise these coarse counts of yarn so far as possible in the production of durries and carpets of cheap varieties, but also to explore fresh avenues to utilise it. The position of supply of finer counts of yarn is unchanged and will unfortunately remain so till either we receive yarn in appreciable quantities by imports, or increased productive capacity is installed in this country. Normally, counts over 40s were utilised to the extent of 11 per cent of the total yarn consumption by the handloom industry. As against this, the quantity now available is only about 5 per cent of the entire marketable surplus. The difficulties of weavers of finer counts are therefore insurmountable at least for the present, and can only be mitigated by their switching over to medium counts of fabrics. Further, it is not possible to foretell with any degree of reasonable accuracy the period during which this scarcity of fine counts of yarn is likely to continue. If we take into consideration the time required for the rehabilitation of the cotton textile industry in the United Kingdom and America, as well as the shortage of cotton textile in these countries, we should not expect any substantial relief at least in the near future. It should also be borne in mind that a very great percentage of yarn imported into India came from Japan, which, as a source for the supply of textile material, should be regarded as lost for a considerable time. New production, on account of the difficulties in procuring machinery may well take three years or more to materialise. In brief, therefore, the position of yarn supply in spite of the distribution scheme is such, that it cannot be viewed with any complacency."

The formation of a Raw Materials Committee of the Board was therefore recommended. The Committee was to consider the question of supply of dyes and chemicals to the industry. On the question of marketing and research, Mr. Dharma Vira's remarks may be quoted : "According to the Fact Finding Committee's Report, the unorganised condition of the industry is responsible for the fact that the present marketing organisation is very costly from the weaver's point of view : the middleman's margin of profit ranges up to about 47 per cent of the cost. I feel that not only the stability of the Handloom Industry, but its very existence would depend on the extent of the success which is achieved in the direction of organising the weavers to ensure their continuous employment at reasonable wages, effecting economies in the cost of production, with a view to withstand competition from the mills, guiding the weavers' production along the channels of readily

saleable fabrics of standard qualities and satisfactory marketing of the produce. It will be appreciated that this will be a gigantic task and it may be not only desirable but essential to take stock of the various handicaps of the industry and formulate a well considered plan for improvement before arriving at decisions. It is for this reason and because of the very complex nature of the various problems that I would request the Board to consider the desirability of referring the various items of the agenda pertaining to the question of marketing to the proposed Marketing and Research Committee, which may meet in January 1946. The basis of examination of the problem will no doubt be the information contained in the Fact Finding Committee's Report, but it would be for the Committee to determine whether in view of the changes brought about by the unprecedented economic conditions of the last few years, it would not prefer to conduct another survey to ascertain the existing conditions. There may have been considerable changes in the structure and economics of the industry during the last two or three years and therefore it may be desirable to obtain fresh information on such points as the wages of weavers, number and types of looms, methods employed for preparatory and finishing processes, types of goods produced, methods of marketing, extent of competition and last but not the least, the inroads made by the powerloom industry."

Third Meeting of the Handloom Board, April 1946

The third meeting of the Handloom Board was held at Bombay on the 1st April 1946. In the interval between the last meeting and this meeting, quite a lot of spade work had been done by the sub-committees appointed at the second meeting of the Board. Presiding over the meeting, the Textile Commissioner stated that the Government were considering sympathetically the recommendations of the Raw Materials Committee of the Handloom Board which wanted the increase of the present supply of free yarn by reserving for handloom weavers at least 50 per cent of the production by the spindles sanctioned for post-war development. He admitted that there had been no material change in the position of yarn supplies and that it would be for the Provincial Authorities and States to consider whether it would not be desirable to restrict the number of looms by eliminating those who had recently become weavers under the attraction of high prices. He noted also the recommendations of the Marketing Committee which urged (1) the organisation of the industry, (2) rationalisation and standardisation of its products, and (3) consolidation of existing markets and exploration of fresh fields for the consumption of handloom goods and research leading to excessive production. Reference was also made by him to the inter-provincial export of handloom fabrics. Mr. Dharma Vira confessed that Government could not allow unconditional free movement, as it would completely upset the basis of the all-India distribution scheme. Handloom cloth is allowed to move from one Province to another subject to the mutual agreement of the Textile Authorities of the exporting and receiving areas and subject to the general principles laid down for all-India distribution.

Certain important items on the agenda of this meeting may be briefly referred to.

The Board adopted the recommendations of the Raw Materials Committee for improving the quality of yarn supplied by handloom. The Chairman informed the Board that the Industry Committee of the Textile Control Board had accepted the recommendation regarding the fixation of minimum breaking strength for each count of yarn in the price schedule and that it would be given effect to, shortly. The Board adopted the recommendations of the Marketing and Research Committee relating to the development of foreign markets and export of handloom products, and commended the same to the Government of India. It is interesting to note that Lady Hydari's suggestion to set up a central retailing organisation for the purchase and sale of handloom products was also adopted. The Board also agreed with the Committee in respect of standardisation.

Financial Aspect—Grant-in-Aid

It is very interesting to note how the question of financial aid is viewed by the Central and Provincial authorities. The Board considered a resolution that Government must render adequate financial aid to the handloom weaving industry to enable it to withstand competition and that an equitable basis for the distribution of the available grant should be evolved. It was also suggested that the grant should be available both to the Provinces and the States, so that a uniform policy throughout India will prevail. Mr. M. G. Pai on behalf of the Government pointed out that the reason for the proposed discontinuance of the *ad hoc* grant-in-aid from the year 1947-48 was that the Central Government is contributing large amounts of subventions to the Provincial Governments for post-war development of industries. He said that substantial amounts would therefore be set apart by the Provinces for the improvement of the handloom industry. One member pointed out that the Board could not have a financial control over the plans of the Provinces and States unless a substantial plan was forthcoming from the Centre. Mr. S. Venkateswaran, Madras Textile Commissioner, moved a resolution requesting the Government of India to reconsider the policy and to continue to give direct financial assistance for the industry after 31st March 1947 on such scale as they may decide from time to time, and that in future all grants should be placed under the disposal of the Board. He pointed that this would in no way affect Provincial or State schemes for improvement and development of the industry sponsored with or without the aid of subventions granted by the Centre. The resolution was unanimously passed.

On the question of supply of yarn, the Board adopted the resolution of the Raw Materials Committee which pointed out, "that there can be no material improvement in the yarn supply position till the new spindles under the post-war plan have started production and that the existing arrangements, (under which the Textile Commissioner debits each area in India with only that quantity of handloom cloth which corresponds to its equitable share of the available supply of yarn), is the fairest possible". Information about the distribution of artificial silk yarn was also called for. As for marketing and research, the Committee concerned, made the following recommendations:—

"(1) The handloom cloth produced in any area in India for established outside markets within the country should be allowed to move

to such markets. (Quantities involved not being large from an all-India point of view, it is considered that these movements would make no appreciable difference in the railway transport position and no special priority of movement is asked for).

(2) The quantities of handloom cloth so moved to established markets should be taken account of, by the Textile Commissioner in regulating the quotas of mill cloth due to the exporting and receiving areas to make up the *per capita* allocation.

(3) In the event of a difference of opinion between the exporting and receiving areas as to the quantities of handloom cloth to be thus allowed for, the Textile Commissioner should give a decision according to his best judgment and with reference to the date available to him."

Mr. Dharma Vira explained the difficulties of accepting these proposals and suggested that the Committee concerned should formulate a scheme giving specific proposals as to the varieties and quantities of handloom cloth that should be allowed to move from one area to another and be included in the all-India cloth distribution scheme. The meeting adopted his suggestion, whereupon the Chairman agreed to collect the following information from the Provinces and States and forward it to the Marketing Committee: (1) Quantities of handloom cloth by varieties imported by them from other areas in the past. (2) Quantities of handloom cloth by varieties exported by them to other areas in the past. (3) Quantities of handloom cloth by varieties which they would now agree to import from other areas and be included in their cloth quota. (4) Basis for the figures suggested in respect of (3) above.

The Board adopted the recommendation of the Committee "that the All-India Handloom Board should be a permanent body and that a Central Marketing Organisation should be attached to it. Marketing officers were also to be appointed at the following centres: Bangalore, Bombay, Calcutta, Lucknow and Amritsar. These officers should attend to marketing of handloom goods and their functions will be to study existing working conditions, to explore possibilities of further developments, to bring to the notice of trade channels the types of fabrics produced in the various Provinces, and to keep the industry throughout India informed of the changing fashions and demands. A Central Museum at New Delhi and showrooms in various centres is also proposed to be maintained. It was however agreed that the Central Organisation should in no way interfere with the efforts made by Provinces and States to expand the industry in their areas.

All the above discussions go to show how keenly alive the Provinces are to the development of the industry. Above all, they clearly show that the Central Government is being brought to face its obligations in regard to this industry. The new Provincial Ministries are even more anxious to stabilise the handloom industry, and in Provinces like Madras, the requirements of the handloom industry obtain first attention. Discussions in the Madras Legislature suggest that some sort of price control may be introduced in that Province very soon. It looks as if each territory will evolve its own price control scheme. *

For the information of readers, we give below condensed extracts from the minutes of the meetings and resolutions of the several sub-committees appointed by the Board.

Raw Materials Committee (First Meeting), January 1946

"This Committee has come to the conclusion that it will not be really possible for the handloom industry to maintain satisfactorily its proper place in the national economy, unless a quantity of not less than 816 million lbs. of yarn per annum is available as free yarn after meeting the requirements of the weaving sections of the combined spinning and weaving mills, and unless, out of this quantity, not less than 693 million lbs. of yarn per annum are made available for the handloom industry. As, however, this means an increase in the quantity of free yarn by about 400 million lbs. per annum, a quantity larger than that which the Post-War Planning Committee has, for good reasons, considered feasible in the immediate post-war period, this Committee reluctantly bows to the fact that such a figure, however desirable, is under existing conditions, impracticable. It accordingly recommends that action should be taken on the following lines to meet the needs of the handloom industry to the utmost extent practicable, consistent with the need for a reasonable expansion of weaving mills in the near future. The Post-War Planning Committee has suggested the installation of 2.75 million additional spindles and 74,147 additional looms. This Committee considers that for a period of at least five years from now, the existing supply of "free yarn" should be increased by the reservation of the production of at least fifty per cent of the additional spindles which may be sanctioned under the Post-War Development Plan. In order to ensure this, the Committee strongly recommends that: (1) Up to 50 per cent of the total new spindleage that may be sanctioned under the Post-War Development Plan, first priority should be given to suitable applicants whether the applications relate to existing mills or to new mills, who bind themselves to spin, for a minimum period of five years from the erection of the spinning machinery without installing looms; and licences should not be granted for the installation of more than 37,073 looms, that is, half the number of looms recommended by the Planning Committee, whether for existing, or for new mills. In view of the fact that the free yarn available out of the yarn produced by the mills has to be shared by handlooms, not only with powerlooms but also with hosiery factories besides miscellaneous users, and as a large development of hosiery factories must be anticipated in the near future, it is very necessary that the development of these factories also should be regulated carefully on an All-India basis just as is now being done for the Cotton Textile Industry."

Marketing and Research Committee (First Meeting), January 1946

"This Committee recommends that Marketing Officers of adequate status be appointed by the Central Government as shown below:—

- (1) one at London,
- (2) one at Alexandra for Egypt and the Middle East,
- (3) one for East Africa,
- (4) one for West Africa,
- (5) one at New York for America and Canada,
- (6) one at Colombo,
- (7) one at Rangoon,
- (8) one at Singapore, and
- (9) one for Australia and New Zealand.

These Officers should be attached to the Trade Commissioners wherever there are such Commissioners; but they should attend only to marketing of Indian handloom goods. The functions of these Officers will be to study the existing marketing conditions, to explore possibilities of further development of the markets, to bring to the notice of the trade channels our fabrics and simultaneously to keep the handloom industry informed of the changing fashions and demands. In the opinion of the Committee, the Government of India's Trade Commissioners cannot be expected to do this work in the intensive way required, and they should therefore be assisted by whole-time Marketing Officers. This Committee would invite attention to paragraph 131 of the Fact Finding Committee's Report and to the hardship caused to the handloom industry by the existing position as regards registration of designs of Madras handkerchiefs and strongly recommends that all handloom goods should be exempted from the operation of the law relating to Patents and Designs. The Committee would urge that registration of designs cannot be enforced without hardship to the handloom industry and without victimising innocent producers. This Committee would state, on the basis of the information that has reached it, that there is a well-founded apprehension that the outside markets which have been developed by the Indian handloom industry after years of efforts are likely to be partly or wholly lost owing to other countries exporting mill-made imitations of what have hitherto been considered as being essentially handloom types. This Committee is accordingly of the opinion that export restrictions should be relaxed quickly, in order that the Indian handloom industry may not lose any of its established export markets, more so, as it is understood that foreign countries are producing colourable imitations of lungis, etc."

The Committee at one of its subsequent meetings, considered also the question of standardisation of handloom products, which is the crux of the whole problem of the handloom industry. The marketing of handloom goods cannot be successfully organised and their reputation maintained, unless the quality of production is upto the mark. Hence arises the need for efficient supervision while weaving is in progress, for the supply of correct reeds and healds. The Committee realised, however, that except in this very limited sense, standardisation is not an ideal to be pursued in respect of handloom goods and that the weaver must enjoy as much freedom as possible to alter the designs and varieties with reference to market demands and with reference to the competition offered by mill-made goods, imported or indigenous.

Second Meeting of the Marketing and Research Committee, March 1946.

The Committee in charge of this question considered the very valuable note prepared on the subject by Mr. M. R. Kazimi, which is given below *in extenso*, and recorded the following resolutions:—

(1) *Organisation.*—(a) The Committee considers that the organisation of weavers in financially sound units which can undertake bulk purchase of yarn for the benefit of all the members belonging to the unit and combined marketing of their production, is the most fundamental of the problems to be tackled in connection with the maintenance and development of the handloom industry. It seems to the Committee quite clear, from past experience in different parts of

India, that adequate progress cannot be achieved in this direction unless alternatives to "Co-operative Societies of actual weavers" are explored and given a fair trial. The Committee would accordingly suggest that all Provinces and States should be asked to conduct experiments in the types of organisations specified below in selected areas and report the results after a year: (1) Compulsory Co-operative Societies for the actual weavers who are independent or desire to be so. (Under this Scheme, the weavers in the selected areas should be refused yarn unless they become members of these Societies. (2) Compulsory Co-operative Societies, the membership of which is confined to master weavers in the area. (Under this Scheme, the master weavers would, subject to (1) above, be allowed to retain the looms under their control and employ weavers as hitherto, but they would pool their resources and work together strictly on a co-operative basis). (3) Public or private limited companies formed and run by weavers, master weavers and dealers in handloom cloth. This Committee considers that these experiments will have no chance of success unless there is a definite inducement offered by way of arranging supplies of yarn to such organisations, after their registration and acceptance as approved organisations, at the ex-mill price plus the quota-holder's margin. (4) In respect of sub-para (3) above, the acceptance of the organisations as approved ones should be subject to the condition that the profit charged on the cloth produced by them should not exceed a reasonable percentage prescribed in this behalf by the Provincial or State Government concerned. (b) In areas in which the local conditions do not favour a trial of such experiments, caste guilds of weavers may be tried, provided the State or Provincial Government is satisfied: (1) that the arrangements made by the guild for the supervision of its activities and administration are adequate; (2) that the guild will comply with the conditions that they (the Government) may lay down for its working including the margin of profit which should be charged for the cloth produced by it; and (3) that legally they (the Government) will be in a position to deal effectively with any breach of such conditions or violation of any laws for the time being in force, by the guild or any of its members.

Note on Marketing and Research

According to the Government of India's Resolution dated 12th February 1945, the functions of the All-India Handloom Board with regard to Marketing and Research are: (i) to investigate and report on the best methods of marketing handloom products; (ii) to undertake research, particularly into markets and improvement of production. In pursuing such researches, the Board should make use of any Provincial/State organisations already in existence.

2. Apart from the question of supply of yarn, dyes and chemicals, the question of marketing is of equal if not greater importance. Increased supply of yarn will, no doubt, ensure continuous employment for weavers, but the primary objective of raising their standard of living by ensuring reasonable wages and scaling down of their debts cannot be achieved unless adequate facilities for marketing are afforded to the industry. Thus, marketing, apart from involving the actual sale of cloth, embraces the organisation of the various elements of the indus-

try, the rationalisation and standardisation of production, the consolidation of the existing markets and the exploration of fresh avenues for consumption of handloom fabrics. Similarly, research implies investigation into the existing methods of production, the extent to which improved appliances have been adopted and their effect on the general employment of weavers. Other allied problems deserving attention will be the extent of benefit accruing from the grant-in-aid and the success achieved by the co-operative movement.

3. The problem is no doubt a very complex one and the task of tackling it on an all-India basis which has devolved on the Board requires a close study of the existing conditions and careful planning of the action necessary to stabilise the industry and to ameliorate the plight of the weavers. The only reliable data available at present is the F. F. C.'s Report which has dealt comprehensively with the structure of the industry, the types of weavers and middlemen, their earnings, the method and cost of marketings, extent of competition, co-operative organisation, etc. The Committee has also made valuable suggestions for effecting improvements in various directions. It is however, for the Board to decide whether it would be feasible to formulate any scheme on the basis of the F. F. C.'s Report or it would be desirable initially to "investigate" as laid down in the Government of India's Resolution and obtain information regarding the changes brought by the war not only in the structure of the industry but in the financial condition of the weavers. The overall shortage of cloth in the country, the present high level of the prices of handloom fabrics and the reported increase in the wages, may lead to the inference that the last few years were periods of unprecedented prosperity for the weavers and that their plight is no more pitiable. On the other hand, shrinkage in the supply of finer counts of yarn must of necessity have resulted in changes in the types of fabrics produced, while restriction in transport may have been responsible for the loss of established markets. An endeavour has been made in the following pages to discuss the possible channels of improvement and to determine the extent to which additional information would be necessary before any plans are formulated.

4. *Organisation.*—Since, according to the F. F. C.'s Report, the unorganised condition of the industry is responsible for its abnormally high marketing costs and its consequent evils, it is but natural to accord a pride of place to the organisation of the industry in all schemes aiming at the stabilisation of the ancient industry and thereby ensuring the prosperity of the weavers. According to the F. F. C., the official agencies have fostered only co-operative organisations which have, speaking generally, suffered from financial weakness, inefficiency of management and inability to cope with fluctuation in yarn prices and with marketing of the finished product. The Committee has also emphasised the age long social and business relations and, in most cases, ties of caste and creed between the master weavers, sowcars and mahajans on the one hand and the weavers on the other, which may have been primarily responsible for the halfhearted support accorded to the co-operative movement. It is also possible that the lack of credit facilities on social occasions such as marriages, pujahs, absence of any effective voice in the management of the co-operative organisation and the small-

ness of the capital invested by him in the society did not evoke the enthusiasm of the weaver who preferred to eke out an existence as best as he could with the aid and support of the master weaver or the sowcar mahajan. It is also not unlikely that co-operative organisations invited within their fold only the weavers and thus alienated the sympathy of the master weavers and the mahajans.

5. In view of the above it is considered that it would be a move in the right direction if the future co-operative organisations aim at inviting to their fold not only the weavers but all the essential functionaries of the industry, be they master weavers or yarn and cloth dealers. This would enable the society to start on a sound financial basis, because the flow of capital from master weavers and dealers would be easy once they are assured of a reasonable return for their investment. It may be argued that apparently there is no incentive for the master weavers and dealers to join either the co-operative or other approved organisation. The master weavers would, however, have the advantages of bulk purchase of yarn and other raw materials while, as will be shown later, they and the dealers would be ensured of a better return once the unnecessary links in the chain of marketing are eliminated. The inclusion of master weavers and dealers would ensure purchase of yarn at remunerative prices as well as the production of readily saleable fabrics. Generally speaking, the societies have been run by a Board composed of both officials and non-officials, but the latter, being either weavers or their nominees not necessarily weavers, are not expected to have the same business acumen and foresight as the master weavers and dealers.

6. The weavers would also be encouraged to join the societies because of the lead given by the master weavers and the dealers and their sustained loyalty ensured by raising the share capital to substantial amounts of Rs. 20 or Rs. 25 which should carry with it the benefits of priority of employment, credit facilities and sharing of profit. It may also be stipulated, if necessary by amending the Co-operative Societies Act, that the share capital will forfeit in the event of desertion during the first two years. In fact it is considered that having due regard to the very large number of weavers who are mere wage earners, the organisation of the weavers would automatically follow the organisation of the master weavers and dealers. In order to ensure that the weavers get a fair deal and do not suffer from want, standardised wages and deductions for thrift fund will have to be prescribed ; provision will also have to be made for a certain percentage of the profits going to the weavers in the form of bonus. In addition to this, action may be taken for the scaling down of weavers' debts by legislation similar to the Agricultural Debt Relief Act.

7. It has been mentioned above that the weavers' contribution to the share capital should be substantially increased. This objective could be achieved in the case of dependent weavers by means of deductions from their wages for thrift fund by the dealers and master weavers. The independent weavers could be organised primarily by means of weaving centres on the lines of the Madras Scheme which should serve as a preliminary to joining the fold of co-operative societies. The position of the weaving centres would also become strong if endeavours be made to arrange for the purchase of yarn and the sale of finished

products through the normal trade channel excluding, of course, the avoidable links of the chain.

8. Mention may be made in this connection of the Naogaon Ganja Cultivators' Co-operative Society Ltd., of Bengal. As the Society has the monopoly for the sale of wholesale Ganja, every grower whether a member or not has to deposit his crop in the warehouse in joint charge of an Inspector of Excise and the Manager of the Society. The Ganja is graded into three classes in the warehouse and the quantity by each class entered in a pass book issued by the Society to each grower which is produced for receiving payment of advance price, deferred price, reward or bonus referred to below. The wholesale prices are then fixed by Government in March every year taking into consideration the acreage under the crop, the cost of production, the estimated sale and the working expenses of the society. The society then draws up its own budget estimate of receipt and expenditure taking into account its working expenses, the outturn of Ganja, the wholesale price fixed, and the probable sale of Ganja and finds out what advance price it can pay to the growers for different classes of crop. The advance prices are then paid to the growers. The society then arranges for the sale of Ganja to consumers through retail vendors. When the first half year is over the position is reviewed and if the actual state of sale during this half year justifies, a deferred price limited to 30 per cent of the advance price is also paid to the growers. Reward for round Ganja which is a costlier product is also distributed to them. Again, after the close of the year a bonus is also paid to the growers if the profits of the society warrant it. The non-member growers are paid deferred price and bonus only at half the rate at which a member is paid. It is considered that an organisation on similar lines with necessary modification to suit the requirements of the handloom industry would be well worth experimenting. In this case also, the management should as far as possible be vested in the hands of people fully conversant with the intricacies of the trade.

9. The condition precedent to the success of any such organisation would, no doubt, be the availability of finance sufficient enough to enable the purchase of two or three months' requirements of yarn as well as for stocking two or three months' production of cloth and of course the working capital. As already suggested, sufficient funds would be available once the master weavers and dealers are brought within the fold, but it might be necessary to arrange for advance of loans to approved organisations at lower rates of interest from the District or Provincial Co-operative Banks or other scheduled Banks. It is understood that the Provincial Governments propose to spend large sums of money for the development of industries in their respective areas; if this be so, it is presumed that the question of according credit facilities and grant of subsidies to approved organisations will receive the attention it deserves.

10. Apart from the co-operative societies, it may be possible to revive, wherever feasible, the organisation of weavers on the lines of the caste and craft guilds referred to in paragraph 57 and 163 of the Fact Finding Committee's Report. These societies besides not involving any great departure from the conservative ideas of the weavers may not require so much of share capital. Such organisations would

not, of course, be as effective as those suggested in the preceding paragraphs. Nevertheless, it should be possible for them to introduce rationalisation and standardisation of production and standardised wages for wage earning weavers.

11. It may be mentioned that, before the actual form of co-operative organisation is determined, it would be essential initially to elicit the opinion of the weavers and dealers regarding the success so far achieved by the co-operative movement and the mode of organisation that would suit the weavers in particular areas. It may also be necessary to explore the possibilities of establishing joint-stock organisations as suggested in paragraph 186 of the Fact Finding Committee's Report. The idea underlying the suggestion for investigation is that in order to avoid failures which may have serious repercussions on all future schemes, the mode of organisation should be determined only after ascertaining that reasonable support of dealers and weavers would be forthcoming. It is considered that organisation of the industry in a large way would be possible if three or four types of organisations are experimented with simultaneously in different concentrated weaving centres.

12. The objective therefore is to have a net-work of co-operative societies functioning side by side with other approved organisations and the activities of these co-ordinated by a central marketing organisation which after conducting investigations into each of the various problems of the industry will be able to recommend plans for the development of the marketing side of the industry such as rationalisation, standardisation and the marketing of handloom products explained in the following paragraphs.

13. *Rationalisation.*—The organisation of the industry in each place is to be followed by the rationalisation of production. The question of competition, direct and indirect, fair and unfair, with the mill and the imported cloth has been fully dealt with in the Fact Finding Committee's Report. The Committee has also discussed, and rejected as impracticable, the question of delimitation of counts either for the mills or for the handloom industry. Be that as it may, the salvation of the industry rests on the amount of success achieved in so guiding its production as to reduce the elements of competition to the barest minimum. And the objective can be achieved by aiming at the production of fabrics with individual characteristics of colour and design and in catering as much as possible for the local demands. The Fact Finding Committee have dealt with the types of fabrics produced in the various handloom Provinces and States in paragraphs 97-115 of their Report. They have also detailed in paragraph 96 the percentages of the various standard types of fabrics produced in each Province and State while the cost of production has been detailed in Appendix XXVIII. The question of competition has been discussed in Chapter VIII while the extent of competition in standard fabrics has been dealt with in paragraphs 144 to 148. A perusal of these paragraphs would, however, show that the information is very general in character.

14. In order to devise any scheme for rationalisation of production and to act upon the suggestion contained in paragraph 162 of the Fact Finding Committee's Report, namely "human and technical resources

of each centre must be fully utilised for the production of such goods as could be produced efficiently in each centre", it would be essential to obtain comprehensive and detailed information about the types of fabrics produced in each weaving centre, the proportions of each of the numerous types, the cost of production, the percentage of cloth marketed and consumed locally and the proportion exported to other Provinces or countries, the extent of competition with the mill and imported cloths, the handicaps imposed by inequitable railway freight, octroi and local taxes. The seasonal character of demand for and therefore, of the production of handloom fabrics will also have to be examined, as these factors are not conducive to continuous employment. This is all the more necessary because the increased production of coarser counts of yarn by mills and the unprecedented shortage of finer counts of yarn which was supplied principally by foreign countries and the restrictions imposed on the interprovincial movement of handloom cloth, must of necessity have resulted in the loss of outside markets and therefore in the types of fabrics produced. Moreover, the increase in the prices of foodstuffs and the inadequate supply of yarn allowing part-time work for the weavers must have changed considerably the price structure of the handloom fabrics which therefore need fresh comprehensive investigation.

15. The information obtained will have to be studied so closely in order to plan production as to minimise to the maximum extent the disadvantages of high cost of production and marketing by planning primarily for regional self-sufficiency emphasised in the Fact Finding Committee's Report in paragraph 181. It is well known that the bulk of the production of the Indian mills comprises counts 11s to 30s, while a reference to page 113 of the Fact Finding Committee's Report will show that the bulk of the handloom production also falls under this category. Since delimitation of counts is not a practical possibility, competition with mills is unavoidable; nevertheless the extent of competition can be minimised by the production of fabrics of individual characteristics and designs and by avoiding transport over long distances. This may not be necessary for speciality fabrics but it would be essential in respect of staple goods which with modifications in design and texture should be produced for and consumed in the Province of manufacture in order to avoid the disadvantages of inequitable freight, the incidence of octroi and other local taxes, and thereby the competition with mill made and imported cloths.

16. The idea underlying the suggestion may be illustrated by citing the example of series of fine texture produced in some of the weaving centres of Dacca and in Shantipur in Bengal which are consumed not only in Bengal but in Bihar, U.P., and even in the Punjab. No doubt, the individual characteristics of design and texture of these series offer great inducement to consumers, but it would not be reasonable to overlook on this account the changes in the texture and design, of mill made series which would offer more severe competition owing to production in bulk and improvement in weaving technique. Besides the handloom series, with their prices inflated by the high marketing cost and the addition of railway freight and local taxes may not find a ready market even on sentimental grounds. It would therefore be desirable either to create a better market for the series in Bengal or restrict

production to local requirements. The deficiency in series of fine texture in Bihar, the U.P. and the Punjab would be made up by inducing the fine count weavers of these Provinces to switch on to sari weaving. Similarly, coatings and shirtings are manufactured almost all over the country, but it is not uncommon for those produced in South India, Surat and Gorakhpur, to be consumed in Bengal, the Punjab and Bihar respectively. If, therefore, competition is to be reduced to its minimum it will be essential not only to concentrate on production of such coatings and shirtings as are not commonly produced by the mills but also to so change the design and texture as to stimulate local demand.

17. Another question which deserves attention is the production of what are termed speciality fabrics, namely curtains, furnishing and upholstery cloths, table cloths, towels, etc. The production of these fabrics has received an impetus from the Government organisations of Bihar, U.P. and the Punjab, but it is apprehended that if production is allowed to go unbridled, a stage may be reached when there will be competition amongst the various handloom Provinces themselves and even the export markets may reach a saturation point. It may be mentioned that the Fact Finding Committee has emphasised, in paragraph 162, the urgency of adjusting the production of speciality fabrics to demands and this can be done only after investigating the extent of demand for these fabrics. Rationalisation will, however, be a practical proposition only if it is confined in the initial stages to approved organisations. In fact, it will have a better chance of success if the problem is tackled with the unstinted co-operation and enthusiastic support of the master weavers, sowcar mahajans and cloth dealers.

18. The question of standardisation of production will have to be tackled along with the question of rationalisation of production. According to the Fact Finding Committee's Report, there is complete lack of standardisation which increases with the popularity of any particular fabric and which makes marketing very difficult. In fact, it would not be incorrect to say that lack of standardisation has been responsible for confining the marketing of handloom products to 'spot' transactions. It is considered that while the handloom weaver should have full liberty as regards designs, there should be complete uniformity of ends, picks, length and width in respect of each of the numerous types of fabrics. That standardisation is a practical possibility has been amply demonstrated by the weavers engaged on war supplies or on the execution of orders from approved organisations. No doubt, under the existing conditions the weaver has little or no incentive to adhere to uniform ends and picks. His is a struggle for existence and he knows that he has to sell in a buyer's market and at buyer's price. Standardisation can, therefore, be achieved if it is brought home to the weavers that by adhering to a specified number of ends and picks and by ensuring a specified width and length of fabrics they will gain either in the form of increased wages or better prices and can also be sure of marketing their products. Approved organisations should not experience any great difficulty in this regard once they start working on the basis of forward transactions with the dealers of consuming centres.

19. The executive action in regard to rationalisation with which standardisation is linked would, no doubt, be taken by the Provincial

authorities who should be willing to implement the recommendations of the Board based on comprehensive investigation and detailed examination of the problem through a central organisation.

20. *Marketing.*—The next question of importance is the question of Marketing. In so far as the independent weavers are concerned, they form the smaller proportion of the weaver population in the country; no tangible relief could be possible unless they join either the co-operative or any other organisation which may be fostered. Their slender finances, chronic indebtedness and, therefore, complete dependence on the yarn dealer for the supply of yarn on credit leave them no option other than that of selling at the buyer's price. Unless, therefore, they are brought within the fold of such organisation as would supply them yarn on credit and take back the finished product at prices based on standard wages and replacement cost of yarn, they would in due course of time be relegated to the position of mere wage earners.

21. The dependent wage earning weavers are, no doubt, relieved of the responsibility of marketing, but their continuous employment and wage level depend on the facility available to the master weaver and sowcar mahajans for marketing the finished products. The numerous types of middlemen and the functions of each has been dealt with fully by the Fact Finding Committee, in paragraphs 60 to 63 of its Report, and the Committee has discussed the middleman's profit in paragraph 124. The Committee has also come to the conclusion that "there are far too many middlemen participating in the trade and that their efficiency and individual turnover are much lower than they should be. At the same time, there are many middlemen who appear to be keeping their heads above water by taking a proportionately higher share of the gross profits of the industry than the weaver himself". The Committee has emphasised that the cost of marketing of handloom fabrics is "prohibitively high" and that the "middleman is largely to be blamed for this", "The principal problem, therefore, so far as marketing is concerned, is how to reduce the marketing costs." The Committee has suggested the "pooling of the resources of the middlemen into a large-scale organisation for marketing, under the auspices of a sellers' co-operative society".

22. It is considered that the cost of marketing could be reduced considerably by setting up an organisation of weavers, master weavers and dealers. This would result in eliminating the middlemen in the producing centres as all sales to outside buyers would have to be made by the organisation. The middlemen between the organisation and the ultimate buyers in the consuming centre could be eliminated by arranging direct contact between the organisation and the ultimate buyer wherever possible. As suggested in paragraph 67 of my Report submitted to the Government of India in 1943, marketing officers could tour the markets and then arrange direct contact between the organisation or in its absence the master weaver on the one hand and the ultimate buyers in the consuming areas on the other. The services of approved organisations, if any, in the consuming centres could also be utilised in a similar manner. The endeavour of the marketing officers should be to find markets, create demands and arrange direct transaction between the approved organisations or between the first and ulti-

mate buyers in the producing and consuming areas. A condition precedent to affording such facility should be the agreement of the two contracting parties to specified margins of profit which would result eventually in the sale of handloom fabrics at reasonable prices while the master weavers would have to agree to pay standardised wages to the weavers. Payment of standardised wages to the weavers could be ensured by asking the master weavers to give a written undertaking to do so and by exercising a periodical check in the area in which the master weaver operates. Reasonable prices based on specified margins of profit could be ensured by stamping the retail sale prices on the products, if necessary.

23. Generally, handloom fabrics are disposed of either by weavers or dealers by means of spot transactions which is perhaps unavoidable in the absence of standardisation. The industry can entertain better hopes of stability if the marketing officers aimed at encouraging forward contracts for specified fabrics. This system of trading could be a practical proposition for approved organisations and master weavers. The contract to be attractive and acceptable to both sides may incorporate the option clause permitting of changes in the design and dimension of the fabrics if intimated within specific periods. The forward trading system could also enable the organisation or the master weaver to cover their sales by entering into a forward contract for supply of yarn either with the mills in normal times or the provincial distributing agency during the control period. So long as the control over mill yarn and cloth continues, the contract could be made subject to the modification of sale price in the event of change in yarn prices. Moreover, this system would be the surest means of ensuring continuous employment to weavers and would result in better and economical production owing to continuous run of specific fabrics. An all-India marketing agency functioning through a net work of marketing organisations in the production centres could achieve the objects in view.

24. Although regional self-sufficiency should be the ultimate goal of all planning, it is considered that it will be years before any appreciable results are achieved in this direction. It would therefore be necessary, at least during the transitional period, to regain the markets lost as a result of the restriction on the inter-provincial movement of handloom cloth. In fact, it is not unlikely that even in spite of regional self-sufficiency export to outside markets would be unavoidable in respect of speciality fabrics and of staple goods from those Provinces which have got a large number of handlooms. This would become almost unavoidable, if and when though not in the near future, the recommendations of the Raw Materials' Committee regarding increased supply of yarn are endorsed by the Board and accepted by the Government of India, because the production would then amount to about 2,000 million yards as against the present estimate of 1,500 million yards. In so far as the internal markets are concerned, the aim should be to regain and to consolidate the markets available during normal times and also to seek fresh avenues of consumption. Simultaneously with this, extensive propaganda will have to be carried out in foreign countries through the Trade Commissioners organisations now being created, to evoke interest in Indian handloom fabrics and to obtain orders for substantial quantities. Much of the success in this direction would,

however, depend on the rationalisation and standardisation of handloom fabrics which are essential to ensure a steady export market. The consolidation and exploration of markets in the country can be achieved through the agency of the Central Marketing Organisation supported by intensive publicity to popularise handloom fabrics. It is considered that the organisation of the industry on sound lines resulting in the elimination of unnecessary middlemen and the increased supply of yarn resulting in continuous employment of weavers, will bring about reduction in prices. This coupled with the possibilities of obtaining supplies of standardised fabrics should be sufficient incentive for old consumers to revert to handloom fabrics.

25. *Research.*—The machinery engaged for collecting additional information would also investigate and report on the methods of winding, warping, sizing, beaming and weaving employed in the various concentrated handloom centres. The information so obtained would then be subjected to critical examination followed by the formulation of a well conceived plan for development which should aim at the reduction of production cost compatible with a reasonable living wage for the weavers and their dependents. Research may also be directed towards improving the methods of hand-dyeing and hand-sizing. Simultaneously with this, it would be essential to take into account the activities of the various technical institutions in the country and to evolve a uniform policy of training.

26. *Central Organisation.*—The extent of additional information necessary for effective planning for organisation and rationalisation of the industry and for marketing has been shown in the preceding pages. It has also been suggested that the investigation should be conducted by a central organisation wholly interested in the handloom industry. An alternative to this suggestion would be the utilisation of the existing staff of the Industries Department of the Provincial Governments. It may, however, be pointed out that effective planning, be it for organisation, rationalisation or marketing, will not be possible unless it is done on the basis of a detailed and comprehensive all-India picture of the structure and production of the industry. No doubt, the example of the Fact Finding Committee, could be emulated and questionnaires issued to all the handloom Provinces and States for eliciting necessary information, but this would not have the desired results, as this method would preclude the possibilities of supplementary questioning and the investigation would lose its comprehensive character. The investigation to be successful should be conducted on uniform lines and this cannot be ensured unless it is conducted by the central organisation with the fullest co-operation of the Provincial and State machinery. It may be added that even the Fact Finding Committee considered it necessary to tour the country for eliciting first hand information. Even if the field work is not entrusted to it, the central organisation would be absolutely essential to consolidate the information furnished by the Provinces and States and to maintain the statistics of the handloom industry.

In view of this, it would be desirable to entrust the field work to the machinery which would be responsible for collating the data obtained regarding each Province and State, to enable planning by the Board and for maintaining effective co-ordination between the

various handloom areas. Further, the central organisation would be absolutely essential for seeking inter-provincial markets which would have to be consolidated in spite of all success achieved in the direction of regional self-sufficiency. It would also serve as a liaison between the Trade Commissioners and the Provinces and States.

27. Attention is in this connection invited to paragraph 213 of the Fact Finding Committee's Report which may with advantage be quoted here :—

"The Constitution and functions of the Indian Handloom Industry Board. We have given some thought to this suggestion and we consider it a very valuable one. The Indian Handloom Industry Board may be established as a semi-public corporation somewhat on the lines of the Milk Marketing Board and other similar organisations working in the United Kingdom and must have on its governing body officials, representatives of handloom interests, and leading business men of the country with long experience in textile matters. The functions of the Board will be mainly three-fold, namely, (a) Research, (b) Supply of Raw Materials and (c) Marketing. Corresponding to these three functions, there will be three separate committees of the Board in charge of the three branches of its activity. In regard to research, the principal function of the Board will be to encourage and co-ordinate the work now going on in the technical institutes maintained in the various Provinces and States. It will also have to conduct research independently on the economic as well as technical problems of the industry. It will also serve as the agency for pooling and disseminating the available technical and economic information. In regard to raw material, the Board will have to make arrangements for the supply of yarn and dyes to the handloom weavers, negotiate with the mills for bulk purchases wherever necessary, maintain yarn depots where such are found essential, and watch the transactions of yarn dealers and attend to licensing regulations. Perhaps the most important of the Board's functions will be the marketing of handloom cloth both in India and abroad. The marketing branch of the Board will collect orders through its selling agents and pass them on to the Provincial organisations. Through its travelling agents and by contact with India's Trade Commissioners abroad, the Board will be in constant touch with the foreign markets for handloom products. It may conduct marketing and production surveys both of handloom markets and centres. The yarn depots, where they are set up, may also be used as an agency for collecting cloths. The Board may maintain sales depots wherever advisable and in other cases sell through merchants. In regard to the headquarters of the Board, Mr. Doak says : "The natural headquarters for the Indian Central Cotton Committee is of course Bombay . . . In the same way the headquarters of the Handloom Industry Board could well be Madras, periodic meetings being held in other Provinces." Wherever the headquarters of the Board may be, branches will have to be opened in the various Provinces and States, or the Board may work through the existing co-operative or other organisations. In any case the new organisation must be co-ordinated with the existing weavers' co-operative movement. It would also be advisable to distribute through this body the grant-in-aid from the Government of India to the Provinces which we hope will be continued,

It is essential that the States should also be represented on this Board and it is our hope that they will take an active part in its work. As will be seen from references elsewhere in the Report, several States are taking great interest in the handloom industry and it is very probable that they will welcome such a move from an all-India organisation."

Although the All-India Handloom Board is not the semi-corporate body suggested by the Fact Finding Committee, there is no reason why it should not assume the functions envisaged by the Committee, of course, within the four corners of the Government of India's Resolution.

Dyes and Chemicals for Handloom Industry

Much of the industry's vitality and competitive power depends on the colourful designs the weavers are able to turn out. The importance of an adequate supply of dyes and chemicals will therefore be abundantly clear and hence a good deal of attention has been given to this aspect. It is understood that against a total of 8,600 tons of dyes, estimated to be the total requirements of the textile industry, only 4,000 tons of imports can be depended upon; and out of that quantity only about 1,600 tons (40 per cent) may at all be available for the handloom, powerloom and printing industries put together. The shortage of dyes is particularly acute in dyes of the fast and semi-fast varieties, e.g. vats, soluble vats, naphthols, alizarines, indigo, etc. The rationalisation of mill production has led to greater consumption of fast dyes by the mills; and in this general shortage of dyes, what is available to the handloom industry is even less than before. As a result of the various control orders, certain classes of dyes like sulphur and chrome are now available in large quantities.

The distribution of dyes and chemicals under the Cotton Textiles (Dyes and Chemicals Control) Order, 1945 is through dealers of four groups, A, B, C and D.

"A" class consist of importers who have no distributing organisation but have only an import quota and who are expected to sell to "B" or "C" class licence-holders.

"B" class consist of importers having an import quota, their own distributing organisation and labels and complete freedom as to the choice of customer to whom they desire to sell.

"C" class consist of re-packers having no import quota, but having distributing organisation and labels, who purchase dyes from importers and pack them with their own labels; they are allowed freedom of action with regard to sales. In actual practice, their sale is more or less confined to small consumers situated in the interior of the country.

"D" class. These are free dealers who are expected to sell exclusively to consumers and who get their supplies from "B" class dealers referred to above.

In Madras, the distribution of dyes and chemicals is subject to the Provincial Licensing Scheme introduced in 1945, which is even more strict than the Government Scheme.

The Government of India favour the present distribution method until a better method of distribution is suggested. *The present problem is not of an equitable distribution but one of economy in the use of dyes.* The dyes' trade is of a very specialised nature with its own peculiar difficulties. For one thing, the dyes are not used in the manner imported but require mixing to suit the individual requirements of consumers; also, there are thousands of types and storage is itself a problem. In the official view, at present supplies are not likely to amount to more than a small proportion of the requirements of industries other than the textile mills, so no useful purpose will be served by modifying the distribution scheme.

The suggestion has, therefore, been made that central dye houses should be established under approved organisations, equipped with efficient machinery. The weavers could bring their yarn to such dye houses to obtain the requisite shapes. It is claimed that this method will ensure the following advantages:—

- (1) standardisation of shares;
- (2) maximum utilisation of dye liquors involving economy in the use of dyes and chemicals;
- (3) reduction in price due to bulk dyeing; and
- (4) easier system of distribution by which dyes could be supplied between central organisations instead of being apportioned out in small quantities to various handloom weavers individually.

In fact, something like this has already been done by the Madras Provincial Weavers' Co-operative Society which is running four dye factories at various centres. Certain primary societies have also started dye factories of their own and the idea is to have a chain of factories all over the Province. Orissa follows Madras closely in this respect. As yet, the benefits go only to members of the co-operative societies, and as only a small proportion of the weaver population belong to these approved organisations, the desirability of even non-member weavers being allowed to bring their yarn for dyeing to these factories has been stressed. Ultimately, this may prove helpful in persuading them to become members of the societies.

* * *

The Handloom Industry in India

Let us now turn our attention to the history of the celebrated handloom industry of the country.

Cotton has been known in this country since prehistoric times. The earliest of civilisations, unearthed at Mohen-jo-Daro, gives evidence of cottonweaves. Coming to historic times, there is a rich crop of evidence to be gathered from travellers' records, etc. of the existence of cotton finery. Then there is the mention of cotton and cotton wefts in very early writings, including the *Rig Veda*. The export of Indian cotton fabrics during the Buddhist period won India world-wide tribute.

From the times when the cotton trade gets mentioned in writing, Dacca and Masulipatam seem to be reputed centres of fine manufacture. Muslins and calicos are frequently mentioned by ancient historians as

having won the admiration of other nations. It is interesting to note that long before Egypt blossomed into cotton, India had the tradition of centuries behind her in this respect, and indeed, India is the birth-place of cotton manufacture.†

In the early days, the handloom industry enjoyed the status of a craft patronised by kings. But it is believed, that, though the best artisans were whole-time workers, a large number took to it only during their moments of leisure. As with most of the old crafts, the handloom industry was a hereditary occupation which had its most zealously guarded secrets. The gossamer excellence of the Dacca muslin must have been the result of ages of specialisation among very exclusive artisan families. Thanks to the fact that Indian dyeing had also reached a high pitch of excellence, the cotton wefts of India dazzled the nations by their rainbow brilliance. The muslins of Dacca, the calicos and chintzes from Masulipatam and other places on the Coromandal coast and the gold and silver wefts from Ahmedabad and Benares were the envy of the trading world. Persia, Tartary, Turkey, Syria, Barbary, Arabia and Ethiopia were India's customers during the heyday of her handloom industry. The fairy delicacy of old Indian muslin has caused quite a crop of legends about it. Poetic names were given to some varieties as for example 'Shubnam', meaning 'evening dew'. It is said that in the halcyon days of the Dacca industry, a piece of muslin 15 yards long by a yard wide could be made so fine as to weigh only 900 grains, or a little over 1/10 of a pound. The weaving of such fancy fabrics had to be carried out in the rainy season when the humidity of the air prevented the snapping of threads. The condition of the industry of today is such that these descriptions evoke a mild scepticism in those unfortunate people who have never seen such excellence in the contemporary world.

India fell from its great position of world monopoly in cotton during the centuries subsequent to the 18th. The machine age sounded the death knell of Indian excellence and mastery in the cotton world. The flooding of the Indian market by mill-made textiles, mostly from abroad, put the local weaver in tragic plight. The Suez Canal, the locomotive, and the automatic shuttle conspired to hamstring India's handloom industry. A modified handloom industry based on mill yarn, mushroomed on all sides, choking the very roots of the handspinning and handweaving industry.

We may now turn to the Fact Finding Committee's Report.

FACT FINDING COMMITTEE'S REPORT (1943)

The Government of India published the report of the Fact-Finding Committee (Handlooms and Mills) during the year 1943. This Committee was appointed early in 1941, with the following terms of reference :

- (1) To make a survey, with the assistance of Provincial and State Governments, of the extent of the handloom industry, in each Province and State, and of the kinds of handloom products produced and the number of persons engaged in the industry ;

†Vide Mr. M. P. Gandhi's "The Indian Cotton Textile Industry—Its Past, Present and Future," 1937, with a foreword by Sir Purshottamdas Thakurdas, showing in detail the vicissitudes of the industry. from the earliest times to the present day. 240 pages, Price Rs. 3-8.

- (2) To make a report on the marketing organization both for the purchase of yarn by the handloom weavers and for the sale of the handloom products ;
- (3) To compare the nature of the products of the handloom industry in each area surveyed with the corresponding mill products and to find the nature of the competition between the two ;
- (4) To investigate the kinds of yarn used in the handloom industry and types of production for which different kinds of yarn are used ; and
- (5) In particular, to investigate how far an enactment prohibiting the mills from using yarns of low counts would help the handloom industry in maintaining its production.

Personnel

Dr. P. J. Thomas, (then) Professor of Economics, University of Madras, was the Chairman of the Committee, and Rai Bahadur H. Mookerjee was a member. The Secretary was Mr. B. P. Adarkar, (then) Reader in Economics, University of Allahabad. (The report was signed in February 1942, and was published by the Government of India in 1943).

In view of the importance of the subject and the detailed and careful investigations carried out by this Committee, which has made available some very useful facts and data in regard to the position of the handloom industry, both in its hoary past as also during the present period, we have made copious extracts from its report in the succeeding pages.

*It is well known that India has been a producer of cotton cloth from times immemorial and is generally regarded as the birthplace of cotton manufacture.** It is not necessary for our purpose here to enter into any elaborate discussion of the causes which led to the collapse of this industry before and after the 19th century. It would be relevant to observe, however, that this decline was not due entirely to the competition of cheap mill-made goods imported into the country. In most of its noted centres the industry flourished under court patronage and when this patronage declined the industry also followed suit. Apart from this, a drastic change in the dressing habits of the upper classes, inability of the industry to adapt itself to modern requirements and the prevalence of a demoralising system of middlemen contributed in a large measure to the decline of this ancient Indian industry. In spite of all this, however, a large internal market was still available for the handloom industry. The impact of foreign imports was felt in a full measure, however, with the great changes in methods of transport, including the opening of the Suez Canal and the construction of the network of railways in the country. No doubt in parts of the country, (e.g. Bengal and the Malabar Coast) where, formerly as at present, both men and women wore mostly plain white clothes, mill-made goods captured the markets and weavers lost their occupation, but in a large

* Vide Mr. M. P. Gandhi's "The Indian Cotton Textile Industry—Its Past, Present and Future," 1937, with a foreword by Sir Purshottamdas Thakurdas, showing in detail the vicissitudes of the industry, from the earliest times to the present day. 240 pages, Price Rs. 3-8,

part of India women in particular stuck firmly to multi-coloured and artistic fabrics which could not be made economically by the mills. But the general trend was one of decline and only a small part of the domestic market in textiles remained with the handloom. A large number of weavers had to abandon their hereditary occupation and a good proportion of them seems to have taken to agriculture.

Decline of Hand-spinning Industry

This decline of hand-weaving also resulted in further consequences. Hand-spinning which provided a subsidiary occupation to the agricultural masses also declined, enabled competition of foreign fabrics, and much unemployment was caused amongst spinners also. Further, the large and growing imports of mill-spun yarn aggravated the trouble and hand-spinning practically disappeared as an occupation. During the latter part of the 19th century, however, handloom weavers learnt to adjust themselves to the changing circumstances and adapted their looms to the use of mill-spun yarn. Thus, while the old hand-weaving industry depending on hand-spun yarn succumbed before the onslaught of the foreign mill competition, a new hand-weaving industry was born which no longer depended on uncertain supplies of rough hand-spun yarn and got used to mill-spun yarn which could be had in ample quantities and suitable qualities as regards twist, strength and fineness.

Between 1896 and 1914 the competition between Indian mills and handlooms was not serious; rather the relationship between them during that period was complementary. The first Indian mill was established in 1851, and by 1900, although there were 193 mills with nearly five million spindles, the number of looms was only 40,000. Evidently Indian mills at first concentrated on the supply of yarn and this was of help to the handlooms. Soon they began to supply all the coarse yarn required by the handloom industry, and by the close of the 19th century, foreign imports of yarn became stationary, but the Indian mill production increased by leaps and bounds. For a long time a greater part of the yarn produced in Indian mills was either sold to the handlooms or exported (mainly to China) and only a small part was woven in the mills.

During the period 1896-97 to 1900-01, while Indian mills used about 85 million lbs. of yarn per annum, as much as 200 million lbs. of yarn went to the handlooms. The consumption of yarn by handlooms has been continuously on the increase till 1913-14 when the yarn made available to handlooms (both imported and mill-made) was 258 million lbs., while yarn consumed by the mills was slightly less, i.e. 243 million lbs.

Effects of the First World War—1914-18

The real weakness of the position of the handloom weaver was the unsteadiness in the supply of yarn in abnormal circumstances, like the war. During this period he came to depend entirely for his yarn supply on mills (both home and foreign). This resulted in the handloom sharing in the ups and downs of the mill industry to a large extent. Imports of cloth having diminished during this period, and the internal demand for cloth having increased, Indian mills used a greater portion

of their yarn themselves and left much less for the handlooms. While the quantity of yarn available to handlooms in 1914-15 was 272 million lbs. as compared with 246 million lbs. consumed by the mills, the consumption of yarn by handlooms in 1920 was 127 million lbs. as compared with 341 million lbs. by the mills. The production of handloom cloth thus declined by more than 50 per cent during this period of six years, that is, from 1,088 million yards in 1914-15 to 506 million yards in 1919-20. Till 1910-11 the annual handloom production had been more than the mill production, but from that date onwards the mill production began to increase steadily and rapidly and in the years 1911-12 to 1914-15 both lines of production became nearly equal. With the outbreak of the First World War, the mills took advantage of the cessation of imports and increased their production and captured the home market. As Mr. R. D. Bell properly observed, "the handlooms were finally beaten, and not only beaten but probably severely crippled for the time being."

In the years following the period of the First World War of 1914-18, the handloom was able to obtain yarn more adequately and there was a partial revival in the industry, judging from the increased quantities of yarn that were available to it from year to year. Although mill production advanced during the war, their progress in the early twenties was hampered by various impediments; some mills failed in Bombay, and there were prolonged labour troubles in others. The cotton mill industry especially in Bombay, passed through a severe depression which was aggravated by currency difficulties and foreign competition. Under the stress of various economic, political and social influences of a rather unfavourable kind, the handlooms suffered after 1922-23, but the Indian mills made a rapid stride forward, after 1926. This is partly due to the protective tariff and various political and social influences.

The tariff policy of the Government, *khaddar* movement in the country, and changes in the clothing habits of the people have considerably affected the fortunes of the handloom industry since 1926. Firstly the removal of the 3½ per cent excise duty on mill-made goods in 1926 created an immediate handicap to the handloom weavers. This is not to suggest that the handloom industry could lay claim to the continuance of this obnoxious excise duty, for it was not conceived as a measure of protection to the handloom industry, and whatever benefit it derived was only incidental. Nevertheless, it has to be admitted that while mills got an immediate relief by the removal of the duty, the handlooms received a setback. Import duties on piece-goods were meant primarily for protecting mills and while they succeeded in that object, the handlooms did not appear to derive benefit from them to any appreciable extent. While import duties on piece-goods were thus of doubtful value to the handloom industry, the duty on yarn placed a definite burden on it, in the interests of the spinning industry. It was intended to keep out foreign yarn and to give a fillip to the spinning industry in India, but as the handlooms consumed the great bulk of the imported yarn, the burden of the duty fell on them. The Tariff Board of 1932 observed that "the Indian mill section of the industry has been placed in a better position to compete against the handloom industry which is definitely handicapped by the tariff on yarn, especially those required for the production of cloth with finer counts."

It must be admitted that the protective duty on yarn has strengthened the Indian textile industry by diminishing its dependence on foreign yarn, especially of higher counts. While such striking progress in the spinning of high counts yarn in India gave support to the handloom industry by reducing its dependence on foreign imports, it must also be stated that such increase in mill production enabled the mills to compete with the handlooms more effectively by placing on the market *saris* which displaced those made on the handlooms.

Effect of Khaddar Movement

Let us see the effect of the *khaddar* movement on the handloom industry. The *kaddar* movement after 1928 laid stress on hand-spinning as well as the use of Indian mill-made yarn. Both the first and second non-co-operation movements embraced *Swadeshi* as an important plank of their programme. Boycott of foreign goods was the negative, and the use of Indian goods the positive, feature of *Swadeshi* and the imports most affected by the movement were cotton textile goods from Britain. While the handlooms were benefited in a general way like the mill, by this phase of the *Swadeshi* movement, handloom production of fine *saris* with imported yarn was adversely affected. With the Congress ban on imported yarn there was a natural reluctance to buy such cloth and hand-weavers in certain important centres in Bengal and elsewhere were faced with a serious situation. The Tariff Board (1932) observed: "The strong prejudice fostered against the use of imported yarn has in various parts of the country prevented the handloom weaver from finding a sale for cloth of finer counts woven by him, and this has happened at a time when as a result of protective duty on yarn his cost of material relatively to cloth has been considerably increased." Mr. Kasturbhai Labhai of Ahmedahad, giving evidence before the Tariff Board in 1932, stated that the ills of handloom weavers were not due so much to the import duty on yarn as to the "great *Swadeshi* movement which has come over the country and which hampers him from marketing his goods made from the imported yarn." While producers of cloth from finer counts were thus affected adversely, weavers who made coarser cloth benefited generally.

Effect of Change in Clothing Habits

Another factor, namely, the change in the clothes and dressing habits of the people, helped the mills greatly in expanding their market. In general, the change has been towards simplicity and plainness in attire. This preference for a simpler attire and the growing distaste for ornamental cloth and elaborate colouring put a premium on mill cloth. Lace-bordered dhoties and chaddars became less common. Pagri, pheta or safa has fallen in great disuse. While formerly about 70 per cent of the men wore some kind of turban, today a very small proportion of the people wear such head-dress even in rural areas, and caps of all kinds, including Gandhi caps, have now been substituted. The demand for hand-woven turbans has almost completely disappeared. An equally revolutionary change has been found in the dress of children, both boys and girls. While formerly boys wore little dhoties or pyjamas, today a large number, especially in towns, wear khaki shorts and knitted vests. Little girls today, especially in towns, wear frocks and not *saris*.

Hand-weaving industry has thus a negligible share in the present mode of dress of children, and this has greatly affected the fortunes of the industry.

It is thus the change in the dressing habits of people, both in India and abroad, which have been responsible for the loss of markets for particular classes of weavers. Competition between mills and handlooms has also ensued and grown. Handlooms have found themselves unable to adjust the production of the changing demands, while mills have seized the opportunity.

Growth of Small-scale Powerlooms in various Centres

Another interesting factor which needs mention is the emergence of another new rival to the handloom in the shape of small powerlooms. These powerlooms have been growing in many centres, especially in Bombay, C. P. & Berar, Punjab, Hyderabad and Mysore. In Bombay, these powerlooms have been introduced in centres where the handloom had been deprived of its markets and were worked by weavers who formerly plied the handloom. These powerlooms have been able to get down their cost of production and have proved a serious rival not only to handlooms but to mills also. There were about 15,000 powerlooms* in the whole of India, as many as 6,400 being in the Bombay Province alone. These small powerlooms carefully observed the changes coming over women's dress and captured this market. Thus, the three-cornered contest which commenced in the 19th century between handlooms, imported cloth and the Indian mills, has now become a four-cornered one. This has already had repercussions on the mill as well as on the handlooms, but the less resourceful party, i.e. the handloom, has been worst hit.

Apart from this the trade depression after 1929-30 has affected the weavers owing to the fall in demand, which followed the decline in the purchasing power of the masses. The decline in the prices of primary products began before 1929-30 but became much sharper after that. It is important to note that India is essentially a price market and any fall in the purchasing power of the masses is bound to accentuate this tendency. The Tariff Board (1932) summarises the position thus: "The severe trade depression which has prevailed since 1929 has seriously reduced the average earning capacity of the handloom weaver. The effect of the depression has been accentuated by the relative increase in the cost of yarn on account of the protective duty. Thus the position of the hand-loom weavers, in comparison with the mill industry, has considerably deteriorated since 1927."

In the early thirties, the condition of the handloom industry reached a pitiable stage. Unemployment was rife in most important centres and even where there was some employment, the weaver was only getting a pittance. It may be argued by some that in spite of the decline of production in some areas, production of handlooms in India as a whole has been maintained and that on the balance, the decline is not great. In this connection it is to be remembered, however, that production is not a safe criterion in the case of an industry like hand-weaving pursued

* Only 6,378 powerlooms use cotton yarn; and their total consumption of cotton yarn was estimated in 1938-39 at about 9 million lbs.

hereditarily by certain classes or castes. A mill will close down if it does not earn a profit, but the handloom will go on even if it brings no profit because the weavers depend upon it helplessly for their livelihood. It is even said that the weaver works longer and produces more where wages come down in order that he may make up by quantity what he loses in price per piece. The increased use of fly-shuttle sleys has also created an influence on output. The Tariff Board (1932) has summarised the position very cogently thus: "Since the handloom weaver cannot regulate his production according to the state of the market without risking starvation for himself and his family, the true criterion for judging the position of the handloom industry is not the proportion of the quantity of cloth woven on handlooms to the total production but of the wages earned by the handloom weaver. Judged by this test, his position on the evidence we have received must be regarded with some concern."

Governmental Help to Industry

The serious condition of the weavers aroused the interest of the Government of India. Up to this time only Provincial and Indian States Governments were trying to help the industry. In some Provinces improved appliances, especially fly-shuttle sleys, were introduced. Grants-in-aid were also given to some weaving schools. Demonstration parties were also at work. But such spasmodic help was not of much use in counteracting the forces working against the weavers after 1930. The Provincial Governments were deeply concerned about this situation and finding that the problem could not be tackled except on an all-India basis, they met at an Industries Conference at Simla in July 1933. While the suggestion of the Madras Government for levying a cess on Indian mill yarn with a countervailing duty on Indian and imported cloth did not receive general approval, the possibility of grant-in-aid from the central revenues was considered and a sum of Rs. 5,000,000 was distributed in 1934-35 and utilized by Provinces for approved schemes.

This grant marks a distinct stage in the history of Governmental efforts at helping the handloom industry. Provincial Governments utilized it for launching schemes of marketing, improvement of designs, etc. But it was realized that financial aid, however generous, was not sufficient to remove the handicaps that were hampering the industry's progress. The Tariff Board (1932) examined the various proposals in this connection, especially restriction of mill output in classes of cloth which form the bulk of the output of the handloom industry, but found it impracticable and was only able to make an exhortation to the mills to regard it as an essential obligation arising from the grant of protection, to refrain from entering into unfair competition with the handloom industry so as not to impair its relative position.

Decline in the Position of Industry During World-War II

After the outbreak of the present war in 1939, there was for some time a general expectation that hand-weaving would receive fillip as happened during the war of 1914-18, but such an expectation has been completely belied. During the first world war the mill industry was in a comparatively undeveloped state and was unable to cope with some

of the new requirements. This enabled the handlooms to get a share of the new war demands. The position of 1945 of the mill industry is quite different. Besides, while during the 1914-18 World-War, the handlooms could obtain foreign yarn at least from Japan, there was no possibility of obtaining yarn from any foreign country during the 1939-45 World-War II and India has not only had to supply its own yarn but to supply yarn to other countries, especially the Eastern Group. The result was a great scarcity of yarn supplies, particularly after April 1941, and this has affected the handloom industry adversely.

The weaving activities of the mills in the country having increased (several working more than one shift) since 1942, and imports of yarn having completely stopped, there was a reduction in the quantity of yarn available to handlooms. At the same time, there has been little increase in the quantity of hand-spun yarn during this period (and with the stipulation made from May 1945, viz. supply of a small quantity of hand-spun yarn for purchase of every unit of cloth by a customer to *Khadi* Bhandars run by the All-India Spinners' Association, and the stipulation made in 1946 for *Khaddar* being supplied by the All-India Villagers Association to those who spin the yarn themselves, it is likely that use of handspun *Khaddar* will decrease). Even the distribution of mill yarn among handlooms was defective and it was only in April 1945, that a more workable scheme of distribution was launched by the Government of India under the Cloth & Yarn Control (Order). The scheme is being improved upon as experience is gained.

One noteworthy factor of the war period, as far as handloom cloth is concerned, is that unlike the mill-made cloth, it has not been subjected to the necessity of having its price fixed and stamped on the cloth. The Bombay Government also decided not to levy sales tax to be imposed from October, 1946, on *Khaddar*.

In May 1945, the Bengal Government brought *Khaddar* Purchasers and Sellers within the purview of the Bengal Cotton Cloth and Yarn Control. Reports were also then to hand that the Government of Bombay and Madras also wished to control the handloom cloth and fix its prices. No such steps were, however taken, noteworthy, out of regard to the practical difficulties, till 1946, when the matter was under discussion by the All-India Handloom Board, as also the various Provincial Governments.

Size of Industry : Number of Handlooms

Let us now take a rapid view of the size of the industry. The total number of handlooms in India, excluding Burma, according to the information available to the Fact-Finding Committee, whose report was published in 1943 and to which we have made a reference elsewhere, is about 2 million. The number of active looms is about 17,00,000, more than 2,65,000 being reported to be idle. The percentage of idle looms thus works out to about 13 per cent. Classified according to textiles in the weaving of which they are engaged, it is found that a great majority of the looms are engaged in cotton weaving. Over 14,00,000 looms were engaged in cotton (72 per cent), 99,000 looms in wool (5 per cent), 3,71,000 looms in silk weaving (16 per cent), 25,000 looms in artificial

silk (1 per cent), and 1,00,000 looms in other textile mixtures (6 per cent).

In a broad sense, handloom weaving includes weaving of all types of fibres of vegetable, animal, mineral and chemical origin.

Types of Handlooms

In regard to the types of handlooms, we find that today out of a total of 2 million handlooms in India, about 64 per cent are throw-shuttle looms, 35 per cent fly-shuttle looms and 1 per cent of other categories. It is certain that 20 years ago the number of fly-shuttle looms was far less and credit for the increase in the number of this type of loom must go to the endeavours of various Provincial Governments who have popularized them. It will be noted that the proportion of fly-shuttle looms is largest in Travancore (89 per cent), Madras (81 per cent), Mysore (78 per cent), Cochin (73 per cent), Bengal (67 per cent), Bombay (55 per cent), and it is low in the Punjab (5 per cent), Orissa (15 per cent), and in the United Provinces (19 per cent). While in Bengal the total number of looms has fallen with the increase of fly-shuttle sleys, the total has only risen in Madras, indicating that production has advanced more in the one than in the other.

Number of Workers Employed

Obviously, there are serious difficulties in counting workers in the hand-weaving industry as it is functioning today. Formerly each weaver was an independent worker. But today a great majority of them work for a wage under a master-weaver, *mahajan* or *karkhanadar*. The condition of the industry is, however, still unorganized, most of the weavers still working in their own homes, and there is no facility for collecting periodical returns as in the case of mills. According to the Fact-Finding Committee, however, the number of weavers is 14,34,000 whole-time, and 7,47,000 part-time, the total being about 24,00,000 (including 1,75,000 estimated for smaller States). The number of paid assistants was 2,53,000, and unpaid 25,73,000. Thus, the total number of weavers for All-India is 24,00,000, while with the addition of auxiliary workers who assist them, some paid and others unpaid, estimated at about 36,00,000 by the Fact-Finding Committee, the total number of workers is about 60,00,000 for the 20,00,000 looms working in India. In addition to these, there are the dependents whose number cannot be less than 40,00,000.

Assuming that each of the 24,00,000 weavers has to support besides himself, 3 persons on an average, it can be assessed, observes the report of the Fact-Finding Committee, that the total population depending on the industry must be round about 10 millions.

*Small-scale Powerlooms**

It has been difficult to estimate with any exactitude the actual number of powerlooms operating in the country. According to the

* Reference to powerlooms in this context is only to small powerloom factories, and not to powerlooms in the large mills of the country. The number of such powerlooms in mills is 2,00,000 at present.

information which the Fact-Finding Committee was able to gather in 1941, there were about 11,640 powerlooms in the Provinces and States of which 6,350 or more than half (55 per cent) were in the Bombay Presidency. Next to Bombay came the Indian States, of which Mysore had 1,300, and Kolhapur also 1,300. The rest were scattered in the Punjab, C. P., Berar, Madras, Hyderabad, Baroda and Bihar. 58 per cent of these powerlooms were then engaged in cotton weaving, 10 per cent in artificial silk, 14 per cent in silk, 8 per cent in mixtures and 3 per cent in wool.

A noteworthy factor of considerable interest has been the increase in the number of powerlooms all over the country during the last 4 years. According to the information available to the Cotton Textile Directorate, there are 1,830 factories with 18,758 powerlooms all over the country. Of these 1,325 factories with 5,389 powerlooms were located in Bombay Presidency, as many as 332 factories with 3,869 looms being in Surat alone.†

The cloth manufactured by the powerlooms has not been subjected to price fixing and price stamping like the mill cloth under the Cotton Cloth & Yarn Control (Order), 1943, unless such cloth is manufactured by a unit of a factory having more than 25 powerlooms. Such factories are not many and in Surat, for instance, there were reported to be only 4 units having more than 25 looms each, the total number of powerlooms under the management of these 4 units being only 800. Thus a very large bulk of the cloth manufactured by powerlooms does not come under the control of the Government fixation of prices.

All these powerlooms specialise in the production of different kinds of cloth at different centres, Surat, for instance, specialising in coating and shirtings, Malegaon in loongis, Sholapur in saris, etc. Previously, these powerlooms in Surat and other centres depended almost entirely on Japanese art silk yarn, but since 1941, they are entirely dependent upon the supply of Indian mill-made yarn only.

Statistics of Handloom Production

An estimate of the total production of cloth on handloom would perhaps give a better index of the progress of the handloom weaving industry than the number of handloom weavers. Besides, it is an integral part of the national dividend of the country and a measurement of it is essential from many points of view. It is unfortunate, however, that accurate statistical computation is not possible in the case of a non-organized industry like hand-weaving, pursued in small units and scattered all over the country. The Fact-Finding Committee, however, went into the question very closely and arrived at the conclusion that the quantity of handloom cloth (cotton) on the basis of the number of

† A comparison with the number of powerlooms now reported with the number stated in 1941 by the Fact-Finding Committee in the previous paragraph will show an increase of about 7,000 over All-India. Perhaps the Committees' estimate did not include powerlooms installed in Hosiery Factories, Rope Factories, etc. and that might explain to some extent the large increase, which is difficult to reconcile otherwise, particularly as it was not possible to manufacture many new powerlooms during the war-period. The smallness of the number of powerlooms in the Bombay Presidency may be explained to be due to the fact that returns are made to the Cotton Textile Directorate only when factories are working, and not when they are closed down due to lack of yarn, etc.

handlooms and the average normal pre-war output per handloom may be estimated at 1,617 million yards,* assuming a rough average working season of 200 working days of 9 hours each.† The estimate made by the Fact-Finding Committee of the total value of hand-woven cloth in India (in 1939) works out to Rs. 72 crores, value of cotton cloth being Rs. 47 crores, silk Rs. 15 crores, artificial silk Rs. 4 crores, and wool Rs. 3 crores. This was the position immediately before World War II, that is, in 1939.

A word in regard to the structure of the handloom industry would be useful at this stage.

Structure of Handloom Industry ; Weaving largely a full-time Occupation

Although essentially hand-weaving is a cottage industry, there are elements in it which are somewhat allied to the factory system and for which intervention of financiers is greatly responsible. *Enquiries made by the Fact-Finding Committee have shown that hand-weaving at present is a full-time occupation.* The Committee takes exception to the statement of the Tariff Board (1932) that "for a large number of those who are engaged in it, it is a secondary occupation ancillary to agriculture", and has found that the great majority of weavers in India, with the exception of Assam, are full-time workers. The proportion of full-time weavers is 99 per cent in Sind, 88 per cent in Bombay, 87 per cent in Madras, 81 per cent in the Punjab, 75 per cent in the United Provinces and 75 per cent in Bengal. Nearly all the weavers of Travancore and Cochin, 97 per cent of the weavers in Mysore and 85 per cent of those in Hyderabad are full-time workers. The only notable exception is Assam, where hand-weaving is pursued as a full-time occupation in only a few places. In Assam, while every woman is expected to spin and weave as part of an age-old custom, men work the looms only during two months (November to January) when agricultural operations are slack. While hand-weaving is a common occupation to all in the Assam Valley, it is the function of special castes, at any rate among Hindus, in the rest of India.

Handloom Industry—Urban or Rural ?

According to the popular view, handloom weaving is essentially a village industry and is carried on mostly by independent weavers. This is still largely the case in backward tracts of the country, but it is no longer true of the most important hand-weaving tracts. With the development of communications, markets were extended and trade grew

* It has been assumed that 1 lb. of yarn is equal to 4.57 yards in the case of handloom cloth. In the case of mills, 5.24 yards of cloth have been estimated as the production for 1 lb. of yarn. In the case of handloom cloth made from hand-spun yarn, the estimation of cloth woven per lb. of yarn is 3 yards. Thus, on the assumption of 54 million lbs. of available hand-spun yarn, the production of handloom cloth is about 163 million yards from hand-spun yarn.

† The average output per loom per day of nine hours adopted in the estimate is 4 yards from throw-shuttle, 7 yards from the fly-shuttle, and 10 yards (as a flat rate) for the other types of improved looms like Hattersley, semi-automatic, etc.

between distant parts. From early days, speciality fabrics from India always found growing markets in certain distant lands. In this state of things the ordinary weaver found himself helpless in his village without credit from a financier or advances from a merchant in the town, and this induced him to migrate to the towns. *As a result of this tendency operating during the last eighty years, hand-weavers are now largely in towns, especially in those areas of the country where production is for distant markets.* In many of the towns the weavers occupy prominent positions in civil life.* Most of the hereditary weaving classes have had nothing to do with agriculture, and indeed some of them have considered agricultural work as *infra dig*. The Fact-Finding Committee comes to the conclusion that, to take the weaving folk as a part of the village population is, therefore, incorrect. Handloom weaving, according to this Committee, has now become largely an urban industry. In Bombay, 45 per cent of the total number of handlooms are found in 26 centres; in Madras, 39 per cent are found in 49 urban centres. The position is nearly the same in Central Provinces and Berar, Hyderabad and other areas. It is true, however, that a large number of weavers are still working in villages, but it is to be noted that although they are residing in villages or hamlets, they have little connection with agriculture.

Changes in Industrial Structure

The industrial structure of the industry has also been affected. In certain areas where production is largely for distant markets and the weavers are financially weak to undertake the risks of price fluctuations, they have become employees of sowcar weavers, although working in their homes, and in some places they have been brought to the workshops or *kharkanas*. Such changes have taken place more in Bombay and Madras than in Northern India. The independent cottage system now predominates only in backward areas.

Types of Middlemen

There are several types of middlemen, including the sowcar weaver (often called the master-weaver) who employs under him weavers mostly of his own caste; secondly, the merchants, either of yarn or of cloth or both, who are keenly interested in the supply of cloth of qualities required and in adequate quantities, and thirdly, the *karkhanadars* who bring the weavers together into small factories or workshops.

* It is interesting to see the proportion of weavers to the total population in certain towns, e.g.

In Shantipur (in Bengal), the weavers' population is 10,000 out of a total population of 24,000, i.e. 40 per cent.

In Sholapur, the weavers' population is 60,000 out of a total population of 1,44,000, i.e. 41 per cent.

In Surat, the weavers' population is 28,700 out of a total population of 99,000, i.e. 29 per cent.

In Madura, the weavers' population is 55,000 out of a total population of 1,82,000 i.e. 30 per cent.

The Entrepreneur's position in the Industry

Materially, a class of small entrepreneurs is now controlling the handloom industry in many areas. Whether as *Mahajan* working through the domestic system or as *karkhanadar* with his labour housed in small factories, such entrepreneurs are today playing a large part not only in the marketing of handloom cloth but in its production also. In 1918, the Indian Industrial Commission reported that such middlemen were not so powerful nor so numerous, but since then the movement in this direction has been rapid and the hand-weaving industry in the more developed areas has come into the grip of a growing number of middlemen. Some of them have indeed sprung from the professional weaving castes, but the majority are outsiders with only a financial interest in the industry and their monetary transactions with the weavers are not always quite fair. This is a matter of great concern to the poor handloom weavers.

The number of independent weavers has greatly diminished especially in the Provinces of Bombay and Madras, where they form only 21 and 28 per cent of the total number. In other areas, like Assam, Bihar, Punjab, a great majority of them are still independent. The number of employees under the domestic and *karkhana* system has increased generally. The wages of the weavers under nearly all systems are paid on a piece basis. In most cases advances have to be made and later adjusted when wages fall due. The earnings of skilled labourers weaving speciality fabrics requiring skill and carefulness are higher, but as such work is not obtained every day, their total earnings do not amount to much.

Supply of Raw Material

The principal problem, a problem of vital importance to the industry, is the supply of suitable yarn. As a raw material it accounts for a large proportion of the total cost of production of the weaver, ranging from 50 to 60 per cent, or even more, according to the counts and quality of the yarn. It would be clear from this that the uninterrupted availability of cheap and plentiful yarn is a primary condition of the success of the industry. Unfortunately, this primary condition is far from being satisfied at present owing to a multiplicity of factors. So long as the weaver continues to buy yarn in the dearest market and sells his cloth in the cheapest market, it is impossible for him to make a decent living out of his employment. So far as yarn is concerned, there is hardly any doubt, observes the Fact-Finding Committee (page 87), that "the handloom weaver is being mulcted on several fronts by a host of middlemen and parasites, whose existence leads to a 'pyramiding' of the prices of yarn and who have carried on nefarious practices in regard to the quality as well as the quantity of yarn supplied, and fully exploited the ignorance, poverty and helplessness of the weavers. The malpractices prevalent in the yarn trade in many parts of the country have added to the costs of handloom industry and to that extent handicapped it in relation to its competitors."

The cost of production of the handloom weaver, in so far as yarn is concerned, becomes high, observes the Fact-Finding Committee, on account of (a) the profits, legitimate and otherwise, made by the chain of middlemen, (b) packing, freight and handling charges, cartage, etc., (c) interest charge, and (d) the various other charges such as insurance for fire risk, godown rent, commission and discount paid by the series of middlemen.

Pyramiding of Yarn Prices

The prevalence of a multiplicity of middlemen at every stage in the marketing of yarn leads to a pyramiding of yarn prices and provides numerous opportunities to unscrupulous traders to resort to several malpractices whose incidence ultimately falls upon the poor handloom weaver. Similar to the pyramidal structure of the selling organization, there is also a pyramiding of prices. From the wholesale stage to that of final retailing, each dealer adds his own quota of commission to the price of yarn so that by the time it reaches the hands of the weavers the price becomes considerably inflated.

Kinds of Yarn used

The handloom weaver uses practically every type of yarn from the coarsest yarn made from waste cotton to the finest silk, artificial silk, tassar and mercerized products. Some of these yarns are also consumed by the small-scale power-loom factories. Generally speaking, the village artisan, in view of the demand for inferior types of cloth in local markets and shandies, uses cotton yarn of coarser counts. On the other hand, important centres catering for distant markets and for well-to-do consumers utilize finer yarn made from cotton and the costlier fibres. It is not true, however, to say, observes the Fact-Finding Committee (page 102), that "the handlooms hold a sort of 'monopoly' of coarser counts, or that there is any natural dichotomy under which handlooms may be relegated to the coarser counts and the mills and powerlooms can use finer counts only. In fact, the handlooms in many parts of the country are engaged in the weaving of the finest counts to a far greater extent than is commonly imagined."

The sources of supply of cotton yarn are (1) Indian mill yarn, (2) imported foreign yarn, (3) hand-spun yarn. According to the Fact-Finding Committee, the annual consumption of cotton yarn by handlooms in various parts of India is about 360 million lbs., 274 million lbs. (78 per cent) being Indian mill yarn, 27 million lbs. (7 per cent) being imported yarn, and 50 million lbs. (14 per cent) being hand-spun yarn. These figures were for 1941.

Estimate of Production of Hand-spun Yarn

The figures of mill-spun and imported yarn are easily available but there is considerable difficulty in regard to the figures of production of hand-spun yarn in the country. One thing can be stated, however, with certainty, observes the Fact-Finding Committee, that hand-spun yarn,

which once used to be the mainstay of the hand-weaving industry, was long ago relegated to an insignificant position in the textile industry of the country. It is true, however, that owing to the influence of the *khaddar* and hand-spinning movement sponsored by Mahatma Gandhi, lately there has been some resuscitation of hand-spinning especially under the aegis of the All-India Spinners' Association, and there has been some improvement in the supply of hand-spun yarn owing to the impetus provided by the Congress and the All-India Spinners' Association. The estimates of the production of hand-spun yarn are very varying, but the Fact-Finding Committee has concluded that on the estimate of 5 million spinning wheels being actually in use and the number of spinners being about the same as the number of wheels, the total production would amount to 60 million lbs. (About 35 million lbs. are produced in the Punjab alone). This estimate differs radically from the estimate of the Tariff Board (1932) which placed the production of hand-spun yarn at 24 million lbs. and the estimate of Arno Pears at 2,400 lbs. (It is definite that this writer made a colossal blunder). The Fact-Finding Committee states, however, that its estimate of production of 66 million lbs., which includes production of yarn on *takkis*, is more close to the estimate of 60 to 125 million lbs. made by Mr. M. P. Gandhi in his monograph "How to Compete with Foreign Cloth in India", (page 73) published in 1931.*

The Committee estimates the consumption of hand-spun yarn at 54 million lbs. per year, and the quantity of cloth from hand-spun yarn at 162 million yards, at the rate of 3 yards of cloth to one lb. of yarn in 1939. Mr. M. P. Gandhi's estimate was 180 million yards of cloth in 1931.

Counts of Yarn used

During the past 10 years there has taken place a steady rise in the counts of yarn utilized by the handlooms. The following tables from the report of the Fact-Finding Committee (pages 112-115) will be of very great interest in this respect :—

The consumption of different types of cotton yarn by the handloom industry according to counts is given in the following table :—

(In million lbs.)

Counts.	Total consumption of cotton yarn (excluding two-folds).	Consumption of hand-spun yarn.	Consumption of imported yarn.	Consumption of Indian mill yarn.
1-10s	71.71	24.74	0.19	
11-20s	123.03	24.74	0.38	46.79
21-30s	70.48	...	0.32	98.50
31-40s	50.03	...	3.91	70.16
Above 40s	42.57	...	5.73	47.02
Two-folds etc.	...	...	22.65	36.84
		
Total...	359.32	49.48	33.18	299.31

* Also vide Appendix XXVI on Hand-spun yarn of the Fact-Finding Committee Report.

**Annual Consumption (according to Counts) of Cotton Yarns
by Handlooms in million lbs. in various Provinces**

Province or State.	Counts of yarn.					
	1-10	11-20	21-30	31-40	Above 40	Total
Assam	0.42 (6.25%)	2.20 (32.74%)	3.0 (44.64%)	0.75 (11.16%)	0.35 (5.21%)	6.72 (1.87%)
Bengal	0.44 (1.5%)	2.52 (8.5%)	14.82 (50%)	5.93 (20%)	5.93 (20%)	29.64 (8.25%)
Bihar	6.80 (35.88%)	10.75 (56.73%)	0.89 (4.70%)	0.16 (1.37%)	0.25 (1.32%)	18.95 (5.28%)
Bombay	2.81 (6%)	4.67 (10%)	14.96 (32%)	12.62 (27%)	11.69 (25%)	46.75 (13.02%)
C.P. and Berar	2.58 (11.83%)	13.00 (59.71%)	3.46 (15.87%)	1.79 (8.29%)	0.93 (4.39%)	21.76 (6.06%)
Madras	6.13 (7.44%)	28.86 (15.15%)	13.99 (17.04%)	17.58 (21.41%)	15.57 (18.96%)	82.13 (22.86%)
Orissa	0.47 (3.19%)	5.79 (39.31%)	4.33 (29.35%)	3.03 (20.55%)	1.11 (7.60%)	14.73 (4.10%)
Punjab (a)	31.25 (63.93%)	12.81 (26.21%)	1.88 (3.85%)	0.94 (1.92%)	2.00 (4.09%)	48.88 (13.60%)
U. P.	14.79 (28.89%)	28.31 (55.29%)	4.31 (8.40%)	2.15 (4.20%)	1.65 (3.22%)	51.21 (14.25%)
Baroda	2.42 (80.46%)	0.28 (9.45%)	0.19 (6.40%)	0.11 (3.53%)	0.01 (0.16%)	3.01 (0.84%)
Cochin	(b)	0.50 (34.48%)	0.50 (34.48%)	0.35 (24.14%)	0.10 (6.9%)	1.45 (0.4%)
Hyderabad	3.16 (17.80%)	8.01 (45.11%)	2.74 (15.48%)	2.35 (13.25%)	1.47 (8.36%)	17.73 (4.93%)
Kolhapur & Deccan States	0.01 (0.37%)	0.06 (2.26%)	1.10 (41.20%)	0.35 (13.10%)	1.15 (43.07%)	2.67 (0.74%)
Jammu & Kashmir...	(b)	0.28 (12.01%)	1.81 (77.68%)	0.29 (9.45%)	0.02 (0.86%)	2.33 (0.65%)
Mysore (c)	0.09 (2%)	0.09 (2%)	2.10 (48%)	2.16 (48%)	...	4.50 (1.25%)
Travancore	0.34 (5%)	5.49 (80%)	0.34 (5%)	0.34 (5%)	0.34 (5%)	6.85 (1.90%)
Total ..	71.71 (19.95%)	123.62 (34.43%)	70.48 (19.62%)	50.93 (14.16%)	42.57 (11.84%)	359.32 ...

(a) It is assumed that all imported mill yarn is above 40s counts.

(b) Negligible.

(c) It is assumed that consumption of yarn is equally distributed between 1-10s and 11-20s and between 20-30s and 30-40s.

We also give below a table showing the consumption of Indian mill yarn for different purposes classified accordingly to counts (1937-40) :

(In million lbs.)

Counts.	Production of mill yarn in India	Consumption of Indian mill yarn by handlooms (Average)	Exports (Average)	Powerlooms Hosiery, Miscellaneous etc.	Balance consumed by mills
1-10s	128.5	46.8	3.9	5.7	72.12
11-20s	581.4	98.5	17.4	25.6	430.94
21-30s	321.5	70.2	9.7	14.3	227.3
31-40s	161.4	47.0	4.8	7.1	102.5
Above 40s	87.3	36.8	2.6	3.8	44.1
Total...	1280.1	290.3	38.3	56.5	886.0

A summary of the foregoing tables is given in the following table which gives the percentage distribution by counts and the consumption of cotton yarn by handlooms and mills. It will be seen therefrom that the percentage distribution of the mills steeply rises in the range 11-30s, while in the case of handlooms it is more evenly spread out. Thus, both in very low counts and in high counts, the proportion of handloom consumption of yarn is higher than that of mill consumption of yarn. Another interesting point which arises from the table is that below 20s the mills produce 57.7 per cent of their output while the handlooms produce slightly less, viz. 54.4 per cent of their output. Thus, although the Tariff Board's assertion, in their 1932 report (p. 171), that "the bulk of the handloom production consists of cloth of counts 20s and below", is no doubt correct, such a statement would be even more true of the mill industry.

Percentage Distribution by Counts of the Consumption of Cotton Yarn by Handlooms and Mills (1941)

Counts of yarn.	Mills	Handlooms
	(Percentage)	(Percentage)
1-10s	8.1	20.0
11-20s	49.6	34.4
21-30s	25.7	19.6
31-40s	11.6	14.2
Above 40s	5.0	11.8
Total...	100.0	100 0

The position has slightly altered during the last three years inasmuch as the tendency for production of finer counts by mills is on the increase, due to the prices being more attractive.

Qualities of Handloom Fabrics

Generally speaking, handloom weaving excels in the coloured styles of cloth. This is due to two factors, viz., the warp of a short length can be prepared most economically by hand process and that a number of colours in the weft can be easily introduced reducing the wastage to a minimum. The limited market of such cloths also makes their production uneconomical for the mills. Thus, the handloom's advantage is specially noted in the following types of production: (1) Cloth made from extremely fine material, e.g. yarn of counts above 20s, (2) cloth inter-woven with gold and silver thread, (3) cloth with multi-coloured designs, (4) cloth with embellishment in the border and headings, (5) short pieces of cloth of unique design to meet individual tastes, (6) rough cloth of very low counts such as durriss, niwars, where the tensile strength of the yarn is too low for the mills.

Handloom cloth, it must be stated, however, is not free from defects. The chief among them are (1) lack of uniformity in texture, (2) inexactness regarding dimensions, (3) lack of finish, etc,

Types of Handloom Cloth

The principal cloths made at present on the handloom are (1) women's clothing, e.g. *Sari*, which is known to be the most graceful of all the garments worn in India, *Lehnga*, cloth, which is used for making skirts of Hindu women in Northern India, *Susi*, which is used for *salwar* (trousers) of Muslim and other women in the Punjab and Sind, *Choli-khan* which is the blouse piece worn mostly in the Deccan and Karnatak; (2) men's clothing, which includes dhotis, lungis, chaddars, angavastrams, pugdies or turbans, shirtings and coatings; (3) cloth for domestic use, e.g. towels, carpets, curtain cloth, mosquito curtains, etc., and (4) long cloth, which is common to both men and women.

It would be of interest to note that the *sari* is the most important line of production in Bombay, Madras, Bengal and C. P., while coarse *khadi* is produced chiefly in the U. P. and the Punjab. Of the total cloth produced in Bombay Province, 95 per cent consists of *saris*, while a similar percentage in Madras is 44 per cent, in C. P. 75 per cent and Bengal 40 per cent. 60 per cent of the cloth produced in the U. P. consists of coarse *khadi*, while similar percentage in the Punjab is 43.

Costs of Production of Handloom Cloth

Any proper cost of accounting of handloom cloth is at present a very difficult undertaking as the industry is not organised, and the bulk of the weavers hardly keep any account. The Fact-Finding Committee, however, has arrived at some broad conclusions, from which it is found that the cost of material, namely, yarn, varies from 50 to 80 per cent, while the cost of labour varies from 15 to 23 per cent, depending upon the fabric woven. Yarn is, however, by far the largest factor entering into the costs of production. It would be of interest to note that in the manufacture of coloured *saris* (80s x 80s) the cost of yarn and other material is 67 per cent, while labour is 33 per cent. In the case of *dhotis* (120s x 110s) the cost of yarn is 36 per cent and labour is 62 per cent, while in the case of *dhotis* (20s. x 20s) the cost of yarn is 60 per cent and labour is 40 per cent.

Marketing of Handloom Cloth

At the outset it is important to note that it is an incorrect notion that handloom production in India is largely meant for domestic consumption in the rural areas. With the exception of two Provinces, like Assam and the Punjab, the domestic consumption of handloom production, that is, by the weaver himself, is very small and in some cases negligible. The Fact-Finding Committee, on the basis of information supplied to it by some of the Provincial and State Governments, came to the conclusion that practically everywhere, except in the Provinces of Assam and the Punjab, a very large proportion of handloom production is meant for sale in the market, local, inter-provincial, or foreign. In Madras, for instance, 5 to 10 per cent is for home use, and 80 to 90 per cent for sale in the Indian market, while 5 to 10 per cent is for export. In the Punjab 50 per cent is for home use, 35 per cent for sale in the Indian market and 15 per cent for export. In Mysore practically no cloth is produced for home use and 100 per cent of the production is for sale in the Indian market. In Assam 80 per cent is for home use and 20 per cent for sale in the Indian market. (Report page 135.)

Handicaps of Handloom Marketing

The handloom weaver is considerably handicapped in the absence of a proper and well organized marketing agency for the sale of this cloth. He is generally at the mercy of the cloth dealer who charges him a substantial commission for retailing the cloth. The present system of marketing handloom product is a very costly one and the high cost of marketing impinges upon the residual income of the weaver. The prices of handloom products are, in the ultimate analysis, fixed by the entire cloth market, and the pace of these prices is set to a large extent by the prices of mill-made piecegoods. The organization for sale of cloth manufactured from handlooms compares very unfavourably with the organization set up by the mills who are very well organized. It has been estimated by the Fact-Finding Committee that the percentage of middlemen's profit on certain speciality fabrics varies from 5 per cent to as high as 46 per cent. The cost of marketing being thus prohibitive, the principal problem for the handloom weaver is of reduction in the marketing costs. The handloom also seems to suffer by the differential railway charges on cloth or yarn. The present railway rates show no concession to handloom goods. It has been suggested that the railways should reduce the unit of concession from a bale to a bundle, so that the ordinary weavers may also be benefited by the concessional rates. It has also been pointed out that the railways classify mill goods under class "F", while handloom goods are classified under class "A", and special concessions are shown to the former. While the parcel rate from Ahmedabad to Madras is Rs. 9 and the goods rate is about Rs. 5, the railways charge a concessional rate of Rs. 2/2 inclusive of terminals for mill goods. Another handicap suffered by the handloom product is that the concessional freight rates cannot be enjoyed by it as the goods are transported in unpressed condition. The difference between the rates charged on machine-pressed bales of mill products and on half pressed or kutcha bales is as much as 30 per cent, that is, the charge on the latter is higher to that extent. The railways can help the handlooms by reducing the freight rates, and by taking more care of handloom products while they are in transit or in the railway yards in order to prevent them from being damaged by exposure to sun and rain in the railway yards. Another handicap of the handloom product is lack of standardization in the industry. Such standardization of prices and quality is of particular necessity in the case of fabrics intended for the inter-provincial and foreign markets, and if achieved, would be of great help to the handloom industry.

Export Trade—Necessity of Development

The Indian handloom fabrics have considerable export markets in the countries of the African and Asian littorals, but here again it may be said to be a rival to the mill industry because the latter has also large markets in more or less the same countries. The principal countries to which handloom fabrics are exported are Burma, Federated Malay States, the Straits Settlements, Ceylon, Siam, Zanzibar, Borneo, Java, Sumatra, the United Kingdom, British West Africa and French West Africa. In most of these countries, the consumers are largely Indian labourers who have settled there and have carried with them their tastes and habits of dress. A great bulk of the exports of handloom cloth

takes place from the Madras Province, and considerable quantities are also exported from other provinces, particularly Bengal, U. P., Punjab, Sind, Bihar and Bombay.

It has been computed by the Fact-Finding Committee that the exports of handloom cloth correspond to about from 1/4 to 1/3 of the total exports of cotton piecegoods from India. The export trade has experienced considerable fluctuations; especially in Madras handkerchiefs, the condition of the trade has been very unsatisfactory in recent years. It would be very helpful to the industry if the export trade in handloom fabrics is properly organized, which can be done if Government were to regulate exports and license exporters who should be required to export goods according to particular specifications. Official agencies may also be utilized in foreign countries to develop various markets by extensive propaganda and maintenance of museums of handloom products, and arrangements may be made for providing credit facilities from Banks and other agencies to the exporters of handloom products.

Handlooms' Competition with Mills

Divergent views have been expressed in regard to the question of competition between mills and handlooms in India. The handloom weavers throughout the country believe that their troubles are mainly due to mill competition. On the other hand, important organizations like Millowners' Associations of Bombay and Ahmedabad deny the existence of competition between mills and handlooms. The Bombay Millowners' Association assert that the mill and handloom industry are complementary rather than competitive, and they flatly deny the allegation that mills have encroached on any styles of goods produced by the handlooms. The Fact-Finding Committee examined this question in great detail and stated that competition between mills and handlooms cannot be denied, and observed that the contention that these two sections of the Indian Textile Industry are complementary is not tenable at present. The relationship, they observed, was to a great extent complimentary before 1925, but things have changed much since then. Even now the two are complementary in a narrow field; but there is competition, both direct and indirect, over a wide range of counts of fabrics. The Fact-Finding Committee also remarked that during the last decade mills have increased their production of certain styles and types of fabrics traditionally associated with handlooms; the handlooms have also in turn tried to imitate certain styles which the mills had long adopted. This Report also states that the view held by many handloom weavers that all their ills are due to mill competition is even more untenable in some respects. The replacement of some of their fabrics was due more to change of fashions, and what the mills did was to produce something for which there was a growing demand. It is extremely difficult, however, to draw a line between fair and unfair competition, and according to this Committee, while there exists severe competition of the legitimate kind, unfair competition is not much in evidence, and in certain cases, wherever some injury has resulted to handlooms, cloth dealers rather than mills have been largely responsible.

Have Mills replaced Handloom Cloth ?

The question whether mills have replaced handloom cloth is not very easy to answer. The Fact-Finding Committee have examined this question in close detail and have observed that while there has been a substantial increase amounting to 706 per cent between 1901-02 and 1936-37 in the production of mills, the increase in the production of handlooms has been only 53 per cent. The mill production in 1901-02 was 389 million yards and 1936-37, 3,220 million yards, while the handloom production was 827 million yards in 1901-02 and 1,265 million yards in 1936-37.* A reference, however, to the percentage share of consumption enjoyed by imported cloth, mill cloth, and handloom cloth will show that the handloom industry has maintained its position at a fairly steady percentage during the period although there have been minor fluctuations. For instance, during the last war of 1914-18 the share of handlooms went down considerably and it rose thereafter and has been more or less steady since. On the other hand, the share of the mills rose enormously before and during the last war and suffered a slight decline thereafter and is rising steadily during the last decade. In the case of imports the decline has been fairly continuous. Thus the Millowners' contention that they have replaced imported cloth appears to be correct.

We give below a table from the report of the Fact-Finding Committee (page 157) giving the relative consumption of mill, handloom and imported cloth in the Indian market between 1901-02 to 1936-37 :—

Relative Consumption of Mill, Handloom and Imported Cloth in the Indian Market

Year.	Net imports	(In million yards)				
		Percentage of total.	Retained mill production after deducting exports.	Percentage of total.	Handloom production.	Percentage of total.
1901-02	2,042	62.7	387	11.9	827	25.4
1906-07	2,193	56.5	588	15.1	1,102	28.4
1911-12	2,362	52.9	1,020	23.8	995	23.3
1916-17	1,771	48.3	1,297	35.4	598	16.3
1921-22	980	28.4	1,529	44.4	938	27.2
1926-27	1,750	34.9	2,068	41.0	1,217	24.1
1931-32	760	15.7	2,768	56.9	1,332	27.4
1936-37	753	14.4	3,220	61.5	1,265	24.1

It is important to see the nature and extent of the competition that has been going on between handlooms and mills. The 1932 Tariff Board observed that the bulk of the handloom cloth was of count 20s and below, but the Fact-Finding Committee believed that such a statement was not correct in 1932, and that at any rate it is not quite correct at the present time (1941).

* Vide Table No. 15 the portion entitled "Cotton Industry at a Glance" towards the beginning of the Indian Cotton Textile Industry Annual, 1945-46.

We give below a table from the report of this Committee which gives the annual consumption of yarn of different counts by handlooms in 1941 :—

Annual Consumption of Yarn of different Counts by Handlooms

Province			1-20s Percentage.	21s-40s Percentage.	41s-60s Percentage	Above 60s Percentage.
Bengal	...	...	10.0	70.0	16.0	4.0
Bombay	...	...	16.0	59.0	20.0	5.0
Madras	...	...	42.6	38.4	12.4	6.6
Orissa	...	...	42.5	49.9	6.5	1.1
Bihar	...	...	92.6	6.1	1.0	0.3
Punjab	...	...	90.1	5.8	3.7	0.4
U. P.	...	...	84.2	12.6	2.7	0.5
C. P. and Berar	...	...	71.5	24.0	3.2	1.3
Average	...	...	54.4	33.8	11.8	

A perusal of the table will show that while 54 per cent of the total cotton yarn consumed in India is still below 20s counts, the percentage of such yarn is as low as 10 per cent and 16 per cent respectively in such important areas as Bengal and Bombay. About 86 per cent of the total yarn used by handlooms in Bengal and 79 per cent in Bombay is between 20s and 60s. Madras and Orissa come next with 51 per cent and 56 per cent respectively. Subsequently, Indian mills have been devoting attention to spinning yarn of high counts and to the manufacture of finer saris and dhotis from such yarn. In this way, mills entered a new field in which competition with hand-woven goods are inevitable. It was mostly in Bengal, Bombay and Madras that saris and dhotis of fine counts were formerly produced in large quantities; and the fairly numerous middle-class population that these goods catered for are also mostly in those areas. Therefore, when mill-made saris and dhotis became popular, the result was injurious competition with the handloom industry.

Various kinds of Competition in respect of Fabrics

Direct competition is noticeable in many parts of India in respect of hand-woven saris which have to compete with mill-made saris and dhotis of nearly identical counts, dimensions, colour and borders and in such dealings the consumers' choice is decided by price rather than by quality. This is a peculiar feature of Indian economy, due to her extreme poverty, to which we have referred in earlier pages.

Changes in Dresses of People

Important changes which have taken place in the clothing requirements of the people throughout the country, both in the style of garments and in the type of fabrics used, are also responsible for a certain amount of competition. These changes have greatly increased the demand for mill-woven cloth and depressed the market for hand-woven cloth. The Fact-Finding Committee of 1941, after a very careful investigation, came to the conclusion, that among men throughout India the use of turbans has greatly diminished, shirts and kurtas have come into

common use and that the demand for chaddars and *angavastrams* has fallen. Among women, generally, the use of blouses has become common throughout India. In the North, the sari has largely replaced the traditional Hindu (*lehnga* or *ghaghra*, and *kurta*) and Mussalman (*salwar*, *kurta* or *dupatta*) forms of dress. The use of knitted goods has increased everywhere, especially among men.

Great increase in use of Saris and decrease of use in Turbans in U. P.

The information received from the United Provinces is the most striking, and the most noteworthy changes there between 1914 and 1941 are in regard to women's clothes. The proportion of women wearing *lehngas* has fallen from 95 per cent to 5 per cent in urban areas and from 100 per cent to 40 per cent in rural areas, whilst the proportion of women using saris has increased from 5 per cent to 95 per cent in urban areas and from nil or negligible per cent to 60 per cent in rural areas. This change has been noticeable between 1914 and 1941. In regard to men, the change in respect of the head-dress is the most striking between these years. In towns, 5 per cent of the people wore turbans in 1914; hardly anyone wears it today (1941). In rural areas, the proportion of turban users has fallen from 70 per cent to 10 per cent. At the same time the proportion of cap-wearers has increased from 60 per cent to 85 per cent in towns and 5 per cent to 35 per cent in rural areas.

The Fact-Finding Committee observe that while one may not agree about the exact proportions, the general trend is unquestionable.

Quality Competition

Competition of a somewhat different category came to operate when middle-class people of both sexes began to prefer light mill-made saris and dhotis to the traditional heavy lace-bordered saris and dhotis previously worn. All over India, Hindu men of higher castes used to wear lace-bordered dhotis and especially for high-caste Hindus it was a prescribed religious custom to wear certain handloom clothes like *pitambar* or yellow silk garment on special occasions. During the last few decades, such habits have fallen into desuetude, and men, especially younger men, have begun to wear plain mill dhotis. In this way the celebrated dhotis of Bengal and lace-bordered dhotis produced in Salem have gone out of fashion and those who had been making such dhotis have lost their employment. The superior handloom dhotis of Petlad (Baroda) were first replaced by Manchester dhotis which in turn have been replaced by Indian mill dhotis. In Madras, formerly coloured silk and cotton hand-woven saris of nine yards length had been the fashion, but now women wear shorter mill-made saris on all occasions, and generally they are white or of light colour.

Price Competition

Had the competition been only indirect, i.e. from one style of garment to another, the position of the handloom would not have been so materially affected. But what really happened was that side by side with such indirect competition there was also going on a much more direct competition, i.e. one fabric replacing another of similar kind by being cheaper. Such a competition was greatly helped by the steady fall in the prices of piecegoods from 1926 to 1936—a factor which greatly weakened

the competitive power of the hand-woven cloth. Prices of mill cloth went down owing to internal and external competition, but the handlooms were not able to keep pace with this. According to the Fact-Finding Committee, it meant to them straightening their belt or closing down.

The most serious competition of the mills has been, according to the report of the Fact-Finding Committee, in saris of 20s to 40s counts. This has been so, particularly because the consumer gets the fabric that he is accustomed to use, with a slightly more finished appearance and at a lower price. This naturally makes him prefer the mill fabric. In the case of dhotis, as in that of saris, direct mill competition, observes the Fact-Finding Committee, is in respect of medium counts.

Small-scale Powerloom Competition

A more serious rival to the handloom industry than mills, states the report of the Fact-Finding Committee, has risen in the small-scale powerloom factories. *This rival combines in itself, owing to its medium scale production, the advantages of both mills and handlooms. It can utilise cheap electrical power and avail itself of the modern appliances in weaving. The competition of powerlooms is a growing phenomenon of recent times.* About 15 years ago, the handlooms had nothing to fear from them. Powerlooms are not subject to any irksome restrictions such as the Factories Act or special taxes. This being so, they are a source of competition in important lines to the mills as well. The cost of production in powerlooms is comparatively low owing to small overhead charges and economies of mechanical production. Thus, the contest has now become a three-cornered one. There is a serious competition of the powerlooms in Surat, Sholapur, Dhulia, etc. with the hand-made coloured saris of Navsari, Ganderi and Sholapur. The powerlooms in Bombay-Deccan have specialized in saris produced from mercerized and doubled cotton yarn. A large number of handloom weavers in areas where such small-scale powerlooms operate have lost their hold on the market. In the future also, the small-scale powerloom is likely to be a greater menace to the handlooms.

It is very difficult to state with precision how exactly the average cost of manufacturing of cloth in a powerloom would compare with the cost in an ordinary mill, as there are several varying factors that come into play. Roughly, however, the cost of manufacturing cloth in a powerloom would be in a place like Bombay about 15 per cent higher as compared with the cost in an ordinary mill, as Colours, Dyes, etc. can be obtained more easily in Bombay as compared with an out-of-the-way place like Bijapur, where the cost may be 20 to 25 per cent higher.

It is also certain that these powerlooms which are growing in number and in importance are becoming keen competitors with handlooms and unless some suitable and organized action is taken, it will be impossible to help handloom weavers whose competitive strength in relation to both powerlooms and mills will decrease, owing to the numerous handicaps under which they have to work.

Consequences of Mill Production on hand-weaving Industry

It is extremely difficult to assess statistically the consequences of mill competition on the hand-weaving industry. The Fact-Finding

Committee, after a detailed enquiry, states, however, that it is possible to get a general idea of the trend. It states that competition has been keenest in areas like Bengal where white clothing has been in vogue. On the other hand, where coloured clothing is used, mill cloth has not made much headway. This Report observes that twenty-five years ago, the typical wardrobe of a young woman in Madras would consist of four lace-bordered silk saris for special occasions, four ordinary silk saris and about four ordinary cotton saris for everyday wear, making a total of twelve; and all the twelve saris would be hand-woven. Today, a young woman of the same class would have about double the number of saris, of which two or three would be silk hand-woven saris for special occasions, possibly bought for her wedding, one or two imported georgette and voile saris for parties and a khaddar sari or two bought from khaddar exhibitions. All the rest would be Indian mill-made cotton saris for everyday wear. Twenty-five years ago Hindu women of the upper class wore no mill-made saris, at any rate, on ceremonial occasions or at parties; nor did they wear white saris, as white was considered inauspicious and improper. Since then, the idea of wearing clothes washed and ironed by the dhobi has taken fast root and this has had much to do with the increased use of white saris or saris of light colours made in mills. This idea, however, has not so far appealed to the working-class women, because they believe rightly or wrongly that mill saris do not last long and, therefore, in spite of hand-woven saris being dearer, they continue to use them. This consideration does not weigh with the middle-class and upper-class women because "*modern women do not want their saris to last long; they want to buy them cheap, wear them out quickly and renew their wardrobe again.*" Therefore, "*plain white saris, patterned white saris, lightly dyed saris and all mill-made saris are considered the right kind of wear for school, college, hospital—for any place outside the home. Hand-woven cotton saris are definitely the wrong type of clothes outside the home, and silk saris, though considered fit for parties and home wear, are again not as correct a wear as white mills saris fresh from the laundry.*"

"In 1920, a college girl at Madras from a Hindu home would own about 5 to 10 *Kornad* saris and 3 to 4 hand-woven cotton saris of all deep colours (black, red, chocolate, green, brown, plain or patterned). A present-day Hindu college girl would own three or four silk saris of which one or two might be *Kornad* and the others foreign silks, and about two dozen cotton saris of which a dozen are likely to be of light colours (also mill-made)". (Vide page 176 of the Report of the Fact-Finding Committee).

It will be clear from the above why the competition between hand-woven and mill-made saris has turned out largely against the former.

The Handloom's Sphere

While a certain amount of adjustment has been taking place by the handloom weavers changing their line of production, when faced with the loss of markets for particular kinds of goods, it would be incorrect to assume that all the weavers affected by competition would have been re-employed by the shift to new lines of production. On the basis of the information available to it, the Fact-Finding Committee states that un-

employment and under-employment have increased among weavers. It also observes that handlooms have an advantage over the mills in weaving multi-coloured varieties of cloth which could not be economically produced in the mills, solid-bordered saris, striped and checked saris with various colours and designed borders, extra-weft figured saris (like Benares saris), saris with gold-laced border striped and checked, cotton-and-silk-mixed saris, silk-bordered cotton saris, loom-embroidered all-overs (swivel effect), check *lungis*, *sarongs*, Madras handkerchiefs and coloured woven chaddars, etc.

Mills, according to the Fact-Finding Committee, have a greater advantage in making grey goods of plain weave, twills, drills, jeans, satin, saris without stripes or checks, grey or dyed chaddars, dhotis, ordinary shirtings and coatings, because these are all suitable for mass production. Ordinarily, therefore, it will not be advisable for handlooms to take up such production.

The two chief lines of handloom production in the past were saris and dhotis. Dhotis being mostly plain white cloth, the mills have a clear advantage in their making and, therefore, even during the last century this line of production was lost to the handlooms, at any rate in Bombay and Bengal. In some Provinces (e.g. Madras), the handlooms are still able to make a large number of even common dhotis, not to speak of lace-bordered variety. Dhotis of low counts worn by the peasants and the people of backward areas are still largely hand-made. The sari remained for long a handloom preserve owing to its ornamental character and owing to the conservatism of our women-folk, but by the steady enterprise of Indian mills since 1925, a certain part of the market in saris has been lost to the handlooms. Light mill saris are now preferred by women at any rate in urban areas. The handloom still commands the custom of the rural women-folk in many parts of the country and a part of the custom of the middle-class women in urban areas.

There appear to be new prospects in the field of shirtings and coatings, the demand for which has been growing and is bound to grow in future. Handlooms have been able to produce striped shirtings and coatings at competitive prices in Madras, United Provinces and elsewhere.

State Aid through Co-operative Societies

The Fact-Finding Committee observe that since 1935 the agency of the Co-operative Societies has been made use of in utilizing grants made available by the Government of India for financing and marketing facilities to the handloom weavers working in their own homes. Co-operative Societies of weavers were started in many parts of India chiefly for providing credit, but unfortunately, all these societies fared badly. The Committee observe that in spite of the efforts undertaken for over three decades, the co-operative movement was a failure in most parts of India, and even where it had not altogether failed, the scope of its work was limited.

The real problem of the weaver was not capital but lack of marketing facilities, which forced weavers to continue in their pathetic dependence on sowcar-weavers and merchants for the supply of yarn and for the sale of finished goods.

An annual grant of over 5 lakhs was distributed among various Provinces since 1935 and the amount has been spent on various approved schemes, e.g. (1) improvements in the marketing of cloth, (2) facilities for the supply of yarn, dyeing materials and accessories to weavers at reasonable prices, (3) improvements in productive technique and training by the appointment of experts in weaving, designing, dyeing and printing so that the cost of production may be lowered and goods of new patterns and qualities likely to command an easy sale may be produced, and (4) facilities for the proper finishing of handloom products.

The Fact-Finding Committee report observes, however, that the utilization of this amount through the Co-operative Societies has not been very helpful. They state, however, that such disappointing results may have been due rather to the way the societies have been constituted or conducted. The co-operative principle cannot be blamed for the faults resulting from its misapplication. The Committee also suggests that the work of rendering help to the handloom industry must be done on a strictly business-like and commercial basis. They have also expressed the opinion that ordinarily Governments have neither the time nor the equipment for business, and have suggested, therefore, that what is needed at present is the active association of businessmen of proved ability and character.

The Present Position and Prospects of Hand-weaving Industry

It has often been argued that as production of handloom cloth has increased, hand-weaving industry must be considered to have prospered. This view needs a very careful examination. The increase in the handloom production has been from 906 million yards in 1901-02 to 1905-06 to 948 million yards in 1921-22 to 1925-26, and 1,394 million yards in 1934-35 to 1938-39, and to about 1,500 million yards per year from 1941 till 1944. The increase is fairly large. The proportion of total cloth available for consumption supplied by handlooms has remained nearly the same, i.e. 25 per cent during the last 40 years. In 1942-43, it was over 30 per cent, and in 1943-44, it was about 27 per cent. It will be necessary to explain, however, that while handloom production has increased in some areas, especially in South India, there has been a decline in production in other areas like Bombay and Bengal. In areas where production has increased, it has been due largely to the substitution of fly-shuttle looms for throw-shuttle looms which has been going on in all the prominent handloom areas. The proportion of the fly-shuttle looms is 85 per cent in Madras, 67 per cent in Bengal, 55 per cent in Bombay and 47 per cent in the Central Provinces and Berar. As the average production of fly-shuttle looms has increased to 7 yards as against 4 yards on throw-shuttle, production per loom has increased by 75 per cent by this change alone. This increase in production is due largely to the change in technique and has led to no improvement in the economic condition of the weavers. Besides, the increase in production is no proper test of the prosperity of the industry. Hand-weaving is more allied to agriculture than an organized industry. If a mill does not pay a reasonable dividend it will be sold or scrapped and the millowner will put his money into some other more profitable industry. But if the handloom weaver does not get a reasonable return

from his loom, he may work harder and longer to make up by quantity what he loses in value. In fact, most hand-weavers will continue to ply the loom (as a mode of living) even though they get barely the price of yarn used in the making of cloth.

The cotton mill industry has increased its production by leaps and bounds during the last 40 years* and yet it was faced with serious financial crises from time to time and had to seek tariff protection. As compared to the increase of 479 per cent in mill production between 1901-02 to 1938-39, the handloom production underwent an increase of 54 per cent only. If, then, observes the Fact-Finding Committee, the mills had still to supplicate for protection, the case of the handlooms for protection is much stronger.

The Fact-Finding Committee also concludes that there is a large increase in unemployment and under-employment among weavers. Generally, they have no work for more than about six months in a year and even during these months employment is unsteady and irregular. They have also come to the conclusion that there has been a drastic fall in the earnings of hand-weavers throughout the country during the last 10 or 12 years, and the fall in some cases is as high as 70 per cent or 80 per cent. Their present earnings are also found to be extremely low and indicate that employment is far from adequate and that the remuneration received is meagre.

Handlooms give employment to Four-Fifths of the total number of Workers employed in the Cotton Textile Industry

In spite of the unsatisfactory condition of hand-weavers in many parts of the country, the Fact-Finding Committee report observes, it is not correct to consider hand-weaving as a decaying industry. This can be seen by an examination of the numbers engaged in the industry, by the substantial improvements in production and by the profitable business pursued by certain sections of the industry which are properly organized. *In spite of the decline in the numbers employed in the industry, the Fact-Finding Committee report states that there are today more than 2½ million workers engaged in handloom weaving and this cannot be an over-estimate seeing that there are as many as 2 million looms in the country. It is also estimated that a population amounting to 10 millions are still depending on this industry. The cotton textile industry employs only 5 lakhs† workers of whom a considerable number are working in spinning mills producing yarn for the handloom. Thus, although today mills are producing about 68 per cent of the total cloth consumed in the country, they employ only a fifth of the total number of workers in the cotton textile industry. The remaining four-fifths are employed in the hand-weaving industry.*

Handlooms maintain 10 millions of Workers

The 2½ million workers engaged in hand-weaving maintain (including themselves) a population of about 10 millions. If after a hundred

* The maximum production of cloth in mills was attained in 1943-44, when it reached 4,870 million yards, as compared with 4,109 million yards in 1942-43, and 4,493 million yards in 1941-42. In 1944-45 the production was 4,726 million yards, † The number increased to over 6 lacs in 1945-46.

years of mill competition, the handloom industry is still able to employ such large numbers, it is an undoubted indication of the fact that the Indian handloom industry has a unique capacity for survival.

Will the Handlooms Survive?

Sir Alfred Chatterton observed over 25 years ago, "the handloom weaver still survives today because there is no alternative open to him . . . he can easily hold his own for a long time to come . . . since he is content to exist on but little more than the bare necessities of life". It may be seen that it has not been so much a question of the handloom industry surviving as of the handloom weaver himself surviving. The margin between the price of raw material and the price of finished products in the case of the independent weaver and the earnings received by the weaver-labourer has fallen so low that it is doubtful whether even the bare necessities of existence are available to the weavers anywhere.

The Fact-Finding Committee came to the conclusion that in spite of some increase in production, employment among weavers has been falling. They also observe that, left to itself, the industry will perhaps dwindle down to the position of a small handicraft concentrating in production of a few speciality cloths.

Should the Handloom Industry Survive?

It should be remembered that the handloom industry is, next to agriculture, the largest single industry of the country. It is the main occupation of several millions of people and for most of them there is no subsidiary occupation. Nor is hand-weaving a handmaid to agriculture, but the sole occupation of a large class of people. It is the mainstay of many towns and numerous villages scattered all over the country. Although this industry is only responsible for about 25 to 30 per cent of the total cloth consumed in the country, it employs over 85 per cent of the textile workers of the country. If for any reason the handloom industry collapses, the resultant misery is bound to be a serious problem for the country, as it will involve the pauperization of a large population and this will become a heavy burden on the State. Many flourishing towns and extensive rural areas would thus be deprived of their bread and this may have ugly social and economic consequences.

Secondly, one of India's principal economic problems is the unemployment and under-employment of large masses of people. As a means of solving this problem, large-scale industrialization in India has so far been conspicuously ineffective. Although this country today produces all our sugar, a large part of our requirements in cloth, iron and steel, cement and jute bags in power-using factories, only about 1½ million labourers have been absorbed in all industrial establishments coming under the Factories Act. Had a good many alternative occupations been available in India, large-scale production of cloth would not have caused any great dislocation, but in the present state of the peculiar economy of the country, we have to concentrate largely on occupations which call for a plentiful supply of labour while economizing on capital. This is one of the principal reasons why Mahatma Gandhi has been advocating the necessity of supporting hand-spinning and hand-weaving.

Thirdly, a fundamental cause of India's poverty is the tendency to an unequal diffusion of purchasing power. This defect cannot be rectified by the expansion of factory industries, unless large social and economic changes also take place simultaneously. While the proportion of the wage bill to the total cost of production in mills is at the most 25 per cent, it forms about 40 per cent in hand-weaving with mill yarn and nearly 75 per cent in hand-weaving with hand-spun yarn. So, this industry affords the necessary corrective in this respect.

What is more, there is a special reason in the case of India for preservation of her small-scale industries. The village has been the backbone of India's economic as well as cultural life. If industrialization involves the decay of village crafts and the concentration of workers in cities, it will greatly undermine the "serenity, poise, dignity, spaciousness, proportion, graciousness, deep-rooted sureness, and elemental simplicity and beauty" which have characterised our rural life in the past and have been the objects of admiration among our best minds and among those from other countries.

Hand-weaving, Our largest small-scale Industry

Hand-weaving is the largest of our small-scale industries. On its welfare depends the prosperity of a numerous population of skilled workers in this country. As now equipped, it can hold its own against the mills if a fair chance is given. On no reasonable ground, therefore, can this industry be denied the little aid it asks for, e.g. by suitable arrangement for an uninterrupted and increased supply of yarn direct to the weavers by the mills* at fair prices, the evolution of a dependable and efficient organization for sale of its finished products, publicity and propaganda for making the lasting and superior qualities of handloom cloth known to the people in India as well as other countries, by reducing the dependence of the industry on a host of middlemen, by exempting handloom cloth from taxes like octroi, furnishing new designs, etc. The activities of the various Provincial Governments, e.g. Bombay, Madras, Bengal, Bihar, Assam, in assisting hand-weaving should be increased. The All-India Spinners' Association should also be encouraged by the various Provincial Governments in order that both hand-spinning and hand-weaving may get necessary impetus and may be in a position to make a sizable contribution for remedying the present problem of shortage of cloth which is responsible for causing considerable distress to millions in the country whose *per capita* consumption of cloth, already low at 16 yards per year was further reduced during the later years of the war, namely, 1942 to 1945, to a bare 12 yards, which is distressingly inadequate, and who have therefore now a large pent-up demand for cloth to satisfy owing to the enforced curtailment and rationing of supplies since 1945.

At a time when there is immediate necessity of increasing the total production of cloth within the country, to meet the growing requirements of the people, handlooms can make an effective contribution without much capital cost which would be essential if new mills are to be

* The recommendation of the Textile Planning Committee for ear-marking a portion of the new spindlage permitted in 1946 for handlooms, is a step in the right direction.

established. Besides by doing so, they will be able to solve the problem of unemployment and under-employment of a large number of people in the country and at the same time also make a suitable addition to the poor purchasing power of the people by engaging them in gainful occupation.

The All-India Handloom Board functioning since 1945 has very heavy responsibilities on its shoulders. We hope that with the present helpful attitude of the Government of India and also the Provincial Governments towards this small-scale industry, it will be possible to bring about an improvement in its condition by revitalising its energy.

We trust that the foregoing survey will be of use to everyone concerned in evolving suitable measures for the preservation and development of this celebrated centuries-old indigenous industry giving support to about 10 million people, and to the students of the industry in assessing and appraising properly its importance in India's National Economy* and potentiality of its expansion in the years to come.

*For a detailed and comprehensive study of this question vide Mr. M. P. Gandhi's monograph on "How to Compete with Foreign Cloth—A study of the position of hand-spinning, hand-weaving and cotton mills in the economics of cloth production in India", published in 1931, pp. 120, with a foreword by Sir P. C. Ray for the English edition, and by Mahatma Gandhi for the Gujarati edition, published under the title "*Pardeshi Kapadni Same Harifai Kem Karay?*" in 1932.

DO YOU KNOW ?

- (1) That the number of hand-looms in India is about 20 lakhs of which 64 per cent are Throw-Shuttle and about 35 per cent Fly-Shuttle.
- (2) That there are 18,000 "small power-looms" scattered all over the country, in addition to 2 lacs power-looms installed in the mills.
- (3) That the hand-looms are responsible for production of about 1,600 million yards of cloth per year.
- (4) That the hand-looms supply nearly 25 per cent of the cloth consumed in the country per year.
- (5) That the hand-looms maintain at present a population of about 25 lakhs as against a bare 6 lakhs employed by the Mill Industry,* and this means that nearly 80 per cent of the Textile Workers of the country are employed by the hand-looms.
- (6) That the hand-looms solve one of the principal economic problems of India, viz. unemployment and under-employment of large masses of people.

* Also vide Cotton Textile Industry Annual, 1945-46, Tables 15 to 20.

M. P. GANDHI.

APPENDIX C

LIST OF COTTON MILLS IN INDIA

(1945-46)

(THOROUGHLY REVISED AND BROUGHT UP-TO-DATE TO MAY 1946)

*With Names and full Addresses of Managing Agents,
Number of Spindles and Looms.*

BOMBAY CITY & ISLAND

- APOLLO MILLS LTD.**, DeLisle Road, Chinchpokli; *Agents*: Messrs. The Rajputana Textiles (Agencies) Ltd., Mill Premises, Bombay; *No. of Spindles*: Mule 1326, Ring 45500, Total 46826; *No. of Looms*: 896.
- BOMBAY DYEING & MFG. CO. LTD.** (Spring Mills), Naigaum Road, Dadar; *Agents*: Messrs. Nowrosjee Wadia & Sons, Ltd., Neville House, Ballard Estate, Bombay; *No. of Spindles*: Ring 108464; *No. of Looms*: 3224.
- BOMBAY DYEING & MFG. CO. LTD.** (Textile Mills); Elphinstone Road, Parel; *Agents*: Messrs. Nowrosjee Wadia & Sons, Ltd., Neville House, Ballard Estate, Bombay; *No. of Spindles*: Ring 71936; *No. of Looms*: 1631 (Ordinary), 56 (Blanket).
- BRADBURY MILLS LTD.**, Ripon Road, Jacob Circle; *Agents*: Messrs. Ramnarain Sons, Ltd., Imperial Bank Annexe, Bank Street, Fort, Bombay; *No. of Spindles*: Mule 2496, Ring 31136, Total 33632; *No. of Looms*: 848.
- CENTURY SPG. & MFG. CO. LTD.**, DeLisle Road, (North); *Agents*: Messrs. Chunilal V. Mehta & Co., Queen's Mansions, Prescott Road, Bombay; *No. of Spindles*: Ring 95536; *No. of Looms*: 2752 (Ordinary), 54 (Blanket).
- COLABA LAND & MILL CO. LTD.**, Victoria Bunder, Colaba; *Agents*: Messrs. W. H. Brady & Co. LTD., Churchgate Street, Fort, Bombay; *No. of Spindles*: Ring 43584; *No. of Looms*: 695.
- COORLA SPG. & WVG. CO. LTD.**, Kurla, Bombay Suburban District; *Agents*: Messrs. Cowasjee Jehangir & Co., Ltd., Readymoney Mansion, Churchgate Street, Bombay; *No. of Spindles*: Ring 24396; *No. of Looms*: 713.
- CROWN SPG. & MFG. CO. LTD.**, New Prabhadevi Road, Parel; *Agents*: Purshotam Vithaldas & Co., Sir Vithaldas Chambers, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 45656; *No. of Looms*: 1150.
- DAVID MILLS LTD.**, (Nos. 1 & 2), Carroll Road, Parel; *Agents*: Messrs. E.D. Sassoon & Co., Ltd., Dougall Road, Ballard Eastate, Bombay; *No. of Spindles*: Mule 14720, Ring 61000, Total 75720; *No. of Looms*: 1218.
- DAWN MILLS CO. LTD.**, Fergusson Road, Lower Parel; *Agents*: Messrs. Sassoon J. David & Co. Ltd., 143, Esplanade Road, Fort, Bombay; *No. of Spindles*: Mule 3960, Ring 36984; Total 40944.
- DHANRAJ MILLS LTD.**, Sun Mill Road, Lower Parel; *Managing Agents*: Ramgopal Ganpatrai & Sons Ltd., Mill Premises; *No. of Spindles*: Mule 1384, Ring 34932, Total 36316; *No. of Looms*: 786.

- DIGVIJAY SPG. & WVG. CO. LTD., Lal Baug, Parel; *Agents*: Messrs. Jethabbhai Katau & Co., Mill Premises; *No. of Spindles*: Ring 43536; *No. of Looms*: 1175.
- INDIA UNITED MILLS LTD., No. 1 Mill (Formerly Jacob Mill) Supari-baug Road, Parel; *Agents*: Messrs. Agarwal & Co., Sassoon Bldg., Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Mule 6160, Ring 90232, Total 96392; *No. of Looms*: 2228 (Ordinary), 134 (Blanket).
- INDIA UNITED MILLS LTD., No. 2 Mill (Formerly Alex. Mill) Kala-chowki, Ghorupdeo Road; *Agents*: Messrs. Agarwal & Co., Sassoon Bldg., Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Ring 35880; *No. of Looms*: 742, 130 (Webbing).
- INDIA UNITED MILLS LTD., No. 3 Mill (Formerly E. D. Mill), Kala-chowki, Ghorupdeo Road, *Agents*: Messrs. Agarwal & Co., Sassoon Bldg., Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Mule 5390, Ring 71060; Total 76450; *No. of Looms*: 752.
- INDIA UNITED MILLS LTD., No. 4 Mill (Formerly Rachel Mill), Chinchpokli Road; *Agents*: Messrs. Agarwal & Co., Sassoon Bldg., Dougall Road, Ballard Estate, Bombay; *No. of Looms*: 2137.
- INDIA UNITED MILLS LTD., No. 5 Mill (Formerly Manchester Mill), Chinchpokli Cross Lane; *Agents*: Messrs. Agarwal & Co., Sassoon Bldg., Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Ring 28940; *No. of Looms*: 684.
- EDWARD TEXTILES LTD., (Formerly Edward Sassoon Mills Ltd.), Fergusson Road, Lower Parel; *Agents*: Messrs. E. D. Sassoon & Co. Ltd., Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Mule 23232, Ring 25932, Total 49164; *No. of Looms*: 920.
- ELPHINSTONE SPG. & WVG. MILLS LTD., Elphinstone Road, Parel; *Agents*: Messrs. Chidambaram Mulraj & Co. Ltd., United India Building, Sir Phirozeshah Mehta Road, Fort, Bombay; *No. of Spindles*: Mule 6960, Ring 30008, Total 36958; *No. of Looms*: 785.
- FINLAY MILLS LTD., Government Gate Road, Parel; *Agents*: Messrs. James Finlay & Co. Ltd., Chartered Bank Buildings, Fort, Bombay; *No. of Spindles*: Ring 46072; *No. of Looms*: 784.
- GOLD MOHUR MILLS LTD., Main Road, Dadar; *Agents*: Messrs. James Finlay & Co. Ltd., Chartered Bank Building, Fort, Bombay; *No. of Spindles*: Ring 40540; *No. of Looms*: 1020.
- HINDOOSTAN SPG. & WVG. MILLS CO. LTD., Ripon Road, Jacob Circle; *Agents*: Messrs. Thackersey Mooljee & Co., Sir Vithaldas Chambers, Apollo Street, Fort, Bombay; *No. of Spindles*: 42536; *No. of Looms*: 1335.
- HIRJEE MILLS LTD., Fergusson Road, Lower Parel; *Agents*: Messrs. J. R. Bhadani & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 30332; *No. of Looms*: 829.
- INDIAN MFG. CO. LTD., Lamington Road (North), Jacob Circle; *Agents*: Messrs. Damodher Thackersey Mooljee & Co., Sir Vithaldas Chambers, Apollo Street, Fort, Bombay; *No. of Spindles*: 48776; *No. of Looms*: 1217.
- JAM MFG. CO. LTD., (Mill No. 1), Lalbaug; *Agents*: Messrs. Waljee Shamjee & Co., Mill Premises; *No. of Spindles*: 27260; *No. of Looms*: 910.

- JAM MFG. CO. LTD. (Mill No. 2), Sewree; *Agents*: Messrs. Waljee Sharnjee & Co., Jam Mill No. 1, Lalbaug, Parel, Bombay; *No. of Spindles*: 23856; *No. of Looms*: 574.
- JUBILEE MILLS LTD., Sewree; *Agents*: Messrs. Mangaldas Mehta & Co., Mubarak Manzil, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 37616; *No. of Looms*: 680.
- KAMALA MILLS LTD., Tulsi Pipe Road, (Managed by a board of Directors), *Office*: Kilachand Devchand Bldg., Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 38984; *No. of Looms*: 1055; 100 Art Silk Looms.
- KHATAU MAKANJI SPG. & WVG. CO. LTD., Haines Road, Byculla; *Agents*: Messrs. Khatau Makanji & Co., Laxmi Building, 2-B, Ballard Pier, Fort, Bombay; *No. of Spindles*: 61492; *No. of Looms*: 1417.
- KOHINOOR MILLS CO. LTD., Naigaum Cross Road, Dadar; *Agents*: Messrs. Killick Nixon & Co., Home Street, Fort, Bombay; *No. of Spindles*: Ring 97184; *No. of Looms*: 1834.
- MADHOWJI DHARAMSEY MFG. CO. LTD., Foras Road, Tardeo; *Agents*: The Provident Investment Co. Ltd., Mercantile Bank Building, Fort, Bombay; *No. of Spindles*: Ring 35552; *No. of Looms*: 802 (Ordinary); 36 (Blanket).
- MADHUSUDAN MILLS LTD., DeLisle Road; *Agents*: Messrs. Amersey Damoder, Mill Premises; *No. of Spindles*: 55196; *No. of Looms*: 1742.
- MEYER MILLS LTD., Fergusson Road, Lower Parel; *Agents*: B. R. Sons Ltd, Dougall Road, Ballard Estate, Fort, Bombay; *No. of Spindles*: Mule 804, Ring 44192, Total 44996; *No. of Looms*: 1021.
- MODERN MILLS LTD., (Mill No. 1), Elphinstone Road, Parel; *Agents*: Messrs. N. Sirur & Co. Ltd., 70, Forbes Street, Bombay; *No. of Spindles*: Mule 11160, Ring 13296, Total 24456.
- MODERN MILLS LTD., (Mill No. 2), Mahaluxmi; *Agents*: Messrs. N. Sirur & Co. Ltd., 70, Forbes Street, Bombay; *No. of Spindles*: Ring 10368; *No. of Looms*: 444.
- MOON MILLS LTD., Sewree New Road, *Agents*: Messrs. Asiatic Textile Co. Ltd., General Assurance Bldg., Hornby Road, Fort, Bombay; *No. of Spindles*: Mule 2856, Ring 31572, Total 34428; *No. of Looms*: 875.
- MORARJEE GOCULDAS SPG. & WVG. CO. LTD., Soparibaug Road, Parel; *Agents*: Messrs. Ganesh Narayan Piramal, Mill Premises; *No. of Spindles*: 60652; *No. of Looms*: 1672.
- NEW CHINA MILLS LTD., Sewree; *Managing Director*: Mr. Navinchandra Mafatlal, 29, Churchgate Street, Fort, Bombay; *No. of Spindles*: 41608; *No. of Looms*: 770.
- NEW CITY OF BOMBAY MFG. CO. LTD., 63, Albert Road, Chinchpokli; *Agents*: Messrs. W. H. Brady & Co. Ltd., 12-14, Churchgate Street, Fort, Bombay; *No. of Spindles*: Ring 45944; *No. of Looms*: 432.
- NEW GREAT EASTERN SPG. & WVG. CO. LTD., (Including Shed No. 3), Bombay Industrial Mills Co. LTD., Victoria Gardens Road, Chinchpokli; *Agents*: Messrs. W. H. Brady & Co. Ltd., 12-14, Churchgate Street, Fort, Bombay; *No. of Spindles*: Mule 14520, Ring 32364, Total 46884; *No. of Looms*: 1008.

- NEW KAISER-I-HIND SPG. & WVG. CO. LTD.**, Ghorupdeo Road, Chinchpokli; *Agents*: Messrs. Vussonji Munji & Co. Ltd., Mubarak Manzil, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 53716; *No. of Looms*: 1406.
- NEW PRALHAD MILLS LTD.**, Fergusson Road, Lower Parel; *Agents*: Messrs. B. M. D. Agency Ltd., 9, Wallace Street, Fort, Bombay; *No. of Spindles*: Mule 1040, Ring 32416, Total 33456; *No. of Looms*: 1040 (Ordinary), 17 (Blanket).
- NEW PREMIER MILLS** (Formerly Premier Mills), DeLisle Road, *Proprietor*: R. C. Jall, Esq., Office in Mill Premises, *No. of Spindles*: Ring 13440; *No. of Looms*: 384.
- NEW SUN MILL CO. LTD.**, (Formerly Madhao Rao Scindia Mill), Sun Mill Road, Lower Parel, *Mg. Directors*: Messrs. Karunashanker Punjram and Bhupatrai Karunashanker, 64-66, Chukla Street, Bombay 3; *No. of Spindles*: Mule 7000, Ring 9328, Total 16328; *No. of Looms*: 319.
- NEW UNION MILLS LTD.**, DeLisle Road, Lower Parel; *Agents*: Messrs. David Sassoon & Co. Ltd., 125, Esplanade Road, Fort, Bombay; *No. of Spindles*: Mule 2440, Ring 31192, Total 33632; *No. of Looms*: 873.
- PHOENIX MILLS LTD.**, Fergusson Road, Tulsi Pipe Lane; *Agents*: Ramnarin Harnandrai & Sons, Imperial Bank Annex, Fort, Bombay; *No. of Spindles*: Mule 7740, Ring 49760, Total 57500; *No. of Looms*: 1002.
- PODAR MILLS LTD.**, DeLisle Road, Chinchpokli; *Agents*: Messrs. Podar Sons Ltd., Podar Chambers, Parsi Bazaar Street, Fort, Bombay; *No. of Spindles*: Ring 31800; *No. of Looms*: 920.
- RAGHUVANSHI MILLS LTD.**, 11-12, Haines Road, Mahaluxmi; *Agents*: Messrs. Ravindra Maganlal & Co. Ltd., 52-54, Tambakanta, Pydhoni, Mill Premises; *No. of Spindles*: Ring 8556, Total 8556.
- RUBY MILLS LTD.**, Woollen Mill Gally, Dadar; *Agents*: Messrs. M. G. Doongarsey & Co., 49-55, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 16456; *No. of Looms*: 457.
- SASSOON SPG. & WVG. CO. LTD.**, Mount Estate, Mazgaon; *Agents*: Messrs. David Sassoon & Co. Ltd., 125, Esplanade Road, Fort, Bombay; *No. of Spindles*: Mule 2224, Ring 58016, Total 60240; *No. of Looms*: 1253.
- SEKSARIA COTTON MILLS LTD.**, DeLisle Road; *Agents*: Messrs. Govindram Brothers Ltd., 139, Meadows Street, Fort, Bombay; *No. of Spindles*: Mule 14512, Ring 65196, Total 79708; *No. of Looms*: 1048.
- SHREE NIWAS COTTON MILLS LTD.**, DeLisle Road; *Agents*: The Marwar Textiles (Agency) Ltd., Mill premises; *No. of Spindles*: Ring 62716; *No. of Looms*: 1896.
- SHREE RAM MILLS LTD.**, Fergusson Road, Parel; *Agents*: Messrs. Bhogilal Menghraj & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 43904; *No. of Looms*: 948.
- SIMPLEX MILLS CO. LTD.**, Clerk Road, Jacob Circle; *Agents*: Messrs. Forbes Forbes Campbell & Co. Ltd., Forbes Building, Home Street, Fort, Bombay; *No. of Spindles*: Mule 936, Ring 35728, Total 36664; *No. of Looms*: 1296.

- SIR SHAPURJI BROACHA MILLS LTD.**, DeLisle Road, Chinchpokli; *Agents*: The Provident Investment Co. Ltd., 54, Esplanade Road, Fort, Bombay; *No. of Spindles*: Mule 1872, Ring 63344, Total 65216; *No. of Looms*: 1060. (Blanket) 50.
- STANDARD MILLS CO. LTD.**, Parbhadevi Road; *Agents*: Messrs. Mafatlal Gagalbhai & Sons, 29, Churchgate Street, Fort, Bombay; *No. of Spindles*: Ring 51696; *No. of Looms*: 1677.
- SWADESHI MILLS CO. LTD.**, Kurla, Bombay Suburban District; *Agents*: Tata Sons Ltd., Bombay House, Bruce Street, Fort, Bombay; *No. of Spindles*: Ring 65040; *No. of Looms*: 2120.
- SWAN MILLS LTD.**, New Sewri Road; *Agents*: Messrs. James Finlay & Co. Ltd., Chartered Bank Building, Fort, Bombay; *No. of Spindles*: Ring 35804; *No. of Looms*: 552.
- TATA MILLS LTD.**, Dadar Road, Parel; *Mg. Agents*: Messrs. Tata Industries Ltd., Bombay House, 24, Bruce Street, Fort, Bombay; *No. of Spindles*: 60034; *No. of Looms*: 1639.
- VICTORIA MILLS LTD.**, DeLisle Road, Globe Mill Lane, Parel; *Agents*: Messrs. Mangaldas Mehta & Co., Mubarak Manzil, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 49140; *No. of Looms*: 980.
- WESTERN INDIA SPG. & MFG. CO. LTD.**, Kalachowki Road, Chinchpokli; *Agents*: Messrs. Thackersey Mooljee & Co., Sir Vithaldas Chambers, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 43288, *No. of Looms*: 1340.

AHMEDABAD

- AHMEDABAD ADVANCE MILLS LTD.**, Outside Delhi Gate; *Agents*: Messrs. Tata Industries Ltd., Bombay House, 24, Bruce Street, Fort, Bombay; *No. of Spindles*: Ring 44224; *No. of Looms*: 1016.
- AHMEDABAD COTTON MFG. CO. LTD.**, Outside Sarangpur Gate; *Agents*: Messrs. Amritlal Hargovandas & Bros. Ltd., Mill Premises; *No. of Spindles*: Ring 21480; *No. of Looms*: 509.
- AHMEDABAD JAYA BHARAT COTTON MILLS LTD.**, Post Box No. 24, Mithipur; *Agents*: Messrs. Chandulal Chimanlal & Co., Ahmedabad; *No. of Spindles*: Ring 29484; *No. of Looms*: 576.
- AHMEDABAD JUPITER SPG., WVG. & MFG. CO. LTD.**, Dudheshwar Road, *Agents*: Messrs. C. Parekh & Co., 28, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 29848; *No. of Looms*: 666.
- AHMEDABAD KAISER-I-HIND MILLS CO. LTD.**, Outside Raipur Gate; *Agents*: Messrs. Ramanlal Kanaiyalal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 21444; *No. of Looms*: 490.
- AHMEDABAD LAXMI COTTON MILLS CO. LTD.**, Outside Raipur Gate; *Agents*: Messrs. Hariprasad Jayantilal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 26924; *No. of Looms*: 592, P.O.B. 42. Ahmedabad.
- AHMEDABAD MFG. & CALICO PRINTING CO. LTD.**, (CALICO MILLS), Outside Jamalpur Gate; and (JUBILEE MILLS), Outside

Dariapur Gate; *Agents*: Messrs. Karamchand Premchand & Co., Post Box No. 28, Ahmedabad; *No. of Spindles*: Ring 116200; *No. of Looms*: 2356 (Ordinary), 40 (Blanket).

AHMEDABAD NEW COTTON MILLS CO. LTD., Near Kokhra Mehmabad; *Agents*: Messrs. Narottam Chandulal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 20116; *No. of Looms*: 448.

AHMEDABAD NEW TEXTILE MILLS CO. LTD., (Nos. 1 & 2), Outside Raipur Gate, *Agents*: Messrs. Narayanlal Jivanlal & Co. Ltd., Post Box No. 30, Ahmedabad; *No. of Spindles*: Ring 25488; *No. of Looms*: 1100.

AHMEDABAD SARANGPUR MILLS CO. LTD., Outside Raipur Gate; *Agents*: Messrs. Himatlal Motilal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 30928, *No. of Looms*: 590.

AHMEDABAD SHRI RAMKRISHNA MILLS CO. LTD., Gomtipur Road, *Agents*: Messrs. Chimanlal Manecklal & Co., Mill Premises; *No. of Spindles*: Ring 20700; *No. of Looms*: 514.

AJIT MILLS LTD., Rakhial Road; *Agents*: Messrs. Chinubhai Naranbhai & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 21268; *No. of Looms*: 512.

ANANTA MILLS LTD., Rakhial Road; *Agents*: Messrs. Jayantilal Amratlal Ltd., Post Box No. 42, Ahmedabad; *No. of Spindles*: Ring 21992; *No. of Looms*: 450.

ARUNA MILLS LTD., Naroda Road; *Agents*: Messrs. P. M. Hutheesing & Sons Ltd., Mill Premises, Post Box 57, Ahmedabad; *No. of Spindles*: Ring 40728; *No. of Looms*: 960.

ARVIND MILLS LTD., Naroda Road; *Agents*: Messrs. Narottam Lalbhai & Co., Mill Premises; *No. of Spindles*: Ring 56904; *No. of Looms*: 1216.

ARYODAYA GINNING & MFG. CO. LTD., Asarva Road; *Agents*: Messrs. Mangaldas & Brothers, Mill Premises; *No. of Spindles*: Ring 32960; *No. of Looms*: 880.

ARYODAYA SPG. & WVG. CO. LTD., (Nos. 1 & 2), Outside Kalupur Gate, Asarva Road; *Agents*: Messrs. Mangaldas & Balabhai & Co., Post Box No. 40, Ahmedabad; *No. of Spindles*: Ring 52204; *No. of Looms*: 1108.

ASARWA MILLS, Asarwa Road, Railwaypura Post; *Lessees*: Messrs. Chhotabhai Patel & Co., 1, Home Street, Fort, Bombay; *No. of Spindles*: Ring 20564; *No. of Looms*: 464.

ASOKA MILLS LTD., Naroda Road, Railwaypura; *Agents*: Messrs. Lalbhai Dalpatbhai & Co., Post Box No. 55, Ahmedabad; *No. of Spindles*: Ring 35896; *No. of Looms*: 936.

BECHARDAS SPG. & WVG. MILLS CO. LTD., Rakhial Road; *Agents*: Messrs. Durgaprasad S. Laskari & Co., Mill Premises; *No. of Spindles*: Ring 19320; *No. of Looms*: 496.

BHALAKIA MILLS CO. LTD., Kankaria Road; *Agents*: Messrs. Chandulal & Co. Ltd., Post Box No. 29, Ahmedabad; *No. of Spindles*: Ring 16464; *No. of Looms*: 806.

BHARATKHAND TEXTILE MFG. CO. LTD. (Nos. 1 & 2), Camp Road; *Agents*: Messrs. Jivanlal Girdharlal & Co. Ltd., Post Box No. 30, Ahmedabad; *No. of Spindles*: Ring 33496; *No. of Looms*: 1296.

- BHARAT SURYODAYA MILLS CO. LTD.**, Near Jaganath Mahadev, Kankaria Road, Railwaypura; *Agents*: Messrs. Mohatta Bros., Mill Premises; *No. of Spindles*: Ring 11960; *No. of Looms*: 364.
- BIHARI MILLS LTD.**, Near Khokra Mehmedabad; *Agents*: Messrs. Motilal Harilal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 17016; *No. of Looms*: 440.
- CITY OF AHMEDABAD SPG. & MFG. CO. LTD.**, Kankaria Road; *Agents*: Messrs. Chamanlal Mangaldas & Sons, Lal Darwaja, Ahmedabad; *No. of Spindles*: Ring 22512; *No. of Looms*: 431 (Looms not working).
- COMMERCIAL AHMEDABAD MILLS CO. LTD.**, Outside Prem Gate, Near Idga Choki; *Agents*: Messrs. Dhanjibhai & Tricumal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 27552; *No. of Looms*: 620.
- FINE KNITTING CO. LTD.**, Naroda Road, Near Chamunda Mata; *Agents*: Messrs. H. Keshavlal & Co., Railwaypura, Ahmedabad; *No. of Spindles*: Ring 9000.
- GIRDHARDAS HARIVALLAVDAS MILLS LTD.**, Outside Prem Darwaja; *Agents*: Messrs. Chamanlal Mangaldas & Co., Mill Premises; *No. of Spindles*: Ring 21808.
- GUJARAT COTTON MILLS CO. LTD.**, Naroda Road; *Agents*: Messrs. Piramal Girdharlal & Co., Mill Premises; *No. of Spindles*: Ring 32850; *No. of Looms*: 606.
- GUJERAT HOSIERY FACTORY**, Rakhial Road; *Agents*: Messrs. C. C. Dalal & Co., Mill Premises; *No. of Spindles*: Ring 10620.
- GUJARAT GINNING & MANUFACTURING CO. LTD.**, Outside Premgate; *Agents*: Messrs. Jamnabhai Mansukhbhai, Mills Premises, *No. of Spindles*: Ring. 27640; *Looms*: 700 (Restarted from 15-8-45).
- GUJERAT SPG. & WVG. CO. LTD.**, Outside Kalupur Gate; *Agents*: Messrs. Jumnabhai Mansukhbhai & Co., Mill Premises; *No. of Spindles*: Ring 28792; *No. of Looms*: 680.
- HARIVALLABHDAS MULCHAND MILLS CO. LTD.**, Outside Daria-pur Gate, P. O. Railwaypura; *Agents*: Messrs. Girdharlal Harilal & Co., Mill Premises; *No. of Spindles*: Ring 17420; *No. of Looms*: 448.
- HATHING MFG. CO. LTD.**, Outside Saraspur Gate; *Agents*: Messrs. Manoharlal Mansukhbhai & Co., Saraspur Road, Ahmedabad; *No. of Spindles*: Ring 13416.
- HIMABHAI MFG. CO. LTD.**, Near Saraspur Gate, Railwaypura; *Agents*: Messrs. Dhirajlal Khushaldas & Bros., Mill Premises; *No. of Spindles*: Ring 17560; *No. of Looms*: 436.
- JEHANGIR VAKIL MILLS CO. LTD.**, Outside Delhi Gate; *Agents*: Messrs. Rustomjee Mangaldas & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 31875; *No. of Looms*: 786.
- JITENDRA MILLS LTD.**, Astodia Mill Estate, Outside Astodia Gate; *Agents*: Messrs. Arvind Manubhai & Co., Mill Premises; *No. of Spindles*: Ring 3600.
- KALYAN MILLS LTD.**, Naroda Road; *Agents*: Messrs. Kalidas Motibhai Mehta & Sons Ltd., Mill Premises; *No. of Spindles*: Ring 13248; *No. of Looms*: 393.

- LALBHAI TRICUMLAL MILLS LTD.**, Rakhial Road; *Agents*: Messrs. Chinubhai Lalbhai & Bros. Ltd., Mill Premises; *No. of Spindles*: Ring 29568; *No. of Looms*: 776.
- MAHESHWARI MILLS LTD.**, (Formerly Ahmedabad Cotton & Waste Mfg. Co. Ltd.), Shahibag Road; *Agents*: Messrs. Dhirajlal Khushaldas & Co., Post Box No. 79, Ahmedabad; *No. of Spindles*: 21836; *No. of Looms*: 460.
- MANECKCHOWK AND AHMEDABAD MFG. CO. LTD.**, (Nos. 1 & 2), Railwaypura Post; *Agents*: Messrs. Hiralal Tricumlal & Sons, Mill Premises; *No. of Spindles*: 31128; *No. of Looms*: 832.
- MANEKLAL HARILAL SPG. & MFG. CO. LTD.**, Saraspur Road, P. O. Railwaypura; *Agents*: Messrs. Harilal Vallabhdas & Co., Mill Premises; *No. of Spindles*: Ring 31492; *No. of Looms*: 750.
- MARSDEN SPG. & MFG. CO. LTD.**, Gomtipur; *Agents*: Messrs. Marsden Bros. & Co. Ltd., Railwaypura Post, Ahmedabad; *No. of Spindles*: Ring 22244; *No. of Looms*: 482.
- MONOGRAM MILLS CO. LTD.**, Rakhial Road, Railwaypura Post; *Agents*: Messrs. Manilal Marsden & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 23816; *No. of Looms*: 528.
- NAGRI MILLS CO. LTD.**, Rajpur, Gomtipur Road; *Agents*: Messrs. Popatlal Chimanlal & Co., Mill Premises; *No. of Spindles*: Ring 18040; *No. of Looms*: 500.
- NATIONAL MILLS CO. LTD.**, Gomtipur Road; *Agents*: Messrs. Chimanlal Govindlal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 19712; *No. of Looms*: 490.
- NEW COMMERCIAL MILLS CO. LTD.**, Naroda Road; *Agents*: Messrs. Tricumlal Bhogilal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 32960; *No. of Looms*: 792.
- NEW MANECKCHOWK SPG. & WVG. CO. LTD.**, Outside Dariapur Gate, Railwaypura; *Agents*: Messrs. Lalbhai Tricumlal, Mill Premises; *No. of Spindles*: Ring 26740; *No. of Looms*: 656.
- NEW NATIONAL MILLS LTD.**, Rakhial Road; *Agents*: Messrs. Tricumlal Bhogilal Sons & Co., C/o The New Commercial Mills Co. Ltd., Ahmedabad; *No. of Spindles*: Ring 17852; *No. of Looms*: 410.
- NEW RAJPUR MILLS CO. LTD.**, Gomtipur Road, Railwaypura Post; *Mg. Agents*: Messrs. Bhikhabhai Jivabhai & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 17776; *No. of Looms*: 370.
- NEW SWADESHI MILLS OF AHMEDABAD LTD.**, Naroda Road; *Agents*: Messrs. Sheonarain Surajmal Nemani, Mill Premises; *No. of Spindles*: Ring 26144; *No. of Looms*: 719.
- NEW SWADESHI MILLS OF AHMEDABAD LTD.**, *Mg. Agents*: Messrs. The Cotton Agents Ltd., Imperial Bank Building, Bank Street, Fort, Bombay.
- NUTAN MILLS LTD.**, Saraspur, Outside Nicoli Gate; *Agents*: Messrs. Jagabhai Bhogilal Nanavaty & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 20840; *No. of Looms*: 534.
- PATELL MILLS CO. LTD.**, Gomtipur Road, Railwaypura Post; *Agents*: Messrs. Dhirajlal Chunilal & Co., Mill Premises; *No. of Spindles*: Ring 13824; *No. of Looms*: 356.

- RAIPUR MFG. CO. LTD.**, Outside Saraspur Gate; *Agents*: Messrs. Lalbhai Dalpatbhai & Co., Post Box No. 54, Ahmedabad; *No. of Spindles*: Ring 28672; *No. of Looms*: 634.
- RAJNAGAR SPG., WVG. & MFG. CO. LTD.**, (No. 1), Kalupur Camp Road; *Agents*: Messrs. Mangaldas Girdhardas Parekh; P. O. Box No. 40, Ahmedabad; *No. of Spindles*: Ring 14108; *No. of Looms*: 650.
- RAJNAGAR SPG., WVG. & MFG. CO. LTD.**, (No. 2), Kalupur Camp Road; *Agents*: Messrs. Mangaldas Girdhardas Parekh; P. O. Box No. 40, Ahmedabad; *No. of Spindles*: Ring 29816; *No. of Looms*: 632.
- ROHIT MILLS LTD.**, Mithipur, Ahmedabad; *Agents*: Messrs. Lalubhai Gordhandas Ltd., Mill Premises; *No. of Spindles*: Ring 27504; *No. of Looms*: 642 (Ordinary), 50 (Art Silk).
- RUSTOM JEHANGIR VAKIL MILLS CO. LTD.**, Dudheshwar Road, Outside Delhi Gate; *Agents*: Messrs. Kantilal Shantilal & Co., Mill Premises; *No. of Spindles*: Ring 18308; *No. of Looms*: 406.
- SARANGPUR COTTON MFG. CO. LTD.** (Mill No. 1), Outside Raipur Gate; *Agents*: Messrs. Sakarlal Balabhai & Co., Mill Premises; *No. of Spindles*: Ring 21728; *No. of Looms*: 572.
- SARANGPUR COTTON MFG. CO. LTD.** (Mill No. 2), Jaganath Mahadev Kankaria Road; *Agents*: Messrs. Sakarlal Balabhai & Co., Outside Raipur Gate, Ahmedabad; *No. of Spindles*: Ring 29878; *No. of Looms*: 828.
- SARASPUR MILLS LTD.**, Near Saraspur Gate; *Agents*: Lalbhai Dalpatbhai Sons & Co., Mill Premises; *No. of Spindles*: Ring 34900; *No. of Looms*: 856.
- SHORROCK SPG. & MFG. CO. LTD.**, Asarwa Road; *Agents*: Messrs. Mafatlal Chandulal & Co., Mill Premises; *No. of Spindles*: Ring 33664; *No. of Looms*: 706.
- SHREE ANAND COTTON MILLS LTD.**, Near Saraspur Gate; *Agents*: Messrs. Anandram Ratanlal Ltd., Mill Premises; *No. of Spindles*: Ring 16800; *No. of Looms*: 458.
- SHRI AMBICA MILLS LTD.**, (No. 1), Near Kankaria Loco Siding; (No. 2), Near Susker Lake, Kankaria Road; *Agents*: Messrs. Harivallabhdas Kalidas & Co., Mill Premises; *No. of Spindles*: Ring 54324; *No. of Looms*: 1381.
- SHRINAGAR MILLS**, Near New Railway Overbridge; *Managing Agents*: Mooljee Jaith & Co., Mill Premises; *No. of Spindles*: Ring 18228, *No. of Looms*: 618.
- SHRI VIVEKANAND MILLS LTD.**, Gomtipur, P.O. Railwaypura; *Agents*: Messrs. Nanubhai Maneklal & Co., Mill Premises; *No. of Spindles*: Ring 16864; *No. of Looms*: 400.
- SILVER COTTON MILLS CO. LTD.**, Kankaria Loco Siding, Ahmedabad; *Agents*: Messrs. Gopalbhai Balabhai & Co., Mill Premises; *No. of Spindles*: Ring 20388; *No. of Looms*: 506.
- VIJAYA MILLS CO. LTD.**, Naroda Road, Post Railwaypura; *Agents*: Messrs. Haridas Achratlal & Co., Mill Premises; *No. of Spindles*: Ring 25516; *No. of Looms*: 670.
- VIKRAM MILLS LTD.**, Outside Rakhial Gate, Railwaypura; *Agents*: Messrs. Ramanlal Lalubhai Ltd., Mill Premises; *No. of Spindles*: Ring 26412; *No. of Looms*: 800.

OTHER MILLS IN BOMBAY PROVINCE INCLUDING SIND.

- ABDUL SAMAD HAJI LAL MUHAMMAD WVG. FACTORY**, Bhivandi (Thana District); *Owner*: Khan Saheb Abdul Samad Haji Lal Muhammad, Mill Premises; *No. of Looms*: 246.
- BARODA SPG. & WVG. CO. LTD.**, Pani Gate, Near Bhadar, Baroda; *Agents*: Messrs. Javerchand Laxmichand & Co., Mill Premises; *No. of Spindles*: Ring 30376; *No. of Looms*: 664.
- BARSI SPG. & WVG. MILLS LTD.**, Barsi Town (Dist. Sholapur); *Agents*: Messrs. Hanmanbux Mundra & Co., Mill Premises; *No. of Spindles*: Ring 10900; *No. of Looms*: 271.
- BHARAT SPG. & WVG. CO. LTD.** (Mill No. 1), Hubli, District Dharwar; *Agents*: Messrs. Purshotam Govindji & Co., "Gool Mansion", Homji Street, Fort, Bombay; *No. of Spindles*: Mule 508, Ring 2192, Total 2700; *No. of Looms*: 604 (for both Mill Nos. 1 & 2).
- BHARAT SPG. & WVG. CO. LTD.** (Mill No. 2), Hubli, District Dharwar; *Agents*: Messrs. Purshotam Govindji & Co., "Gool Mansion", Homji Street; Fort, Bombay; *No. of Spindles*: Ring 26204; *No. of Looms*: (See above).
- BHARAT VIJAYA MILLS LTD.**, Kalol (N. Gujarat), Baroda State; *Agents*: Messrs. Ramanlal Champaklal & Co., Palace Road, Baroda; *No. of Spindles*: Ring 12376; *No. of Looms*: 320.
- BROACH FINE COUNTS SPG. & WVG. CO. LTD.**, Station Road, Broach; *Agents*: Messrs. Brijlal Bilasrai & Co., Mill Premises; *No. of Spindles*: Ring 28848; *No. of Looms*: 542.
- SHREE VIJAYALAKSHMI COTTON MILLS LTD.** (Formerly CAMBAY STATE MILLS), Cambay; *Agents*: Messrs. Textile Agents Ltd., Mill Premises; *No. of Spindles*: Ring 17936; *No. of Looms*: 336.
- CHALISGAON SHRI LAXMI NARAYAN MILLS LTD.**, Chalisgaon, E. Khandesh; *Managing Agent*: Sheth Narayan Bankat Bundalkhandi, Mill Premises; *No. of Spindles*: Ring 21812; *No. of Looms*: 604.
- CHHOTALAL MILLS LTD.**, Kalol (North Gujarat); *Agents*: Messrs. Chhotalal Hirachand & Co., Mill Premises; *No. of Spindles*: Ring 18056; *No. of Looms*: 456.
- DOULATRAM SPG. & WVG. MILL**, New Jail Country Club Road, Karachi; *Proprietor*: Seth Jamnadas Ibji Datia, Esq., Mill Premises; *No. of Spindles*: Ring 3708; *No. of Looms*: 60.
- GAEKWAR MILLS LTD.**, Billimora (Baroda State); *Agents*: Messrs. H. M. Mehta & Co. Ltd., Billimora; *No. of Spindles*: Ring 28692; *No. of Looms*: 650.
- GENDALAL MILLS LTD.**, Jalgaon, East Khandesh; *Mg. Director*: Surajmal Gendalal Badjatra, Esq., Mill Premises; *No. of Spindles*: Ring 12504; *No. of Looms*: 368.
- GOKAK MILLS LTD.**, Gokak Falls, S. M. C.; *Agents*: Messrs. Forbes Forbes Campbell & Co. Ltd., Forbes Building, Home Street, Bombay; *No. of Spindles*: Mule 1326; Ring 72896; Total 74216; *No. of Looms*: 2.
- GOPAL MILLS CO. LTD.**, (Nos. 1, 2 & 3), Gandhi Road, Broach; *Agents*: Messrs. Nanddas Haridas & Co., C/o The Vijaya Mills Co. Ltd., Naroda Road, Ahmedabad; *No. of Spindles*: Ring 21748; *No. of Looms*: 652.

- JAM SHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD., Sholapur; *Agents*: Messrs. Lalji Naranji & Co., 11, Bank St., Fort, Bombay; *No. of Spindles*: Mule 868, Ring 19952, Total 20820; *No. of Looms*: 511.
- JAYA COTTON MILLS LTD., Near Railway Station, Sidhpur; *Mg. Agents*: Ravindra Mulraj & Co., Mill Premises; *No. of Spindles*: Mule 1296, Ring 896, Total 2192; *No. of Looms*: 4 (Ordinary), 12 (Blanket).
- JAYASHANKAR MILLS, BARSII, LTD., Barsi Town; *Agents*: Messrs. Zadbuke & Co., Mill Premises; *No. of Spindles*: Ring 11840.
- KANTI COTTON MILLS, Wadhwan Camp (Kathiawar); *Proprietor*: Ratilal Vardhaman Shah, Esq., Mill Premises; *No. of Spindles*: Ring 15724; *No. of Looms*: 326.
- KESHAV MILLS CO. LTD., Petlad, Baroda State; *Agents*: Messrs. Chandulal Keshavlal & Co., Mill Premises; *No. of Spindles*: Ring 14556; *No. of Looms*: 303.
- KHANDESH SPG. & WVG. CO. LTD., Jalgaon; *Agents*: Messrs. Indrasingh & Sons Ltd., Cambata Building, 42, Queen's Road, Back Bay Reclamation, Fort, Bombay; *No. of Spindles*: Ring 22040; *No. of Looms*: 464.
- KRISHNA KUMAR MILLS CO. LTD., Mahuva (Kathiawar); *Agents*: Messrs. Surendranath Maganlal & Co., Mill Premises; *No. of Spindles*: Ring 8496.
- ANJAR SPG. & WVG. MILLS CO. LTD. (formerly KUTCH SPG. & WVG. MILLS CO. LTD.), Anjar, Cutch; *Mg. Agents*: Nandalal Khanna, Esq., Mill Premises; *No. of Spindles*: Ring 5312.
- LAKSHMI COTTON MFG. CO. LTD., Sholapur; *Agents*: Messrs. The Bombay Co. Ltd., 9, Wallace Street, Fort, Bombay; *No. of Spindles*: Ring 44412; *No. of Looms*: 1321.
- LOKAMANYA MILLS (BARSII) LTD., Barsi Town, District Sholapur; *Agents*: Messrs. Sulakhe & Co., Mill Premises; *No. of Spindles*: Ring 12664.
- MADHAVNAGAR COTTON MILLS LTD., Post: Madhavnagar, Budhagaon (M. S. M.); *Agents*: Messrs. Budhagaon Trading Co. Ltd., Mill Premises; *No. of Spindles*: Ring 6000.
- MAFATLAL FINE SPG. & MFG. CO. LTD., Vijalpur Road, Navsari; *Agents*: Messrs. Navinchandra Purshotamdas & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 25620; *No. of Looms*: 896.
- MAHALAXMI MILLS LTD., Near Chavdi Gate, Bhavnagar; *Agents*: Messrs. Hargovandas Jeevandas & Sons Ltd., Mill Premises; *No. of Spindles*: Ring 15816; *No. of Looms*: 372.
- MAHARANA MILLS LTD., Porbandar (Kathiawar); *Agent*: Sheth Nanjibhai Kalidas Mehta, M. B. E., Mill Premises; *No. of Spindles*: Ring 23356; *No. of Looms*: 546.
- MARATHE TEXTILE MILLS; Miraj (S. M. C.), B. K. Marathe & Sons, *Proprietor*; Mill Premises; *No. of Spindles*: Ring 2796.
- MORVI COTTON MILLS LTD., Morvi (Kathiawar); *Agents*: Messrs. P. I. Patil & Sons, Mill Premises; *No. of Spindles*: Ring 10100; *No. of Looms*: 300.

- NARAYANDAS CHUNILAL COTTON SPG. & WVG. MILLS**, Gadag City, Dharwar District; *Proprietors*: Messrs. Tarai Motilal Hirakhanwala, 312, Kalbadevi Road, Bombay No. 2; *No. of Spindles*: Ring 12000; *No. of Looms*: 210.
- NARSINGGIRJI MFG. CO. LTD.**, Sholapur; *Agents*: Messrs. Dhanrajgir Raja Narsinggirji, Mill Premises; *No. of Spindles*: Ring 55488; *No. of Looms*: 1170.
- NAVJIVAN MILLS LTD.**, Kalol (North Gujarat); *Agents*: Messrs. Rustomjee Mangaldas & Co., Mill Premises; *No. of Spindles*: Ring 22392; *No. of Looms*: 510.
- NAVSARI COTTON & SILK MILLS LTD.**, Navsari (B. B. & C. I. Rly.); *Agents*: Messrs. H. M. Mehta & Sons Ltd., Mill Premises; *No. of Spindles*: Ring 18520; *No. of Looms*: 435.
- NEW CHHOTALAL MILLS LTD.**, Khadi (North Gujarat), Baroda State; *Agents*: Messrs. Chhotalal Hirachand & Sons, Mill Premises; *No. of Spindles*: Ring 19056; *No. of Looms*: 418.
- NEW JEHANGIR VAKIL MILLS CO. LTD.**, Bhavnagar; *Agents*: Messrs. Rustomji Mangaldas & Co., Mill Premises; *No. of Spindles*: Ring 31940; *No. of Looms*: 718.
- NEW PRATAP SPG., WVG. & MFG. CO. LTD.**, Dhulia (West Khandesh); *Agents*: Messrs. Motilal Maneckchand & Sons, Post Dhulia; *No. of Spindles*: Ring 46136; *No. of Looms*: 1058.
- NEW SHORROCK SPG. & MFG. CO. LTD.**, Nadiad (District Kaira); *Agents*: Messrs. Mafatlal Chandulal & Co., Asarva Road, Railway pura Post, Ahmedabad; *No. of Spindles*: Ring 45504; *No. of Looms*: 862.
- NIRANJAN MILLS LTD.**, Falsawadi, Surat; *Agents*: Messrs. Shapoorji & Co., Mill Premises; *No. of Spindles*: Ring 7196; *No. of Looms*: 320.
- PETLAD BULAKHIDAS MILLS CO. LTD.**, Near Station Road, Petlad (Via Anand), Baroda State; *Agents*: Messrs. Motilal Kashandas & Co., Mill Premises; *No. of Spindles*: Ring 18576.
- PRATAP SPG., WVG. & MFG. CO. LTD.**, Amalner, East Khandesh; *Agents*: Messrs. Motilal Maneckchand & Co., Amalner, East Khandesh; *No. of Spindles*: Mule 432, Ring 48952; Total 49384; *No. of Looms*: 1087; 13 (Blanket).
- RAJA BAHADUR MOTILAL POONA MILLS LTD.**, 5, Kennedy Road, Poona; *Agents*: Messrs. Mukundlal Bansilal & Sons, Hamam House, Hamam Street, Fort, Bombay; *No. of Spindles*: Ring 16732; *No. of Looms*: 582.
- RAJA RAGHUNATHRAO MILLS**, Bhor (Bhor State); *Mg. Agents*: Messrs. Maharashtra Textiles Ltd., Post Office Bhatgar, Dist. Poona; *No. of Spindles*: Ring 832; *No. of Looms*: 31. Spindles not working.
- RAJKOT SPG. & WVG. MILLS**, Karansinghji Cross Road, Karanpura, Rajkot; *Agents*: Messrs. Shapoorji Pallonji & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 10872; *No. of Looms*: 203.
- RAJRATNA NARANBHAI MILLS CO. LTD.**, Petlad (Via Anand); *Agents*: Messrs. Ramanlal Keshavlal & Co., Mill Premises; *No. of Spindles*: Ring 18560; *No. of Looms*: 371.

- SANTOKBHAI SPG. & WVG. FACTORY, Near Station, Bhavnagar;
Owners: Mr. Govindlal Govindlal, Mill Premises; *No. of Spindles:* Ring 3100; *No. of Looms:* 38.
- SECUNDER SARI MILL, Sowdagar Mohalla, Bhivandi (Thana District);
Agents: Abdul Quadir Secunder Patel, Esq., Mill Premises; *No. of Looms:* 125.
- SHOLAPUR SPG. & WVG. CO. LTD., Station Road, Sholapur; *Agents:* Messrs. Morarka & Co., Standard Building, Hornby Road, Fort, Bombay;
No. of Spindles: Ring 101980; *No. of Looms:* 2234.
- SHREE BALAJI SPG., WVG. & OIL MILLS, Extension Part, Sangli;
Agents: Messrs. Jayanarayan Sivnath L. Ladda, Mill Premises; *No. of Spindles:* Ring 5140; *No. of Looms:* 87.
- SHREE DIGVIJAYASINGHI SPG. & WVG. MILLS., Bedeshwar Bunder Road, Jamnagar; *Proprietor:* Mr. Mangaldas H. Patel, Mill Premises; *No. of Spindles:* Ring 13704; *No. of Looms:* nil.
- SHRI HARSHAD TEXTILE MILLS, JAMNAGAR, Messrs. P. V. Shah, D. K. Shah & O. G. Maroo, Partners, Mill Premises; *Looms:* 92 (Figure relates to period from 17-12-44 to 31-8-45.)
- SHRI RAMESH COTTON MILLS LTD., (Formerly Morvi Cotton Mills Ltd.), *Agents:* Messrs. Druwa Co. Ltd., Mill Premises; Morvi (Kathiawar); *Spindles:* Ring 11988; *Looms:* 314. (Figure relates to period from 17-12-44 to 31-8-45.)
- SHREE SAYAJI JUBILEE COTTON & JUTE MILLS CO. LTD., Sidhpur; *Agents:* Messrs. Pralhadji Sevakram & Co., Mill Premises; *No. of Spindles:* Ring 14412; *No. of Looms:* 320.
- SHRI LAXMI TEXTILE MILLS LTD., Bhor (Bhor State); *Agents:* Messrs. Bhor Mercantile Agency Ltd., Mill Premises; *Spindles:* Ring 4088.
- SHREE YAMUNA MILLS CO. LTD., Goya Gate, Baroda; *Agents:* Messrs. Zaverchand Laxmichand Bros. & Co., Goya Gate, Baroda; *No. of Spindles:* Ring 23640; *No. of Looms:* 608.
- SHRI AMARSINGHI MILLS LTD., Wankaner (Kathiawar); *Agents:* Messrs. Jayantilal Amritlal & Co. Ltd., Mill Premises; *No. of Spindles:* Ring 10336; *No. of Looms:* 320.
- SHRI GAJANAN MILLS, Sudamapuri, Sangli; *Agents:* V. R. Velankar, Esq., Mill Premises; *No. of Spindles:* Ring 7968; *No. of Looms:* 222, 73 (Art. Silk)
- SHRI JAGDISH MILLS LTD., Padra Road, Post Box No. 54, Baroda; *Managing Director:* Sheth Jayakrishna Harivallabhdas (M/s. Jagdish Agency Ltd.), Mill Premises; *No. of Spindles:* Ring 20320; *No. of Looms:* 407.
- SIDDHARJI MILLS LTD. (Formerly Gaya Cotton Mills), Rly. Stn., Sidhpur; *Agents:* Messrs. Ramanlal Lallubhai, Mill Premises; *Spindles:* Ring 3932.
- SHRI NARAYAN WEAVING MILLS, Ichalkaranji, S. M. C.; *Proprietors:* Messrs. Sangle Brothers, Mill Premises; *No. of Looms:* 92.
- SHRI SAYAJI MILLS CO. LTD., Opp. Old Railway Station, Baroda; *Agents:* Messrs. Vadilal Lallubhai & Co., Mill Premises; *No. of Spindles:* Ring 25780; *No. of Looms:* 602.

SHRI SHAHU CHHATRAPATI MILLS, Shahupuri, Kolhapur; *Agents*: Messrs. James Finlay & Co. Ltd., Chartered Bank Building, Fort, Bombay; *No. of Spindles*: Ring 15988; *No. of Looms*: 319.

SIDHPUR MILLS CO. LTD., Sidhpur; *Agents*: Messrs. Maganlal Parbhudas & Co., Mill Premises; *No. of Spindles*: Ring 19264.

SURAT COTTON SPG. & WVG. MILLS LTD., Nawabwadi, Surat; *Mg. Director*: Sheth Mafatlal Gagalbhai, 29, Churchgate Street, Fort, Bombay; *No. of Spindles*: Ring 21164; *No. of Looms*: 392.

TIKEKAR TEXTILE MILLS LTD., Tikekarwadi, Sholapur District; *Mg. Agents*: Messrs. Naik & Co., Mill Premises; *No. of Looms*: 60.

VENKETESH RANG TANTU MILLS, Ichalkaranji, S. M. C.; *Owners*: Messrs. S. K. Datar, A. V. Datar, Y. V. Datar & M. V. Datar; Mill Premises; *Looms*: 51.

VENUS TEXTILE MILLS LTD., Opp. Station Nandol Degham (Baroda State); *Agents*: Messrs. T. Bhogilal & Sons; Mill Premises; *No. of Spindles*: Ring 3452.

VIRAMGAM MILLS LTD., (Formerly Jayanti Mills Ltd.), Fulwadi Rd., Viramgam; *Mg. Agents*: Mooljee Jaitha & Co. Ltd., 185, Princess St., Bombay 2; *No. of Spindles*: 23308; *No. of Looms*: 559.

VISHNU COTTON MILLS LTD., Sholapur; *Agents*: Messrs. The Bombay Co. Ltd., 9, Wallace Street, Fort, Bombay; *No. of Spindles*: Ring 44600; *No. of Looms*: 1452.

RAJPUTANA

EDWARD MILLS CO. LTD., Beawar; *Agents*: Messrs. R. B. Seth Motilalji Raniwalla, Diggi Street, Beawar; *No. of Spindles*: Ring 20488; *No. of Looms*: 376.

KOTAH TEXTILES LTD., Bhimgunj, Kotah Junction; *Mg. Agents*: Messrs. Piramal Chaturbhuj & Co., Mill Premises, *No. of Spindles*: Ring 7596; *Looms*: 160, (Started Working from 1-3-45).

KRISHNA MILLS LTD., Near Railway Station, Beawar; *Agents*: Messrs. Thakurdass Khinvraj & Co., Mill Premises; *No. of Spindles*: Mule 2628, Ring 15640; Total 18268; *No. of Looms*: 536.

MAHALAXMI MILLS CO. LTD., Beawar; *Agents*: Rai Saheb Sheth Lalchand Kothari and Rai Saheb Vithaldas Rathi, Mill Premises; *No. of Spindles*: Ring 13728; *No. of Looms*: 416.

MAHARAJA KISHENGARH SOMYAG MILLS CO. LTD., Kishengarh; *Mg. Agents*: Rai Bahadur Sheth Tikamchand Bhagchand, Madanganj, Kishengarh; *No. of Spindles*: Mule 4320; Ring 23618; Total 27938; *No. of Looms*: 394.

MAHARAJA SRI UMAID MILLS LTD., Pali-Marwar; *Agents*: Messrs. The Shree Krishna Agency Ltd., Mill Premises; *No. of Spindles*: Ring 17146; *No. of Looms*: 414.

MEAWAR TEXTILE MILLS LTD., Bhillwara; *Mg. Agent*: Seth Sahib Sobhagmalji Lodha, Lodha House, Naya Bazar, Ajmer; *No. of Spindles*: Ring 7812; *No. of Looms*: 250.

SREE BIJAY COTTON MILLS LTD., Near Railway Station, Bijaynagar;
Managing Director: Seth Raghunathsingh Mansinghka, Mill Premises;
No. of Spindles: Ring 11560; *No. of Looms*: 335.

SHREE MAHADEO COTTON MILLS LTD., Bhilwara; *Agent*: Seth Sanwarmal Mansinghka, Mill Premises; *Spindles*: Mule 1260, Ring 3260, Total 4520.

BERAR

BERAR MFG. CO. LTD., Badnera; *Agents*: Messrs. Kastoorchand Dadabhoy & Co., Ilaco House, Sir Phirozshah Mehta Road, Fort, Bombay; *No. of Spindles*: Ring 21384; *No. of Looms*: 369.

R. S. REKHCHAND GOPALDAS MOHOTA SPG. & WVG. MILL, Akola; *Proprietor*: Seth Gopaldas Mohota, M.L.A., Hinganghat; *No. of Spindles*: Mule 1068; Ring 21408; Total 22476; *No. of Looms*: 466.

SAVATRAM RAMPRASAD MILLS CO. LTD., Akola; *Agent*: Seth Savatram Ramprasad, Mill Premises; *No. of Spindles*: Ring 13096; *No. of Looms*: 292.

VIDARBHA MILLS (BERAR) LTD., Ellichpur; *Secretaries, Treasurers and Agents*: Messrs. Deshmukh & Co., Mill Premises; *No. of Spindles*: Ring 12092; *No. of Looms*: 341.

CENTRAL PROVINCES

BENGAL NAGPUR COTTON MILLS LTD., Rajnandgaon; *Managing Agents*: Messrs. Shaw Wallace & Co., Post Box No. 70; 4, Bankshall Street, Calcutta; *No. of Spindles*: Ring 31476; *No. of Looms*: 608 (Ordinary), 16 (Blanket).

BURHANPUR TAPTI MILL LTD., Burhanpur; *Secretaries, Treasurers and Agents*: Messrs. P. N. Mehta & Sons, Cooks Building, Hornby Road, Fort, Bombay; *No. of Spindles*: Mule 416, Ring 29640, Total 30056; *No. of Looms*: 507 (Ordinary), 13 (Blanket).

CENTRAL INDIA SPG., WVG. & MFG. CO. LTD. (Empress Mills), Nagpur; *Agents*: Messrs. Tata Industries Ltd., Bombay House, Bruce Street, Fort, Bombay; *No. of Spindles*: Ring 115188; *No. of Looms*: 2168 (32 waste Looms.)

MODEL MILLS (NAGPUR) LTD., Nagpur; *Agents*: Messrs. Bansilal Abirchand Dadabhoy & Co., Ilaco House, Sir Phirozshah Mehta Road, Fort, Bombay; *No. of Spindles*: Ring 52408; *No. of Looms*: 950.

PULGAON COTTON MILLS LTD., Pulgaon; *Mg. Agents*: Messrs. Hardayal Nevatia; 226, Kalbadevi Road, Bombay; *No. of Spindles*: Ring 17792; *No. of Looms*: 235.

RAI BAHADUR BANSILAL ABIRCHAND SPG. & WVG. MILL, Hinganghat; *Owners*: Rai Bahadur Seth Narsingdas Daga & Seth Ramnath Daga, Mill Premises; *No. of Spindles*: Ring 31600; *No. of Looms*: 394.

RAI SAHEB REKHCHAND MOHOTA SPG. & WVG. MILLS, Hinganghat; *Proprietor*: Seth Mathuradas Mohota, Mill Premises; *No. of Spindles*: Mule 442, Ring 21672, Total 22114; *No. of Looms*: 413.

BIHAR AND ORISSA

BIHAR COTTON MILLS LTD., Phulwari-Sharif, Patna, *Mg. Agents:* Messrs. Kashinath & Co., Ltd., Mill Premises; *No. of Spindles:* Ring 5500; *No. of Looms:* 200.

GAYA COTTON AND JUTE MILLS LTD., Gaya; *Managing Directors:* J. R. Bhadani, Esq. & P. P. Bhadani, Esq., Mill Premises; *No. of Spindles:* Mule 1188, Ring 18352, Total 19540; *No. of Looms:* 586.

HYDERABAD (NIZAM'S TERRITORY)

AURANGABAD MILLS LTD., Aurangabad; *Agents:* Messrs. Gupta Sons, General Insurance Building, Hornby Road, Fort, Bombay; *No. of Spindles:* Mule 2640, Ring 15676, Total 18316; *No. of Looms:* 271.

AZAMJAH MILLS LTD., Warangal; *Agents:* The Industrial Trust Fund, H. E. H. the Nizam's Government, 159, Gunfoundry Road, Hyderabad (Deccan); *No. of Spindles:* Ring 19944; *No. of Looms:* 430.

DEWAN BAHADUR RAMGOPAL MILLS LTD., Elchigudda; *Agents:* Messrs. Lachminarayan Ramgopal & Son Ltd., Mill Premises; *No. of Spindles:* Ring 16376; *No. of Looms:* 303.

HYDERABAD DECCAN SPG. & WVG. CO. LTD., Secunderabad (Deccan); *Agents:* Messrs. Ramannah Bhoomiah and Venkata Krishniah, Mill Premises; *No. of Spindles:* Ring 13080; *No. of Looms:* 242.

MAHABOOSH SHAHI KULBURGA MILLS CO. LTD., Gulbarga; *Agents:* Messrs. Dayaram Surajmal Lahoti, 1727, Gunj Bazar, Secunderabad; *No. of Spindles:* Ring 27764; *No. of Looms:* 598.

OSMAN SHAHI MILLS LTD., Nanded; *Agents:* The Industrial Trust Fund, H. E. H. the Nizam's Government, 159, Gunfoundry Road, Hyderabad (Deccan); *No. of Spindles:* Ring 24708; *No. of Looms:* 619.

CENTRAL INDIA

BHOPAL TEXTILES LTD., Bhopal; *Agents:* Messrs. W. A. Beardsell & Co. Ltd., 15/16, Sir Phirozshah Mehta Road, Fort, Bombay; *No. of Spindles:* Ring 15004; *No. of Looms:* 400.

BINOD MILLS CO. LTD. (Binod Mills), Ujjain, Gwalior; *Secretaries, Treasurers and Agents:* Messrs. Binodiram Balchand, Mill Premises; *No. of Spindles:* Ring 34952; *No. of Looms:* 860.

BINOD MILLS CO. LTD. (Deepchand Mills), Ujjain, Gwalior; *Secretaries, Treasurers and Agents:* Messrs. Binodiram Balchand, Mill Premises; *No. of Spindles:* 16284; *No. of Looms:* 480.

HIRA MILLS LTD., Ujjain; *Agents:* Sir Sarupchand Hukamchand & Co., Indore; *No. of Spindles:* Ring 25964; *No. of Looms:* 864.

HUKAMCHAND MILLS LTD., Indore; *Agents:* Messrs. Sarupchand Hukamchand & Co., Mill Premises; *No. of Spindles:* Mule 468, Ring 43264, Total 43732; *No. of Looms:* 1493 (Ordinary), 5 (Blanket).

INDORE MALWA UNITED MILLS LTD., Indore; *Agents:* Messrs. Govindram Seksaria, 139, Medows Street, Fort, Bombay; *No. of Spindles:* Ring 49220; *No. of Looms:* 1420 (Ordinary), 42 (Blanket).

JIYAJEERAO COTTON MILLS LTD., Gwalior; *Mg. Agents*: Messrs. Birla Bros. Ltd., 8, Royal Exchange Place, Calcutta; *No. of Spindles*: Ring 38152; *No. of Looms*: 1438.

KALYANMAL MILLS LTD., Indore; *Secretaries, Treasurers and Agents*: Messrs. Tilokchand Kalyanmal & Co., Sitalmata Bazar, Indore; *No. of Spindles*: Ring 36412; *No. of Looms*: 1144.

K. S. NAZARALI MILLS, Nijatpura, Ujjain; *Proprietor*: Khan Sahab Seth Alabakhshji Munruddin Nazaralli, Mill Premises; *No. of Spindles*: Ring 17512; *No. of Looms*: 379.

MOTILAL AGARWAL MILLS LTD., Gwalior; *Mg. Director*: L. Bansidar Bansal, Esq., Mill Premises; *No. of Spindles*: Mule 1464, Ring 15300, Total 16764.

NANDLAL BHANDHARI MILLS LTD. (AND REDUCED), Indore; *Secretaries, Treasurers and Agents*: Messrs. Nandlal Bhandhari & Sons, Mill Premises; *No. of Spindles*: Mule 580, Ring 27428, Total 28008; *No. of Looms*: 771 (Ordinary), 18 (Blanket).

RAI BAHADUR KANHAIYALAL BHANDHARI MILLS LTD., Malgodown, Indore; *Owners*: Messrs. Nandlal Bhandhari & Sons, Mill Premises; *No. of Spindles*: Ring 16084; *No. of Looms*: 351 (Ordinary).

RAJKUMAR MILLS LTD., Silnath Camp Road, Indore; *Agents*: Sir Sarupchand Hukamchand & Co., Mill Premises; *No. of Spindles*: Ring 19728; *No. of Looms*: 704 (Ordinary), 4 (Blanket).

SRI SAJJAN MILLS LTD., Rutlam; *Agents*: Messrs. Gopaldas Liladhar & Co., Mill Premises; *No. of Spindles*: 15504; *No. of Looms*: 439.

SHRI MAHARANI MAHALSABAI COTTON MILLS CO. LTD., Dewas Junior; *Agents*: Messrs. Mulraj G. Dungarsey & Co., Mill Premises; *No. of Spindles*: Ring 10242.

SWADESHI COTTON AND FLOUR MILLS LTD., Silnath Camp, Indore; *Managing Agents*: Messrs. Jagannath Narayan & Co., Silnath Camp, Indore; *No. of Spindles*: Ring 15332; *No. of Looms*: 362 (Ordinary), 28 (Blanket).

BENGAL PROVINCE

ACHARYA PROFULLA CHANDRA COTTON MILLS LTD., Boyra Main Road, Khulna; *Agents*: Messrs. The Bengal Workers' Association Ltd., Mill Premises; *No. of Looms*: 110.

BAGERHAT CO-OPERATIVE WEAVING UNION LTD., Bagerhat, *Managing Agents*: Messrs. Bengal Provincial Co-operative Bank Ltd., Mills Premises; *No. of Looms*: 50.

BANGA SRI COTTON MILLS LTD., Sodepore, (24 Parganas); *Agents*: Messrs. Shah Chaudhari & Co. Ltd., 23, Harrochander Mullick Street, Calcutta; *No. of Spindles*: Ring 10728; *No. of Looms*: 276.

BANGESWARI COTTON MILLS LTD., Serampore, Hooghly; *Managing Director*: Dr. Narendranath Law, 63, Radhabazar, Calcutta; *No. of Spindles*: Ring 9800; *No. of Looms*: 300.

BANGODAYA COTTON MILLS LTD., Panihati; *Secretary*: Mr. Vassonji Damodar, Mill Premises; *No. of Looms*: 340.

- BASANTI COTTON MILLS LTD.**, Barrackpore Trunk Road, Panihati;
Agents: Messrs. The Calcutta Agencies Ltd., 14, Clive Street, Calcutta;
No. of Spindles: Ring 12664; *No. of Looms*: 356.
- BENGAL BELTING WORKS LTD.**, Bosepura Lane, Serampore; *Agents*:
 Messrs. S. K. Roy & CO. Ltd., 2, Dalhousie Square East, Calcutta; *No. of*
Spindles: Mule 768, Ring 2610; *No. of Looms*: 60.
- BENGAL LUXMI COTTON MILLS LTD.**, Mahesh, Serampore, Dist.
 Hooghly; *Agents*: Messrs. The Bengal Textile Agency Ltd., 11, Clive Row,
 Calcutta; *No. of Spindles*: Ring 35916; *No. of Looms*: 932.
- BOWREAH COTTON MILLS CO. LTD.**, Bowreah, Dist. Howrah; *Agents*:
 Messrs. Kettlewell Bullen & Co. Ltd., 21, Strand Road, Calcutta; *No. of*
Spindles: Ring 42872; *No. of Looms*: 835.
- CHITTARANJAN COTTON MILLS LTD.**, Narayanganj, Dacca; *Mg.*
Agents: Messrs. The Keshavlal Industrial Syndicate, 4, Simpson Road,
 Dacca; *No. of Spindles*: Ring 9720; *No. of Looms*: 150.
- DACCA COTTON MILLS LTD.**, Postgollah, P. O. Faridabad, Dacca; *Mg.*
Agents: Messrs. Mohini Mohon Saho, Bankim Chandra Saha, etc., Mill Prem-
 ises; *No. of Spindles*: Ring 4500; *No. of Looms*: 124.
- DHAKESWARI COTTON MILLS LTD.** (No. 1), Dhamigarh, Narayanganj,
 Dacca; *Managing Directors*: Messrs. A. B. Guha, R. M. Basak and S. K.
 Basu, 5, Simpson Road, Dacca; *No. of Spindles*: Ring 28500; *No. of Looms*:
 780.
- DHAKESHWARI COTTON MILLS LTD.** (No. 2), Godnyle, Narayanganj,
 Dacca; *Managing Directors*: Messrs. A. B. Guha, R. M. Basak and S. K.
 Basu, 5, Simpson Road, Dacca; *No. of Spindles*: Ring 21280; *No. of Looms*:
 509.
- DUNBAR MILLS LTD.**, Shamnagar; *Agents*: Messrs. Kettlewell Bullen &
 Co. Ltd., 21, Strand Road, Calcutta; *No. of Spindles*: Ring 42944; *No. of*
Looms: 530.
- EAST INDIA COTTON MILLS LTD.**, Maurigram, Howrah District; *Man-*
aging Directors: Messrs. Manabendra Mohan Kundu Chowdhury and J. N.
 Roy, 120, Maharshi Debendra Road, P. O. Hatkola, Calcutta; *No. of Looms*:
 96.
- HINDUSTAN COTTON MILLS LTD.**, Belgurriah, 24 Parganas; Managed
 by a Board of Directors, National Bank Buildings, Mission Row, Calcutta;
No. of Looms: 120.
- HOOGLY COTTON MILLS**, Serampore; *Proprietor*: Mr. A. W. Sen, Mill
 Premises; *No. of Spindles*:; *No. of Looms*:
- KESORAM COTTON MILLS LTD.**, 42, Garden Reach Road, Calcutta;
Agents: Messrs. Birla Bros. Ltd., Royal Exchange Place, Calcutta; *No. of*
Spindles: Ring 57900; *No. of Looms*: 1900.
- LUXMINARAYAN COTTON MILLS LTD.**, Godnyle, Narayanganj, Dacca;
Receiver: Messrs. Dacca National Agency, Ltd., Mill Premises; *No. of*
Spindles: Ring 5628; *No. of Looms*: 222.
- LUXMI SPINNING & WEAVING MILLS LTD.**, Narayanganj, Dacca;
Agents: Messrs. Textile Trust Ltd., P. O. Bandar, Narayanganj, Dacca; *No.*
of Spindles: Ring 2764.

- MAHALUXMI COTTON MILLS LTD.**, Palta, 24-Parganas; *Agents*: Messrs. H. Datta & Sons Ltd., 15, Clive Street, Calcutta; *No. of Spindles*: Ring 5788; *No. of Looms*: 166.
- MOHINI MILLS LTD.** (No. 1), Kushtia; *Mg. Agents*: Messrs. Chakravarti Sons & Co., Mohini Mohan Chakravarti Street, Kushtia Bazar (Nadia); *No. of Spindles*: Ring 18640; *No. of Looms*: 517.
- MOHINI MILLS LTD.** (No. 2), Belghurriah, 24-Parganas; *Agents*: Messrs. Chakravarti Sons & Co., Mohini Mohan Chakravarti Street, Kushtia Bazar (Nadia); *No. of Spindles*: Ring 16576; *No. of Looms*: 333.
- PRAVATI TEXTILE MILLS LTD.**, Panihatti; *Agents*: Messrs. K. C. Biswas & Co., Mill Premises; *No. of Looms*: 52.
- RAMPOORIA COTTON MILLS LTD.**, Serampore; *Mg. Agents*: Messrs. Hajarimall Heeralal, 148, Cotton Street, Calcutta; *No. of Spindles*: Ring 21064; *No. of Looms*: 795.
- SHREE HANUMAN COTTON MILLS CO.**, Fuleshwar, P. O. Ulubaria; *Owners*: Messrs. Partabmul Rameshwar & Nursingh & Co., 46, Strand Road, Calcutta; *No. of Spindles*: Ring 24196.
- SHREE RADHA KRISHNA COTTON MILLS LTD.** (No. 1), 122, Old Ghosery Road, Howrah; *Mg. Agents*: Messrs. Sadhuram Tularam, Mill Premises; *No. of Spindles*: Ring 23232.
- SHREE RADHA KRISHNA COTTON MILLS LTD.**, (No. 2), 175, Girish Ghosh Lane, Belur, Howrah; *Mg. Agents*: Messrs. Sadhuram Tularam, 122, Old Ghosery Rd., Howrah; *No. of Spindles*: Ring 18732; *No. of Looms*: 564.
- SHREE RADHESYAM MILLS LTD.**, 220, Naskarpara Road, Ghosery, Howrah; *Agents*: Messrs. Sobharam Keshavdev, 15, Clive street, Calcutta; *No. of Spindles*: Mule 13702, Ring 31682, Total 45384; *No. of Looms*: 405.
- SIDDHEWARI COTTON MILLS**, Anantpur, Via Bagnan, Howrah; *Owners*: Messrs. Manna Mandal and Mullick & Co., Mill Premises; *No. of Looms*: 112.
- SRI DRUGA COTTON SPG. & WVG. MILLS LTD.**, Kounagar (E. I. Ry.); *Agents*: Messrs. Choudhury & Co. Ltd., 23, Hurrochander Mullick Street, Calcutta; *No. of Spindles*: Ring 5184; *No. of Looms*: 220.
- SWEDESHI INDUSTRIES LTD.**, Panihatti; *Mg. Agents*: Messrs. Anantram Gajadar, 51, Vivekananda Road, Calcutta. *Looms*: 125.
- VICTORIA COTTON MILLS CO.**, Ghosery, Salkia P. O.; *Proprietors*: Messrs. Partabmul Rameshwar and Nursingh & Co., 46, Strand Road, Calcutta; *No. of Spindles*: Ring 12304.
- VIDYASAGAR COTTON MILLS LTD.**, Sodepur Dt., 24-Parganas; *Agents*: Messrs. United Commercial Agency Ltd., Colootola St., Calcutta; *No. of Spindles*: Nil; *No. of Looms*: 156.

PUNJAB

- AMRITSAR SPG. MILLS**, G. T. Road, Amritsar; *Owner*: Y. R. Puri, 36, Queen's Road, Lahore; *Spindles*: Ring 4648.
- TECHNOLOGICAL INSTITUTE OF TEXTILES** (Formerly Bhiwani Cloth Mills Ltd.), Bhiwani; *Agents*: Messrs. Birla Education Trust, Pilani (Jaipur); *No. of Spindles*: Ring 12088; *No. of Looms*: 287.

DAYALBAGH SPG. & WVG. MILLS LTD., Putligarh, Amritsar; *Mg. Director*: Mr. Bodh Raj, Mill Premises; *No. of Spindles*: Mule 10312, Ring 3952, Total 14264; *No. of Looms*: 252.

LYALLPUR COTTON MILLS, Lyallpur, Branch of Delhi Cloth and General Mills, Delhi; *No. of Spindles*: Ring 32052; *No. of Looms*: 994.

MELA RAM COTTON MILL, Outside Bhati Gate, Mela Ram Road, Lahore; *Proprietor*: Mr. R. B. Melaram's Sons Ltd., Post Box 20, Lahore, Mill Premises; *No. of Spindles*: Mule 5200, Ring 10916, Total 16116; *No. of Looms*: 148.

PUNJAB CLOTH MILLS LTD., Bhiwani; *Mg. Director*: Mr. Radhakishen Sanganeria, 20, Tarachand Datt Street, Calcutta; *No. of Spindles*: Ring 7908; *No. of Looms*: 225.

PUNJAB TEXTILE MILLS LTD., P. O. Kot Dunichand; *Mg. Director*: D. D. Puri, Esqr., 2 Fan Road, Lahore; *No. of Spindles*: 5040.

SUTLEJ COTTON MILLS LTD., Okara; *Agents*: Messrs. Birla Bros. Ltd., 8, Royal Exchange Place, Calcutta; *No. of Spindles*: Ring 22808; *No. of Looms*: 920.

DELHI PROVINCE

BIRLA COTTON SPG. & WVG. MILLS LTD.,^y Subzimundi, Delhi; *Agents*: Messrs. Birla Bros. Ltd., 8, Royal Exchange Place, Calcutta; *No. of Spindles*: Ring 29528; *No. of Looms*: 960.

DELHI CLOTH & GENERAL MILLS CO. LTD., Rohtak Road, Delhi; *Agents*: Messrs. Lala Shankerlal Bharat Ram & Co., 18/22, Curzon Road, New Delhi; *No. of Spindles*: Ring 70000; *No. of Looms*: 1830.

GOENKA COTTON SPG. & WVG. MILLS CO. LTD., Grand Trunk Road, Delhi; *Mg. Agents*: Messrs. Parsram Harnandrai, Khatra Tobacco, Khari Baoli, Delhi; *No. of Looms*: 307. (Closed since March 1927).

MAHABIR COTTON SPG. & WVG. CO. LTD., Subzimundi, Delhi; *Owner*: Mr. R. S. Seth Ram Cowar Jaipuria, Mill Premises; *No. of Spindles*: Mule 4788, Ring 6044; Total 10832; *No. of Looms*: 235.

UNITED PROVINCES OF AGRA AND OUDH

ATHERTON MILLS, Anwarganj, Cawnpore; *Owners*: Messrs. Atherton West & Co. Ltd., Post Box No. 67, Cawnpore; *No. of Spindles*: Ring 39900; *No. of Looms*: 898.

BENARES COTTON AND SILK MILLS LTD., Chowkaghat, Benares Cantonment; *Mg. Agents*: Messrs. Sital Prasad Kharag Prasad, Mill Premises; *No. of Spindles*: Mule 2040, Ring 20976; Total 23016; *No. of Looms*: 503.

BHARAT STORES LAXMI COTTON MILLS, Water Work Road, Agra; *Owners*: Bharat Stores Ltd., Mill Premises; *No. of Spindles*: Mule 4552, Ring 2000, Total 6552 (Not working).

BIJLI COTTON MILLS LTD., Sasni Gate, Mendu Road, Hathras City; *Agents*: Messrs. N. K. Ltd., Freegunj, Agra; *No. of Spindles*: Ring 12780; *No. of Looms*: 20.

- CAWNPORE COTTON MILLS CO. (C. C. M.), Cooperganj, Cawnpore; *Owners*: Messrs. The British India Corporation Ltd., Post Box No. 3, Cawnpore; *No. of Spindles*: Mule 8640, Ring 36656, Total 45296; *No. of Looms*: 972. (Ordinary), 6 (Blanket).
- CAWNPORE COTTON MILLS CO. (Juhi, Cawnpore); *Owners*: Messrs. The British India Corporation Ltd., Post Box No. 3, Cawnpore; *No. of Spindles*: Mule 26352.
- CAWNPORE TEXTILES LTD., Cooperganj, Cawnpore; *Mg. Agents*: Messrs. Begg Sutherland & Co. Ltd., Sutherland House, Cawnpore; *No. of Spindles*: Mule 792, Ring 21120, Total 21912; *No. of Looms*: 510.
- DAYALBAGH TEXTILE MILLS LTD., Dayalbagh, Agra; *Agents*: Social Security & Service Corporation Ltd., Dayalbagh; *No. of Looms*: 76; 120 Ring Wool *Spindles*.
- ELGIN MILLS CO. LTD., Civil Lines, Cawnpore; *Mg. Agents*: Messrs. Begg Sutherland & Co. Ltd., Sutherland House, Cawnpore; *No. of Spindles*: Mule 19556, Ring 34352, Total 53908; *No. of Looms*: 1199.
- INDRA SPG. & WVG. MILLS, Jeoni-ka-Mandi, Agra; *Owner*: Seth Suganchand, Mill Premises; *No. of Spindles*: Mule 12720, Ring 1200, Total 13920.
- JAMNA WEAVING MILLS, Mau-Aima, Allahabad District.
- JOHN'S MILLS CO., Rajghat, Agra; *Owners*: Messrs. John Mills & Co., Jatnika Bagh, Agra; *No. of Spindles*: 51360.
- JUGGILAL KAMLAPAT COTTON MANUFACTURERS LTD., Darshanpura, Kamlapat Road, Cawnpore; *Mg. Agents*: Messrs. Juggilal Kamlapat, Kamla Tower, Cawnpore; *No. of Spindles*: Ring 21200; *No. of Looms*: 30.
- JUGGILAL KAMLAPAT COTTON SPG. & WVG. MILLS CO. LTD., Anwarganj, Juhi, Cawnpore; *Mg. Director*: Sir L. Padampat, Esq., Kamla Tower, Cawnpore; *No. of Spindles*: Ring 44964; *No. of Looms* 1116.
- LAKSHMIRATAN COTTON MILLS CO. LTD., Kalpi Road, Cawnpore; *Mg. Agents*: Messrs. Beharilal Ramcharan, Bihari Niwas, Cawnpore; *No. of Spindles*: Ring 28080; *No. of Looms*: 814 (Ordinary), 13 (Blanket).
- LALLA MAL HARDEO DASS COTTON SPG. MILL CO., Sadabad Gate, Mathras City, Aligarh District; *Receiver & Manager*: Messrs. Brijlal Gupta, Mill Premises; *No. of Spindles*: Mule 3750, Ring 6880, Total 10630.
- MORADABAD SPG. & WVG. MILLS CO. LTD., Moradabad; *Chief Secretary*: Lala Alakhdhari, Kundanpur, Moradabad; *No. of Spindles*: Mule 10080, Ring 3408, Total 13488.
- MUIR MILLS CO. LTD., Cawnpore; *Mg. Director*: Messrs. K. J. D. Price, Cawnpore; *No. of Spindles*: Mule 30528, Ring 56404, Total 86932; *No. of Looms*: 1650.
- NARAYAN COTTON MILLS, Bansumandi, Cawnpore; *Secretaries, Treasurers & Agents*: Messrs. H. Bevis & Co., Post Box No. 29, Cawnpore; *No. of Spindles*: Ring 10920, Total 10920.
- RAMCHAND SPG. & WVG. MILLS, Hathras City, Aligarh District; *Owners and Agents*: Messrs. Hiralal Gulabchand & Co., Mursan Gate, Hathras City; *No. of Spindles*: Mule 3540, Ring 16780, Total 20320; *No. of Looms*: 171.

- NEW VICTORIA MILLS CO. LTD.**, Gwaltoli, Cawnpore; *Secretaries*: Messrs. J. P. Srivastava & Sons Ltd., P. B. No. 46, Cawnpore; *No. of Spindles*: Mule 5980, Ring 64972, Total 70952; *No. of Looms*: 1368.
- PREM SPG. & WVG. MILLS CO. LTD.**, Ujhani; *Secretary*: L. Aminchand Soni, Ujhani (U.P.); *No. of Spindles*: Ring 17600.
- RAZA TEXTILES LTD.**, P. O. Jwalanagar, Rampur State; *Mg. Agents*: Messrs. Sir J. P. Shrivastava (Rampur) Ltd., Rampur State; *No. of Spindles*: Ring 18128; *No. of Looms*: 440.
- R. G. COTTON MILLS CO. LTD.**, Talkatora, Lucknow; *Mg. Director*: Ranjit Singh, Esq., M.A., LL.B., Mill Premises; *No. of Spindles*: Ring 17544; *No. of Looms*: 329.
- SACHENDI COTTON MILLS.**, Sachendi; *Agents*: Messrs. Naraindas Gopal-das, Shree Dwarkadish Road, Cawnpore; *Spindles*: Mule 2640, Ring 800; Total 3440.
- SHRI RADHA KRISHNA MILLS.**, Narghat, Mirzapore; *Agents*: Messrs. Seksaria Bros. Ltd., P 10, New Jagannath Road, Calcutta; *No. of Looms*: 65.
- SWADESHI BHIMA COTTON MILLS LTD.**, Grand Trunk Road, Aligarh, near Village Sarsol; *Proprietors*: Messrs. The Bharat Stores Ltd., Agra; *No. of Spindles*: Mule 2288, Ring 2236, Total 4524.
- SWADESHI COTTON MILLS CO. LTD.**, Juhi, Cawnpore; *Mg. Director*: Mr. E. J. W. Plummer, Post Box No. 19, Cawnpore; *No. of Spindles*: Mule 988, Ring 99888, Total 100876; *No. of Looms*: 1873.

MADRAS PROVINCE

- AARON SPG. & WVG. MILLS LTD.**, Pappinisseri (N. Malabar); *Managing Director*: C. S. Aaron, Esq., Mill Premises; *No. of Looms*: 320.
- ALAGAPPA TEXTILES (Cochin) LTD.**, Alagappanagar (Cochin State); *Agents*: Messrs. Ramal & Co. Ltd., Alagappanagar, P. O.; *No. of Spindles*: Ring 25020.
- ASHER TEXTILES LTD.**, Avanashi Road, Tiruppur (Coimbatore Dist.); *Managing Agents*: The Textile Corporation Ltd., Mill Premises; *No. of Spindles*: Ring 14000.
- BUCKINGHAM & CARNATIC CO. LTD.**, (Buckingham Mill) & (Carnatic Mill), Perambur, Madras; *Managing Agents*: Binny & Co., (Madras) Ltd., 7, Armenian Street, Madras; *No. of Spindles*: Ring 119108; *No. of Looms*: 2770.
- CAMBODIA MILLS LTD.**, Ondiputhur, Near Singanallur Rly. Station, Coimbatore District; *Managing Agents and Secretaries*: Messrs. Peirce, Leslie & Co. Ltd., Race Course, Coimbatore; *No. of Spindles*: Ring 29824; *No. of Looms*: 4.
- COCHIN TEXTILES LTD.**, Alagappa Nagar, Pudukad (Cochin State); *Owners*: The West Coast Agencies Ltd., Mill Premises; *No. of Spindles*: Ring 15152.
- COIMBATORE COTTON MILLS LTD.**, Singanallur, Coimbatore District; *Agents*: Messrs. R. Beema Naidu & Co., Avanashi Road, Pappanaickenpalayam, Coimbatore; *No. of Spindles*: Ring 19424.

- COIMBATORE KAMALA MILLS LTD., Uppilipalayam, Singanullur (Coimbatore Dist.); *Agents*: Messrs. R. V. Lakshmaiah Naidu & Co., Mill Premises; *No. of Spindles*: Ring 9504.
- COIMBATORE MURUGAN MILLS LTD., Mettupalayam Road, Coimbatore; *Agents*: Messrs. T. A. Ramalinga Chettiyar Sons & Co., Mill Premises; *No. of Spindles*: Ring 11480.
- COIMBATORE PIONEER MILLS LTD., Peelamedu, Coimbatore; *Agents*: Messrs. T. R. Narayanaswami Naidu & Co., Coimbatore; *No. of Spindles*: Ring 19280.
- COIMBATORE SPG. & WVG. CO. LTD., Palm-grove Road, Coimbatore; *Secretaries and Agents*: Messrs. R. G. S. Naidu & Co., Mill Premises; *No. of Spindles*: Ring 45080; *No. of Looms*: Ring 302.
- COIMBATORE SPG. & WVG. CO. LTD., Tadepalli, Guntur District; *Agents*: R. G. S. Naidu & Co.; *No. of Looms*: 80.
- COMMONWEALTH WEAVING FACTORY, Cannanore, Malabar, South India; *Agents*: The Commonwealth Trust Ltd., Calicut, Malabar, South India; *No. of Looms*: 311.
- DHANALAKSHMI MILLS LTD., Uttukuli Road, Tirupur; *Mg. Agents and Secretaries*: Messrs. M. Nanjappa Chetiar & Sons, Mill Premises; *No. of Spindles*: Ring 25300; *No. of Looms*: 126.
- GNANAMBIKA MILLS LTD., Vellakinar, Coimbatore; *Mg. Agents*: Messrs. V. C. V. Gounder & Bros., Vellakinar House, Vellakinar Post, Coimbatore; *No. of Spindles*: Ring 11200.
- JANAKIRAM MILLS LTD., Shrivilliputhur Road, Rajapalayam. *Mg. Agents*: Messrs. Shakthi Ltd., Mill Premises; *Looms* 100. (Working from June 1945.)
- JANARDANA MILLS LTD., Uppilipalayam, Singanallur Post, District Coimbatore; *Agents*: Messrs. G. V. Naidu & Co., Mill Premises; *No. of Spindles*: Ring 17880.
- JAYARAM MILLS LTD., Kandan Textiles Ltd., Thiruvottiyur; *Mg. Agents*: Messrs. C.S. & Co., 8, Second Line, Beach, Madras; *Looms*: 70.
- JAYALAKSHMI MILLS LTD., Uppilipalayam, Singanallur P.O.; *Mg. Director*: Mr. R. Thulasidoss; *No. of Spindles*: Mule 1936, Ring 408, Total 2344.
- JAWAHAR MILLS LTD., Nehru Nagaram, Salem Junction; *Managing Agents*: Messrs. Umaiyambika & Co., Mill Premises; *No. of Spindles*: Ring 22312.
- KALEESWARAR MILLS LTD., Anupperpalayam: Coimbatore; *Local Agents*: A. L. A. R. Kalai-Raja Chettiar, Mill Premises; *No. of Spindles*: Ring 41872; *No. of Looms*: 295.
- KASTHURI MILLS LTD., Singanallur Railway, Station Coimbatore; *Agents*: Messrs. C. N. V. Naidu & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 9200.
- KOTHARI TEXTILES LTD., Singanallur, Coimbatore District; *Managing Agents*: Messrs. Kothari & Sons, Oriental Buildings, Armenian Street, Madras; *No. of Spindles*: Ring 13824.

- KUMARAN MILLS LTD.**, Pudupalayam, Idigirai P. O., Coimbatore;
Agents: Messrs. N. Appuswamy Naidu & Co., Coimbatore; *No. of Spindles*:
Ring 5880.
- LAKSHMI MILLS CO. LTD.**, Pappanaickenpalayam, Avanashi Road, Coimbatore; *Agents*: Messrs. G. Kuppuswamy Naidu & Co., Mill Premises; *No. of Spindles*: Ring 40672.
- LAKSHMI MILLS CO. LTD.**, Koilpatti, Tinnevely Dist.; *Agents*: Messrs. G. Kuppuswamy Naidu & Co., Coimbatore; *No. of Spindles*: Ring 7776.
- LOTUS MILLS LTD.**, Sundarapuram P. O., Podanur, Coimbatore District; *Agents*: Messrs. Lotus Agency Ltd., Mill Premises; *No. of Spindles*: Ring 13888.
- LOYAL MILLS LTD.**, Kovilpatti, Tinnevely District., South India; *Agents*: Messrs. E. D. Sassoon & Co. Ltd., Dougall Road, Ballard Estate, Fort, Bombay; *No. of Spindles*: Ring 24242; *No. of Looms*: 224.
- MADRAS UNITED SPG. & WVG. CO. LTD.**, Madras; *Owners*: Messrs. Indrasingh & Sons, Ltd., Cambata Building, 42, Queen's Road, Fort, Bombay; *No. of Spindles*: Ring 40164; *No. of Looms*: 774. (Not working)
- MADURA MILLS CO. LTD.**, Ambasamudram; *Managers*: Messrs. A. & F. Harvey, Tuticorin; *No. of Spindles*: Ring 140736.
- MADURA MILLS CO. LTD.**, including PANDYAN MILLS, Madura; *Managers*: Messrs. A. & F. Harvey, Tuticorin; *No. of Spindles*: Ring 230552.
- MADURA MILLS CO. LTD.**, Tuticorin; *Managers*: Messrs. A. & F. Harvey, Mill Premises; *No. of Spindles*: Ring 60732.
- MADURA MILLS CO. LTD.**, (Pandyan Mills, Madura East); Messrs. A. & F. Harvey Ltd.; *Managers*: *Spindles*: Ring 33304.
- MAHALAKSHMI TEXTILE MILLS LTD.** Pasumalai P. O., Madura; *Agents*: Messrs. S. S. N. Lakshmanan Chettiar & Co., Mill Premises; *No. of Spindles*: Ring 20324.
- MALABAR SPG. & WVG. CO. LTD.**, Kallai (Malabar); *Agents*: Messrs. A. L. A. R. Vellayan Chettiar, P. S. Sathappa Chettiar, and A. K. T. K. M. Narayan Namboodripad, Mill Premises; *No. of Spindles*: Ring 19856.
- METTUR INDUSTRIES LTD.**, Mettur Dam, Salem Dist.; *Agents*: Messrs. W. A. Beardsell & Co., Post Box No. 7, Madras; *No. of Spindles*: Ring 24252; *No. of Looms*: 603.
- PALANI ANDAVAR MILLS LTD.**, Dhali Rd., Udamalpet (Coimbatore Dist.); *Mg. Agents*: Baghyalakshmi & Co., Mill Premises; *No. of Spindles*: Ring 20400.
- PANKAJA MILLS LTD.**, Puliakulam, Coimbatore; *Mg. Agents and Secretaries*: Messrs. C. S. Ratnasabapathy Mudaliar & Sons, P. O. No. 150, Coimbatore; *No. of Spindles*: Ring 25852.
- PULLICCAR MILLS LTD.**, Tiruchengode. Salem Dist.; *Mg. Agents*: Messrs. V. V. C. R. Viapuri Mudaliar & Sons, Mill Premises; *No. of Spindles*: Ring 6300.
- RADHAKRISHNA MILLS LTD.**, Peelamedu, Coimbatore; *Mg. Agents*: Messrs. A. G. Gurusamy Naidu & Co., Mill Premises; *No. of Spindles*: Ring 36632.

- RAJA MILLS, Madura; *Owner*: Mr. M. V. P. Kanagavel, Mill Premises.
- RAJALAKSHMI MILLS LTD., Uppilipalayam, Singanallur Post; *Mg. Agents*: Mr. B. Rangaswamy Naidu, Mill Premises; *No. of Spindles*: Ring 25120.
- RAJAPALAYAM MILLS LTD., Rajapalayam, Ramnad Dist.; *Mg. Agents*: Messrs. Rameo Agencies Ltd., Ramamandram, Rajapalayam; *No. of Spindles*: Ring 14020.
- SALEM RAJENDRA MILLS LTD., Gandhinagar, Salem; *Agents*: Messrs. Tyagaraja Chetty & Co. Ltd., Madura; *No. of Spindles*: Ring 12000.
- SANKAR MILLS, Chatram, Pudukulam, Tinneveli District; *Proprietors*: Messrs. S. Sankaranainar Pillai & Sons, Mill Premises; *No. of Looms*: 101.
- SAROJA MILLS LTD, Singanallur, Coimbatore Dist.; *Mg. Agents*: Messrs. Tyagaraja Chetty & Sons Ltd., Mill Premises; *No. of Spindles*: Ring 11760. 14 Handlooms.
- SHREE VENKATESA MILLS LTD. Udamalpet, Coimbatore Dist.; *Mg. Agents*: Messrs. G. V. Govindaswami Naidu & Co. 3/62, Pasupati Mudaliar St., Udamalpet; *No. of Spindles*: Ring 25520.
- SITARAM SPINNING & WEAVING MILLS LTD., Trichur (Cochin State); *Mg. Agents*: Messrs. T. R. Anantharama Iyer & Bros. Ltd., Pushpagiru, Trichur; *No. of Spindles*: Ring 15040; *No. of Looms*: 416.
- SOMASUNDARAM MILLS, 270, Mill Road, Coimbatore; *Mg. Agents*: Mr. P. S. Sathappa Chettiar, Trichy Road, Coimbatore; *No. of Spindles*: Ring 23206; *No. of Looms*: 394.
- SOUNDARARAJA MILLS LTD., Power House Road, Dindigul; *Mg. Agents*: Messrs. Lakshmana & Co., Mill Premises; *No. of Spindles*: Ring 6400.
- SREE MEENAKSHI MILLS LTD., Thirupparankundram Road, Madura; *Agents*: Messrs. T. Chetty & Co., Mill Premises; *No. of Spindles*: Ring 36564.
- SREE SURYANARAYANA SPG. & WVG. MILLS, Pandalapaka, E. Godavari Dist.; *Mg. Director*: Mr. Padal Rama Reddi, Mill Premises, *No. of Spindles*: Ring 5584.
- SRI BALASUBRAMANIA MILLS LTD., Singanallur Post, Coimbatore Dist.; *Agents*: Messrs. K. Krishna Swamy Naidu & Brothers, Mill Premises; *No. of Spindles*: Ring 12096.
- SRI KOTHANDARAM SPG. MILLS, Chintamani Rubbish Depot Road, Mahalipatti, Madura; *Owners*: Messrs. S. S. Ramudu Iyer & Bros., 272, Ramnad Road, Madura; *No. of Spindles*: Ring 4000.
- SRI KOTHANDARAM WVG. MILLS, Venkatapaty Iyengar Lane, Ramnad Road, Madura; *Agents*: Messrs. S. S. Ramudu Iyer & Bros., 272, Ramnad Road, Madura; *No. of Looms*: 82.
- SRI PALAMALAI RANGANATHAR MILLS LTD., Perianaickenpalayalam P.O., Coimbatore Dist.; *Agents*: Messrs. S. K. Rangaswami Naidu & Co., Mill Premises; *No. of Spindles*: Ring 5600.

SRI RAMACHANDRA SPG. & WVG. MILLS, Pandalapaka, E. Godavari Dist.; *Proprietors*: Messrs. K. Venkata Reddy, D. Subba Reddy & V. Chellamma, Mill Premises; *No. of Spindles*: Ring 7044.

SRI RAMALINGA CHOODAMBIKAI MILLS LTD., Uthukuli Road, Tiruppur; *Agents*: Messrs. S. Kulli Chetty & Bros., 60/4 Uttukuli Road, Tiruppur; *No. of Spindles*: Ring 13124.

SRI RANGAVILAS GINNING, SPG. & WVG. MILLS LTD., Peelamedu, Coimbatore; *Mg. Agents*: Messrs. P. S. Govindaswamy Naidu & Sons, Mill Premises; *No. of Spindles*: Ring 28248; *No. of Looms*: 79 (49 under erection)

SRI SARADA MILLS LTD., Loganathapuram, Podanur; *Mg. Agents*: Messrs. V. S. Sengottaiah & Bros., Vakthi Vilas, Jail Road, Coimbatore; *No. of Spindles*: Ring 13672; *No. of Looms*: 168.

SRI SATYANARAYANA SPG. MILL, Rajahmundry, Godavari Dt., *Proprietor*: Mr. Randhi Appalaswami, Rajahmundry; *No. of Spindles*: Ring 5504. (Closed since 1st April 1935)

THIRUMAGAL MILLS LTD., Gudiyattam, North Arcot; *Agents*: Messrs. Thirumal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 12040.

THAIKESAR ALAI LTD., Madura, Usilampatti, Pudukottai State. *Mg. Agents*: Messrs. T. Chetty & Co., Thiruppurankandram Road, Madura. *Spindles*: Ring 14560.

TIRUMURTHI MILLS LTD., Bodipatti, Udamalpet; *Agents*: Messrs. Jayalakshmi & Co., Mill Premises; *No. of Spindles*: Ring 11200.

TRICHINOPOLY MILLS LTD., Kalligudi, Manapparaj Road, Trichinopoly; *Agents*: Messrs. Mooljee Ramjee & Sons, Ramjee Nagar, Trichinopoly; *No. of Spindles*: Ring 16000.

VASANTA MILLS LTD., Singanallur Post, Coimbatore Dt.; *Mg. Agents and Secretaries*: Messrs. R. K. Shanmukham Chetty & Bros., Mill Premises; *No. of Spindles*: Ring 28104, *No. of Looms*: 270.

VIJAYALAKSHMI MILLS LTD., (Formerly Vysya Mills Ltd.), Kuniyamuthur, Coimbatore; *Agents*: Messrs. Gupta & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 11032.

TRAVANCORE

A. D. COTTON MILLS LTD., Quilon; *Agents*: Messrs. Girdharlal Amratlal Ltd., Mill Premises; *No. of Spindles*: Ring 11336; *No. of Looms*: 300.

ALWAYE TEXTILES LTD., Alwaye; *Mg. Agents*: Messrs. K. Athu & Co., Perumbavoor Road, Alwaye; *No. of Spindles*: Mule 720; Ring 600; Total 1320; *No. of Looms*: 10.

MYSORE

BANGALORE WOOLLEN, COTTON & SILK MILLS CO. LTD., Agraram Road, Bangalore City; *Secretaries, Treasurers and Agents*: Messrs. Binny & Co. (Madras) Ltd., 7, Armenian St., Madras; *No. of Spindles*: Ring 42280; *No. of Looms*: 1147. 51 (Blanket)

DAVANGERE COTTON MILLS LTD., Davangere; *Mg. Agents*: Messrs. R. Hanumanthappa & Son, Hanumanthappa Building, Chittaldrug Road, Davangere; *No. of Spindles*: Ring 12096.

MINERVA MILLS LTD., Bangalore City; *Mg. Agents*: Messrs. N. Sirur & Co. Ltd., Temple Bar Building, 70, Forbes Street, Fort, Bombay; *No. of Spindles*: Ring 34016; *No. of Looms*: 480.

MYSORE SPG. & MFG. CO. LTD., Venkatarangaiengar Road., Malleshwaram, Bangalore City; *Mg. Agents*: Messrs. N. Sirur & Co. Ltd., Temple Bar Building, 70, Forbes Street, Fort, Bombay; *No. of Spindles*: Ring 49696; *No. of Looms*: 520.

SRI KRISHNARAJENDRA MILLS LTD. Siddalingapur, Mysore; *Chairman and Mg. Director*: M. S. Ramchendra Rao, Mill Premises; *No. of Spindles*: Ring 25200; *No. of Looms*: 236.

SREE KRISHNA WVG. MILL, Subramanyapura, Kengeri Post, Uttanhalli; *Proprietors*: Messrs. Yedullam Subbiah Setty & Sons, Chickpet, Bangalore City; *No. of Looms*: 166.

SHREE SURYODAYA MILLS, Yeshwantpur, Bangalore City; *Proprietors*: Messrs. Rama Settiar and P. S. Sathappa Chettiar, Mill Premises; *No. of Looms*: 63.

T. R. MILLS, Chamarajpet, Bangalore City; *Owner* - Mr. D. R. Madhava Krishnaiya, Mill Premises; *No. of Looms*: 208.

PONDICHERRY

ANGLO-FRENCH TEXTILE CO. LTD., Pondicherry; *Proprietors and Managers*: Messrs. Best & Co. Ltd., Post Box No. 63, Madras; *No. of Spindles*: Ring 44256; *No. of Looms*: 1000.

ESTABLISHMENT TEXTILE DE MODELARPETH S. A., Modeliarpet, Pondicherry; *Chairman of the Board of Directors*: Mr. M. Ehny, Mill Premises; *No. of Spindles*: Ring 14852; *No. of Looms*: 304.

"SAVANA" SOCIETE ANONYME DE FILATURE ET TISSAGE MECANIQUE, Savana (Inde-francaise), Pondicherry; *General Manager*: Mr. Marcel Valot, Mill Premises; *No. of Spindles*: Ring 22968; *No. of Looms*: 664.

ERRATA TO LIST OF MILLS

Re: The Barsi Spinning & Weaving Mills, Ltd.

On page (x) of Appendix C, the name of the Managing Agents should read as follows: Messrs. Desai Arwade Ltd.



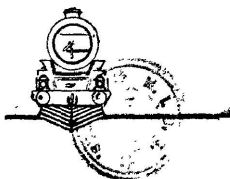


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