M. P. GANDHI.

THE INDIAN COTTON TEXTILE INDUSTRY—

(1947-48 ANNUAL)

2-66

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WITH A FOREWORD BY

The Hon'ble Dr. Syama Prasad Mookerjee,

Minister for Industry and Supply, Government of India.

"... His *Annual* covers a wide field and is in many respects unique."

Vol. XI. SEPTEMBER, 1948 Rs. 6/-; By V.P.P. Rs. 6/8

To be had of: GANDHI & CO. (Publishers),

Jan Mansion, Sir Pherozeshah Mehta Road, Fort, BOMBAY.

Telegrams: "KEEN", Bombay.

Telephones: Office: 25961 & 24047. Res.: 43926.

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FOREWORD

BY

The Hon'ble Dr. SYAMA PRASAD MOOKERJEE,
Minister for Industry and Supply,
Government of India.

The cotton textile industry is by far the largest industry in the country and provides employment directly for 7,00,000 workers and indirectly for 18,000 powerloom weavers and 25,00,000 handloom weavers. Its importance to the economy of the country cannot be over-emphasized considering that the production of the mill and handloom industry put together accounts for over 600 crores of rupees annually. India today possesses the second largest textile industry in the world and counts second only to the U.S.A. in this respect. Mr. M. P. Gandhi has for the last 10 years published an able and comprehensive survey of this important industry and its problems. His *Annual* covers a wide field and is in many respects unique. Considerable care has been bestowed by him in the collection of statistics and the reading matter should be of interest to all those who take an interest in the textile industry. For some time now the problem of providing sufficient cloth to the large population of this country has been a matter of anxious concern to the Government.

Those who are interested in the textile industry and also the public should find Mr. Gandhi's publication of great value in appreciating the intricacies of the problem and the difficulties which have to be met in attempting to solve it.

SYAMA PRASAD MOOKERJEE.

New Delhi.
21-9-1948

Your knowledge will certainly advance
If you have a look at "At a Glance".

To Advertisement pages we invite your attention
They will give new ideas and useful information.

M. P. GANDHI.

PREFACE

The year which falls to be covered in this *Annual* has seen many exciting developments. The partition of India has almost changed the contours of India's raw cotton economy. Textile control was swept off the board in January 1948. It was followed by an all too brief interlude of better supplies and high prices. All of a sudden, control of a sort has been reintroduced from August 1948. Between the exit and re-entry of control, many noteworthy things have happened. They are all noticed in detail in the following pages. It would be superfluous to refer to them here. The drama of textile regulation is still going on and control has come back on the stage to play what looks like a spurious Sixth Act! The final *denouement* would be interesting.

The plan adopted in the last *Annual* has been followed in this *Annual* also. All the facets of the industry are presented with detailed discussion of the issues involved. It is hoped that the reader will find the treatment useful. We may confess that it has not been easy to isolate the various aspects and discuss them. The direction of control hinges upon production, production depends on prices, prices are conditioned by economic policy, economic policy rests on political ideology, and so on. We have, however, stressed the inter-dependence of these issues upon one another. A complex industry like the cotton textile industry in India has necessarily to be viewed from so many points of view. These, we hope, have been duly brought out.

Our economic problem has moved a long way from one of being a simple question of raising production though that is still important. Many new issues like that of determining the fair return of capital employed in the industry, the 50-50 share of labour in profits, the so-called duty of the industry to provide housing for workers are now lying athwart the old questions. We are certainly living in hectic days. The old conception of unfettered private enterprise, which gave only a subordinate place to the worker in the scheme of production and profits, is suffering swift extinction. Brave new ideas are flaunted. Whether they will lead to brave new worlds perhaps future *Annuals* will record. At the risk of being dubbed reactionary, we should like to observe here that the pursuit of so many diverse objectives at once, is tending to obscure the main and major needs of the people. What we want is production and that is being retarded by the new doctrine of industrial relations. By all means, let us improve the lot of the sweated worker, let exploitation cease here and now. But let us also insist upon higher and higher production. Only then will the lot of the consumers, who comprise the State and who include the working class, be better. We suppose this is common ground to all schools of thought. And yet, why do we find greater emphasis being placed upon all aspects except that of production ? At this rate, we may have to pay a heavy price for the doctrine of equality in the economic sphere.

Imperative Need of Enhanced Production

In fact, one notes with great regret the general tendency to ignore the basic needs of our economy. Inflation is rearing its ugly head and is already bearing hard on the people. And any dis-inflationary policy has *its corner stones in lower cost of production, higher output and equitable distribution*. It would seem therefore that these are the things to which government, capital and labour should first address themselves. But that is not so. The sound principle of "first things first" seems to have been given the go-bye. Instead, many a *Mirage* holds the attention of everyone. As the illustrious Governor of the Reserve Bank, Sir Chintaman Deshmukh, said at the recent annual general meeting of the Reserve Bank, it is doubtful whether with our undermanned administrative machinery labouring under the disadvantages of an yet immature democracy, there is much scope for ambitious socialisation. We quote his words in this context, in the hope that they will impress deeply all concerned : "Free enterprise has in many ways failed to rise to the occasion, but the remedy lies not in its elimination but in strengthening *in all possible ways the good elements in it* while curbing the egotism and making good the deficiencies of the system. Ethics and discipline have been among the most significant casualties of the war all over the world and India's present day economy is suffering from a malaise common to all nations. But the problem is by no means intractable and there is enough latent strength in the community to help to restore health if Government handle the situation with justice and determination. A little more readiness on the part of industry to deliver the goods and a little more realization on the part of labour, that it is real wages that matter and not the will-o'-the-wisp of bulky pay-packets will help to transform the situation. Let the guiding principle *of the State, Capital and Labour be greater production at lower unit costs*."

These are wise words, spoken by a careful student of financial questions of international fame—one who cannot be accused of partiality for any particular school of thought. In fine, our problem reduces itself today to one of increasing the production of things rather than the production of problems. Just now, everybody, including the government, seems to be engaged in the latter. Problems can wait for more spacious days. The need of the hour is to produce goods. In fact, we ought to make a religion of production.

To this end we suggest an examination of the desirability of a temporary re-introduction of the nine-hour day and the general adoption of third shift, particularly in the spinning section, as in our view such an effort, even if it is considered a sacrifice on the part of labour, is warranted at this juncture in the interests of the general public. We would also suggest the appointment of a working party as was recently done in the United Kingdom, consisting of top-ranking technical men belonging to the industry, for carrying out a survey of the existing methods of production which in our opinion are capable of a great improvement. If these methods are adopted speedily and suitable steps are taken for rationalisation of the industry, we feel convinced that higher production targets can be achieved, and if we are able to reach a production of even 5,000 million yards per year, it would greatly relieve the situation in respect of cloth in the country at the present time. We, therefore, suggest that Government should conduct an experiment in this direction in this organised industry, as in view of the success which is sure to follow, it will inspire much faith all-round.

Great Importance of Textile Industry in India's Economy

The Cotton Textile Industry, which is by far the single largest industry in the country, has a block capital of well over Rs. 100 crores, provides employment for 7,00,000 workers, works over 10.3 million spindles and 2,03,000 looms capable of producing well over 1,650 million lbs. of yarn, and weaving 4,726 million yards of cloth and consumes about 50 lakhs bales of cotton of which about 40 lakhs bales are Indian cotton, annually. A major portion of the surplus yarn of the mills is supplied for handloom production on a cottage industry basis whose present volume of production is approximately 1,300 million yards annually. It will be interesting to note that the value of production of the entire mill industry at the current prices will work out to approximately Rs. 450 crores, while the value of production of the entire handloom industry will work out to approximately Rs. 100 crores. (Rs. 550 crores in all).

The handloom industry is an integral part of the cloth manufacturing industry of the country and occupies an extremely important position in the country's economy as it supports approximately one crore workers including their dependents. Further, the handloom industry is completely independent of any imported machinery and raw material. This wil serve to show that the Indian Cotton Textile Industry, which has been built up and developed during the last 100 years, is the most magnificent example of national achievement in the industrial sphere and is a symbol of India's potentialities as an industrial country, and which deserves State help for its further expansion. The development of such an important industry on sound and efficient lines should be the paramount duty of everyone having the welfare of the country at heart.

It has been the aim of the Government to increase the production capacity of the industry by about 3 million spindles in the near future. When this expansion programme is fulfilled, it will be possible to produce 1,700 million yards of additional cloth, raising the total available quantity to about 8,000 million yards.

We hope that this *Annual*, which discusses in an impassioned manner the various complex problems now before the industry and offers workmanlike solutions for them, will be found helpful by all concerned.

Increased Expenditure on Research Essential

In our Appendix on Raw Cotton we have discussed the question of the necessity of a larger expenditure on research work for improving the quality and quantity of raw cotton in India, particularly as a result of the partition of India.* From a purely cotton standpoint an increase in acreage under cotton, particularly of long and medium staple varieties, is essential for the four-fold purpose of reducing our dependence on imports of raw cotton from Pakistan, ensuring plentiful supplies of raw material for the expanding needs of the indigenous textile industry, taking the utmost advantage of the foreign demand for our cotton, and making good the deficiency in the supply of cotton seed for livestock feeding. This desideratum is, however, subject to the equally essential proviso of 'food situation permitting'. For increasing the tempo of research work on cotton we wish to stress here with all the emphasis at our command the necessity of earmarking a sum of Rs. 25,00,000 per year for the Indian Central Cotton Committee.† We trust that the

* This partition has placed India in an unfavourable position. Although the Indian Union has thrice as much area under cotton as Pakistan, a comparison on the basis of acreage is highly misleading because West Punjab and Sind grow mostly long staple cotton and the yield per acre in these areas is far greater than in most parts of the Indian Union. It is a happy feature, however, that the percentage share of short staple cotton (below 7/8") to the total production of cotton declined from 65% on an average of 1936-41, to 35% in 1944-45, while the share of medium and long staple (over 7/8") increased from 34% to 66%.

† How negligible our expenditure on agriculture is can be understood from the observations made by Shri Jairamdas Daulatram, Minister for Agriculture, on the 16th March 1948, in the Dominion Parliament. He said that India spent *one anna* per head on agriculture, while U.S.A spent Rs. 80, and U.K. spent Rupees two per head. While U.S.A. spent 3.3 per cent of the Central Budget on agriculture, Canada 1.6 per cent, U.K. 0.8 per cent, India spent 0.75 per cent.

Government of India will give their careful consideration to this suggestion.

Revision of Indo-British Trade Agreement Necessary?

In view of the altered circumstances in the Indian cotton trade consequent on the partition of India, we suggest that it will be useful to consider the question of revision of the Indo-British Trade Agreement. This agreement links the import of British cotton textiles into India with the export of Indian raw cotton to the United Kingdom. For conserving the reduced cotton stocks of India for internal consumption, a revision of the terms of the agreement seems to be essential. We invite the attention of the Government of India to this question and hope that they will take necessary steps at the earliest date.

Notes Re: "At a Glance", and Appendices

We invite the careful attention of the readers to the earlier portion of the *Annual* entitled "Cotton Industry at a Glance". It contains 19 statistical tables brought up-to-date in regard to various matters concerning the industry both in India and Pakistan. We have also appended texts of important Government resolutions on relaxation and re-imposition of control over textiles, of the Cotton Textiles (Control) Order, 1948, and the Cotton Textiles (Control of Movement) Order, 1946. We have also given a list of the members of the Textile Advisory Committees and of the All-India Handloom Board. Latest information has also been given in regard to the imposition of the cotton cess at the rate of 4 annas per bale with effect from August 1948, and a list has been appended of all control orders which are at present operative concerning the Indian Cotton Textile Industry, for the guidance of those who are interested.

We have dealt comprehensively with problems pertaining to cultivation, export, import, consumption and prices of raw cotton in Appendix "A", in the hope that it will be of some use to Commerce students who have to study the subject as part of the subjects for the B.Com. course.

In view of the admittedly great importance of the handloom industry and its potentialities of development in the future, its problems have been treated at considerable length in Appendix "B", where we have given a lot of fresh data relating to this industry from sources both official and non-official.

We have also appended for the first time in Appendix "C" a statement showing the requirements of Millstores, Dyes, Chemicals, etc. for the Cotton Textile Industry, indigenous production of Millstores, etc., and the kind of assistance necessary for the allied indigenous industry. This statement was attached to the Report of the Barat Committee on Textiles and Allied Industries in 1947.

We have appended as usual a revised list of mills, with their spindles and looms, and names of Managing Agents as the last Appendix to this Annual. The mills in Pakistan have been shown separately.

We are grateful to the Hon'ble Dr. Syama Prasad Mookerjee, Minister for Industry and Supply, Government of India, for writing the Foreword in the midst of his multifarious activities.

We have to thank Mr. T. P. Barat, Textile Commissioner, for the willingness with which he has assisted us in bringing out this publication with its detailed statistics in up-to-date form.

We are thankful to the various progressive Companies for the utilisation of our *Annual* as a medium for displaying their advertisements.

We will appreciate suggestions from readers for enhancing the usefulness of this publication to the industry, universities and their research departments, commercial community, officials, non-officials and the general public interested in the study of the vicissitudes of this largest national industry of India.

We have to explain that the delay in the publication of this *Annual* has been due to the sudden change in the Government's policy in regard to control over this industry announced as late as 30th July 1948. We have reproduced the latest Government communiques on the subject along with the texts of the various Control Orders amended upto 31st August 1948. We have also passed under review the latest measures of the Government re: the economic situation in India. We have no doubt that the readers will appreciate all this and excuse the delay in the publication for these weighty reasons.

C/o Gandhi & Co.,
Jan Mansion,
Sir Pherozeshah Mehta Road,
Bombay, 20th September 1948.

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

THE COTTON INDUSTRY AT A GLANCE (1947-48)

NOTE.—Due to the considerable delay in the publication of official statistics, we have experienced great difficulty in giving the latest figures in many instances. An attempt is, however, made to furnish such authoritative figures compiled from various official and reliable non-official sources. We hope to be able to give more complete and up-to-date statistics in our next *Annual.*

World-production and Export statistics of *Cotton piecegood* and *Rayon* are also given in the following Tables.

TABLE NO. 1

Progress of Cotton Mills in India from 1936 to 1947.

Year ending 31st August	Number of Mills	Number of Spindles installed	Number of Looms installed	Average No. of hands employed	Approximate quantity of cotton consumed (Bales of 392 lbs.)
			(Figures in thousands)		
1936	37	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
1946	421	10,305	2,03	4,95	4,550
1947	423	10,354	2,03	4,88	3,972

* Figures prior to 1937 include Burma.

TABLE NO. 2.

Indian Cotton Crop (Acreage and Yield)

Season	Area in thousands of acres	Estimated Yield in thousands of bales of 400 lbs. each	Estimated approximate money value of crop in lakhs of Rs.
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	14,843	3,580	64,75
1945-46	14,668	3,530	75,25
1946-47	14,860	3,566	—

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	Total Value in 000's Rs
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	31,678	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
1945-46	245	712	38,783	122,279	37,581	83,890	86,009	228,665
1946-47	3,737	9,233	43,575	134,122	30,375	69,520	98,997	259,167

TABLE NO. 4

Exports of Indian Raw Cotton to Other Countries

Year (April-March)	U. K. Quantity Tons	U. K. Value in 000's Rs.	Japan Quantity Tons	Japan Value in 000's Rs.	Total Quantity Tons	Total Value in 000's Rs.
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	183,570	1,07,650	526,516	3,01,118
1940-41	52,840	32,993	125,859	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
1945-46	39,006	47,380	—	—	135,945	1,39,156
1946-47	19,065	25,065	—	—	162,718	2,25,422

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	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
"	"	1946	4,495	12	141	372	5,020
"	"	1947	3,162	5	154	377	3,698

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		1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47
BRITISH INDIA:								
Bombay Island	...	982	1,058	1,271	1,199	1,224	1,124	842
Ahmedabad ...	...	341	415	365	429	402	383	296
Bombay Presidency	...	1,579	1,764	1,939	1,907	1,911	1,769	1,366
Madras Presidency	...	526	594	647	597	604	566	455
United Provinces	...	381	427	437	414	411	369	300
C. P. & Berar	...	154	179	174	148	170	156	142
Bengal ...	...	135	126	136	138	136	129	101
Punjab & Delhi	...	172	180	182	183	181	168	144
Rest of British India	...	47	56	59	52	52	54	50
Total of British India	...	2,995	3,325	3,575	3,438	3,465	3,211	2,558
Total of Indian States	...	622	690	731	678	695	660	594
Total for India	...	3,617	4,025	4,306	4,116	4,160	3,871	3,152

TABLE NO. 7

Imports of Cotton Twist and Yarn into India

(000's omitted)

Year (April-March)	U.K. Quantity lbs.	U.K. Value Rs.	Japan Quantity lbs.	Japan Value Rs.	Total (all countries) Quantity lbs	Total (all countries) Value Rs.
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	16,821	21,998	25,073
1938-39	4,681	7,945	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
1945-46	123	368	...	...	123	368
1946-47	151	649	...	...	217	918

* Excludes Burma from 1937-38.

TABLE NO. 8

Imports of Cotton Manufactures into India

(000's omitted)

Year (April-March)	U.K. Quantity Yds.	U.K. Value Rs.	Japan Quantity Yds.	Japan Value Rs.	Total (all countries) Quantity Yds.	Total (all countries) Value Rs.
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	2,228
1945-46	2,639	3,300	...	...	3,184	4,313
1946-47	6,909	10,178	...	...	16,150	23,887

* Excludes Burma from 1937-38.

TABLE NO. 9

Exports of Cotton Twist & Yarn, and Cotton Piecegoods from India

(000's omitted)

Year (April-March)	Twist and Yarn Quantity Yds.	Twist and Yarn Value Rs.	Piecegoods Quantity Yds.	Piecegoods Value Rs.
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
1945-46	14,497 lbs.	14,805	440,510	295,187
1946-47	3,791 lbs.	4,418	318,019	249,247

* Includes Exports to Burma from 1937-38.

TABLE NO. 10

Quantities of Yarn Spun and Woven Goods Manufactured in Indian Mills

(000's omitted)

Year (April-March)	Yarn lbs.	Piecegoods Yds.
1934–35	1,001,420	3,397,456
1935–36	1,059,117	3,571,371
1936–37	1,050,836	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
1945–46	1,614,817	4,675,634
1946–47	1,222,000	3,863,932

TABLE NO. 11

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

YARN (upto 31-3-1949)

All counts Date	Tariff Rates
From 10th March, 1894 to 26th Dec., 1894	... Free
„ 27th Dec., 1894 to 2nd Feb., 1896	... 5 p.c. *ad valorem.*
„ 3rd Feb., 1896 to 28th Feb., 1922	... Free
„ 1st March, 1922 to 21st Sept., 1927	... 5 p.c. *ad valorem.*
„ 22nd Sept., 1927 to 29th Sept., 1931	... 5 p.c. *ad valorem* or 1½ as. per lb. whichever is higher.
„ 30th Sept., 1931 to 30th April, 1934	... 6¼ p.c. *ad valorem* or 1⅞ as per lb whichever is higher.

From 1st May, 1934 :—(Effective up to 31st March, 1949).

Schedule No. 47 (b).

Counts 50s and below :—

(i) British Manufacture	... 5 p.c. *ad valorem* or 1¼ as. per lb. whichever is higher plus 1/5th of the total duty.
(ii) Not of British Manufacture	... 6¼ p.c. *ad valorem* or 1⅞ as. per lb. whichever is higher plus 1/5th of the total duty.

Counts above 50s :—

(i) British Manufacture	... 7½ p.c. *ad valorem.*
(ii) Not of British Manufacture	... 6½ p.c. *ad valorem.*

COTTON PIECEGOODS (upto 31-3-1949)

Date	*Tariff Rates.*
m 10th March, 1894 to 26th Dec., 1894	... Free
27th Dec., 1894 to 2nd Feb., 1896	... 5 p.c. *ad valorem.*
3rd Feb., 1896 to 6th March, 1917	... 3½ p.c. *ad valorem.*
7th March, 1917 to 28th Feb., 1921	... 7½ p.c. *ad valorem.*
1st March, 1921 to 3rd April, 1930	... 11 p.c. *ad valorem.*

An excise duty was imposed on cotton piecegoods woven in Indian mills at the f 3½ per cent *ad valorem* from 1896. This excise duty was suspended in December and abolished in 1926.

Changed Classification. (From 4th April, 1930)

Date		PLAIN GREY British Ad valorem %		British As. per lb. (whichever is higher)	Foreign Ad valorem %		Foreign As. per lb. (whichever is higher)	OTHERS British Ad valorem %	OTHERS Foreign Ad valorem %
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	4⅜	31	or	4⅜	25	31¼
30th Aug.	1932	25	or	4⅜	50	or	5¼	25	50
7th June	1933	25	or	4⅜	75	or	6¾	25	75
8th Jan.	1934	25	or	4⅜	50	or	5½	25	50
1st May	1934	25	or	4⅜	50	or	5¼	25	50

POSITION SINCE 1936

Under Government of India Notification No. 341-T(10)/36, dated the 25th June 1936, protective duties on cotton piecegoods 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 5¼ 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*.

TABLE NO. 12

Customs Duty in force upto 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 *ad valorem*
	(*a*) of British manufacture* ...	30 per cent *ad valorem* or 2½ annas per square yard, whichever is higher plus one-fifth of the total duty.	
	(*b*) not of British manufacture* ...	50 per cent *ad valorem* 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.

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— (*contd.*)		
48(3)	Cotton Fabrics, not otherwise specified, containing more than 90 per cent of cotton—		6 per cent *ad valorem*
	(*a*) Grey piecegoods (excluding bordered grey chadars, dhoties, saris and scarves):—		
	(i) of British manufacture[1]	15 per cent *ad valorem* 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 *ad valorem* or 5¼ 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 *ad valorem.*	
	(ii) not of British manufacture	60 per cent *ad valorem.*	
	(*c*) Cotton piecegoods and fabrics, not otherwise specified—		
	(i) of British manufacture[3]	18 per cent *ad valorem.*	
	(ii) not of British manufacture	60 per cent *ad valorem.*	
*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 *ad valorem*
	(*a*) containing 50 per cent or more cotton—		
	(i) of British manufacture	30 per cent *ad valorem* or 2 annas per square yard, whichever is higher plus one-fifth of the total duty.	
	(ii) not of Brritish manufacture[4]	50 per cent *ad valorem* or 3½ annas per square yard, whichever is higher plus one-fifth of the total duty.	
	(*b*) containing [illegible] or containing less than 50 per cent cotton.		
	(i) of British manufacture ...	30 per cent *ad valorem* 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 *ad valorem* 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 *ad valorem*
	(*a*) Printed fabrics—		
	(i) of British manufacture[2]	21 per cent *ad valorem.*	
	(ii) not of British manufacture	42 per cent *ad valorem.*	
	(*b*) Other fabrics—		
	(i) of British manufacture[3]	18 per cent *ad valorem.*	
	(ii) not of British manufacture	42 per cent *ad valorem.*	

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

*** Upto March 31st, 1949.**

[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 2.3/16 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.

[*For Tariff after 1st April, 1947, please see next page (Table No. 15)*]

TABLE NO. 13

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

—	1937	Million Sq. yards 1942	*N.B.*
U.K.	3,806	1,850	Latest figures not available
U.S.A.	9,321	12,000	
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.

TABLE NO. 14

Total Production of Mill-made cotton cloth and yarn in *Undivided* India for 10 calendar years from 1938 to 1947

(000's omitted)

Period	TOTAL ALL-INDIA MILL PRODUCTION		
	Yarn	Cloth	
		Lbs.	Yds.
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	1,643,623	1,202,299	4,711,648
1946	1,396,496	966,299	4,002,787
1947	1,315,628	919,847	3,837,119

(As compiled by the Textile Commissioner, Bombay.)

The production of Pakistan alone for 1947 is as follows:

(000's omitted)

No. of Mills	Spindles	Looms	Quantity of Yarn	Quantity of cloth
14	163	4	19,923 lbs.	17,822 lbs. *OR* 75,145 Yds.

TABLE NO. 15

Revenue and Protective Duties on Cotton piecegoods and yarn from 1st April 1947
Extract from the First Schedule Appended to the Indian Tariff Act

Item No.	Name of Article	Nature of duty Protective or Revenue	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of: The United Kingdom.	A British Colony.	Burma	Duration of protective rates of duty.	Remarks.
47(6)	Cotton twist and yarn, and cotton sewing or darning thread*—					Free.		Under Government of India, Finance Department (Central Revenues) Notification No. 33, dated the 22nd June 1935, as amended subsequently, cotton sewing or darning thread wound on reels, balls, tubes, cards, bobbins, spools, cops, cheeses and cones is liable to duty at 6 per cent ad valorem when the thread is of British manufacture and at 7½ per cent ad val. when it is of non-British manufacture.
	(a) of counts above 50's—							
	(i) of British manufacture.	Revenue.	6 per cent ad valorem.	......	......			
	(ii) not of British manufacture.	Revenue.	7½ per cent ad valorem.	......	......			
	(b) of counts 50's and below—							
	(i) of British manufacture.	Revenue.	5 per cent ad valorem or 1¼ annas per lb., whichever is higher plus one-fi[illegible] of the total duty.	......	......			
	[illegible] not of British manufacture.	Revenue.	[illegible] per cent ad valorem or, 1⅞ annas per lb., which ever is higher plus one-fifth of the total duty.	...	......			
48(1)	Fabrics, not otherwise specified, containing more than 90 per cent of artificial silk—					18 per cent ad valorem.		

(a) of British manufacture.	Protective.	30 per cent ad valorem or 2¼ annas per sq. yard, whichever is higher plus one-fifth of the total duty.	......	......		March 31st, 1949	
(b) not of British manufacture.*	Protective.	50 per cent ad valorem or 4 annas per sq. yard, whichever is higher plus one-fifth of the total duty.	......	......		March 31st, 1949.	* Under Govt. of India Commerce Dept. Notification No. 341-T. (6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50% ad val. or 7 annas per sq. yd., whichever is higher plus one-fifth of the total duty.
48(3) Cotton fabrics not otherwise specified, containing more than 90 per cent of cotton—					6 per cent ad valorem.		
(a) Grey piecegoods (excluding bordered grey chadars, dhoties, saris and scarves)—							
(i) of British manufacture.†	Revenue.	15 per cent ad valorem or 2⅝ annas per lb., whichever is higher plus one-fifth of the total duty.	......	......			† Under Govt. of India, Commerce Dept. Notification No. 20-T. (17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 12½% ad val. or 2 3/16 annas per lb., whichever is higher plus one-fifth of the total duty.
(ii) not of British manufacture.	Revenue.	50 per cent ad valorem or 5¼ annas per lb., whichever is higher plus one-fifth of the total duty.	......	......			
(b) Printed piecegoods and printed fabrics—							
(i) of British manufacture.‡	Revenue.	21 per cent ad valorem.	......	......			‡ Under Govt. of India, Comm. Dept. Notification No 20-T. (17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 18% ad val.
(ii) not of British manufacture.	Revenue.	60 per cent ad valorem.	......	......			
(c) Cotton piecegoods and fabrics not otherwise specified—							
(i) of British manufacture.§	Revenue.	18 per cent ad valorem.	......	......			§ Under Govt. of India, Commerce Dept. Notification No. 20-T. (17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 15% ad valorem.
(ii) not of British manufacture.	Revenue.	60 per cent ad valorem.	......	......			

Item No.	Name of Article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of : The United Kingdom	A British Colony.	Burma.	Duration of protective rates of duty.	Remarks.
48(5)	Fabrics, not otherwise specified, containing not more than 10 per cent silk but more than 10% and not more than 90 per cent artificial silk—					18 per cent ad valorem.		
	(a) containing 50 per cent or more cotton—							
	(i) of British manufacture.	Protective.	30 per cent ad valorem or 2 annas per sq. yard, whichever is higher plus one-fifth of the total duty.	......	......		March 31st, 1949.	Under Govt. of India, Commerce Dept. Notification No. 341-T. (6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50% ad val. or 5½ annas per sq. yd., whichever is higher plus one-fifth of the total duty.
	(ii) not of British manufacture.	Protective.	50 per cent ad valorem or 3¼ annas per sq. yard, whichever is higher plus one-fifth of the total duty.	......	......		March 31st, 1949.	
	(b) containing no cotton or containing less than 50 per cent cotton—							
	(i) of British manufacture.	Protective.	30 per cent ad valorem or 2½ annas per sq. yard, whichever is higher plus one-fifth of the total duty.	......	......		March 31st, 1949.	†Under Govt. of India. Commerce Dept. Notification No. 341-T. (6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50% ad val. or 7 annas per sq. yd., whichever is higher plus one-fifth of the total duty.
	(ii) not of British manufacture.†	Protective.	50 per cent ad valorem or 4 annas per sq. yard, whichever is higher plus one-fifth of the total duty.	......	......		March 31st, 1949.	
48(7)	Fabrics, not otherwise specified, containing not more than 10 per cent silk or 10 per cent artificial silk or 10 per cent wool, but containing more than 50 per cent cotton and not more than 90 per cent cotton.					18 per cent ad valorem.		
	(a) of British manufacture.	Protective.	30 per cent ad valorem.	......	......		March 31st, 1949.	
	(b) not of British manufacture.	Protective.	60 per cent ad valorem.	......	......		March 31st, 1949.	

48(9) The following cotton fabrics, namely, sateens, including Italians of Sateen weave, velvets and velveteens and embroidered *all-overs*—					6 per cent ad valorem.		Under Govt. of India, Commerce Dept. Notification No. 20.T. (17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 18% ad valorem.
(*a*) Printed fabrics—							
(i) of British manufacture.*	Revenue.	21 per cent ad valorem.	......				
(ii) not of British manufacture.	Revenue.	42 per cent ad valorem.	......				Under Govt. of India, Commerce Dept. Notification No. 20-T. (17)/39, *dated the 16th April 1940*, the articles assessable under this sub-item are liable to duty at 15% ad valorem.
(*b*) Other fabrics—							
(i) of British manufacture.†	Revenue.	18 per cent ad valorem.	......				
(ii) not of British manufacture	Revenue.	42 per cent ad valorem.	......				
Textile manufacturers, the following articles when made wholly or mainly of any of the fabrics specified in—							
(*a*) Item No. 48, 48(1), 48(4), 48(5), 48(7), or 48(10)—	Protective.	The ad valorem rates of duty applicable to the fabric of which the article is wholly or mainly made.	......	......	The ad valorem rates of duty applicable to the Burmese fabric of which the article is wholly or mainly made	The duration applicable to the fabric of which the article is wholly or mainly made.	
(*b*) 48(3) or 48(9)— Bed sheets. Bed spreads. Bolster cases. Counterpanes. Cloths, table. Cloths, tray. Covers, Bed. Covers, table. Dusters. Glass-cloths; Handkerchiefs; Napkins; Pillow cases; Pillow slips; Scarves; Shifts; Shawls; Sacks (cotton); Towels; Umbrella coverings.	Revenue.						

Item No.	Name of Article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of:			Duration of protective rates of Duty.	Remarks.
				The United Kingdom.	A British Colony.	Burma.		
49(1)	Fents, being bona fide remnants of piecegoods or other fabrics—							
	(a) of materials liable to duty under item 48(3), not exceeding 4 yards in length.	Preferential revenue.	42 per cent ad valorem.	30 per cent ad valorem.	......	24 per cent ad valorem.	......	
	(b) of materials liable to duty under item 48, 48(1), 48(4) or 48(5), not exceeding 2½ yards in length.	Preferential revenue.	42 per cent ad valorem.	30 per cent ad valorem.	......	24 per cent ad valorem.	......	
	(c) of other materials not exceeding 4 yards in length.	Preferential revenue.	42 per cent ad valorem.	30 per cent ad valorem.	......	24 per cent ad valorem.	......	
49(5)	Cotton braids or cords, the following, namely— Ghoonsis & Muktakesis.	Revenue.	7 4/5 annas per lb.	......	......	Free.	......	
53.	Textile manufactures, not otherwise specified.	Revenue.	30 per cent ad valorem.	......	......	12 per cent ad valorem.	......	

N.B.—Protective duties on a number of items were removed, with effect from 1st April, 1947 (on the recommendations of the Tariff Board Cotton Textile Enquiry, in February, 1947), by the Government of India, and revenue duties were substituted on several items. These revenue duties are liable to removal *at any time*.

TABLE NO. 16

Net Imports, Available Mill Production, and Estimated Handloom Production of Cotton Piecegoods in India, along with *per capita* Consumption from 1919-20 to 1946-47

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	167	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	572	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	480	12.0
1943–44*	.3	441	160	601	15.0
1944–45	.5	430	150	580	14.5
1945–46	.3	423	137	560	14.0
1946–47	1	354	135	490	12.2

* *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 1946-47 works out to 12.2 yards *per capita*, due to the great decrease in the production of Indian mills.

TABLE NO. 17

(Up-to-date information not available.)

World Production of Cotton Piecegoods and RAYON and Exports *

	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 18 and 19 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. 18

(Up-to-date information not available.)

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

—	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.

NEW INDUSTRIES AUXILIARY TO THE TEXTILE INDUSTRY

1. HEALDS AND REEDS INDUSTRY: The production of healds has gone up steadily from 16,000 dozens in 1940 to 25,000 dozen sets in 1942 and 29,000 dozen sets in 1946. The total number of healds required annually is about 66,000 dozen sets. Production of wire healds has also gone up from 600 bundles (1,000 pieces each) in 1941, to 5,500 bundles (1,000 pieces each) in 1946. The demand for wire healds is on the increase due to the introduction of automatic looms. They are also required for the silk industry. The production of reeds has gone up from 5,500 dozens in 1940 to 9,200 dozens in 1946. The total requirements of reeds annually is about 33,000 dozens.

2. BOBBIN INDUSTRY: The Indian Bobbin industry maintained its rapid progress during 1947, although a number of small uneconomic factories closed down meanwhile. Compared with the 1946 production of 226,000 gross made by about 200 factories the output during 1947 has been nearly 300,000 gross by only 109 factories. The total import of bobbins had gone down from gross 169,295 in 1946 to 140,265 gross during 1947. The Indian Bobbin manufacturers imported during 1947 large quantities of birch and beach wood from Canada, U.S.A. and Scandinavian countries with a view to improving the quality of local output. A few of the manufacturers have also ordered for automatic bobbin plants from U.K.

3. SHUTTLE INDUSTRY: The requirements of shuttles for the Cotton Textile Industry are about 8.000 gross per year. While the imports during the year 1947 were about 5,000 gross, the indigenous production was only about 340 gross. This means that there is a considerably large scope for the development of the Indian Shuttle Industry.

4. PICKER INDUSTRY: The Indian Picker Industry has been able to meet a major portion of the requirements of the Cotton Textile Industry. There has also been an improvement in the quality of Pickers.

5. STARCH INDUSTRY: At present there are 24 licensed factories which are capable of producing 58,000 tons of starch annually. They are handicapped, however, due to insufficiency of maize grain and due to the restriction on use of wheat flour or glucose in the manufacture of cloth.

Customs Duty on Import of RAW COTTON

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. (1948).

Customs Duty on Export of Cotton Cloth and Yarn (Handloom Cloth excluded from 1948)

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 also applied to handloom cloth. This duty which was levied under Cotton Textiles Fund Ordinance till 1947, was superseded by a revenue duty of 4 as. per sq. yd. on cloth and 6 as. per lb. on cotton yarn exported from India as provided in the supplementary budget introduced by the Finance Minister in the Constituent Assembly (Legislative), India, on 26th November 1947. The duty was subsequently converted into an *ad-valorem* duty of 25% on cloth—handloom cloth, and cotton yarn was exempted from payment of duty—from 1st March 1948 under the Indian Finance Act, 1948.

Export Duty on RAW COTTON

On 26th October 1946, the Government of India issued an Ordinance amending the Indian Tariff Act, by which Government were empowered to impose an export duty on raw cotton at such rate, not exceeding seventy-five rupees per bale of 400 lbs., as they may, by notification, in the official *Gazette*, from time to time, determine. By a notification, dated the 26th October 1946, Government fixed the rate of duty at Rs. 20 per bale of 400 lbs. which came into force from the date of the notification, i.e. 26th October 1946. This duty was increased by Government to Rs. 40 per bale of 400 lbs. by a notification issued towards the latter part of January 1948.

Indo-Pakistan Trade Agreement

The Government of India declared Pakistan as a foreign territory with effect from 1st March 1948, and cotton imported from that country into the Indian Dominion became liable for the payment of the import duty of 2 annas per lb. from that date. Certain negotiations were, however, going on between the two Dominions for the barter of Indian cotton textiles in exchange for Pakistan cotton. Subsequently, about the middle of March, an agreement was reached between the two Governments for the period ending August 31, 1948. Under the agreement, India will make available 12 bales of cloth and yarn against every 20 bales of cotton received from Pakistan, both cotton textiles and cotton being subject to customs duties in the two Dominions. The Government of India have also agreed to make an *ad hoc* allotment of 25,000 bales of cloth to Pakistan against cotton already received in the Indian Dominion. According to the agreement, Pakistan will be charging a sum of Rs. 60 per bale on cotton exported to India. At the same time, India will be free to charge an *ad valorem* duty of 25 per cent on cloth exported.

The Government of India have also decided not to impose any customs duty on cotton grown in Pakistan and imported from Pakistan, till 31st August 1948, with a view to prevent inflation in the price of cotton textiles in the Dominion of India.

TABLE NO. 19.

Estimated *per capita* Consumption of COTTON PIECEGOODS IN INDIA in 1944-45, 1945-46 and 1946-47

	1944-45	1945-46	1946-47
		(In million yds.)	
Net available Indian Mills' Production (after deducting exports) ...	4,300	4,230	3,545
Estimated Indian Handloom Production ...	1,500	1,360	1,350
Estimated Hand Woven Cloth from Hand-spun Yarn	140	140	100
Net Imports of Cotton Piecegoods in India	5	3	16
Net quantity of Cotton Piecegoods available for consumption in India ...	5,945	5,733	5,011
Estimated *per capita* consumption of Cotton Piecegoods in India ...yds.	15.	14.	12.2

World's Average *per capita* consumption 42 yards in 1928-29.

(For texts of other Resolutions, Control Orders, etc. please see following pages.)

c/o Gandhi & Co.,
Jan Mansion,
Sir Pherozshah Mehta Road,
Bombay.
15th August 1948.

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

GOVERNMENT RESOLUTION ON RELAXATION OF CONTROL OVER COTTON TEXTILES (January 1948)

" In November 1947 the Government of India announced their decision to put into force the Standardisation Scheme for the production of cloth and yarn as finally devised on the recommendation of the *Ad Hoc* Committee and to refer the question of prices to the Tariff Board. Since the issue of this communique, Government have decided to relax control over food with a view to its eventual elimination in stages. In pursuance of this policy of progressive decontrol of commodities, Government have also decided that the existing control over cotton textiles should be considerably relaxed. During the last few weeks there has been a sharp and sudden increase in raw cotton prices all over the world and these increases have had their repercussions in India. Difficulties have also arisen in the matter of securing supplies of long staple cotton from Pakistan on which the scheme of Standardisation was very largely based. These increases have made it necessary to relax the Standardisation Scheme. Some increase of prices of yarn and cloth appears to be inevitable, at least for the time being. It has also become desirable to devise a scheme which will provide for flexibility both in production programmes and in ex-mill prices.

As regards production it has been decided that every mill will in future be allowed to reach the targets already laid down either by following the Standardisation Scheme or by rationalising its production to suit its individual circumstances. Subject to certain limitations of a general nature devised to increase production and also to direct it towards such types and varieties as are in great demand like dhoties and sarees, mills will be allowed to work out their own production programme in the light of the demands of the market and their own raw material position. Existing measures to prevent hoarding will continue.

To increase production to the maximum and to facilitate for this purpose the exchange of views and discussion of production problems between managements and labour, the setting up of Production Committees at all mills will be promoted. Detailed proposals regarding these committees are under the consideration of the Government.

Government are anxious that there should not be any abnormal rise in prices immediately following this measure of decontrol. They have received the assurance of the Industry that they will fix reasonable prices taking into consideration the current prices of cotton. The Government welcome this assurance and will now leave the fixation of prices to the Industry. They will also take serious notice of any mill exceeding the price level fixed by the Industry. The enquiry now being undertaken by the Tariff Board will continue to enable the Government and the public to satisfy themselves that the consumer does not pay a larger price than is justified.

The Equalisation Fund is being closed, and surcharges on yarn and cloth will no longer be collected. The Industry has agreed that subsidies will no longer be necessary on any yarn or cloth and these will, therefore, not be paid by Government as contemplated in the Standardisation Scheme which is no longer being enforced by Statute.

As regards distribution, it is the intention of Government to restore normal trade channels to facilitate movement of cloth to the largest extent possible. Provincial and State Governments, will, however, be free to set up or continue their own procurement agencies. The system of quota-holders will be abolished. To relieve local shortages every mill in surplus producing areas will be required to reserve 25% of its production at the disposal of the Textile Commissioner for a period of one month. Mills will be encouraged to set up fair price shops in deficit areas and have promised their co-operation. Movements of textiles within a Province will be free and will be sanctioned by the Textile Commissioner from one Province to another except where such transport is uneconomic or unreasonable.

It would be difficult and undesirable to have the same type or variety of cloth selling at two different prices in the market. The Government have considered the question of the difference between new and old prices on stocks now held by mills, quota-holders and the Bengal Textile Association. This increase could not in fairness be allowed to be appropriated by the holders. It has, therefore, been decided that this difference should be collected from the mills for the benefit of the public revenues on the basis of stocks held by them on the 31st December 1947 or the 20th January 1948, whichever is greater, and from stockholders on the stocks held by them on the latter date.

The present system of distribution of yarn has worked reasonably well and will be continued for the present in the interests of the handloom weavers. Mills will, however, be given permission to distribute as they wish such quantities of yarns as are not lifted within a reasonable period of allocation.

In view of the unsatisfactory supply position of raw cotton, Government have decided that all staples which could be spun by Indian mills should be reserved for their use. The existing ban on export of cotton of 13/16" staple and above will, therefore, be extended. With immediate effect exports will be restricted to the following types and varieties :—

Bengal Deshi ; Oomra Deshi (excluding C.P. I and II) ; Mathia ; Assams ; and Commillas.

In pursuance of Government's general policy of decontrol, however, the statutory floors and ceilings of cotton prices will be abolished with immediate effect. To stabilise cotton prices the present export duty will be doubled. In view of the prevailing scarcity of cotton, Government do not anticipate that cotton prices will fall below the floor levels hitherto prescribed. Should, however, such a contingency arise, they will take such steps as are necessary to protect the interests of the cotton growers. The existing control over the export of cloth and over the distribution of machinery, imported mill stores, dyes, chemicals, sizing materials, etc., will continue. Control over the prices and distribution of imported cloth and yarn will, however, be discontinued immediately.

The Government have every hope that their present policy will meet the popular demand for a relaxation of the textile control and are confident of receiving the co-operation of the Industry, labour, the trade and the general consumer in the production of cloth and its equitable distribution at reasonable prices. They are, however, as is their general policy, prepared to consider the reimposition of the control should circumstances render this necessary, and for this purpose are retaining the existing machinery of control to the extent necessary."

The reservation implicit in the last sentence of the above press note is important in view of the very high prices of cloth in the free market and the general scarcity of supplies, on both of which an impartial observer could perhaps say that the industry and the trade had failed to come up to expectations. As we shall see in the sequel, the solution to this state of affairs is by no means an easy one, with the result that we find the government today in the position of being afraid to strike but willing to probe. The decisions stated above were subsequently incorporated into a Resolution dated the 22nd January 1948 from the Ministry of Industry and Supply. (*Vide* "Indian Trade Journal", dated 5th February 1948).

GOVERNMENT OF INDIA'S MODIFIED TEXTILE POLICY (30th July 1948)

RE-IMPOSITION OF CONTROL

APPEAL TO PUBLIC AND INDUSTRY FOR CO-OPERATION

The following Press Note, dated the 30th July 1948, has been issued by the Government of India in the Ministry of Industry and Supply :—

The situation arising out of the gradual relaxation of control over the price and distribution of cloth since January 19, 1948, has been engaging the serious consideration of Government. Shortly after this date the prices of cloth began to rise, and since April 24, 1948, when price-stamping was removed, the prices have, in some cases, risen to fantastic heights. Although since about the middle of June there has been some fall in wholesale prices from the heights reached before, there is no indication yet that the retail prices will come down in the near future.

The policy since April 24, 1948, has been to have only a general control over movement. Production has increased since the beginning of this year by about 12 per cent over the average of last year. Cloth has also moved in large quantities from the main producing centres during the last three months. Indeed, the movement has generally been 20 per cent to 40 per cent more than at the time control was in existence. Nevertheless, the fact remains that cloth has not yet become available to the consumer in adequate quantities or at reasonable prices. To a large extent this has been due to practices which reflect grave discredit on many sections of the Industry and the trade.

There has been growing dissatisfaction among the public on account of the existing situation, which shows no signs of improvement. Government realise that the rise in price of cloth is only one of the many factors in the present economic situation of the country. The broad measures necessary to meet this general situation are under consideration of Government. Meanwhile, they consider that cloth being one of the essential necessities of life, some measures are immediately necessary to make it available to the public at reasonable prices.

Measures of Control to be Re-imposed

With this end in view, Government have recently had consultations with the Textile Advisory Committee, which, as recently constituted, represents all interests. The matter has also been discussed with Provincial Premiers and Prime Ministers of States. While there are naturally differences of opinion as to the scope and extent of the measures necessary to meet the present situation, it is the unanimous view of the Textile Advisory Committee as well as Provincial Ministers and Prime Ministers of States that the present situation cannot be allowed to continue unchecked and that some steps should be taken immediately to make cloth available to the public at reasonable prices. Government have now carefully considered the situation in the light of all the views expressed, and have come to the conclusion that a measure of control over both distribution and prices must immediately be re-imposed. They have accordingly decided to take the following steps :—

(i) To ensure that the productive capacity of the mills is fully utilised, Government will set up machinery to prevent a fall in production and the manufacture of unsuitable or non-durable cloth.

(ii) Government will fix fair prices of cloth and yarn ex-mill. The Tariff Board which had been asked to report on the fair prices of cloth has recently submitted its report, and this is at present under consideration of Government. Pending a decision on the recommendations of the Tariff Board, Government will fix prices *ad hoc.*

(iii) Such prices will be stamped on all cloth and yarn ex-mill. Such stamping will be done on existing stocks with the mills and orders have already been issued freezing stocks with the mills for this purpose.

(iv) Distribution to Provinces and States according to quotas will be only through wholesalers, approved or nominated by Provincial Governments or States. They have already been requested to forward the lists of such wholesalers to the Textile Commissioner and it is hoped that distribution of stamped cloth through these channels will begin very soon.

State-Controlled Shops

(v) Of the cloth so distributed to Provincial Governments and States, a certain amount will be distributed through shops controlled by them. The exact method of distribution must naturally be decided by them ; but it has been suggested to them that in the initial stages such controlled shops should cater to the needs of lower income groups.

(vi) The balance of the cloth allotted to Provinces and States, will be distributed through consumers co-operative societies and through normal trade channels. Provincial Governments and States will exercise a general supervision over such trade channels and they have already been requested to introduce a system of licensing retail shops. It is not the intention to restrict or to interfere with the working of these channels so long as the distribution is within the Province or State concerned and the prices charged are correct.

(vii) Retail shops in Provinces and States, both controlled and uncontrolled, will be allowed to charge an extra margin over the ex-mill prices stamped on the cloth according to the rate fixed by the Provincial Governments or States, for which the Central Government will prescribe a maximum.

(viii) Powers will be assumed by the Central, Provincial and State Governments by which they can requisition cloth from wholesalers and dealers at prices considered fair by them. This power is intended to be used for checking hoarding, profiteering and other malpractices, and will be freely used.

(ix) Although the primary responsibility of implementing the Textile Control will rest with Provinces and States ; an enforcement Branch is also being immediately set up by the Central Government. Government will also assume adequate powers to deal drastically with infringements of the Textile Control in all its aspects.

Power of Requisitioning to be Freely Used

(x) The movement of stamped cloth from the mills to retail shops will naturally take some time. Meanwhile, there is a considerable quantity of cloth which is unstamped and which is at present with the wholesalers and retailers. Sale of such cloth will be permitted up to October 31, 1948. The stocks of unstamped cloth are so large that unless wholesalers and dealers engage in malpractices, there should be no shortage of cloth in the country during this period. Powers of requisitioning will be freely used if malpractices occur.

Government will also, in consultation with the Provinces and the interests concerned, take up immediately the question of controlling prices of Indian raw cotton.*

Adequate steps are being taken to prevent smuggling of cloth from border Provinces and States to adjacent countries.

Government appeal for the fullest co-operation of the industry, the trade and the public in the implementation of the measures now taken. They hope that with such co-operation it will soon be possible to achieve the objective of the supply of adequate quantities of cloth to the public at reasonable prices.

COTTON TEXTILE (CONTROL) ORDER, 1948

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY AND SUPPLY

NOTIFICATION

New Delhi, the 2nd August 1948

No. 80-Tex. I/48.—In exercise of the powers conferred by section 3 of the Essential Supplies (Temporary Powers) Act, 1946 (XXIV of 1946), the Central Government is pleased to make the following Order, namely :—

1. (i) This Order may be called the Cotton Textiles (Control) Order, 1948.

(ii) It extends to all the Provinces of India.

(iii) It shall come into force at once.

2. The Cotton Textiles (Control) Order, 1948 (Notification No. 80-Tex-I/48 dated the 19th February 1948) is hereby repealed : provided that any order made, notification issued, right accrued, penalty incurred, or anything done or deemed to have been done under the said Order shall be deemed to have been made, issued, accrued, incurred or done under the corresponding provisions 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, but " cloth " does not include—

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* Government of India's *Communique* re : Control of Prices of Raw Cotton was issued on 20th August 1948. It is given on p. xliii.

(i) ready made clothing other than dhoties and sarees ;
(ii) hosiery ;
(iii) leather cloth and inferior or imitation leather cloth ordinarily used in book-binding ;
(iv) tracing paper ;
(v) cloth manufactured partly from cotton and partly from wool and containing 40 per cent or more of wool by weight ;
(vi) rubberised or synthetic water-proof fabrics whether single-textured or double-textured.

(b) " Controller " means the principal officer appointed by a Provincial Government for the administration of the Textile Control and includes any other officer appointed by such Government to perform the functions of the Controller under this order or under the rules, orders and notifications issued thereunder ;

(c) " 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 ;

(d) " manufacturer " includes a producer or processor, and the expression ' manufacture ' and its grammatical variants shall be construed accordingly ;

(e) the expression ' offer to sell ' shall be deemed to include a reference to an intimation by a person of the price proposed by him for the sale of an article, made by the publication of a price list by exposing the article for sale in association with or bearing a mark indicating price, by the furnishing of a quotation or otherwise howsoever ;

(f) an article shall be deemed to be in the possession of a person when it is held on behalf of that person by another person or when held by that person on behalf of another person ;

(g) " processor " means a person engaged exclusively in any process ancillary to the production of cloth or yarn such as dyeing, bleaching, embroidering, printing and finishing ; and the expression ' process ' and its grammatical variants shall be construed accordingly ;

(h) " producer " means a person engaged in the production of cloth or yarn or both by power as defined in section 2(f) of the Factories Act, 1934 and the expression ' produce ' and its grammatical variants shall be construed accordingly ;

(i) ' scheduled article ' means an article specified in schedule A, and includes any other article declared by the Central Government to be scheduled article for the purposes of this order ;

(j) " starch " means starch made from wheat, rice, maize, jowar or any other foodgrain or from tapioca or potatoes and includes derivatives of starch and any modified form of starch so made ;

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

Raw Materials and Stores

4. No person shall manufacture starch other than starch made from tapioca except under and in accordance with the terms of a licence granted by the Textile Commissioner.

5. (1) Every importer of a scheduled article shall within 15 days of the date of the arrival of the consignment containing such article furnish to the Textile Commissioner the following information in respect of the consignment—

(a) description and quantity of each of the articles included in the consignment ;

(b) the landed cost of each item together with invoices and all other documents evidencing the price, buying commission, insurance premium, freight, customs duty, landing and clearing charges paid up to the deposit of the consignment in the consignee's warehouse or other place of storage.

(2) No importer shall sell or otherwise dispose of any such scheduled article imported by him except in accordance with the instructions given to him by the Textile Commissioner ; provided that if the importer does not receive any such instructions from the Textile Commissioner within 30 days of the receipt by the Textile Commissioner of the information submitted under sub-clause (1), the importer may subject to the provisions of clauses 6, 8 and 32, dispose of the consignment.

6. No person shall sell or dispose of any scheduled article except under and in accordance with—

(a) a seller's licence granted to him by the Textile Commissioner ;

(b) a direction given to him by the Textile Commissioner under clause 8.

7. No person shall purchase or otherwise acquire any scheduled article except under and in accordance with a buyer's licence granted by the Textile Commissioner.

8. The Textile Commissioner may by oder in writing require any importer of or dealer in any scheduled article to sell to such person as may be specified in the Order such quantities of the scheduled article and in the case of a scheduled article of which the maximum prices have not been fixed under clause 9 at such price, as may be specified in the Order.

9. (1) The Textile Commissioner may by notification in the *Gazette of India* fix the maximum prices or rate at which any scheduled article may be sold ;

(2) No person shall sell or offer to sell a scheduled article at a price exceeding maximum price specified under sub-clause (1).

10. (1) The Textile Commissioner may direct any person carrying on the business of producing or selling any scheduled article to mark such articles exposed or intended for sale with the sale price thereof, or to exhibit in his premises a price list of articles held by him for sale ; and may further give directions as to the manner in which such directions shall be carried out.

(2) The Textile Commissioner may by order published in the *Gazette of India* issue a direction of the nature specified in sub-clause (1) generally to all persons carrying on the business of producing or selling any scheduled article or to any person or any class of such persons.

11. (1) Applications for licences under this Order shall be made in such form as the Textile Commissioner may prescribe ;

(2) The Textile Commissioner may, without assigning any reason, refuse to grant a licence to any person and his decision shall be final ;

(3) The Textile Commissioner may specify in the licence the conditions, if any, under which it is issued and the licensee shall comply with such conditions ;

(4) The fees for the grant of a licence shall be such as the Textile Commissioner may, by notification in the official *Gazette* prescribe ;

(5) Subject to the provisions of sub-clause (6) the licence shall be valid for the period specified therein and may be renewed ;

(6) If the holder of a licence has supplied incorrect information in his application or in any return submitted by him or if he contravenes any condition of the licence, or if at any time the Textile Commissioner is satisfied that for any other reason the licensee is not a fit person to hold the licence, the Textile Commissioner may in his discretion and without prejudice to any other action which may be taken against the licensee, cancel or suspend his licence, and the order of the Textile Commissioner shall be final.

Cloth and Yarn

12. (1) No producer 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 producer who has a spinning plant shall in any quarter—

(a) purchase a quantity of yarn exceeding ¼ of the quantity of yarn purchased by him in the year 1944 ;

(b) sell a quantity of yarn less than ¼ of the quantity of yarn sold by him in the year 1944 ;

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

(4) No person shall acquire or install any loom to be worked by power as defined in section 2(f) of the Factories Act, 1934.

(5) Any person having in his possession any loom which he is not entitled to work or cause or permit to be worked in accordance with this clause shall forthwith report the fact to the Controller and shall take such action as to its sealing or storage as the Controller may direct.

13. No person shall manufacture or cause to be manufactured any cloth containing any sizing or filling material or both of any descriptions exceeding in the aggregate—

(i) in the case of cloth wherein the count of warp yarn employed is 14s or coarser, 15 per cent of the weight of the cotton in the cloth ;

(ii) in other cases, 10 per cent of the weight of the cotton in the cloth.

14. No person shall use wheat flour or glucose for the purpose of sizing or filling cloth.

15. No person shall sell or otherwise dispose of or purchase or otherwise acquire for the purpose of sale any cloth which has been manufactured in contravention of clause 13 or clause 14.

16. (1) For the purpose of Clauses 13 to 15 the proportion of sizing or filling material or both relative to the weight of the cotton in any finished cloth shall be determined by such test carried out by such person and in such manner as the Textile Commissioner may, by notification prescribe.

(2) A certificate signed by an officer authorised to carry out tests in pursuance of sub-clause (1) stating the result of the test shall be conclusive proof that the test has been duly carried out in the manner prescribed and that the result thereof is as is stated in the certificate.

17. (1) No producer shall produce yarn of counts more than 10 in number or more than the number specified in column (3) of Schedule B for a plant of the size of his spinning plant, whichever is less.

Provided that—

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

(b) where any part of the spinning plant is employed exclusively for the performance of any contract with the Government 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 Government to utilise such yarn for the production of any article for sale to the Government 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) No producer shall produce yarn finer than yarn of single 80's counts.

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

18. (1) No producer shall produce cloth of more than two varieties for every 50 looms or part thereof in his possession or more than 20 varieties in all, whichever is less in number.

Explanation.—For the purposes of this sub-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, lengths, patterns or colours.

(2) Nothing in this clause shall apply—

(i) to cloth produced in pursuance of a contract with the Government ; and the looms employed in the production of such cloth shall be excluded in determining the number of varieties which may be produced under sub-clause (1) ;

(ii) to cloth produced for experimental purposes provided the looms employed for such production shall not exceed one per cent of the total number of looms in the producer's possession.

19. No producer shall produce any cloth with a border whether plain, dobby or jacquard containing folded yarn in excess of what is required for a 2 inch border.

20. The Textile Commissioner may from time to time issue directions in writing to any producer or class of producers or the producers generally, regarding the classes or specifications of cloth or yarn, and the maximum or minimum quantities thereof, which they shall or shall not produce during such periods as may be specified in the directions, and they shall comply with such directions.

21. (1) No manufacturer of cloth shall pack cloth except in bales containing not less than 1450 yards and not more than 1550 yards.

(2) No manufacturer of yarn shall pack yarn except in bales or packages containing not less than 380 lbs. and not more than 420 lbs.

(3) The Textile Commissioner may, subject to sub-clauses (1) and (2), by a general or special order prescribe the manner in which any manufacturer shall pack cloth or yarn in bales or packages.

22. (1) The Textile Commissioner may specify—

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

(b) the markings to be made by a manufacturer or dealer on any class or specification of cloth or yarn manufactured or sold by him and the time and manner of making such markings.

(2) Notwithstanding anything contained in sub-clause (1) above the Provincial Government or an officer authorised by the Provincial Government in this behalf may fix—

(a) the ex-factory maximum price for the purpose of the special markings under clauses 26 in respect of any type of cloth for which such price has not been specified by the Textile Commissioner under the said sub-clause ;

(b) the maximum prices ex-factory, wholesale and retail at which any cloth produced by a manufacturer or other person referred to in the explanation to sub-clause (2) of clause 23 may be sold and may further specify the markings to be made on such cloth and the time and manner of marking them ;

(3) A Court shall presume unless the contrary is proved that the markings made on any cloth or yarn in the manner specified under this clause are made in accordance with this Order and that the prices so marked are the maximum prices specified under this clause.

23. (1) Where the marking to be made and the time and manner of making it in respect of any class or specification of cloth or yarn have been specified under clause 22—

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

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

(c) no person other than the manufacturer shall have in his possession or under his control any 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 any marking 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 marking resembling the prescribed marking ;

(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 marking whereon is altered or defaced or is of a character specified in paragraph (e).

(2) No manufacturer shall sell or deliver any cloth or yarn of which the maximum ex-factory price has not been specified by the Textile Commissioner under clause 22.

Explanation.—Nothing in this sub-clause applies to a manufacturer who does not manufacture any yarn or to a processor or to a person engaged in the production of handloom cloth.

(3) No person shall in the manufacture of cloth use yarn (other than handspun yarn) the maximum ex-factory price of which has not been specified by the Textile Commissioner under clause 22.

24. (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 22.

(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.

(3) 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 ½ per cent of the maximum price of the cloth or yarn the subject matter of such sale.

(4) The Textile Commissioner may by notification in the official *Gazette* provide for the giving of a cash memorandum by any manufacturer or dealer in respect of any sale transaction, and for the particulars to be contained in any such cash memorandum.

(5) 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 clause.

25. (1) Notwithstanding anything contained in sub-clause (2) no manufacturer or dealer shall after the 31st October 1948 buy or sell or have in his possession any cloth or yarn manufactured in India and packed before the 1st August 1948.

(2) No manufacturer or dealer shall buy or sell or have in his possession any cloth or yarn after the expiration of twelve months from the last day of the month marked on the cloth or yarn in accordance with a direction given under clause 22 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 from the said date of a period of three months in the case of a manufacturer and a period of six months in any other case.

(3) For the purposes of this clause a bale or case shall be deemed to be unopened if the hoops or other bindings and all outer covering have not been removed ;

(4) Nothing in this clause shall apply to handloom cloth.

26. Notwithstanding anything contained in sub-clauses (1) and (2) of clause 25, any cloth or yarn not disposed of within the period specified 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 that no such cloth or yarn shall be kept undisposed of by any dealer, or any person holding on behalf of a dealer for more than six months after the date of such marking.

27. Where in pursuance of clause 22(1)(b) or clause 22(2)(b) or clause 26, any piece of cloth is required to be marked at one end with the ex-factory price or 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.

28. (1) No producer shall, at any time, have in his possession—

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

(b) a quantity of yarn exceeding—

(i) in the case of a person engaged in the production of yarn alone, the quantity of yarn produced by him during the preceding two months ;

(ii) in the case of a person engaged in the production of cloth alone, the quantity of yarn reasonably required by him for producing cloth during the next three months ; and

(iii) in the case of a person engaged in the production of cloth and yarn, the sum total of the quantity of yarn reasonably required by him for the production of cloth during the next three months and the quantity equal to the yarn produced by him during the preceding three months over and above his own requirements during that period.

Explanation.—For the purposes of this sub-clause cloth on looms and yarn in the course of manufacture into cloth shall be excluded in computing the stocks in possession of a producer.

(2) No dealer, processor or other person not being a producer shall, at any time, have in his possession stocks of cloth or yarn in excess of his normal requirements.

Explanation.—For the purposes of this sub-clause the normal requirements of cloth or yarn, as the case may be, of a person engaged in manufacturing from cloth or yarn articles of clothing or other articles such as ropes, tapes, newar, bandages or canvas 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) applies to the possession by any person carrying on the business of banking of cloth or yarn pledged with him by a dealer or 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 in the possession of the dealer and not of the manufacturer.

29. (1) Any person having in his possession cloth or yarn in excess of the quantity permitted under clause 28 shall forthwith report the fact, in the case of a manufacturer to the Textile Commissioner and in other cases to the Controller.

(2) Any manufacturer or dealer in possession of cloth or yarn in respect of which the period for disposal prescribed under clause 25 or under the proviso to clause 26 is about to expire may report the fact to the Textile Commissioner or the Controller respectively.

(3) Any person making a report under sub-clause (1) or sub-clause (2) shall take such action as to the storage, distribution or disposal of the cloth or yarn as the Textile Commissioner or the Controller may direct.

Additional Powers of the Textile Commissioner

30. 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 ; and

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

31. The Textile Commissioner may, with a view to securing compliance with this order—

(a) require any person to give such 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 article in respect of which he has reason to believe that a contravention of this order has been committed and any other article in the premises which he has reason to believe has been or is intended to be used in connection with such contravention.

32. (1) The Textile Commissioner may, by an order in writing, direct any person who carries on the business of producing or selling a scheduled article—

(a) to maintain such records of his purchases, sales, contracts, or other matters connected with his undertaking or business, and in such form and manner as may be specified in the order ;

(b) to submit to such authority returns or statements in such forms and containing such information relating to his undertaking or business and at such times as may be specified in the order.

(2) The Textile Commissioner may by general order published in the *Gazette of India* issue a direction of the nature specified in sub-clause (1) generally to any class of persons referred to therein.

33. (1) The Textile Commissioner may by a general or special permit exclude from or modify or relax to such extent as may be specified by him,

the operation of any such provision in respect of any person, act or thing or any class of persons acts or things.

(2) The Textile Commissioner may in any such permit impose conditions, limitations and restrictions subject to which such permit shall have effect.

(3) Notwithstanding anything contained in this order, the provisions of the clauses specified in Schedule C shall have effect subject to the powers of the Textile Commissioner under sub-clauses (1) and (2) to withdraw, modify, or relax any or all of the restrictions in those provisions.

34. The Textile Commissioner may by a general or special order in writing and with the previous sanction of the Central Government authorise any officer to exercise on his behalf all or any of his functions and powers under this order.

Procedure and Penalty

35. No person shall, with intent to evade the provisions of this order, refuse to give any information lawfully demanded from him under clause 31 or clause 32, or conceal, destroy, mutilate, or deface any book or other document kept by him in the course of his business.

36. 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, not below the rank of a District Magistrate, as the Provincial Government may by general or special order in writing authorise in this behalf.

37. Any court trying a contravention of any of the provisions of this order may 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.

SCHEDULE 'A

1. Cotton Card Clothing and Card Clothing Sundries for Flat Cards :—

   1. Cylinder Fillet.
   2. Doffer Fillet.
   3. Sets of Tops.
   4. Stripping Fillet.
   5. Burnishing Fillet.
   6. Hand Stripping Cards.
   7. Waltons Brushes.
   8. Spiral Strips.
   9. Philipsons Sheets.
   10. Philipsons Top Clearer Strips.
   11. Ashworths Top Clearer Strips.
   12. Ashworths Dirt Roller Fillet.
   13. Rhodes Stripping Fillet.
   14. Lickerin Wire.
   15. Blued Steel wire for Roving Waste openers.
   16. Card Tacks.
   17. Raising Fillet.

For Waste and Wedding Cards :—

   18. Cylinder Fillet.
   19. Doffer Fillet.
   20. Roller Fillet.

21. Clearer Fillet.
22. Fancy Fillet.
23. Under Clearer Fillet.
24. Fancy Stripper Fillet.
25. Humbug Fillet.
26. Feed Roller Fillet.
27. Lockerin Fillet.
28. All other Card Clothing and Sundries.

II. Bobbins * for use on Textile Machines other than Jute and Hemp.

1. Slubbing Tubes.
2. Roving Tubes.
3. Ring Rabbeth.
4. Ring Weft Pirns (including Universal and Wadia Pirns).
5. Ring Doubler Bobbins.
6. Warper Bobbins.
7. Paper Tubes and Cones.

III. Shuttles for use in Textile Looms other than Jute and Hemp.

1. Shuttles for Looms (Ordinary).
2. Shuttles for Looms (Automatic).

IV. Imported Tallow.*

V. Dyes derived from Coal-tar.

VI. Hydrosulphite of Soda.

VII. Starch.

VIII. Ring Spinning frames and Mules for manufacture of Cotton Yarn.

SCHEDULE 'B'

MAXIMUM NUMBER OF COUNTS OF YARN WHICH A PRODUCER MAY PRODUCE

S. No.	Size of plant, with reference to the number of spindles installed and in working order	Number of counts of yarn.
(1)	(2)	(3)
1.	10,000	3
2.	For every additional 10,000 spindles or part thereof.	1

SCHEDULE 'C'

Clauses 4, 6, 7, 12, 13, 14, 15, 17, 18, 19, 21, 23, 25 and 28.

(M. P. PAI, Joint Secy.)

* By a Textile Commissioner's notification dated the 12th August 1948, importers are no longer required to submit returns in respect of bobbins and tallow, and the control over prices on these articles is also removed.

Bombay, the 2nd August 1948

No. 80-TEX-1/48 (ii).—In exercise of the powers conferred on me by clause 34 of the Cotton Textiles (Control) Order, 1948 and with the sanction of the Central Government, I hereby authorise the principal officer appointed by each Provincial Government for the administration of the textile control to discharge on my behalf the function under clause 22 (1) (*a*) of the said Order to specify in relation to sales made within his jurisdiction by dealers the maximum wholesale and retail prices of cloth and yarn, provided that where the maximum ex-factory price has been fixed by the Textile Commissioner under this Order in respect of any cloth or yarn, the maximum retail price shall not exceed in the case of cloth 20 per cent and in the case of yarn 15 per cent over such maximum ex-factory price.

No. 80-TEX-1/48 (iii).—In exercise of the powers conferred on me by clause 22 of the Cotton Textiles (Control) Order, 1948 and in addition to the markings specified in my notification No. T. C. (6) 1/44, dated the 19th February 1944 I hereby prescribe the following markings and manner of marking which shall be observed by all manufacturers of cloth and yarn in respect of cloth and yarn packed after the 31st July 1948 :—

Cloth

1. Each piece of cloth shall be stamped with the manufacturer's number or standard markings or serial number specified by the Textile Commissioner in fixing the maximum ex-factory price. The word "serial" shall be marked before the serial number.

Explanation.—For the purpose of this notification a piece of cloth means any running length of cloth and includes cloth comprising an uncut pair of dhoties, towels, sarees or chaddars ordinarily sold by the pair.

2. Each piece of cloth except the items mentioned in para 3 below shall be stamped at a distance not exceeding one yard from the end with the ex-factory price of such cloth, that is to say, the maximum ex-factory price of the particular description of cloth specified by the Textile Commissioner or the contract price, whichever is less.

NOTE.—If the actual length of the piece is not the standard length for which the maximum ex-factory price has been specified by the Textile Commissioner the proportionate price for the actual length shall be stamped or, in the alternative, the price per yard calculated to the nearest pie.

3. Each piece of cloth comprising a pair of dhoties, sarees, towels, or chaddars or other items ordinarily sold in pairs shall be stamped with the price per pair as in para 2 above ; provided that if the piece consists of a single such item the proportionate price of that item shall be stamped.

4. Damaged and sub-standard pieces and fents exceeding three yards in length shall be stamped with the ex-factory price of such cloth, that is to say, the maximum ex-factory price of the particular description of cloth specified by the Textile Commissioner or the contract price whichever is less expressed either as a price per piece, or as a price per yard or as a price per lb.

5. Each piece or unit of cloth shall be marked with the word "Medium" where the count of warp yarn in the cloth (excluding the border) is 17's or finer (whether single or folded), the word "Fine" where the same count is 35's or finer (whether single or folded) or the words

"Fine (Super)" where the same count is 48's or finer (whether single or folded).

6. In the case of mesh cloth the markings prescribed in paras 1 to 5 above shall be made on a piece of cloth stitched to the mesh cloth ; in the case of raised blankets they may be made on a small piece of cloth securely stuck on the blanket ; in the case of lint cloth they may be made on a piece of paper securely stuck on the cloth.

7. The markings specified in paras 1 to 6 above shall be made in letters and figures not less than ½" in height on the face plait of the cloth.

8. On every bale or other package of cloth in letters not less than 1½" in height shall be marked—

(a) the markings specified in 5 above ;

(b) the word "grey" or "bleached" or "coloured" correctly describing the entire contents of such bale or package under one or other of these descriptions.

For the purpose of such marking "grey" cloth and "bleached" cloth mean respectively grey or bleached cloth of every description including sarees, dhoties or other cloth with coloured borders only and towels with coloured borders or headings.

"Coloured" cloth means piece-dyed cloth, printed cloth and cloth made wholly or partly from dyed yarn and excludes grey or bleached sarees, dhoties, towels or other cloth with coloured borders referred to above.

(c) If containing fents :—

(i) the word "RAGS" in the case of fents below one yard in length ;

(ii) the word "FENTS" in the case fents of one yard and above but not exceeding three yards, damaged cloth not exceeding three yards in length and fents of dhoties and sarees :

(iii) the word "SECONDS" in the case of fents above three yards but below ten yards and damaged cloth of any length above three yards.

9. A manufacturer may at his option use the following abbreviations in making the markings specified in paras 5 and 8 above, that is to say the letter "M" for "Medium", the letter "F" for "Fine", the letters "F (S)" for "Fine (Super)", the letter "L" for "Grey", the letter "B" for "Bleached" and the letter "C" for "Coloured".

10. Nothing in paragraphs 1 to 8 above except sub-para (c) of para 8 shall apply to fents and other short pieces of cloth not exceeding three yards in length.

Yarn

11. On the label inserted in each bundle of yarn in compliance with my notification No. T. C. (6) 1/44 dated the 19th February 1944, shall also be stamped in letters and figures not less than ½" in height the ex-factory price of such yarn, that is to say the maximum ex-factory price of the particular description of yarn specified by the Textile Commissioner or the contract price whichever is less ; provided that in the labels pasted in the inside of cones the letters and figures may be of a smaller size but shall be clearly legible.

12. On every bale or package of yarn shall be stamped in letters and figures not less than 2" in height the ex-factory price as in para 11 above.

13. Nothing in this notification shall apply to :—

(a) handloom cloth ;
(b) hand-spun yarn ;
(c) cloth and yarn purchased directly by the Government from a manufacturer ;
(d) cloth and yarn processed by processors ;
(e) cloth woven by a manufacturer not manufacturing any yarn ;
(f) cloth and yarn manufactured for export and not for sale in India.

Explanation.—For the purposes of this notification cloth and yarn shall not be deemed to be " manufactured for export and not for sale in India " unless the manufacturer himself exports it or sells it, whether or not in pursuance of a pre-existing contract, to an exporter against any valid export quota licence granted by an export Trade Controller or to a person holding a licence granted by the Textile Commissioner under clause 2-A of the Cloth and Yarn (Export Control) Order, 1945.

No. 80-Tex. 1/48 (IV).—In exercise of the powers conferred on me by clause 31 of the Cotton Textiles (Control) Order, 1948, I hereby direct every dealer in cloth or yarn to furnish forthwith to the principal officer appointed by his Provincial Government for the administration of textile control information about the quantities and description including Tex-mark number and month of packing of the cloth and yarn in his possession on the date of this notification whether on his own account and/or on account of any other person.

T. P. BARAT, Textile Commr.

COTTON TEXTILES (CONTROL OF MOVEMENT) ORDER, 1946

GOVERNMENT OF INDIA

DEPARTMENT OF INDUSTRIES AND CIVIL SUPPLIES

NOTIFICATION

Amended upto July 1948

New Delhi, the 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 articles 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, air, 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, or an Additional or Joint Textile Commissioner and includes any officer authorised by such Textile Commissioner to exercise all or any of the powers of the Textile Commissioner under this Order.

3. No person shall transport or cause to be transported by rail, road, air, sea or inland navigation 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 transport permit issued by the Textile Commissioner.

x x x x x

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, air, 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, air, 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 contavention 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 Order 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 notifications issued thereunder shall be deemed to be a reference to the corresponding provision of this Order, or any notification issued thereunder.

— Deleted by Notification No. 101-Tex. 1/48 dated 14th July 1948.

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY AND SUPPLY

NOTIFICATION

GENERAL PERMIT NO. 1

Bombay, the 26th June 1948

No. 101-Tex. 1/48.—In pursuance of sub-clause (i) of clause 3 of the Cotton Textiles (Control of Movement) Order, 1946, and in supersession of the Textile Commissioner's General Permit No. 1, dated the 5th January 1946, I hereby notify for public information the following General Permit :—

1. For the purposes of this General Permit, India shall be divided into the following zones, namely :—

(i) Bombay Zone : Comprising the Province of Bombay, the States of Sangli, Miraj Sr., Miraj Jr., Aundh, Phaltan, Bhor, Jamakhandi, Ramdurg, Mudhol, Kurundwad Jr., Akkalkot, Kurundwad Sr., Savanur, Sawantwadi, Jath, Wadi Jahagir and Janjira, the Gujerat States and the territories of the Baroda State excluding those parts situated in the Kathiawar Peninsula.

(ii) Kathiawar Zone : Comprising the United State of Sowrashtra, the States of Junagadh and Cutch and the territories of the Baroda State situated in the Kathiawar Peninsula.

(iii) Kolhapur Zone : Comprising the State of Kolhapur.

(iv) Rajasthan Zone : Comprising the United State of Rajasthan.

(v) Rajasthan Zone : Comprising the States of Jaipur, Jodhpur, Bikaner and Jaisalmer.

(vi) Ajmer-Merwara Zone : Comprising the Chief Commissioner's Province of Ajmer-Merwara.

(vii) Matsya Zone : Comprising the United State of Matsya.

(viii) East Punjab Zone : Comprising the Province of East Punjab, the States of Pataudi, Loharu and Duiana and the Chief Commissioner's Province of Delhi.

(ix) Patiala and the East Punjab States Zone : Comprising the Union of the East Punjab States, viz., Patiala, Nabha, Faridkot, Malakotla, Jind, Kapurthala, Kalsia and Nalagarh.

(x) Kashmir Zone : Comprising the Jammu and Kashmir State.

(xi) Himachal Pradesh Zone : Comprising the Chief Commissioner's Province of Himachal Pradesh and the State of Bilaspur.

(xii) Madhya Bharat Zone : Comprising the United State of Madhya Bharat, the State of Bhopal and the Chief Commissionership of Panth Piploda.

(xiii) Vindhya Pradesh Zone : Comprising the United State of Vindhya Pradesh.

(xiv) Central Provinces Zone : Comprising the Province of Central Provinces and Berar, and the States of Bastar, Changhbhakar, Chhuikhadan, Jashpur, Kanker, Kawardha, Khairagarh, Korea, Makari, Raigarh, Rajnandgaon, Sakti, Sarangarh, Surguja and Udaipur.

(xv) United Provinces Zone : Comprising the United Provinces and the States of Benares, Rampur, and Tehri Garhwal.

(xvi) Bihar Zone : Comprising the Province of Bihar and the States of Seraikella and Kharswan.

(xvii) Orissa Zone : Comprising the Province of Orissa, the States of Athgarh, Athamallik, Bamra, Baramba, Baudh, Bonal, Daspalla, Dhenkanal, Gangpur, Hindol, Kalahandi, Keonjhar, Khandapara, Narsignghpur, Nayagarh, Nilgiri, Pal Lahara, Patna, Rairakhol, Ranpur, Sonepur, Talcher, Tigiria and all other Eastern States except those included in the West Bengal, Assam or Central Provinces Zone.

(xviii) West Bengal Zone : Comprising the Province of West Bengal, the States of Sikkim and Cooch Bihar and the Andaman and Nicobar Islands.

(xix) Assam Zone : Comprising the Province of Assam, the States of Tripura and Manipur and the Khasi Hills States.

(xx) Hyderabad Zone : Comprising the State of Hyderabad.

(xxi) Madras Zone : Comprising the Province of Madras, the States of Pudukkotah and Banganepelle, the Chief Commissioner's Province of Coorg and the State of Sandur.

(xxii) Travancore Zone : Comprising the State of Travancore.

(xxiii) Cochin Zone : Comprising the State of Cochin.

(xxiv) Mysore Zone : Comprising the State of Mysore.

2. Transport as personal luggage : Any person may transport or cause to be transported by rail, road, air, sea or inland navigation cloth or apparel as part of his luggage if such cloth and apparel do not together exceed **10 lbs.** in weight.

3. Transport from Bombay and Ahmedabad : Any person may transport or cause to be transported by road, air, sea or inland navigation, or by goods train any cloth or apparel from the Greater Bombay or the Ahmedabad Municipal Borough to any place in India.

4. Transport within a Zone : Any person may transport or cause to be transported by road, air, sea or inland navigation or by goods train or as a railway parcel by a passenger train any cloth or apparel from any place in any zone described in paragraph 1 to any other place in the same zone.

Provided that nothing in this paragraph shall apply to such transport of handloom cloth or apparel made of handloom cloth from any place within a Province or State to any place outside that Province or State as the case may be.

5. Transport authorised by Controller : Any person may transport or cause to be transported by road, air, sea or inland navigation or by goods train or as a railway parcel by passenger train any handloom cloth or apparel made of handloom cloth from any place within a Province or State to any place outside the Province or State if such transport is authorised whether generally or specially by or under the authority of the Principal Officer appointed for the administration of the textile control by the Government of the Province or State or any other officer authorised in this behalf by that Government exercising jurisdiction over the place of despatch.

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

(a) from any place in the Madras, Mysore, Cochin and Travancore Zones to any place in or beyond those zones ;

(b) from any place in the Central Provinces Zone to any place in the Assam, West Bengal, Bihar or Orissa Zones or to any place in the United Provinces Zone 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, West Bengal, Bihar or the East Punjab or Patiala and the East Punjab States Zones ;

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

(e) from any place in the Rajputana, Ajmer-Merwara, Matsya and Rajasthan Zones to any place in these Zones, or in the East Punjab, Patiala and East Punjab States, and the United Provnices Zones ;

(f) from any place in the Bombay or Kolhapur Zones to any place included in or beyond those Zones ;

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

(h) from any place in the Sowrashtra Zone to any place outside that Zone ;

(i) from any place in the Madhya Bharat or Vindhya Pradesh Zones to any place in those Zones or in the East Punjab and Patiala and East Punjab States or the United Provinces Zones.

7. Transport under free railway passes issued by the Welfare General's Branch : Any person may transport or cause to be transported by rail a

consignment of cloth or apparel if such consignment is made on a free railway pass issued by an officer of the Welfare General's Branch competent to issue such passes in connection with the amenities, comforts and entertainments for Services.

8. Exempted Articles.: Any person may transport or cause to be transported by rail, road, air, sea or inland navigation from any place in any Zone to any place in that or any other Zone any article of the following description :—

(i) Belting Cotton.
(ii) Cotton covered rubber lined delivery fire-hose.
(iii) Gloves.
(iv) Tape Cotton.
(v) Tarpaulin.
(vi) Tentage, i.e. completed tents.
(vii) Cotton wool or absorbant cotton.
(viii) Glazed Holland cloth used for tyre manufacture.
(ix) Waterproof canvas and apparel made from waterproof canvas.
(x) Waterproof hood canvas.
(xi) Gauze and lint in packets, no packet exceeding 10 lbs. in weight and bandage cloth not exceeding 9" in width when these items are consigned to a registered medical practitioner, a hospital, a medical store or a pharmacy.
(xii) Durries and Shatrangies.
(xiii) Sanitary Towels.
(xiv) Rubber Sheeting.
(xv) Oil cloth.
(xvi) Leather cloth or rexine.
(xvii) Tape-newar.
(xviii) Camouflage netting.
(xix) Umbrellas.
(xx) Horse netting.
(xxi) Fents (Rags) below one yard in length.

Explanation.—The expression " Camouflage netting " means nets having meshes of about ¾" square made from lines, cotton cable laid of not more than 10s, having a circumference of 3/16" in which all crossing of yarn in either direction are knotted.

9. *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.

PERSONNEL OF TEXTILE ADVISORY COMMITTEE, 1948 TO THE GOVERNMENT OF INDIA

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY AND SUPPLY

RESOLUTION

New Delhi, the 13th May 1948

No. 87-Tex. I/48.—In view of the Government of India's policy to relax control over cotton textiles it has been decided to abolish the Textile Control Board and to replace it with a Textile Advisory Committee.

2. The functions of the Advisory Committee will be :—

(a) to advise Government from time to time on Cotton Textile policy, and particularly on the fairness of prices of cloth and yarn fixed by the Industry ; and

(b) to advise generally on matters pertaining to the development of the Textile Industry, allocation of spindlage, loomage for expansion, assistance as regards raw materials, millstores, coal, transport, etc.

3. The following persons have been appointed to be members of the Committee :—

(1) Mr. Krishnaraj Thackersey ; (2) Mr. Neville N. Wadia ; (3) Mr. Kasturbhai Lalbhai ; (4) Mr. Ambalal Sarabhai ; (5) Sir Shri Ram ; (6) Mr. Mangturam Jaipuria ; (7) Mr. R. C. Jall ; (8) Mr. G. D. Birla ; (9) Mr. S. C. Roy ; (10) Mr. B. W. Batchelor ; (11) Sir James Doak ; (12) Mr. Hariharnath Shastri ; (13) Mr. Khandubhai K. Desai ; (14) Mr. T. A. Ramalingam Chettiar.

PERSONNEL OF THREE OTHER ADVISORY COMMITTEES APPOINTED IN JUNE 1948 TO ADVISE AND ASSIST THE TEXTILE COMMISSIONER

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY AND SUPPLY

RESOLUTION

New Delhi, the 5th June 1948

No. 87/2-Tex. I/48.—As a result of lifting of price and distribution control over cotton textiles, the Textile Control Board has been abolished. The various Committees and Sub-Committees of the Board which used to advise the Textile Commissioner, on various matters connected with the administration of the Textile Control Board have also ceased to exist. It is, however, considered desirable that the Textile Commissioner should continue to receive the assistance and advice of the Trade and the Industry in matters connected with his day-to-day duties. It has, therefore, been decided to appoint the following three Committees :—

(1) Committee No. 1—For working out prices of cotton textiles required by Government and to assist in the allocation of contracts for cotton textile materials ;

(2) Committee No. 2—To advise on questions relating to raw cotton ; and

(3) Committee No. 3—To advise regarding the import and distribution of millstores.

2. The following persons have been appointed to be members of these Committees :—

Committee No. 1

(1) Shri Krishnaraj M. D. Thackersey ; (2) Shri Kasturbhai Lalbhai ; (3) Sir Shri Ram.

Committee No. 2

(1) Shri Krishnaraj M. D. Thackersey ; (2) Shri Kasturbhai Lalbhai ; (3) Shri R. G. Saraiya ; (4) Sir Chunilal B. Mehta.

Committee No. 3

(1) Shri Krishnaraj M. D. Thackersey ; (2) Shri Narottam P. Hutheesingh ; (3) Sir John Greaves ; (4) Shri S. H. Bhagawati, representing the Association of Merchants and Manufacturers of Textile Stores and Machinery, Bombay ; (5) Mr. F. Edward, Director, M/s. Brady & Co.

ALL-INDIA HANDLOOM BOARD : ITS FUNCTIONS 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 tne Board, *ex-officio*.

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

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

PERSONNEL OF THE ALL-INDIA HANDLOOM BOARD, 1948

Chairman : The Textile Commissioner, Bombay. *Members* : Mr. T. T. S. Hayley, I.C.S., Assam ; Director of Industries, Bengal ; Shri Sukumar Dutta, M.L.A., Bengal ; Director of Industries, Bihar ; Mr. D. A. Shah, Bombay ; Mr. P. R. Chikodi, M.B.E., B.A., Bombay ; Mr. N. L. Belekar, M.A., LL.B., C. P. & Berar ; Mr. Aziz Chida, Hyderabad ; Mr. P. R. Dabak, B.A., LL.B., Kolhapur and Deccan States ; the Director of Controlled Commodities, Madras ; Mr. M. Somappa, Madras ; Mr. Muppanna Viswanatham, Madras ; Mr. K. Raghunatha Chettiar, Madras ; Mr. B. G. Appadurai Mudaliar, B.A., B.Sc., Mysore ; Director of Industries, Orissa ;

Mr. Mulraj, Punjab ; Mr. Diwan C. Mehra, Punjab ; Mr. K. A. Parameswaran Menon, Travancore ; Registrar of Co-operative Societies, U.P. ; Nawab Syed Aizaz Rasool, U.P.

Members representing Textile Control Board

Sir James Doak, Madura ; Mr. Sakarlal Balabhai, M.L.A., Ahmedabad ; Mr. J. C. Lancashire, Bombay ; Mr. B. M. Bagri, Calcutta ; Dewan Bahadur C. S. Ratnasabapathi Mudaliar, Coimbatore.

Members nominated by the Government of India

The Hon'ble Mr. Hossain Imam, New Delhi ; Nawab Siddiq Ali Khan, Nagpur ; Mr. M. S. Abdul Majid, Madras.

PERSONNEL OF THE MARKETING & RESEARCH COMMITTEE OF THE ALL-INDIA HANDLOOM BOARD

Chairman : Director of Controlled Commodities, Madras. *Members* : Sir James Doak, Madura ; Mr. Aziz Chida, Hyderabad (Dn.) ; Mr. D. A. Shah, Poona ; Director of Industries, Bihar ; Director of Industries, Bengal ; Registrar of Co-operative Societies, U.P. ; Mr. Diwan C. Mehra, Amritsar ; Nawab Syed Aizaz Rasool, Sandila ; Mr. M. S. Abdul Majid, Madras ; Mr. A. A. Mohamed Noor, M.L.A., Patna.

PERSONNEL OF RAW MATERIALS COMMITTEE OF THE ALL-INDIA HANDLOOM BOARD

Chairman : Director of Controlled Commodities, Madras. *Members* : Mr. D. A. Shah, Poona ; Director of Industries, Bihar ; Registrar of Co-operative Societies, U.P. ; Mr. B. G. Appadurai Mudaliar, Mysore ; Mr. Mulraj, Punjab ; Sir James Doak, Madura ; Nawab Siddiq Ali Khan, Nagpur ; Mr. M. Somappa, Yemmiganur ; Mr. A. A. Mohamed Noor, Bihar.

GOVERNMENT OF INDIA, MINISTRY OF INDUSTRY AND SUPPLY —RESOLUTION ANNOUNCING FLOOR AND CEILING PRICES OF RAW COTTON

The Government of India, in consultation with the provincial and State governments and all other interests concerned, have decided that control should be imposed over the prices of Indian raw cotton.

The press note says : " In resolution No. 90/14 Tex. 1/48 dated 31st July 1948, in which the Government of India announced their revised policy of textile control, it was stated that the question of control over the prices of Indian raw cotton would be considered shortly. The Government of India have now given very careful consideration to the matter in consultation with the provincial and State governments and all other interests concerned. They have decided that control should be imposed over the prices of Indian raw cotton.

" As before, control will primarily be exercised through the specification of floor and ceiling prices. For the 1948-49 crop, transactions in respect of which will start almost immediately, the floor prices for Jarilla fine cotton of 25/32" staple will be Rs. 495 and the ceiling price will be Rs. 620 per candy of 784 lb. nett. This will correspond to a floor of Rs. 475 and a ceiling of Rs. 600 for Jarilla fine of ¾" staple.. Prices for other staples and other varieties of cotton which will be on this basis are being announced separately through a *Gazette* notification.

" Provinces and States have been asked to take the necessary measures to implement this decision ". (Dated 20th August 1948.)

In a later *communique* of 1st September 1948 the Government of India also announced their intention of purchasing raw cotton at the floor level, in the interest of the cotton growers, and of requisitioning cotton if prices soared high, in the interest of consumers.

COTTON CESS INCREASED TO 0-4-0 PER BALE

The Cotton Cess Bill was introduced in the Constituent Assembly in August 1948, seeking to double the rate of cotton cess. The following is a relevant extract from the statement of Objects and Reasons of the Cotton Cess Bill :

" This Bill seeks to double the rate of the Cess leviable on cotton produced in India and either exported from any customs port to any port outside India or consumed in any mill in India under the Indian Cotton Cess Act of 1923.

" Until the entry of Japan into the last war, the Central Cotton Committee enjoyed a sound financial position with an income of between Rs. 6 and Rs. 8 lakhs per annum. With the entry of Japan in the last War, the receipts from the Cess fell off considerably and the Committee had to draw upon its surplus balances to continue its programme of activities. As the surplus got depleted gradually, the Committee recommended in 1945 that the rate of the cess should be doubled.

" Before doing so, however, the Government of India decided to make grants from the Cotton Fund, which was built up from the proceeds of the import duty on raw cotton imposed by the Cotton Fund Ordinance of 1942. In order to enable the Committee to have a permanent source of income, it is considered necessary to double the rate of cess on cotton and also to permit the Committee to continue to receive grants from the Cotton Fund.

" Under Section 12(2) of the Indian Cotton Cess Act, the Committee is permitted to apply the proceeds of the Cess on cotton and any other monies received by it to meet the cost of such measures as it may, with the previous approval of the Central Government, undertake for promoting agricultural and technological research in the interests of the cotton industry in India. This sub-section precludes the Committee from spending any monies received by it on development schemes. Since grants from the Cotton Fund can only be used for development schemes it proposed to amend this sub-section as well."

When the Bill is passed, the amount of the cess will be Annas four per bale, and this will bring a revenue of about Rs. 9 lakhs per year.

This Bill was passed in September 1948.

LIST OF CONTROL ORDERS CONCERNING THE INDIAN COTTON TEXTILE INDUSTRY

In addition to the Cotton Textile (Control) Order of August 1948, the Government of India have issued several other Orders under the Defence of India Rules and Essential Supplies (Temporary Powers) Act, 1946, to regulate the supply of various articles required for the Cotton Textile Industry.

The names of Orders which are operative at present are given below with the **latest amendments** for easy reference :— (upto August 1948)

1. The Cotton Textiles (Control) Order, 1948.
2. The Cotton Textiles (Control of Movement) Order, 1946.
   (Texts of the above with the **latest** amendments are given in the previous pages, in view of their importance.)
3. The Cotton Cloth and Yarn (Transmission by Post) Prohibition Order, 1946.
4. The Factories (Control of Dismantling) Order, 1946.
5. The Cotton Cloth and Yarn (Contracts) Ordinance ; No. II of 1944. (In operation with regard to sales on and after 15-8-43).
6. The Cloth and Yarn (Export Control) Order, 1945.
7. The Cotton Textiles Fund Ordinance, 1944.
8. The Cotton Cloth and Yarn (Forward Contracts Prohibition) Order, 1945.
9. The Government Contractors (Disposals of Cotton Textiles, Unused Materials and Rejected Stores) Order, 1945.

Latest Information

A Glance at this "Digest" May prove to be of interest!!

- There are 380 Cotton Textile Mills in the Union of INDIA and 14 in *Pakistan*.
- There are 159 composite and 22 spinning mills in the Bombay Zone, while in the South Zone there are 25 composite mills and 47 spinning mills. For the whole of India, there are 280 composite mills and 91 spinning mills (1-1-1946).
- The spindles in composite mills are 89 lakhs, and in spinning mills, 15 lakhs. The number of looms in composite mills was 2,03,000.
- Out of the total production of cloth, viz.: 3,836 million yards 283 million yards represent the production of superfine cloth (warp counts 48s and over), 645 million yards represent the production of fine cloth (warp counts 36s and upto 48s). The former category, viz.: superfine, works out to 7 per cent of the total production in 1947, the latter, viz.: fine, works out to 17 per cent, and both together (superfine and fine) to 24 per cent.
- The coarse and the medium categories of cloth representing warp counts below 17s, and warp counts 17s and upto 36s, represent 803 million yards and 2,103 million yards respectively. The percentage of each of these categories to the total production of cloth in India works out to 21 per cent and 54 per cent respectively.
- *Thus the production of superfine variety is 7 per cent, fine variety 17 per cent, medium variety 52 per cent and coarse variety 21 per cent* (1947).
- It will be interesting to see the approximate average yardage per lb. of cloth in each category. Superfine, 8 yards to the lb. Fine, 6.3 yards to the lb. Medium, 4.2 yards to the lb. and Coarse, 2.8 yards to the lb. The general average is 4.14 yards per lb. of cloth (1946).
- Of the total yarn produced, viz. 1,315 million lbs. in 1947, 11 per cent was upto and including 10s, 12 per cent upto 15s, 20 per cent upto 20s, 33 per cent upto 30s, 13 per cent upto 40s, and 11 per cent above 40s.
- The production of Pakistan alone in 1947 was 75 million yards of cloth or 19 million lbs. of yarn.
- The Cotton Textile Industry, which is by far the single largest industry in the country, has a block capital of well over Rs. 100 crores, provides employment for 7,00,000 workers, works over 10.3 million spindles and 2,03,000 looms capable of producing well over 1,650 million lbs. of yarn, and weaving 4,726 million yards of cloth and consumes about 50 lakhs bales of cotton of which about 40 lakhs bales are Indian cotton, annually.
- A major portion of the surplus yarn of the mills is supplied for handloom production on a cottage industry basis whose present volume of production is approximately 1,300 million yards annually.
- It will be interesting to note that the value of production of the entire mill industry at the current prices will work out to approximately Rs. 450 crores, while the value of production of the entire handloom industry will work out to approximately Rs. 100 crores (Rs. 550 crores in all).
- That the handlooms supply nearly 26 per cent of the cloth consumed in the country per year.
- That the handlooms maintain at present a population of about 25 lakhs as against a bare 7 lakhs employed by the Mill Industry and this means that nearly 78 per cent of the Textile Workers of the country are employed by the handlooms.
- That the 25 lakhs workers engaged in hand-weaving maintain, including themselves, a population of about 10 millions.
- Also *vide* p. xvii in the "Cotton Industry at a Glance," for information regarding New Industries auxiliary to the Textile Industry.
- Information re: requirements of millstores, etc. is given in Appendix "C", towards the end.

Bombay, 18th September 1948. M. P. GANDHI

For similar figures of 1946, please see 1946-47 *Annual*.

THE
INDIAN COTTON TEXTILE INDUSTRY—(1947-48 ANNUAL)

(A Review of the Industry in India, during 1947-48)

Editor : M. P. GANDHI

Introductory

The year that has passed since the last *Annual* was published is perhaps the most eventful from the historian's point of view. After the long night of alien rule, came the dawn of freedom on the 15th of August 1947, now a hallowed date for all time. At the same time, the tablet of history was fated to be soiled with the blood and misery of millions, thanks to the inescapable partition of India. So much tribulation and anxiety did this partition business bring in its trail that the people hardly had time to sit down and enjoy, even if only in the mind, the new-found freedom. Misfortunes never come single, they say. But we may well doubt whether it was the lot of any other country in the world to go through such harrowing experiences as the Dominion of India, within one crowded year, of unrelieved frustration, offset only by the single factor, namely, the achievement of independence. But the culmination of misfortunes came when Mahatma Gandhi became a victim to party passion, felled by the hand of a Hindu assassin. If ever there was a moment when the nation could have put on sack-cloth and ashes, it was on 30th January 1947, when the sheet-anchor and the Father of the Nation was snatched away from our midst. It seemed that the very existence of the new popular government was in dire peril at one stage.

But the frail bark of freedom survived all these buffetings and although even today it is not sailing in smooth waters, it is undeniable that the squalls have been left behind. To this happy development, the country has to thank its great Prime Minister, Pandit Jawaharlal Nehru, whose undaunted courage and undiminished idealism has been to the country like a powerful ray of light amidst the encircling gloom ; also the indomitable Deputy Prime Minister, Sardar Patel, whose great grit and unflinching devotion have made him the mainstay of our hopes ; also, of course, to the millions of unknown men and women whose faith in their leaders and loyalty kept the flag of freedom aloft. It was, in short, a crisis which put leaders and the people truly on their mettle. And that has been proved beyond reproach. Partition has given a terrible legacy in the shape not only of a militant Pakistan but of Kashmir and now Hyderabad. The hands of the Indian Government have naturally been full with these things, but it is a tribute which one must ungrudgingly pay to the government that they have also put their hands to the tasks of nation-building with as much speed as events have permitted.

Wherever new schemes of major importance could be initiated, the Cabinet have shown a bold imagination as witness the Damodar Valley Project, the Hirakud Dam, etc. Planning there has been, but the execution of blueprints has naturally been delayed or retarded by the obvious difficulties of obtaining machinery. In the matter of improving the conditions for the working class, the new government has applied itself very assiduously and more than one conference of employers and labour was convened at their instance. An Industrial Truce was proclaimed by the leading representatives of capital and labour in December 1947, mainly as a result of official persuasion. Government could hardly be blamed if the parties did not play the game as was expected of them at a stage when freedom for the country was a fledgling. The new Finance Minister, Mr. R. K. Shanmukham Chetty, did his best under the circumstances to revive confidence among businessmen by his interim budget and not even the huge demands of the refugees on the national coffers were allowed to stand in the way of a progressive taxation policy. The point we wish to make here is that the new government had to operate under severe limitations, and it has done the best it can so far within the limits set by circumstances, which include among others an obligation to make at least a beginning in the way of reducing inequalities of wealth and opportunity. There is undoubtedly a socialist tinge in the government's approach to all problems, especially those affecting industry, but from the political point of view, this can no more be deprecated than the advent of a popular government.

Economic Situation Deteriorates

The sad confession must, however, be made that the economic situation of the country went from bad to worse. This has two aspects. The first is the terrible dislocation to trade and commerce arising from the mass migrations that were the consequence of partition. When people have to flee for their lives, leaving all their earthly goods to tender mercies, one cannot expect an early restoration or rehabilitation. Millions of refugees have come over to India and ten months' experience has underlined the fact that to put them on their feet in an economic sense is a superhuman task. The colossal loss of wealth experienced by the unfortunate refugees from Punjab and Sind will not easily be made good, perhaps not for generations to come. Even more intractable is the problem of finding for them gainful occupations in totally new surroundings.

The second aspect is the notorious drop in production in almost all industries worth the name, thereby giving inflation a strong stimulus. The year witnessed frequent and prolonged strikes in all industries and when labour at all worked in the factories, it adopted go-slow tactics. Even in the last *Annual*, the tendency on the part of the working class to ignore the paramount need for higher production was noticed. Even at the risk of being charged with a capitalist bias, we pointed out that labour in India was growing irresponsible and even truculent. Indeed, during the past year strikers in some cases were reported to have resorted to violence against the management. The Central Government convened a conference in New Delhi in December 1947 and with great difficulty and much persuasion, the so-called industrial truce was proclaimed. But strikes have gone on merrily even after the truce which is now more honoured in the breach than in the observance. Appeals from government to workers have gone unheeded, and since the working class cannot grumble about its present scale of wages granted by industry, it is not easy to see where this intransigeance will end. On the other hand, while the industrial situation from the production point of view has been very bad, the working class has staked out new claims such as a share in profits of the business, etc. The fact that even government are inclined to investigate the proposal for profit-sharing seriously indicates that the working class is not altogether barking up the wrong tree. The actual gains obtained by labour through regular channels like appeals to the Industrial Court and through the weapon of the strike are set down in a chapter specially devoted to it. Here, we are concerned to point out that the working class must bear some blame for the industrial rot that set in in the past year.

Although it is not our purpose to apportion blame as between capital and labour, it should also be regretfully admitted that employers were also inclined towards a merely opportunistic policy of making the most when the going was still good. They were not loath to declare lock-outs or shut down their factories seemingly to spite labour and this indifference to the production front was very glaring in many cases. It seemed as if they did not mind what happened to the consumer so long as labour could be deprived of the wage increase it asked for and thereby the industry's profit margin could be maintained intact. The lower quantum of production naturally limited profits and one way out of the situation was to sell their production in the black market, never caring whether the consumer was fleeced or not. The era of decontrol favoured the adoption of such practices in spite of repeated warnings from government. In fact, the consumer was the shorn lamb on whom the wind of all-round exploitation blew persistently throughout the year. The government had hoped that with the advent of decontrol the supply position would improve and that the manufacturers would help to turn out more goods to the public although at slightly higher prices than during the controlled regime. Such was the disillusionment which awaited the public and the government that the latter had to ruefully admit in April last (1948) that " with a few honourable exceptions, neither the industry nor the trade has discharged its obligations to the public." The triangle formed by government, industry and labour turned out to be an endless wrangle between one another. The chase between them only resulted in costs chasing prices upward and *vice versa*. The resultant of all these forces hit the consumer adversely and his purchasing power suffered serious decline.

Economic Indices

Before passing on to the details concerning the textile industry, it would be appropriate to sketch here in brief outline the economic situation during the past year. The currency in active circulation rose to Rs. 1,338.1 crores as on 11th June 1948 from Rs. 1,233.98 crores a year back. It is important to note this expansion in currency occurring at a time when production had suffered serious decline. The effect is perhaps only partially reflected in the index numbers of wholesale prices. Thus, in the manufactured articles group, the index for textiles rose from 307.0 in May 1947 to 422.1 in May 1948 (base August 1939=100). Similarly, the working class cost of living indices (base August 1939=100) for Bombay show that the index steadily jumped up from 271 in May 1947 to reach a peak of 299 by September 1947, followed thereafter by a decline of 271 in January 1948. Since then, the index has been moving up rapidly and touched 291 in April 1948. Likewise, the Ahmedabad cost of living index also shot up from 290 in May 1948 to 337 by September of the same year, followed thereafter by a decline. The tendency in other centres has been more or less similar. All this indicates that a sharp rise occurred immediately after the national government came into existence. Early in the new year (1948), decontrol helped to retard the upward tendency for a few months, but thereafter the upward spurt in prices and in the cost of living index became suddenly accentuated by anti-social forces which surprised all observers including the government by their virulence. Not only did the increased production on which government had banked when it removed control fail to materialise, but the consumers' position became an awful one.

Experience of Decontrol of Cloth

It looked as if decontrol had only obliged the black-marketeer. The new government was left to wonder whether the remedy for the situation lay in reintroducing price control or whether they ought to find out a new technique of rolling back prices. The experience of the controlled regime was so unpleasant and so fresh in the memory of the public and the government that going back to it seemed out of the question. The only other course, it seemed, was to ensure supplies at reasonable prices by means of opening fair price shops, etc. Such a step depends for its success on the active co-operation of the trade and its sincere desire to protect the consumer. Unfortunately, this has been so far lacking, in the textile trade at any rate. The experience of decontrol in the food and sugar industries justified government in its expectation that things would settle down to some degree of normalcy in the textile industry also in a short time. But there were so many red herrings thrown in the trail of providing greater supplies to the consumer, such as determining fair prices, share of labour in profits, providing general amenities to textile workers, that it is not surprising that the main objective of higher production has been lost. As we stated even in the last *Annual*, the only philosophy that could have saved the country was that of production and more production, but instead the people have been treated to a sickening discussion of economics and employer-labour ethics, when these discussions could really wait for some more favourable opportunity.

The reference to the Tariff Board which was charged with finding a yardstick for measurement of costs and with an analysis of the elements that enter into the costs of production smacked of a device to show that the consumer does not pay a higher price than is justified. A maze of issues have been imported into these discussions and a section of the public has not refrained from the uncomplimentary inference that the government are stalling on the issue, instead of giving a clear ultimatum to producers as well as to workers that increasing production comes first before any other issue however legitimate. For it must be remembered that decontrol was asked for by the manufacturers ; and government embarked upon the experiment on the fairly clear understanding that the employers would turn out more goods at reasonable prices. It now looks as if the industry had merely manoeuvred the government into a favourable position for itself without giving the *quid pro quo*. That, at least, is the charge of many consumers in the country, and it is up to the industry to refute the charge by means other than merely saddling the blame for it on the worker. The manufacturers are pressing the issue of prices to the fore and they have not concealed their feeling that present prices are uneconomic and that therefore they could not very well be blamed if their enthusiasm for higher production is not up to the required pitch. It is not the purpose of this *Annual* to adjudicate on so delicate a matter as the one we have discussed, but our sole concern is to stress the fact that what with this and that, with charges and counter-charges from one section of the industry to another, the country is put to great avoidable suffering.

Bird's-eye-view of the Industry

Before proceeding to the various aspects of the industry, it would be well to give a bird's-eye-view of the developments since the last *Annual* was published. Throughout the year, the price question has remained in the forefront of discussion. It will be remembered that the Kamat Committee early in 1947 felt that there was a case for increasing prices of coarse counts and advocated a levy on fine counts, along with the introduction of a scheme of standardisation. This Committee was composed of officials and the matter was referred to the Commodity Prices Board who disagreed with the above view and felt that price increase was not justified. Towards the end of 1947, many discussions took place between government and industry as to the advisability of removing control on prices and decontrol in the new year seemed a certainty. Meanwhile, in November 1947, the Tariff Board was directed to enquire into the fair prices for cloth and yarn with reference to the standardisation scheme and to report on the proposal to subsidise coarse counts as well as to suggest control over production and distribution. Before the Board started work, government took the decision to relax control in January 1948, leaving it to the industry to fix fair ex-mill prices and stamp the same on cloth. Control over the movement of yarn, and over spare parts, machinery, etc. was retained.

The immediate effect of decontrol was a large rush of goods which had hitherto been either underground or had been stocked up in various production centres owing to official restrictions or transport bottlenecks. The prices in the free market were generally quoted in urban centres at anything from 50 to 100 per cent over the stamped prices. It is interesting to note that at this stage consumer resistance was definitely perceptible and it was a common sight to see consumers passing by shops in which fine cloth was alluringly displayed, where one had expected them to lap up anything that was offered. This had a chastening effect on the free prices in the piecegoods market. It would have been well if things had stopped there, but in April 1948, whether owing to sustained pressure from industrialists or not, government were led into what now seems an absolutely false step of deciding that the stamping of prices should be removed. This in fact was just what was needed to make the cup of consumer misery full. It was alleged that many millowners had anticipated this destamping months ahead of the actual decision and had accumulated stocks in their godowns. When it did come, it provided a golden opportunity to indulge in an orgy of profiteering. The people were given the flattering unction to their harassed minds that fair price shops would be set up soon in important centres by the manufacturers. Of course, much has not been done and vague excuses such as lack of accommodation for shops have enabled the mills to put off implementing their sweet promises. Even if the fair price shops on a very wide scale had been opened, they would not have relieved consumer distress as the varieties they would have offered could have been only a few cheap and unwanted ones and not what the people want—voiles, saris, dhoties, etc.

In the meantime, in March 1948, the Tariff Board had its terms of reference revised. Instead of the responsible and comprehensive terms of the original reference, it was now asked to report merely on the fair price with reference to the cost of production of different types of mills. Considering that a month later, government even removed stamping, this step made the Tariff Board's enquiry something of a farce. Without being unfair to the Board, one might characterise the second reference as a sort of invitation for submission of a thesis by the Board on an academical question. In our opinion, the Board could well have been spared this discourtesy by government.

Textile Control Board Abolished in April 1948

The Textile Control Board continued to exist. Bertrand Russell said of George III that he was certified to be insane but continued to be King of England. Even so, we might say of the Textile Control Board that it had been certified to be effete and unwanted, but continued to be in existence.

The fact that throughout 1947, it had only eked out its existence apparently mattered little. Finally, in April 1948, the Board was scrapped by government and it went unwept, unhonoured and unsung. The vested interests who were hitherto shaping the Board's policy and who were able to exercise a good deal of pressure even on the new government were successful, however, in seeing that the Board was replaced by a number of advisory committees with purely advisory functions. To some people, the difference between the previous Board and the new committees is only the difference between tweedle-dum and tweedle-dee. That takes us almost right to the present time, when there is a huge uproar against the unconscionably high prices of cloth. Meanwhile, at the end of June, the Tariff Board was reported to have sent in its report to government, of which we shall see more in the following pages. This summary of developments may be wound up with the observation that the government are extremely worried about the high prices and the failure of the industry and the trade to live up to their promises on the eve of decontrol.

Government's Policy of Drift

We would respectfully point out that the short-term and long-term issues are being confused at present. Questions like the fixation of a fair price for cotton manufactures for various types of mills, the evolution of costing standards, profit-sharing are admittedly long-range problems which do not lend themselves to tidy solutions in a short time. For the divergence of views between the various interests is so sharp and irreconcilable, owing to the tendency of each group, to plump for its own interest, that a fair and acceptable arrangement is not easy to arrive at. To attach the problem of greater output to the outcome of this controversy will necessarily expose the country to hardship, while at the same time the rival interests have little to lose by waiting. The government has to take a firm stand on some issues, and there is no evidence of that so far. Up till now, the only policy is drift, if it can be called a policy at all.

Exit Control

In order to retain the thread of the narrative since the last *Annual* came out (August 1947), it seems desirable to recount here the circumstances that actually led up to the decontrol of textiles. Ever since the middle of 1947, the press and the platform had been full with discussions on the desirability of removing control over production and distribution of the main consumer industries, and particularly of food and cloth. The manufacturers were only too eager to see the end of controls which had been irksome to them in so many aspects. Except for some of the trade unions, the consensus of opinion was entirely in favour of the decontrol policy. The Bombay Legislature Congress Party passed a resolution supporting decontrol. The Government of India after great deliberation first removed control on food, then on sugar and by the end of the year 1947, were seriously contemplating the removal of control over textiles also. Early in November 1947, they issued a statement to the press which stated *inter alia*: " During recent weeks, there has been considerable controversy on the question of decontrol of cloth and yarn. Government are of the view that with supplies well below demand, immediate decontrol would only lead to a repetition of the shortages and the high prices which occurred in 1943 and were the direct reasons for the institution of the existing control over cloth and yarn. Apart from the grave hardships which will ensue, should such a situation recur, an increase of the price levels of cloth and yarn to those of 1943 would start an inflationary spiral dangerous to the country's economy. If, however, the present scheme for the increase of production should produce the expected results, relaxation or withdrawal of existing control would become feasible. It is the policy of Government to continue control only so long as is necessary in the best interests of the country, and in a form which will throw the least inconvenience on consumer and producer alike." It will be seen that this emphasised the scheme for increasing production which was at that stage considered the main thing, and one on which the issue of decontrol actually depended.

Industry Committee's Recommendations

It is at this point that the earlier recommendations of the *Ad Hoc* Committee acquire significance, particularly as regards the steps to increase production. Apart from its recommendations price-wise which are noticed elsewhere, the Committee recommended that the manufacture of yarn above 80s counts and cloth involving use of such higher counts of yarn should be entirely prohibited. As regards the incentives for additional shift working, the Committee was reported to have felt that the claim for additional depreciation asked for by the industry for third shift working was justified, especially as the ruling prices for new machinery were about 4 times the pre-war prices and as third shift working would lead to greater need for replacement of machinery. Above all, from the production point of view, the Committee's recommendation of a standardised scheme of production is important. This had two aspects : first, to increase the output for spindle and loom ; and second, to get the maximum yardage of serviceable cloth out of the available supplies of yarn. These proposals held the field, and in September 1947 the Hon. Mr. C. H. Bhabha, the then Minister of Commerce, and the Hon. Mr. R. K. Shanmukham Chetty, the Finance Minister, came to Bombay, to hold discussions with the Industry's Committee. In his speech, Mr. Bhabha said, " the immediate task before us, as you all know, is to increase production—particularly of those varieties of cloth which are greatly in demand by poorer sections of our community, viz. the coarse and medium, at prices which do not add to the inflationary spiral. In spite of the Government-sponsored Standard and Utility Cloth Schemes, which have had only a limited measure of success for reasons which it is unnecessary to explain in this context, I think it is on the whole correct to say that since the end of the war, the primary concern of textile administration has been the control of prices and distribution rather than the raising of production levels or the regulation of production targets or schedules for different varieties of cloth. During the war, having regard to the requirements of the Defence Services, considerable attention was paid by the then Supply Department to production schedules for the different varieties of textiles, but with the cessation of hostilities, the emphasis shifted from production schedule or targets to prices and distribution. Both government and the industry have already recognised that the earlier emphasis on production should be recaptured in the interests of the general consumers. . . . It has been the endeavour of the present government in consultation with the industry to adopt an agreed standardisation scheme that would ensure the maximum production of those varieties of cloth which are specially required for the consumption of the public. . . . After a careful examination of the various schemes presented to them, government have decided to adopt the plan originally formulated by the industry and subsequently modified by the *Ad Hoc* Committee in March 1947."

The common issues in all these standardisation schemes were (*a*) that the mills will have to go on more and more for coarser production within the limits set by their equipment, (*b*) the range of counts allowed to be spun should be restricted, and (*c*) that the varieties of cloth to be manufactured should be drastically curtailed. This appeared to be the considered judgment of all technical experts. Mr. Bhabha also referred to the issue of prices which had been hanging fire since June 1946 when the Caretaker Government was in office. He admitted that coarse count mill prices were not economical and that the success of the proposed standardisation scheme was really dependent on a realignment of prices between coarse and medium counts on the one hand and fine counts on the other. He made it also clear that, from the point of view of social justice and of checking inflation, no price increase should be allowed unless the prescribed production targets are attained. He concluded by giving the outlines of the revised price scheme which is discussed elsewhere.

Standardisation Scheme Suggested

A further meeting with the members of the Industry's Committee was also held in Delhi in the middle of October 1947, and as the Hon. Sardar Patel and Dr. Shyamaprasad Mookerjee also attended it, great significance was attached to the discussions. Early in November, government issued a statement to the press announcing their decision in the above meeting which were embodied in a government resolution dated 17th November 1947. The resolution after referring to the scheme for standardisation for production noticed above stated that the Commodities Prices Board also endorsed the scheme, though not the proposal for raising the prices of coarse cloth and yarn. The most that anybody would concede at that stage was that the production of coarse and medium varieties should be subsidised by means of a levy on fine varieties, having regard to the weight of public opinion against any increase in the prices of coarse cloth until it was clearly established; that such increase would not merely swell the profits of mills. It was stated therefore that the government had decided as follows:—

(1) The standardisation scheme as finally devised on the recommendations of the *Ad Hoc* Committee should be put into force on the 1st December 1947, and its introduction completed before the 31st December 1947 ;

(2) the question of prices should be referred to the Tariff Board ; and

(3) an Equalisation Fund should be started with effect from 1st December 1947, to which will be credited:

  (*a*) the difference between existing ex-mill prices of fine and superfine cloth and lower prices which the *Ad Hoc* Committee believe to be fair ;

  (*b*) half of the amount now being paid as quota-holders commission, which Government have decided to reduce from 3 to 1½ per cent from 1st January 1948 ; and

  (*c*) a surcharge on a sliding scale on ' free ' yarn sold by mills.

It was estimated that this standardisation scheme would increase production by about 800 million yards of mill-made and handloom cloth. It was decided to set up Regional and Unit Production Committees consisting of representatives of labour and industry so as to ensure that there is no wastage or leakage of cloth and yarn in the mills and that labour fully co-operated in the production programme. Finally, the government appealed to all sections of the industry for their full co-operation in implementing the decisions already reached. They also indicated the terms of reference to the Tariff Board.

Control on Cloth relaxed in January 1948

By November 1947, it became clear that the effects of decontrol were being explored by government, which was feeling that the progress on the production front was not satisfactory enough for one reason or another. The newspapers were full of talks between the ministers and the industrialists which implied that a decision on decontrol was very imminent. The Industry's Committee of the Textile Control Board considered the matter and at a meeting held on 19th January 1948 which was attended by Sardar Patel and Dr. Mookerjee, the fateful decision was taken to remove cloth control. It transpired that the Government of India, before ending control, were asking for assurances from the industry that decontrol does not result in too steep a price rise for cloth and that the mills and cloth dealers, wholesale and retail, should form themselves into associations to supervise the trading. Also, the possibilities of opening fair price cloth shops were discussed. It seems pertinent to stress here one feature : the industry did not commit itself to any definite promises. On the other hand, the press carried full reports of opinions expressed by leading millowners that the year 1948 would be a year of losses for the industry as a whole, that more than half the mills in the country were working under such losses. It was also stated that several mills were planning to cut down production if only to save their machinery from depreciating further. Much was made of the sharp rise in the wages and it was even said that the crisis in the industry was essentially one of the government's creation, being due to a faulty price structure evolved up till then. Government decided to give an opportunity to the industry, as it was put then, to return to normal conditions through decontrol. On paper, it was stated that the textile industry would shoulder the responsibility for keeping the price level within bounds. It was all gloriously vague and nothing seemed to matter except to bow to the terrific pressure brought by the mills who also exploited the argument that the price of cotton had gone up very much and nothing but decontrol would remove their ills. And so, after 18 months of vacillation and indecision, the first stage of decontrol was initiated. Since they were first introduced in 1943, no doubt, a number of factors had tended to upset the original scheme. These were the higher prices of cotton, of mill stores and replacements, the wearing out of machinery, the coming of the 8-hour day, disturbances and strikes, and lastly, the tendency to spin finer counts which were fetching a larger margin of profits. If control had to be continued, it could only be by a very drastic revision of many of its former features and clearly the government preferred to experiment with decontrol rather than expend its time in a search for such a new scheme of control.

Subsidy abandoned ; Equalisation Fund closed (Rs. 2 crores collected credited to Revenues)

As control went, so too went the system of subsidies, equalisation fund and distribution. We cannot do better than conclude this chapter with a reproduction of the most momentous press note issued by the Government of India, on 19th January 1948, announcing the decision to decontrol textiles.

Government Resolution on Relaxation of Control over Cotton Textiles (January 1948)

"In November 1947 the Government of India announced their decision to put into force the Standardisation Scheme for the production of cloth and yarn as finally devised on the recommendation of the *Ad Hoc* Committee and to refer the question of prices to the Tariff Board. Since the issue of this communique, Government have decided to relax control over food with a view to its eventual elimination in stages. In pursuance of this policy of progressive decontrol of commodities, Government have also decided that the existing control over cotton textiles should be considerably relaxed. During the last few weeks there has been a sharp and sudden increase in raw cotton prices all over the world and these increases have had their repercussions in India. Difficulties have also arisen in the matter of securing supplies of long staple cotton from Pakistan on which the scheme of Standardisation was very largely based. These increases have made it necessary to relax the Standardisation Scheme. Some increase of prices of yarn and cloth appears to be inevitable, at least for the time being. It has also become desirable to devise a scheme which will provide for flexibility both in production programmes and in ex-mill prices.

As regards production it has been decided that every mill will in future be allowed to reach the targets already laid down either by following the Standardisation Scheme or by rationalising its production to suit its individual circumstances. Subject to certain limitations of a general nature devised to increase production and also to direct it towards such types and varieties as are in great demand like dhoties and sarees, mills will be allowed to work out their own production programme in the light of the demands of the market and their own raw material position. Existing measures to prevent hoarding will continue.

To increase production to the maximum and to facilitate for this purpose the exchange of views and discussion of production problems between managements and labour, the setting up of Production Committees at all mills will be promoted. Detailed proposals regarding these committees are under the consideration of the Government.

Government are anxious that there should not be any abnormal rise in prices immediately following this measure of decontrol. They have received the assurance of the Industry that they will fix reasonable prices taking into consideration the current prices of cotton. The Government welcome this assurance and will now leave the fixation of prices to the Industry. They will also take serious notice of any mill exceeding the price level fixed by the Industry. The enquiry now being undertaken by the Tariff Board will continue to enable the Government and the public to satisfy themselves that the consumer does not pay a larger price than is justified.

The Equalisation Fund is being closed, and surcharges on yarn and cloth will no longer be collected. The Industry has agreed that subsidies will no longer be necessary on any yarn or cloth and these will, therefore, not be paid by Government as contemplated in the Standardisation Scheme which is no longer being enforced by Statute.

As regards distribution, it is the intention of Government to restore normal trade channels to facilitate movement of cloth to the largest extent possible. Provincial and State Governments, will, however, be free to set up or continue their own procurement agencies. The system of quota-holders will be abolished. To relieve local shortages every mill in surplus producing areas will be required to reserve 25% of its production at the disposal of the Textile Commissioner for a period of one month. Mills will be encouraged to set up fair price shops in deficit areas and have promised their co-operation. Movements of textiles within a Province will be free and will be sanctioned by the Textile Commissioner from one Province to another except where such transport is uneconomic or unreasonable.

It would be difficult and undesirable to have the same type or variety of cloth selling at two different prices in the market. The Government have considered the question of the difference between new and old prices on stocks now held by mills, quota-holders and the Bengal Textile Association. This increase could not in fairness be allowed to be appropriated by the holders. It has, therefore, been decided that this difference should be collected from the mills for the benefit of the public revenues on the basis of stocks held by them on the 31st December 1947 or the 20th January 1948, whichever is greater, and from stockholders on the stocks held by them on the latter date.

The present system of distribution of yarn has worked reasonably well and will be continued for the present in the interests of the handloom weavers. Mills will, however, be given permission to distribute as they wish such quantities of yarns as are not lifted within a reasonable period of allocation.

In view of the unsatisfactory supply position of raw cotton, Government have decided that all staples which could be spun by Indian mills should be reserved for their use. The existing ban on export of cotton of 13/16" staple and above will, therefore, be extended. With immediate effect exports will be restricted to the following types and varieties :—

Bengal Deshi ; Oomra Deshi (excluding C.P. I and II) ; Mathia ; Assams ; and Commillas.

In pursuance of Government's general policy of decontrol, however, the statutory floors and ceilings of cotton prices will be abolished with immediate effect. To stabilise cotton prices the present export duty will be doubled. In view of the prevailing scarcity of cotton, Government do not anticipate that cotton prices will fall below the floor levels hitherto prescribed. Should, however, such a contingency arise, they will take such steps as are necessary to protect the interests of the cotton growers. The existing control over the export of cloth and over the distribution of machinery, imported mill stores, dyes, chemicals, sizing materials, etc., will continue. Control over the prices and distribution of imported cloth and yarn will, however, be discontinued immediately.

The Government have every hope that their present policy will meet the popular demand for a relaxation of the textile control and are confident of receiving the co-operation of the Industry, labour, the trade and the general consumer in the production of cloth and its equitable distribution at reasonable prices. They are, however, as is their general policy, prepared to consider the reimposition of the control should circumstances render this necessary, and for this purpose are retaining the existing machinery of control to the extent necessary."

The reservation implicit in the last sentence of the above press note is important in view of the very high prices of cloth in the free market and the general scarcity of supplies, on both of which an impartial observer could perhaps say that the industry and the trade had failed to come up to expectations. As we shall see in the sequel, the solution to this state of affairs is by no means an easy one, with the result that we find the government today in the position of being afraid to strike but willing to probe. The decisions stated above were subsequently incorporated into a Resolution dated the 22nd January 1948 from the Ministry of Industry and Supply. (*Vide* "Indian Trade Journal", dated 5th February 1948).

CHAPTER I

TEXTILE PRODUCTION

Production Statistics

Before the war, India was the most sparsely clothed country in the world with an average consumption of 16½ yards for every individual, as compared with America's *per capita* consumption of 55 yards, Britain's 45 yards, Western Europe's 30 yards, Eastern Europe's 20 to 25 yards and Japan's 20 yards. The position has been steadily deteriorating especially in the last two years and a severe overall shortage of cloth faces both India and Pakistan. In 1947 the *per capita* availability of cloth was hardly 12 yards, and so the distress of the consumers can be better imagined than described. It is hoped that the production in 1948 will be slightly higher.

The following table will illustrate the position of cloth production in the fast few years :—

(In million yards)

Year	Mill Production	Imports	Exports	Handloom Production
1938–39	4,269	64	177	1,500
1943–44	4,870	3	461	1,600
1944–45	4,726	5	423	1,500
1945–46	4,675	3	440	1,370
1946–47	3,863	16	318	1,350

The great shortage will thus be apparent. As compared with the availability of about 6,200 million yards for 380 million people in 1938-39, there were about 5,000 million yards available in 1946-47 for 420 million people. These figures are sufficient to give an idea of the acute shortage of cloth at the present time. The causes for these unfortunate circumstances are so well-known that they do not need repetition. In December 1947, the Ministry of Industry and Supply collected data on all industries through committees set up for each industry which not only collected statistics of past and present production but made concrete suggestions, falling into broad categories, viz. long-term and short-term plans. There had been such a short fall in production in all major industries that the government were seriously thinking of taking what may be called draconian measures to remove the bottlenecks and to raise production in all possible ways. The trouble was that, apart from the causes within each industry which led to lower production, there were other reasons arising from the impact of the shortage in one industry upon another. Thus, the shortage of coal, of steel, cement and transport also contributed its share to the decline in production in the textile industry arising from causes operating within its sphere such as strikes, worn-out equipment, etc. Naturally, the interests of the textile industry had the foremost place in the attentions of government as the importance of expanding cloth production is second only to food for the population of the country. With 10.1 million spindles and about 200,000 looms, the capacity is about 1,615 million pounds of yarn and 4,700 million yards of woven cloth. With a block capital of Rs. 100 crores and with an employment figure of nearly 6 lakhs, the total value of the production of the mill industry at current prices is approximately Rs. 450 crores. Unfortunately, as we have seen above, the output figures have been steadily going down both in respect of yarn spun and cloth woven. But the worst stage was really reached in the year 1947 which could hardly boast of a mill production of 3,800 million yards and 1,200 million pounds of yarn.

Causes of Decline of Production

The serious decline in production was attributed by government themselves to the following difficulties :—

(1) Labour troubles (strikes and lock-outs), (2) absenteeism, (3) labour's slow-down policy, and (4) communal troubles. All these led to stoppages of production. In addition there was a reduction in working hours from 9 to 8 per shift and also the gradual changeover to the more remunerative finer counts by mills. A rough estimate of the losses of production due to reduction of working hours per shift is 10 per cent, while the same due to strikes, etc. was placed at 6 per cent and that due to changeover to finer counts at 4 per cent. On top of all, the fact must be remembered that with each day the machinery must be older and less efficient. In fact, since 1939, no substantial deliveries of machinery had been received for replacement and maintenance. According to one estimate, about 40 per cent of the existing machinery is overdue for replacement. Further, loss in production due to inadequate supplies of coal was also substantial. It would appear, however, that the losses in production due to poor coal supplies in 1946 and 1947 were not so large as in 1944 and 1945 and that supplies were maintained more regularly. Then again, the essential mill stores like card clothing, bobbins, shuttles and certain essential chemicals were both inadequate in volume and bad in quality. Lastly, there were the transport difficulties interfering with the movement of machinery as well as mill stores and chemicals. For a detailed statement showing the requirements of mill stores, dyes, chemicals, etc. for the cotton textile industry and the type of assistance necessary for the allied indigenous industry, please refer to appendix in which the relevant figures as well as the remarks of an official committee regarding the form of assistance to be given to the indigenous industry are given. It must be admitted that much useful work has been done by the Barat Committee whose report embodies all these data and some healthy conclusions.

Import of Machinery fails to Materialise

Before passing on to other matters, we may notice in passing the disappointment experienced both by government and the mills as regards import of machinery and capital equipment. Naturally, stress is laid on spinning machinery in that once the yarn is produced, cloth can always be woven. Thus, from the U.K. an import of 200,000 new spindles and 40,000 reconditioned spindles were estimated in 1947, but actual deliveries have fallen far short of expectations. The estimate of an import of 300,000 spindles during 1947 was mainly based on the negotiations carried out in 1946 by the Thackersey Mission with the U.K. Spinning Machinery Manufacturers. But the U.K. had her own troubles and the relief to the spinning side of the industry in India was not forthcoming.

As regards 1948, the estimated deliveries are 3,50,000 new spindles from the U.K. and 10,000 reconditioned spindles also from that country for which negotiations were reported to have been carried on by various industrialists. Likewise, about 45,000 spindles and 12,000 from the U.S.A. and Switzerland respectively, making a total of 4,07,000 new spindles for 1948 are expected. But the crux of the problem is the availability of dollar currency. The American manufacturers are generally in a better position to guarantee delivery at firm prices, but owing to the currency difficulties, it is to the United Kingdom that this country has to look for importing textile machinery. The sterling balances negotiations do not offer anything satisfactory from this point of view and it looks as if most of the mills will have to continue to undergo further wear and tear of their equipment. The Indian companies manufacture a few ring frames and spinning spares every month and this is a drop in the ocean. Some of them such as the National Machinery Corporation, Bombay (combine of the millowners and the T.M.M. England), may perhaps start production of spares towards the end of the current year, but they can turn out spinning machinery only in 1950. Similarly, the Machinery Manufacturers Corporation (combine of Mahindra & Mahindra H & B, U.S.A.) may also take at least three years to start manufacture. The spinning spares will come in handy for maintenance purposes, but in the absence of complete lines of machinery from blow room to spindles, the few ring frames produced in India will not assist materially in expanding production, but will only help in balancing purposes. There is some hope, however, of obtaining complete range of spinning machinery from Japan and negotiations with the S.C.A.P. authorities give hopes of deliveries from that source this year, especially as India is prepared to send cotton and coaking coal. About 80,000 to 100,000 spindles can be made available if the S.C.A.P. authorities are so inclined. In December 1947, the authorities estimated an increase in production of cotton and yarn to the extent of 8 million pounds in 1948 on account of new spindles. The Barat Committee (1947) recommended that wherever possible every spinning and composite mill should be pursuaded to put an extra shift in the spinning department. The resulting yarn was to be reserved for allocation with the handloom industry. In their opinion, this step, if labour conditions permitted, was calculated to ensure better yarn supplies for the handlooms.

After referring to the post-war allotment plans for spindles, which are discussed elsewhere, it was also pointed out to government by this Committee that if expansion of production was at all to materialise within a reasonable time, no hindrance in importing machinery, particularly spinning machinery, should be placed even from hard currency countries. They argued that the gradual development of the Indian spinning machinery industry would not be affected as in course of time there would be enough demand to absorb that capacity for replacing worn-out machinery. Stress was laid on the backward character of the machinery complement of Indian mills in the preparatory departments, and it was pointed out that western countries had modernised machinery in this department enabling them to bring about appreciable increase in production as well as quality. It was, therefore, recommended that high speed Cheese and Cone Winders, Warpers, Warp time machines, and Pirn Winders should be allowed to be imported freely and that these precision and efficiency equipments should be had at all costs from the U.S.A. and Switzerland. As far as looms are concerned, imports of automatic looms was also recommended, while, at the same time, indigenous production of looms, dyeing and finishing machinery was to be utilised to the maximum extent.

Deficiency of Coal Supply to Mills

The textile industry requires about 180,000 tons of coal per month on an average, but actual receipts have been much below allocation. Thus, in the first 10 months of 1947, only 145,000 tons of coal per month on an average was received. But the mills had stoppage of production due to other causes and so this lower volume of coal supply did not by itself contribute to much loss of production. But the importance of coal can hardly be stressed as extra shift working depends entirely on that. Likewise, the requirements of mill stores and chemicals are large and numerous for efficient production and there is a great deal of shortage to be made up in this respect. The actual figures in respect of each item are given in an appendix.

Industries' Conference of New Delhi (December 1947)

The Industries Conference attended by representatives of all governments, industry and labour was opened by the Hon. Dr. S. P. Mookerjee, Minister for Industry and Supply who pointed out in his speech the necessity for assisting the Government of India to arrive at decisions for an immediate increase in industrial production and the development of industries on a short-term plan. He did not mince words when he described the industrial crisis as very serious. The promotion of stable relations between labour and management, particularly by calling for a truce in lock-outs and strikes, was also emphasized by the government spokesman, who among other things promised to publish an annual digest of industrial statistics. It was in short a fine and noble appeal to all the interests concerned to get together at any cost and work with a single objective, namely of raising production in all industries. He invited suggestions from the conference regarding the machinery suitable to advise government on vital matters and concluded with a fervent appeal to all interests to join together in a vigorous effort which would make possible, " a rapid transition from our colonial economy of raw materials produced by exploited masses to a national economy of manufactured goods produced in abundance by skilled workers fully enjoying the fruits of their labour." It was an excellent speech which put the problem fairly and squarely, and the conference was left in no doubt of the fact that if something was not done by united action to end the production crisis, the country would face ruin. Some of the achievements of this conference held in the middle of December 1947, are recounted in succeeding chapters.

CHAPTER II

EFFORTS FOR SECURING HIGHER PRODUCTION

We may now proceed to survey the steps that were actually taken and the production techniques that were enforced within the past year in an effort to secure greater production. The starting point here as with other aspects of the industry is the recommendation of the *ad hoc* departmental Committee which had been directed by government early in 1947 to recommend measures necessary for increasing production of yarn and cloth. Although the report of the Committee was not published, it was known that a scheme of standardisation of production, devised to increase output by reducing types and varieties of cloth and yarn produced by the mills and lowering the average counts produced, was submitted by the Committee. As admitted by the government itself, it was decided that the standardisation scheme should be put into force on 1st December 1947 and its introduction completed before the 31st December 1947. An increase in production to the tune of 800 million yards of both mill-made and hand-made cloth was expected to result from the introduction of this scheme. Meanwhile, the question of prices had already been referred to the Tariff Board, and it was officially stated that if any price increase was recommended by that Board, the mills were to be paid such prices with retrospective effect for all the production delivered under the standardisation scheme after 1st December

1947, provided certain targets of production were attained. Government also promised to take into account short falls of production from the targets due to circumstances beyond the control of the mill concerned. The setting up of Regional and Unit Production Committees on which representatives of labour and industry would sit was also decided upon, so as to ensure that labour fully co-operated in the production programme and that there was no wastage of cloth and yarn in the mills. It was conceded by the authorities in a Resolution dated 17th November 1947 that a further increase of about 800 million yards in production could be secured if labour would only agree to work one hour longer each shift where two shifts were worked. "Government are conscious that the recent reduction of working hours from 9 to 8 was a progressive measure, but trust that in view of the present national emergency and the great shortage of cloth in the country, labour will take a patriotic and national view of the proposal that the working day should be slightly lengthened as a temporary measure. Such overtime will, of course, be remunerated on the accepted scale. Government also propose to promote labour welfare measures through provincial or State governments or other suitable authorities with contributions from the Equalisation Fund, at all mills which worked two shifts of nine hours each or three shifts." The Tariff Board was also asked to advise government on the existing system of control of production; in fact this part of their Report was asked for separately. Consequent upon these measures, government issued the Textile Industry (Control of Production) Order, and also an Ordinance constituting the Equalisation Fund, which latter was closed by March 1948.

The attitude of the authorities from September 1947 onwards had been fully made clear in the speech of the then Minister for Commerce, Mr. C. H. Bhabha to the Industry's Committee of the Textile Control Board at Bombay. After apologising on behalf of the government that government had not been as vigorous in the pursuit of maximum production of cloth as they ought to have been, he stated that the standardisation scheme formed an integral part of the government's proposals stated above. After referring to the limited success of the officially sponsored standard and utility cloth schemes, he made an eloquent plea to the mills that the emphasis should be kept on production schedules or targets rather than prices. From the point of view of technique *vis-a-vis* higher production, all the experts were agreed on the need for (*a*) asking the mills to turn out more coarser varieties, subject to the nature of their equipment, (*b*) restricting the range of counts spun, and (*c*) drastically curtailing the varieties of cloth manufactured by the mills. Mr. Bhabha admitted that, since the coarse count mill prices were not economical (at that time), the success of the standardisation scheme depended upon a proper adjustment of prices in respect of coarse and medium counts. While saying this, he made it clear that the price adjustments were conditional on the attainment of production targets, in order to see that the consumer at least got higher production when he was asked to pay higher prices. The full details of the price adjustments that were proposed at this stage are noted in the chapter on Prices. The increased prices were to be paid only for the cloth and yarn produced under the standardisation scheme and made available for sale. It was also stated that, to qualify for the allocations from the Fund, mills should achieve a target of production fixed for the period, and the target was to be the maximum production in any one of the three years, 1943, 1944 and 1945, adjusted with reference to hours of work. Mills not reaching the target were to be denied their right to the benefit of the increase in prices.

Industries' Committee Meeting in September 1947 at Bombay

It will be seen that the new scheme rested on a higher price for a certain section of the industry on whom the onus for higher production was laid, while labour was also called upon to work an additional hour with suitable extra wages. The Central Government were reluctant to plump boldly for the introduction of the third shift in mills, knowing very well the extreme sensitiveness in labour circles to such a suggestion and being afraid to step on the corns of workers. The point of view of labour was effectively pressed by Mr. Gulzarilal Nanda, the Bombay Minister for Labour, at this time. Defining his approach as a purely pragmatic approach in the matter of more hours or of three shifts, Mr. Nanda pointed to the acute dissatisfaction among the public at the manner in which control had worked and to the feeling that government and industry had both let the consumer down. In his view, any proposal for increasing the price of varieties of cloth would be resented and would strengthen inflation; and in any case, " the interests of a few mills pale into insignificance when compared with the larger interests of the country. If anybody can show that a further modification of the scheme of standardisation of cloth varieties could lead to some further addition to the volume of cloth, that should also be insisted upon. . . . If you will ask labour to subject itself to any more strain, they will probably ask you to assure them that everything possible has been done both for equitable distribution and for maximum production without entailing any additional burden on the consumers." Clarifying the attitude of the Bombay Government in the matter of three shifts, Mr. Nanda stated that such a step could be decided only if there was a reasonable assurance that the workers could work longer hours, without causing unrest or detriment to their health, and that other complications to the government of Bombay would not result. Describing his stand as " constructive ", Mr. Nanda made it clear that three shifts were attended with serious consequences. He asked : What shall we do if three shifts are started now and they become two shifts after a year ? How shall we tackle the problem of unemployment ? How shall we provide houses for the increased number of men, especially when steel is not available for carrying out the housing scheme ? As regards the increase in the hours from 8 to 9 in each of the two shifts proposed by the Central Government, he was emphatic that this would be resented as an imposition, unless double overtime on all wages, including dearness allowance, etc. were given as incentive. Mr. Nanda was very frank, perhaps uncomfortably candid towards the Central Government. But there was enough in his speech to suggest that increased production would not come through longer working hours, much less through three shifts. But the significance of his speech undoubtedly resided in the fact that, on the question of increase in production, the Central Government and the Bombay Government were certainly not seeing eye to eye with each other as they should have.

Decontrol of Cloth from January 1948

In November 1947, the Central Government issued a statement to the press in which it was stated that they hoped to obtain higher production as a result of the present scheme, but a pointer to the imminent change of policy was provided by the statement that relaxation or withdrawal of existing control would become feasible if the standardisation scheme led to higher production. By the 22nd January 1948 the decision to decontrol cloth had been taken, as we have noticed in a previous chapter. An official Resolution dated 22nd January 1948 referred to the need for decontrol of cloth on the ground *inter alia* that " during the last few weeks there has been a sharp and sudden increase in raw cotton prices all over the world and these increases have had their repercussions in India. Difficulties have also arisen in the matter of securing supplies of long staple cotton from Pakistan on which the scheme of standardisation was very largely based. These increases have made it necessary to relax the standardisation scheme. Some increases of prices of yarn and cloth appear to be inevitable, *at least for the time being*. (Italics ours). It has also become desirable to devise a scheme which will provide for flexibility both in production programme and in ex-mill prices. As regards production it has been decided that every mill will in future be allowed to reach the targets already laid down, either by following the Standardisation Scheme or by rationalising its production to suit its individual circumstances. Subject to certain limitations of a general nature devised to increase production and also to direct it towards such types and varieties as are in great demand like dhoties and saris, mills will be allowed to work out their own production programme in the light of the demands of the market and their own raw material position. Existing measures to prevent hoarding will continue. To increase production to the maximum and to facilitate for this purpose the exchange of views and discussion of production problems between managements and labour, the setting up of Production Committees at all mills will be promoted. Detailed proposals regarding these committees are under the consideration of the government. Government are anxious that there should not be any abnormal rise in prices immediately following this measure of decontrol. They have received the assurance of the industry that they will fix reasonable prices taking into consideration the current prices of cotton. The government welcome this assurance and will now leave the fixation of prices to the industry. They will also take serious notice of any mill exceeding the price level fixed by the industry. The enquiry now being undertaken by the Tariff Board, will continue to enable the Government and the public to satisfy themselves that the consumer does not pay a larger price than is justified.

The Equalisation Fund is being closed and surcharges on yarn and cloth will no longer be collected. The industry has agreed that subsidies will no longer be necessary on any yarn or cloth and these will, therefore, not be paid by government as contemplated in the Standardisation Scheme which is no longer being enforced by statute. The government have every hope that their present policy will meet the popular demand for a relaxation of the textile control and are confident of receiving the co-operation of the industry, labour, trade and the general consumer in the production of cloth and its equitable distribution at reasonable prices. They are, however, as is their general policy, prepared to reconsider the imposition of the control should circumstances render this necessary, and for this purpose are retaining the existing machinery of control to the extent necessary.''

Principal features of Standardisation Scheme after Decontrol

We have purposely quoted the Textile Commissioner's press note in such detail, so that the justification as well as the expectation of decontrol, as stated by government, may be understood. Upon the wisdom of the step, we forbear to comment, though subsequent events have proved that this sort of absolutely *laissez faire* decontrol has hit the country very hard and even disillusioned the government. It may be noted that the efforts to retain some sort of standardisation in production on the advice of so many committees proved a waste of time since the mills were left practically free to manufacture whatever they liked.

At the end of January 1948, Mr. Krishnaraj Thackersey circulated a memorandum to all Panel members and mills giving a summary of the decisions arrived at by the Industry's Committee in conjunction with government. After referring to the voluntary control on prices (about which full particulars are furnished in the chapter on Prices), the memorandum described the Standardisation Scheme operating after the decision to decontrol. A choice was given to each mill either to follow the Standardisation Scheme or alternatively to reach the target contemplated in the Scheme and fixed by the Panel member (the average production in the three years 1943-45 adjusted with reference to the eight-hour shift). Mills whose programmes had already been fixed were not necessarily required to adhere to the same except that the target fixed by the Panel member must be reached by them. Mills whose programmes had not been fixed were requested to approach the Panel members. Only the following features of the standardisation scheme were continued statutorily :—

(*a*) restriction as regards the maximum number of counts to be spun ;

(*b*) restriction as regards the number of sorts to be woven ;

(*c*) restriction to spin only upto 80s count ;

(*d*) restriction to manufacture not less than 44″ dhoties and saris in at least 75% of looms in 48″ to 58″ reed space. (Note : This will only be applied to mills manufacturing dhoties and saris in counts over 12s. If mills find that their stocks in these qualities have increased over one month's production, then mills may change over to other qualities after informing the Panel member and the Textile Commissioner. This restriction will not apply to mills which do not spin any warp finer than 18s.) ;

(*e*) present restrictions on the manufacture of saree borders will continue, i.e. mills will not be allowed to manufacture saris with borders over 2″ in any form ;

(*f*) no half counts in yarn or cloth calculations will be allowed ;

(*g*) that the present sizing control order will continue ;

(*h*) that the present packing restrictions, i.e. full bales, half bales, etc., will continue ;

(*i*) that the distribution of raw materials and stores will continue as at present ;

(*j*) that Anti-Hoarding provisions both for mills and dealers were to continue ; and

(*k*) mills were to continue price stamping including Tex-marks and the month in which the cloth is packed and the margins between ex-mill and retail prices were to remain the same.

Advisory Committees replace Textile Control Board abolished in April 1948

All these corresponded to partial degree of decontrol which had been decided upon in January 1948. In the third week of April 1948 as we have already seen, even stampings were removed while the Textile Control Board itself ceased to exist and was replaced by advisory committees. The various committees and sub-committees of the Board, which used to advise the Textile Commissioner on various matters connected with the administration of textile control also ceased to exist. Three advisory committees were, however, appointed in June 1948, in order that the Textile Commissioner may receive the advice and assistance of the trade.

Personnel of Advisory Committees (June 1948)

The first committee consisting of Messrs. K. M. D. Thackersey, Kasturbhai Lalbhai and Sir Shri Ram, was **for working out prices of cotton textiles required by government and for assisting in the allocation of contracts for cotton textile materials.**

The second committee consisting of Messrs. Thackersey, Kasturbhai Lalbhai, R. G. Saraiya and Sir C. B. Mehta, was **for advising on questions relating to raw cotton.**

The third committee comprising of Messrs. Thackersey, N. P. Hutheesingh, Sir John Greaves, S. H. Bhagwati and F. Edwards was **for advising regarding the import and distribution of mill stores.**

In fact, most of the persons who were on the Textile Control Board were appointed on these committees. (For list of members of this Board, *vide* 'Annual' for 1946-47.)

CHAPTER III

PRICES AND CONTROL

Throughout the past one year, textile prices have been causing a continual headache to the authorities and to the consumers. The quest for a fair price has not achieved its purpose, though perhaps the Tariff Board has evolved a formula (as yet not known to us), by the application of which the mathematics of this difficult question may be solved. From the point of view of prices, the year under review falls into two phases : the first phase, in which control was on and the Tex-marked price had some degree of reality, at least in relation to the rationed goods, though black markets were abounding in supplies. This was also the phase in which, within the industry itself, the controlled prices came in for considerable criticisms on the ground that, owing to the rise in manufacturing costs, coarse count mills were running at a loss, while fine count mills were having a comfortable time. The problem before the authorities was, therefore, to compensate the coarse counts manufacturers for their losses and hence to keep up production. It is in this connection that the cess on fine counts was born.

Soaring prices of Textiles after January 1948

The second phase, being nearer in point of experience, is the notorious ramp in prices that has occurred ever since cloth was decontrolled in January 1948, and particularly since April, when even the stamping of prices was discontinued. On the eve of decontrol, the government was hugging the faint hope that, if control were removed as asked for by the mills, the subsequent price increase would not be more than 25 per cent over the controlled prices and that such increase would not be minded at all by the public as they were expected to be compensated by higher production. None of these hopes has materialised. And cloth prices have been soaring up without any limit, in spite of warnings by government that the trade was not playing the game expected of it by a popular government. Thus, prices have again become a very live issue in this industry. The wheel has come full circle since 1943 when the runaway prices of cloth brought about the first cloth control scheme and it is a sad irony that the war-time emphasis on production and lower prices is so difficult to recapture now, when in the interest of the masses the National Government wants both. So urgent had the problem become that a conference of provincial ministers and other representative bodies had been called (in July 1948) to consider what should be done. A few months back, just after control was lifted, the authorities themselves appealed to the consumer not to rush his purchases but to wait. The public has waited, but to its discomfiture finds that, far from coming down, prices have been going up and the gap between approved ex-mill prices and the prices actually demanded of the consumer has widened. The cloth crisis at the moment is synonymous with a crisis in society itself, born of the evil of profiteering.

And yet, there have been vehement protestations from the mills and the cloth trade that they are not responsible for this unedifying state of affairs. Then, who killed Cock Robin ? The answer is yet to be found. To put it mildly, the industry has not put its *bona fides* in this matter beyond suspicion and the nation—which nearly two decades ago was generous enough to concede the identity of the national struggle with the progress of the cotton mill industry and which embarked on a boycott of foreign goods to enable the indigenous industry to grow,—may well ask itself today whether all that great vicarious suffering has been wasted on our millowners. The industry plainly cannot afford, in our opinion, the revulsion of popular feeling which has set in against it as a result of the disgraceful exhibitions of profiteering when the rupee's purchasing power is already low. With these preliminary remarks and in the hope that the industry will remember its duty to the common man, we proceed to enquire into the factual history of the past year as regards cloth (1947) prices.

1947 *Ad Hoc* Committee's recommendations

In the last *Annual*, detailed reference was made to the suggestions of the Industry's Committee and its firm conviction that, without an increase in cloth prices, at least of the coarser and medium counts, no improvement in production was possible. It will be remembered that the request for a revision of prices could not be accepted by the authorities even prior to the transfer of power to Indian hands. The government always felt that by acceding to the demand for higher prices, they would be giving a gratuitous fillip to inflation ; and the establishment of the Commodities Prices Board indicated their anxiety to put a ceiling on prices. On the textile side, the starting point was the appointment of the *ad hoc* committee by the Central Government with the specific direction to enquire into the then existing prices of various types of cloth and yarn and to recommend a basis for fixing reasonable price levels for the different counts of yarn and different types and varieties of cloth. By June 1947 the findings of the Committee were in the hands of government. Its recommendations amounted to an increase of about 10 to 20 per cent in prices for coarse and medium yarn of 40s. For counts above 40s, small reductions were proposed, reaching upto 20 per cent in the case of counts of 80s. So much for yarn. As regards cloth, the Committee suggested an average of 10 to 11 per cent ; the prices of cloth falling in groups 3 and 4 being *increased* by 23 per cent and 21 per cent respectively ; cloth in groups 5 and 6 by 12 per cent ; and cloth in groups 7 by 5 per cent. In the case of cloth falling under group 8 however, a reduction of 5 per cent was reported to have been recommended. Another recommendation was that the manufacture of yarn above 80s counts and cloth involving the use of such higher counts should be banned. As stated earlier, the committee recommended standardisation.

Scheme for Realignment of Coarse and Fine Cloth Prices (Sept. 1947)

The general impression was that the revisions of the price structure recommended by the Committee were enough to offset the rise in both wages and higher price of Indian raw cotton. When the matter was referred to the Commodities Prices Board, it took the view that no adequate case had been made out for an increase in the prices of coarse cloth and yarn; and it suggested that if any adjustment was necessary, it should be brought about by means of the creation of an Equalisation Fund through a levy on fine varieties, so as to subsidise coarse and medium varieties. As public opinion was also against higher prices, the authorities felt compelled to adopt this proposal. And so in September 1947 the Industry's Committee convened a meeting at which the Commerce and Finance Ministers of the Central Government were present to convey the official tentative decisions. In his speech, Mr. Bhabha pointed out that up till then the primary concern of textile administration had been the control of prices and distribution rather than the regulation of production targets for different varieties. With the end of the war, he said, the stress had temporarily been shifted from production schedules to prices, but that the time had come when, in the interests of consumers, the emphasis on production should be reorientated. After referring to the standardisation scheme, Mr. Bhabha referred to the linked problem of prices which had been raised by the industry as early as June, 1946 during the days of the Care-taker government. He said "Government are now satisfied that coarse count mill prices are not economical. The success of the standardisation scheme is largely dependent on a proper realignment of prices as between coarse and medium counts on the one hand and fine counts on the other." At the same time, the price adjustments proposed were conditional on the achievement of prescribed production targets. This was the sop to the consumer for paying higher prices. The main provisions of the scheme unfolded by him were these :

(*a*) Ex-mill prices of coarse and medium cloth falling below 30s count yarn would not be increased.

(*b*) Prices of 30s and over count cloth to consumers will be increased by about 6 annas per yard correspondingly for yarn and this together with the difference between the existing prices and the lower prices in any quality accepted by industry as reasonable for payment to the mills for fine cloth, could be shown as surcharge and credited by the mills to a Fund maintained by government. Incidentally, this will meet the objection that the price structure recommended by the *ad hoc* Committee is open to the criticism that it unduly narrows the difference between the prices of coarse and fine varieties of cloth.

(*c*) Mills will be asked to work one hour overtime per shift and the co-operation of labour will be sought to this and other similar proposals for increase in working hours. Payment for this overtime work will be at double the normal rate.

(*d*) 12½ per cent of the amount credited by the mills to the Fund will be spent, through Provincial Governments or properly constituted authority, on approved labour welfare measures for the benefit of all sections of workers in the cotton textile industry.

(*e*) Mills would be required to adopt the Standardisation Scheme, but assured that they would be paid the prices recommended by the *ad hoc* Committee as subsequently modified in discussion with the representatives of the industry, provided they produce the anticipated increased quantity. Increased prices will be paid only for cloth and yarn produced under the Standardisation Scheme and made available for sale.

(*f*) The sums due to the mills will be paid to them every quarter. To qualify for this payment, mills should achieve a target of production fixed for the period. The maximum production in any one of the three years 1943, 1944 and 1945 adjusted with reference to hours of work, would form the target. Mills not reaching the target fixed will forfeit their right to the benefit of the increase in prices and the amounts due to them will lapse to the Fund. Government will, however, review any case where this would operate harshly on a mill for reasons beyond its control.

Scheme with modification as adopted by Government

The industry did not take very kindly to these proposals but finally a compromise was arrived at to the effect that (1) the standardisation scheme will be introduced, (2) question of prices will be referred to the Tariff Board, and (3) the Equalisation Fund will be started from 1-12-47 to which will be credited (*a*) the differences between the then existing ex-mill prices of fine and super-fine cloth and lower prices which the *ad hoc* Committee felt to be fair, (*b*) half the amount then being paid as quota-holders' commission which government decided to reduce from 3 to 1½ per cent from 1st January 1948, and (*c*) a surcharge on a sliding scale on 'free' yarn sold by the mills.

It was also made clear to the mills that, if on the basis of the report of the Tariff Board the prices of any types or varieties of cloth and yarn required to be increased, the mills would be paid such prices with retrospective effect for all cloth and yarn delivered under the above scheme after 1st December 1947, subject to the fulfilment of the production targets. Special consideration was promised however to those mills whose production was not upto the mark owing to circumstances beyond their control; and government also would consider the question of making some payments 'on account' in special cases in the interests of maintaining production.

First Reference to Tariff Board, revised in March 1948

Meanwhile, we may note here, in passing, the fact that the Tariff Board, about whose working we shall see in detail in the next chapter, was charged with the following terms of reference. Briefly, they were (1) to recommend fair ex-mill prices for cloth and yarn in the light of the changes brought about by the standardisation scheme and to enquire into the cost of production of various types generally; (2) to advise on the adjustments to be effected in the ex-mill prices from time to time when prices of raw cotton, etc. rose; (3) in the event of any subsidy for parts of the industry, to suggest ways and means of obtaining the funds. It was significant that the Board was requested to report in detail within three months on these questions. Later, by March 1948, these original terms of reference were revised to one of merely reporting on the fair ex-mill price with reference to the cost of production of different types of mills, when decontrol was decided upon.

Textile Commissioner's steps to implement the Scheme of September 1947

In view of the announcement of the creation of the Equalisation Fund from 1-12-47, all the energies of the authorities were taken up in devising steps to collect the levy on the old stocks as well as new production. The Textile Commissioner accordingly informed all quota-holders of mills in Bombay and Ahmedabad that the stocks with them have been frozen for the purpose of recovering a levy at the prescribed rates, on receipt of their stock returns. They were also informed that all release or delivery orders issued to them upto 20th January 1948 which are not presented by the buyer in whose favour they were issued for effecting purchases and for which payment for the released goods is not received by them were treated as cancelled. In cases in which payment has already been made by the buyer in whose favour these goods were released, the quota-holders or the commission agents on behalf of up-country quota-holders were responsible for recovering from the buyer a levy at the prescribed rates. Thus, a quota-holder or commission agent acting on behalf of up-country quota-holders will have to pay this levy on all cloth in his hands, also including the cloth paid for but not taken delivery of by the provincial or State buyer. The latter were also informed that all stocks of cloth purchased by them on behalf of their principals in provinces or States from Bombay and Ahmedabad markets were frozen. They were to report all such stocks of cloth. In the case of delivery or release orders which had been negotiated already and in respect of which payments to quota-holders had already been made, the provincial or State buyers or their agents were to pay to the quota-holder a certain sum representing the levy imposed by government.

On the 22nd January 1948, with a view to seeing that the cloth is not immobilised for a long period, the Textile Commissioner stated that quota-holders and commission agents should calculate the amount to be paid to the Treasury on the following rates calculated on the ex-mill value of the goods excluding surcharge.

(1) 4 annas in the rupee or 25 per cent in the case of COARSE cloth.

(2) 2 annas in the rupee or 12½ per cent in the case of *MEDIUM* cloth.

(3) 2 annas in the rupee or 12½ per cent in the case of FINE cloth.

(4) 1 anna in the rupee or 6¼ per cent in the case of SUPER FINE cloth.

The quota-holders and commission agents were requested to deposit the amounts due from them in respect of their stocks in the Reserve Bank. On receipt of these documents, the stocks frozen with them will be released. Later, in order to tighten the rules, the Textile Commissioner issued an order that no dealer to whom cloth is released from frozen mills should sell cloth without his permission, unless recovery of the levy had been made. But this proved a great obstacle to the free flow of goods and in order to avoid the accumulation of stocks unnecessarily, it was decided that permits for movement of goods would be given when quota-holders sent in their statements along with Treasury chalans in respect of the levy. It was also made clear that although stocks might have gone out of his hands, a particular merchant was responsible for payment of the full amount of the levy.

In the case of yarn, the mills were authorised to recover the difference between the new prices suggested by the industry and the old prices (excluding the surcharge under the Equalisation Fund scheme which was effective from 1-12-47) ; and the difference was levied on yarn packed prior to 1-12-47 which was paid for at the old prices. Later, a clarification was given that the levy mentioned above was not applicable to certain varieties of cloth like fents below one yard in length, cotton waste blankets, filter cloth, cloth manufactured under government orders, table cloth, handkerchiefs, lint, gauze, bandage cloth and canvas of all sorts. In view of the freezing of stocks pending collection of cess by order of the Textile Commissioner, the question was raised whether the quota-holders who deliver such stocks to the provincial buyers or the provincial commission agents who consign such cloth to the provinces should charge godown rent, interest and other incidental charges for the period for which the goods remained frozen. It was decided that these charges should be borne by the Stockists themselves. It was found that although the buyers were prepared to pay the cess prescribed by government, certain quota-holders in Bombay and Ahmedabad were reluctant to part with their stock, presumably for questionable purposes. Accordingly, the Textile

Commissioner had to issue a warning against the practice. The loose stocks with a number of mills for retail sales were exempted from the new cess upto 20-1-48. These orders will give an idea of the amount of labour involved in enforcing the provisions of the Cotton Textile Equalisation Fund Ordinance, 1947 and after. At the time of the levy, the estimates of the total collections to be made from its imposition varied anywhere from Rs. 30 to Rs. 40 crores. We have it on the authority of the Finance Minister as stated by him in the Budget for 1948-49 that the amount actually collected upto the decontrol stage was Rs. two crores.

The apple cart was upset when raw cotton prices witnessed a sudden increase both in India and Egypt, while long staple cotton from Pakistan became very scarce. Relaxation in the standardisation scheme became, therefore, inevitable as increase of prices of yarn and cloth seemed called for. The time had come, it seemed, when only a scheme with provision for flexibility both in production programmes and in ex-mill prices could be worked. The Equalisation Fund was closed and surcharges on yarn and cloth were no longer collected. Since decontrol for which the industry had been clamouring for over a year had been decided upon, the mills agreed that subsidies would no longer be necessary on any yarn or cloth and these were, therefore, not paid by government as contemplated in the standardisation scheme which was no longer enforced by statute.

Government hope that prices of Cloth will not rise abnormally

In announcing these steps, government expressed their anxiety that "there should not be any abnormal rise in prices immediately following this measure of decontrol. They have received the assurances of the industry that they will fix reasonable prices taking into consideration the current prices of cotton. The Government welcomed this assurance and will now leave the fixation of prices to the industry." That was exactly what the industry had been praying for. The consumer was beguiled by the threat to the mills that "they will take serious notice of any mill exceeding the price level fixed by the industry. The enquiry now being undertaken by the Tariff Board will continue to enable the government and the public to satisfy themselves that the consumer does not pay a larger price than is justified." As the report of the Tariff Board had not come out till the end of July 1948 the consumer had to continue on a diet of grievance being fleeced by the trade to pay monstrous prices for cloth.

As the system of quota-holders was abolished, to relieve local shortages, every mill in surplus producing areas was required to reserve 25 per cent of its production for the Textile Commissioner for a short period. As certain stocks were held by mills, quota-holders and the Bengal Textile Association, the question arose as to whether the holders should be allowed to charge the new prices. It was decided that the difference between old and new prices should be collected from the mills for the benefit of the public revenue on the basis of stocks held by them on the 31st December 1947 or the 20th January 1948 whichever is greater, and from stock-holders on the stocks held by them on the latter date. In view of the poor supply position of raw cotton, exports of raw cotton were restricted by a ban on staples of 13/16 inch and above, so that all staples spun by Indian mills were reserved for their use. Decontrol was also extended to cotton in which the statutory floors and ceilings were abolished, with serious consequences as we shall see later. The export duty on cotton was doubled, to stabilise cotton prices. Control over prices and distribution of the imported cloth and yarn was discontinued immediately. The text of the full government Resolution of 22nd January 1948 on decontrol has been given on pages 10 and 11.

Manner of Control after January 1948 as determined by Industry's Committee

The position in regard to cloth prices after the first stage of decontrol was set forth by Mr. Krishnaraj Thackersey to all Panel members and mills. In a circular letter, he communicated the following decisions arrived at by the Industry's Committee, with the concurrence of government :—

(1) Voluntary control on prices to continue, and for that purpose, maximum ex-mill prices to be charged both for cloth and yarn have been fixed, which government consider to be reasonable and fair. The revised multipliers for cloth and revised prices of yarn were also fixed.

(2) For the time being, to avoid delay, mills may stamp cloth with prices calculated according to the revised multipliers and get the same approved later by the Panel member.

(3) The present system of mills getting their prices fixed by the Panel members on submission of particular forms and samples will continue and mills may stamp those prices fixed by the Panel members.

(4) The new prices will be fixed on the basis of multipliers as fixed. As regards linking, adjustment of counts, reed and pick variations, as well as giving various allowances such as bleaching, dyeing, etc. the same method as is being followed at present will continue in accordance with the current schedule of realisation multiplier for all cloth.

(5) The compensatory coal allowance was revised as under :—(Compensatory coal allowance for mills wherever situated and not less than 75 per cent of whose motive power is produced from coal). In the case of all grey qualities, which have undergone no further processing other than calendering, the appropriate grey multiplier after adjustment of variations of counts, reeds and picks shall be increased by 2½ per cent. This allowance is not admissible in the case of any cloth which is bleached, dyed or printed or mercerised.

(6) Mills falling in the above categories will also be allowed to charge 2½ per cent compensatory allowance on all grey yarn prices.

Mr. Thackersey also drew the attention of the mills to the fact that government proposed to take drastic action in the event of mills not following the above price schedule and charging higher prices. The mills were to continue price stampings including Tex-marks and the month in which the cloth is packed as well as observe the margins between ex-mill and retail prices.

All this was in January 1948 when cotton textile control was relaxed. At that time, the mills working on counts below 20s were said to be the worst affected by the substantial rise in raw cotton prices for nearly a year. One millowner in an interview to the press stated that production costs on account of the rising cotton prices had gone up by three annas per pound, while the fuel charges had gone up by 50 per cent during the same period. The mills working on counts between 20s and 40s were further faced with the problem of getting cotton from Pakistan. Suitable varieties even from the Indian Union became scarce and the cotton prices crossed the ceilings. As against this, the fine count mills were faced with a smart rise of 25 per cent in the price of Egyptians since November 1947. Meanwhile, the cost of labour also rose abruptly, and the mills were concentrating on labour saving devices so as to reduce the size of labour.

Price Control abolished in April 1948

The next stage was in April 1948, when the Government of India viewed with great concern the ever rising trend in cloth prices, following the relaxation of control in January. Curiously enough, their remedy to the situation was to relax control further in the hope that the industry and the trade will make cloth available to the consumer at reasonable prices. Unbelievable, but true. The resolution dated 4th May 1948 issued by the Ministry of Industry and Supply actually contained this hope! It also stated the government's decision to discontinue the stamping of ex-mill and retail prices of cloth. Automatically, the regulations regarding the movement of cloth and the marking of the date of production also went by the board. To ensure the availability of yarn at reasonable prices, the Government of India, while discontinuing the control over distribution of yarn, retained the right to requisition for the handloom industry at least as much yarn as was supplied under the All-India yarn distribution scheme. The mills were expected to allocate yarn at fair prices to co-operative societies of weavers and others engaged in the distribution of yarn. It is significant that the official Resolution stated that government would watch the situation for three months, i.e. from May. Meanwhile, they were considering what steps should be taken to absorb in the public exchequer the excessive profits made by the industry and the trade and to ensure that cloth is made available to the consumer at reasonable prices. Reasonable......aye, there was the rub.

Proposal of a levy on Looms

It was stated at the time that the principle of imposing a levy on the textile industry so that government may share the increased profits of the industry following decontrol of cloth and yarn was accepted by the Textile Advisory Committee. The levy was expected to yield the sum of Rs. 2 crores, on the basis of Rs. 100 per loom. This recommendation, if implemented, would have inevitably caused a rise in the cloth prices. It was pointed out by some mills that the government would have to agree to cloth prices being put up as cotton prices have increased by 50 per cent since January 20. Thus, even the theoretical control on cloth prices exercised by the industry seemed in danger of being done away with, though everyone knows that such control did not help the consumer.

Sky-rocketing prices of Cloth in May 1948

Towards the end of April, on top of the phenominal rise in cotton prices in Bombay following the rise in cotton prices in Alexandria and abroad, cloth prices shot up to levels as high as in the days before the imposition of cloth control. The increase in prices of certain fine and superfine varieties was more than 200 per cent over the prices which previously were stamped. To cite some examples, the price of mulls jumped up from As. 12-4 per yard to Rs. 2-1, voiles from As. 14 to Rs. 2-6 per yard, while dhoties which were sold at Rs. 6 per pair were not available at Rs. 12. The price of medium long cloth rose by about nine annas per yard. Other advances in prices were in medium shirtings in which the prices moved up from As. 12 to Re. 1-8, saris from Rs. 6 to 9, while coarse shirting went up from As. 10 to Re. 1. To sum up, the cloth price level went up by Rs. 175 to 250 per cent in the case of fine varieties, and by about 50 per cent on coarse ones. The average increase was anywhere from 100 to 150 per cent. These are all wholesale rates. By the time the cloth reached the consumer, a further 25 to 85 per cent increase occurred. Some mills were reported to have accumulated large stocks for some months which they were now selling at high rates.* The retailers complained that the wholesalers were charging fantastic prices. It was a disgraceful ramp. It is in this connection that the government were reported to have considered the large profits made by black marketeers in cloth. The best methods of absorbing these illegal profits were being considered.

Cash ' Premium ' charged on Cloth

These reports of impending governmental action failed to produce the desired effect in the Bombay cloth market. The opinion was expressed that such a measure would not help government to achieve its objective, namely, reducing the high price of cloth. Several mills were reported to have even started the system of pocketing the premium instead of entering the actual price paid by dealers in their account books, as a counter measure to the new move of government. One millowner in an interview to the *Times of India* stated that the official proposal was in the nature of a taxational measure and would provide only a fresh incentive for black marketing. In his view, while the present system at least gave government half of the extra income by way of income-tax, the proposed levy would tempt unscrupulous manufacturers to appropriate the extra income entirely to themselves by not entering them in the account books. He argued rightly that the problem before the country was not whether the extra income should be appropriated by mills or dealers or government but whether the consumer would get his cloth at reasonable prices. Judged by that test, the proposal was doomed to failure. He opined that either government should evolve a scheme for distribution of cloth by taking over mill production or in the alternative, wait patiently till the law of demand and supply asserted itself on the price structure. These views are reasonable and we agree with them. If government had unwisely decided to impose a levy in the interests of mopping up surplus profits after decontrol, the black market would have swollen to huge proportions and the consumer would have been put to greater hardships.

Millowners' Stir for preventing Rise in Prices

In the first week of May 1948, there were searchings of heart in high places and condemnation of the speculators who had raised the prices of cloth to absurd levels. The Millowners' Association, Bombay, and its Ahmedabad compeer decided to open fair price shops at important centres. In a statement, the Association appealed to the public to exercise restraint in purchases and help to bring back fair prices of cloth. Disavowing any intention to charge unreasonable prices, the Association states : " The representatives of the cotton textile industry, who were present in Bombay on Tuesday in connection with the Tariff Board Inquiry, desire to express their grave concern at the prevailing high prices at which the consumer is today able to buy his reasonable requirements of cloth and yarn and they feel they owe it to themselves and the Association which they represent that their position should be made quite clear to the public. For instance, Egyptian cotton which was available at round about Rs. 1,500 went up to about Rs. 2,400 in March and almost touched Rs. 3,000 in April 1948. East African cotton which was selling at Rs. 920 in January rose to Rs. 1,300 in March and Rs. 2,250 in April 1948. Cotton being the greatest single factor in the cost of cloth, a further upward adjustment in prices to compensate the rise in the cost of raw materials, subsequent to January was absolutely necessary. The justification for an increase in price on account of the recent steep increase in the price of cotton is also conceded in the Government communique on April 25. It

* The Report of the Directors of the Reserve Bank of India for the year ending 30th June 1948, contains a very illuminating discussion regarding the effect of decontrol and soaring prices. We invite the reader's attention to it.

is an accepted fact that the actual production of cloth in this country is even now below the pre-war level ; demand exceeds supply very greatly, more especially in view of the increased purchasing power of the masses, and the extreme difficulty of arranging an equitable distribution of such short supply among the 320 million people in this country can easily be realised. Moreover, the smuggling of cloth to foreign countries has recently been reported to have assumed alarming dimensions. This economic fact has attracted a large number of speculators who have raised the prices to absurd levels. The consumers' difficulties are further accentuated by the fact that transport service is disorganised which creates a further lag between supply and demand.

So far as the industry itself is concerned, it has no desire to charge unreasonable prices. It has under consideration a system of retail shops or retail selling arrangements in important centres at which arrangements will shortly be made for selling cloth."

Millowners convene Conference for Easing Situation in March 1948

Lest the consumer should be left in any doubt regarding the good intentions of the industry, (1) it may be mentioned here that an urgent general meeting of the members of the Association had been convened previous to this statement (sometime in March) to consider the situation in the country regarding prices and distribution of cloth and yarn consequent upon partial decontrol. The following resolution is quoted *in extenso* in view of its importance to this context :—

" (1) This urgent general meeting of the Members of the Millowners' Association, Bombay, declares that it should be the aim and object of every member of the Association to devise such practicable measures as would effectively help the actual consumer in this country in securing the reasonable requirements of cloth and/or yarn at fair prices.

(2) This object can be secured by the management of every member mill of the Association taking keen, active and personal interest to ensure :—

(*a*) that the control orders continue to be fully complied with, both in letter and spirit, by the mills ; and

(*b*) that distribution, as far as it lies within the direct practical control of the manufacturer, does not give room for practices which are calculated to cut at the root of the main objective described in Para 1.

(3) This meeting unreservedly condemns any and/or all measures used by any person or persons connected with the textile industry and the cloth trade, designed to secure prices higher than the wholesale and retail prices authorised by the Panel members for wholesale and retail sales respectively.

(4) The Committee of the Association be and are hereby authorised to investigate complaints of alleged malpractices relating to sales and/or distribution of cloth and/or yarn by any person or persons connected with any member of the Association and to take such disciplinary action including expulsion from the Association as they may, by a majority of votes cast at a meeting of the Committee specially convened for the purpose, decide ; and such decision shall be binding on the member or members concerned, as if it were given at a meeting of members of the Association duly convened for the purpose.

(5) While this meeting recognises the practical difficulties underlying the institution of an effective control on distribution by merchants, it calls upon every member to ensure that the first buyer from the mill sells his stocks at not more than 5 per cent over the authorised ex-mill price. The following clause must be included in wholesale contracts for the local market :—

Clause to be put in Wholesale Contracts :—This contract is made on the additional condition that the said goods shall not be sold in wholesale quantities by the buyer at more than 5 per cent over the contract price save in the case of genuine retail sales.

The logical corollary to the above provision would be for mills to cancel such contract and to refuse to deal with such of the wholesale merchants as have been proved to be guilty of transgressing this limit, and this meeting calls upon every member to act accordingly.

(6) Further resolved that the Chairman of the Association be authorised to take such steps, as in his opinion may be necessary, to give publicity to the resolutions of the meeting."

Experiment of Fair Price Shops after June 1948

The statement of the Association was the direct result of this resolution. Fine words butter no parsnips and till the end of May 1948, very little progress had been made in the setting up of fair price shops. The Bombay Millowners' Association was reported to have selected some centres and recruited personnel for these shops. (Some started functioning from July 1948.) In Ahmedabad, however, in spite of the general clamour from consumers for relief from the excessive prices prevailing, both the millowners and traders were disinclined to do anything in the matter and had not taken any steps to open retail fair price shops. It appeared that the traders, who numbered nearly 6,000 including refugees, feel that their business will be ruined if fair price shops are sponsored by the millowners. At the same time, they suggested that if the mills treat them fairly and charge reasonable prices for cloth, they in their turn will be ready and willing to sell goods with only a fair margin of profit. On the other hand, the mills say from past experience that undue advantage is likely to be taken by interested parties, particularly black marketeers, who may purchase cloth from the fair price shops and smuggle it to Pakistan and other places in which higher prices obtain, thereby depriving local consumers of any benefit. Moreover, the question is as to who should decide what fair prices should be, as the rates fixed by the Association might be considered exorbitant. Once again, we are up against the vicious circle in regard to fair price.

A Method of tackling the Grave Problem, suggested

Having traced the developments in this matter in such detail, it would perhaps not be proper if our own views in the matter were not stated here, in order to prevent any misunderstanding that we have been too critical of the mills and the trade. The problem of high prices really derives from two things in the main : (1) lower production, and (2) anti-social practices by the trade. It is obvious that the second is a corollary to the first in a society lacking in morality. No doubt, if higher production were achieved, the pressure of supplies would normally push prices down. But in the present context, it is now unfortunately all too evident that higher production, for one reason or another,—worn-out equipment, recalcitrant labour, and the so-called difficulty of knowing that elusive thing, the 'fair' price—is out of the question. Government's appeals have been in vain.

Asking Mills to go Coarser may help

The next step is to enquire how really the incentive for hoarding or charging high prices should be removed. This line of enquiry, suggests that the remedy lies in asking every mill to go coarser. This would not only increase the durability of cloth, but reduce the consumption of yarn per sq. inch of cloth. In fact, no mill should be allowed to produce cloth finer than 40s or 60s and the proportion of reed and pick may be fixed. One can anticipate a variety of objections to this proposal from the mills, such as the impossibility of certain mills going coarser beyond a limit, unsuitability of equipment, etc. But we should not mind if a few spindles are rendered idle as a result of going 20 per cent coarser since that would be compensated by the increased length of strong yarn resulting from coarse production. This suggestion will ensure the supply of cloth of a type as near as possible to the general needs of the consumer. We are aware that fashionable arguments like the change in consumers' taste towards better cloth, etc. will be adduced, but they are beside the point. In the search for the remedy, the main issue at present is one of production. By all means, let government take over the production of fine mills and make their arrangements to distribute fine varieties, but the general policy should be to bring down the production of such varieties. The interests of a few mills—let it be remembered that the present total production of superfine and fine varieties combined in the country cannot be more than 15 per cent, at the most, out of the total production—pale into insignificance compared with the others who really cater to the ordinary consumer. This suggestion has another significant value. If bulk coarse production is made the rule, we fail to see how either hoarding or abnormal prices can continue to exist. Hoarding thrives on smaller supply and attractiveness. Both these will not be present if all the mills go, say, 20 per cent coarser. The distributing trade will certainly at this point advance the false and specious argument that such cloth would become unsaleable and would point to the fate of the standard cloth scheme. Anybody who had really cared to study conditions in the mofussil and who was on his guard against the spurious arguments of the industry will vouch for the fact, as we can do, that the standard cloth supplied at that time was really appreciated and bought by the masses except perhaps in the very initial stages, when there was some prejudice. As it did not bring in large profits to the mills, they engineered the campaign that it was unsaleable and that government should drop the scheme. The alleged accumulations of standard cloth were mainly in the Northern provinces, especially the Punjab ; and knowing the habitual tastes of the people there, government should not have sent standard cloth to those places. In Bengal, Central and Southern Inda, it is a fact that standard cloth was taken up by the people. What is more, the shortage of cloth is felt more severely than in the past, due to the huge pent-up demand.

Consumers will patronise Coarser Cloth

If, therefore, the general production of mills is brought down in counts, not only would hoarding and prices come down, but the consumer is sure to take up the production without any murmur. The suggestion is well worth the attention of government which should cause an enquiry to be made in the matter, with particular reference to the production of strong and medium varieties of cloth. There is no escaping the fact that a choice has to be made by government in the present crisis, between coarse cloth in larger quantities and fine cloth with all its attendant evils. Going coarse will also help in finding a larger market for indigenous raw cotton of a short staple, and will prevent the necessity of expenditure in dollars on import of Egyptian cotton, the prices of which are continuously soaring up. The people can be educated by proper publicity to take to the new types of cloth although they may not be so attractive. After all, in their present mood, they would be prepared to support any scheme which would ensure more supplies for themselves at fair rates, and less profits to the capitalists as coarser production would assuredly imply ! There is a general feeling that the government should retain power to compel the industry to tex-mark its production and show the prices. This would at least keep the consumer aware of the high premium he would be paying whenever he is compelled to do so. That itself would check too much buying at high prices. If tex-mark is removed, the consumer has no standard of value and he would lose his bearings as regards the proper price, especially in view of the terrific propaganda carried on by the industry to the effect that costs of production have gone up tremendously. In our opinion, an attempt to tackle the cloth prices on these lines will prove much more fruitful than to devise a solution by bringing into the problem a number of complex factors like the fixing of a fair price, fair wage, etc.

Clear Thinking and Quick Action Essential

We are afraid, the authorities are losing themselves in a maze of imponderables, all the time playing into the hands of those who are battening on high price economy. It is time that all thinking in this matter were directed to the question of rolling back prices rather than of adjusting one factor to another.*

CHAPTER IV

THE TARIFF ENQUIRY, 1948

Cloth Deprotected since April 1947

Readers will remember that in the last *Annual*, the enquiry by the Tariff Board into the question of protection for the cotton textile industry and its findings as well as government's decisions thereon were fully discussed. It was also stated that the industry had entered the de-protection era and the place of protective duties was taken by suitable revenue duties. Owing to the absence of imports from abroad on any appreciable scale, de-protection made little difference to the Indian industry. Indeed, having regard to the steady decline in production in 1947 (3,830 million yards of cloth and 1,315 million lbs. of yarn) and the huge gap between supply and demand in the country, there were not a few occasions when one wished for a plentiful supply of imports. Such a thing would have helped the consumer and made it impossible for the industry or trade to fatten itself through abnormal prices.

New Tariff Board's Appointment in November 1947

After the previous enquiries had been completed, the Government of India reconstituted the Tariff Board and announced this in a Resolution dated 26th November 1947. The personnel of the Board was : Mr. G. L. Mehta (President) and Messrs. H. L. Dey and B. V. Narayanaswamy Naidu, members. The Board is to function for a period of three years from 3-11-47.

* After these pages were in print, the Government of India decided to institute partial control over the industry, on 30th July 1948. The text of this Resolution is given in the earlier portion of the *Annual* entitled "At a Glance". We have also referred to it in our preface and in a subsequent chapter.

In addition to its usual duties for investigating the quantum of protection to various indigenous industries, the Board, was entrusted with the following functions :—(1) to report to government, as and when required, factors that lead to increase in the cost of production of Indian manufactured goods as against imported articles ; and (2) to advise government as and when required ; on measures whereby internal production may be secured on the most economical cost basis. In fact, these functions had previously been discharged by the Commodities Prices Board which was wound up and the task was, it appeared, handed over to the Tariff Board.

The problem of the textile industry throughout the year was the problem of finding that difficult thing, the correct price for the various types of cloth. We have noticed earlier how, the mills were complaining of rise in the costs of production and of consequent reduction in profits, while all the time the most monstrous prices have been ruling in the country. The Government naturally wanted to convince itself as to where the real truth lay. Hence, after the *ad hoc* committee had proposed increases in the prices for various types of yarn and also outlined a standardisation scheme, basing its conclusion for higher prices, especially of coarse yarn, on the increase in raw cotton prices and in wages, government referred the matter to the then existing Commodities Prices Board. The latter was against any price increase, unless one section of the industry paid for the other ; and out of regard for the force of public opinion against raising prices of cloth, the government decided that the best course was to refer the question of prices to the Tariff Board. Meanwhile, they were going ahead with the creation of the Equalisation Fund and other measures noticed earlier, so much so that it was a surprise to many why the Tariff enquiry into prices should at all be conducted. But then, it must be remembered that government themselves had announced that, on the basis of the Tariff Board's report, mills would be paid with retrospective effect for cloth and yarn delivered under the standardisation scheme after 1st December 1947 if a price increase was recommended.

Case of Industry referred to Tariff Board

The terms of reference to the Tariff Board as stated in November 1947 were as follows :—

(1) To enquire into the cost of production of the various types of cloth and yarn produced and to recommend fair ex-mill prices to be paid for cloth and yarn, with special reference to the changes created by the introduction of the Standardisation Scheme.

In making their recommendations, the Board will keep in mind the desirability of maintaining the production of all mills at the maximum level, while at the same time ensuring that the profits of the more efficient units will not thereby become excessive. If the Board consider that it would be impracticable to settle a level of prices which would balance these two requirements, they may consider whether prices cannot be kept down to reasonable levels with a subsidy or similar relief to sections or units of the industry whose production cannot otherwise be maintained. If special circumstances apply to mills engaged in the production of yarn alone, the Board will take these circumstances into consideration when making their recommendations.

(2) To advise on the adjustments to be made from time to time to the ex-mill prices recommended by them for cloth and yarn, so as to allow for fluctuations in the prices of raw cotton and in other elements of the cost of production.

(3) In the event of subsidy or other relief being recommended for certain sections or units of the industry under (1) above, to suggest ways and means of finding the necessary funds.

(4) To recommend in what forms the co-operation of labour should be secured in order to increase production and eliminate waste or leakage.

(5) To advise government generally on the existing system of control of production and distribution of cloth an yarn and on its continuance.

The Board was requested to submit their report in two parts—the first relating to the terms of reference numbered 1 to 3 above, and the second to the remaining terms of reference. The first report was ordered to be submitted within a period of about three months, subject to the Board being satisfied that reasonably accurate findings can be arrived at within this period.

Terms of Reference changed in March 1948

It will be seen that these terms of reference are very comprehensive and would really have involved a very detailed enquiry. But hardly had the ink on this government order to the Board dried, than rumours of relaxation of control became rampant and they proved to be right when cloth control was relaxed to a large extent from 19th January 1948. The Tariff Board had hardly made a beginning in the enquiry with which is was charged in November 1947, when this happened. Subsequently, when in April 1948 it was decided to relax control further by removing stamping of price, and establishing the so-called free market, it was obvious that the original terms of reference of the Tariff Board had no place or utility in government's scheme for the industry. It, therefore, came hardly as a surprise when, in March 1948, the original terms of reference were considerably revised, as follows.:—(1) the Tariff Board shall enquire into the cost of production of the various types of cloth and yarn produced and estimate fair ex-mill prices of cloth and yarn. Secondly, to devise a suitable method for necessary adjustments from time to time in fair ex-mill prices of cloth and yarn so as to allow for major fluctuations in the prices of raw cotton and other elements in the cost of production. This decision, announced a press note, was in partial modification of the resolution of the Ministry of Supply dated 17th November 1947.

The Board, therefore, prepared a revised questionnaire in which the main questions were :—

1. Whether the ex-mill prices of yarn and cloth recently fixed are fair and reasonable ;
2. Whether such prices will enable the mills to reach the production targets fixed by their respective panel members ;
3. What factors should account for automatic revision of such prices from time to time ;
4. On what basis should the office allowance of Managing Agents be fixed ;
5. How do the mills provide for depreciation ;
6. On what basis should the working capital of a mill be calculated ; and
7. What minimum rate of profit on fixed capital should be allowed as part of fair ex-mill prices, etc.

This questionnaire was circulated to all commercial bodies and we would here refer in detail to the answers of the Bombay Millowners' Association to these questions. The main points of the answers to the above questions are summarised *seriatim.*

Industry's Representation to Board

(1) The prices (recently fixed ex-mill prices of various types of yarn and cloth by the industry itself) are neither fair nor reasonable and are totally unremunerative. The ex-mill prices of cloth and yarn were last fixed by the Industry's Committee in June 1946. Since then, for more than 18 months, there was no upward revision of prices, even though the price of cotton and of the various elements entering into the cost of production rose considerably. In Bombay, additional wage burdens were imposed on the Industry to the extent of Rs. 2.57 crores per annum by means of basic wages, about Rs. 92 lakhs as dearness allowance, and about Rs. 1.82 crores in the shape of bonus. It is true that, with effect from 19th January 1948, a slight upward revision in prices has taken place, but this is totally inadequate to meet the needs of the case, as will be seen from further increases in prices which have taken place since January 1948. The Association submitted figures showing the rise in prices of cotton between June 1946, and January 1948 and March 1948. Similarly, increases in the price of furnace oil, steam coal, mill stores and dearness allowance were also shown. The point to be noted is that the Association was not satisfied with the upward movement of prices that had taken place between January and April 1948.

To the second question as to whether the industry-fixed prices will enable the mills to reach the production targets, the B.M.A. replied that the industry had given a definite undertaking to government in that regard. At the same time, it mentioned the following difficulties in securing the targets, namely, (*a*) unsatisfactory price levels as a result of which, for the first time since 1940-41, about half a dozen mills in Bombay made losses in the year 1947-48 ; (*b*) strikes and hartals which continued to take place everywhere ; (*c*) prospects of reduced supply of long staple cotton from Pakistan and other countries, as a result of which mills ordinarily utilising these cottons will have to go coarser, thereby falling short in their preparatory and processing departments, and stopping a large number of spindles and looms.

To the third question, which raises the problem of fluctuating prices owing to various factors, the B.M.A. answered that, since the main factors which go into the reckoning of ex-mill prices are raw cotton, wages, stores, establishment and fuel, no definite basis could be given. It, however, was in favour of the basis adopted by government hitherto. Any prices so fixed should ordinarily be reviewed after three months, unless abnormal developments had intervened.

The factors which any fair ex-mill prices should provide for were mentioned as (*a*) reasonable depreciation to the industry, (*b*) a fair return on capital employed, and (*c*) an adequate provision for reserves so that the industry can finance completely rehabilitation and remodelling expenditure. It was pointed out also that any rehabilitation and modernisation will have necessarily to be at the prevailing high prices of machinery. It was, therefore, suggested by the Association that the amount of depreciation allowed should be related to the high prices of machinery, which are costing four times the pre-war and ten times the 1932 price levels.

As regards the return on capital, the Association felt that the percentage return should be fixed at such a figure as would attract private capital. It argued that this return should not be judged by the yield on government paper. While interest on government paper is always guaranteed, investors in cotton mills might often have to go without dividend and might even face capital depreciation as in the 'twenties. In the Depression that followed 1923, mills lost heavily, several mills were forced into liquidation and only a few paid any dividend, all these causing enormous loss to the shareholders and managing agents. Further, under these conditions, it was impossible to make any provision for depreciation.

As regards question 4 relating to the basis adopted by the mills for arriving at the cost of raw cotton, the answer was that there is no uniform basis, that the mills were taking into consideration the prices actually paid by them as well as the replacement costs. The procedure hitherto followed by government in fixing prices was to take the ruling prices of cotton in the fortnight before the fixation. The Association thought that no better basis can be suggested.

The next question, namely, the basis of fixation of managing agents' allowance was answered thus : The quantum of remuneration depends on the size of the mill. Generally, it is about 10 per cent of the profit. The managing agent is not entitled to any allowance other than his commission which is linked with profits. Any additional remuneration or premium can only be given by a special resolution of the company.

Question 6. Concerns the method of providing for depreciation, whether by creating a depreciation fund or by writing down the assets every year. To this, the answer of the B.M.A. referred to the common practice whereby block value is reduced every year in the balance sheet, corresponding to the debit against depreciation in the P. & L. account. Some mills provide for depreciation in the Profit & Loss Appropriation Account by creating a depreciation reserve or machinery replacement fund. In these cases, the amount at credit of the fund is shown on the liabilities side of the balance sheet, being balanced by the original cost of building and machinery on the assets side.

Question 6 (*b*): " At what rate is the depreciation provided for by the mills ? Is it provided at the rates allowed by the income-tax or at a rate higher or lower ? If it is different from the income-tax rate, specify the rate at which depreciation is provided for. Give reasons."

The answer of the Association may be given in extenso : " The provision for depreciation entirely depends on sufficiency of profits. Where profits are not sufficient, depreciation debited to profit and loss account or transferred to depreciation fund is only a nominal amount, even less than the percentage admissible under the Income-tax Rules, but where adequate profits are made, the provision often exceeds the amount allowed in the Income-tax Rules. For example, in the long period of depression which commenced in 1923 and continued till about the beginning of the Second World War, it was not possible for the Bombay Cotton Textile Industry to provide adequate depreciation, and even today there still remains a considerable value of block to be written off. It is, however, difficult to specify the rate or rates at which depreciation is usually provided for. It is true that, for income-tax purposes, depreciation is limited to the statutory depreciation allowed under the Income-tax Rules, but the amount to be debited or the amount to be set aside for reserve against depreciation or machinery is decided by the Board of Directors of the respective Mill Companies, who naturally take into account the condition of the assets and the amount which they might be called upon to spend in the near future in replacements, modernisation, etc. and also level of profits made."

Question 7 : (*a*) " On what basis should the working capital of a mill be calculated ? Should it be equal to 3 months' or 4 months' or 6 months' cost of production ? Please give reasons.

(*b*) In view of the present condition in the money market, what minimum rate of interest should be allowed on working capital ? Please give reasons.

(*c*) If working capital is borrowed partly or wholly, at what rate of interest is it now borrowed by the mills in your area ? "

Answer : " (*a*) Working capital, i.e. the minimum amount required to keep the Industry going over and above the capital sunk in fixed assets, should be an amount equivalent to half the total expenses shown on the expenditure side of the Profit & Loss Account, or 6 months' cost of production. This basis has been accepted by the previous Tariff Boards. It should be pointed out in this connection that up-country mills which have to make their purchases of cotton during the season, will require a higher amount of working capital.

(*b*) and (*c*) : The money market is now very tight, and the banks are charging 3½ to 4% on loans. This is the minimum rate of interest charged in the case of very good mills and even here, money is advanced on the joint pro-note of the Managing Agent."

Question 8 : (*a*) " What minimum rate of profit on fixed capital should be allowed as part of fair ex-mill price ?

(*b*) Should this rate be reduced to profit per spindle shift and profit per loom shift ?

(*c*) If so, on what basis ? Please give reasons."

Answer : " It is very difficult to suggest a basis which would be equitable to all the units. A profit per loom or profit per spindle basis may not be equitable to looms and spindles purchased at pre-war prices and looms and spindles purchased recently or those which will be installed in the very near future.

If, however, the Tariff Board are thinking of a minimum profit linked with the capital employed or fixed capital expenditure, then it is suggested that a return of 8 per cent on capital employed would be fair and reasonable."

Question 9 : "If there are any other *special factors* which have a bearing on the determination of fair ex-mill prices of yarn and cloth, please indicate them and explain their incidence on the fair ex-mill prices."

Answer : " A factor which has a bearing on the fixation of prices is government's policy of taxation and their plans in regard to social legislation. The Industry will shortly be called upon to undertake a Sickness Insurance Scheme. It may also be called upon to finance heavily a Housing Scheme sponsored by the Local Government. We expect a Scheme of Provident Fund for employees, gratuities and old-age pensions, no pricing scheme which does not make adequate provision for all these factors would be fair to the Industry."

Question 10 : "Apart from price adjustments and capital-labour relationship, are there any other important factors which have been responsible for the decline in production in 1946 and 1947 ? Please indicate measures by which production can be increased."

Answer : " We are not sure as to what particular factors are covered by this question. In our view, the decline in production in 1946 and 1947 is due to the following reasons :—

(*a*) Reduction in hours of work from 9 to 8 per day from August 1946.

(*b*) Government's repeated failure to fix fair prices for cloth and yarn.

(*c*) Shortage of machinery parts and stores, e.g. card clothing, shuttles, bobbins, sizing materials, etc.

(*d*) Deterioration in machinery and difficulty of replacement.

(*e*) Absenteeism.

(*f*) Unsettled labour conditions, and communal tension.

(*g*) Frequent strikes and hartals, etc."

Question 11 : " What measure should be adopted by the Industry and/or by Government to keep the prices of yarn and cloth at reasonable levels ? "

Answer : " It is very difficult to give a categorical answer to this question. It will be wrong to consider the price levels of the Cotton Textile Industry as something quite apart from the general level of prices of all commodities in the country, level of cost of living and national economy. If the price of cloth has to be maintained at reasonable levels, then it is the duty of Government to maintain wages, cotton prices, prices of mill stores, etc., at reasonable levels, for, after all, the price of the cloth is the sum-total of all these items. In other words, the drive towards securing reasonable price levels, should start on a national level and not on an industry level, as any attempt to divorce one commodity or industry from the national economy is not likely to be successful or yield satisfactory results."

Representation of Labour and other interests before the Board

These views may be taken to represent practically all millowners throughout the country. We may now proceed to notice the rival point of view put forward by labour in general and shared to some extent by consumers. It is not possible to give in detail, nor perhaps is it so necessary, the evidence tendered before the Tariff Board by the public including trade unions. The argument advanced by millowners that there had been a fall in the production of cloth owing to reduction of working hours was not admitted by the representatives of labour at the enquiry. They urged that in computing the fair ex-mill price, the Board should take into account the element of ' fair wage ' along with a fair return on capital. The trade union representatives were in favour of standardising qualities of cloth and reducing, if not altogether excluding, the production of finer varieties. They pointed out that the cloth which should be produced in the present emergency should be durable and made of Indian cotton. They argued that if the British could use utility goods, there was no reason why India should not also have a measure of austerity, instead of going after finer varieties which involve purchase of expensive foreign cotton. Drawing attention to the shortage of essential mill stores, they urged the creation of one central buying organisation in each region from whom mills can purchase their stores.

The labour representatives frankly confessed that none knew exactly what prices were being charged by mills at present for cloth. One of them said that the Board might be able to fix ex-mill prices of cloth and yarn, as demanded by the terms of reference. But if consumers did not get the cloth at correspondingly fair prices, the enquiry would be meaningless. He, therefore, suggested that government should guarantee that the benefits of a fair price fixed by the Board would ultimately reach the consumer.

Investor's view-point

On behalf of the Bombay Shareholders' Association, its indefatigable and versatile Secretary, Mr. J. J. Kapadia, submitted that the fair ex-mill price which the Board would suggest should be such as to attract capital and increase production of cloth in the country. The investor, according to him, should be assured of a higher return than before because of the fall in the value of the rupee and the burden of taxation. Mr. Kapadia also pointed out that if the Board disallowed unwarranted items of expenditure, it should recommend to government that suitable legislation should be undertaken in order to implement the proposals of the Board. Otherwise, inroads would be made into the earnings of the investors by the management, according to him.

Consumers' view-point

One member of the Constituent Assembly giving evidence before the Board on behalf of consumers, deprecated the government's decision to remove stampings and vehemently protested at the high prices being charged by the industry and the trade. The Textile Commissioner's office which had responsibility for directing the movement of cloth was also criticised for not sending sufficient cloth to Central and Southern India, while diverting too much to Delhi and other places where stocks accumulated. But it transpired that this was not really the case.

Complexity of the question before the Board

It is beyond the scope of this *Annual* to discuss the question further, especially as the Tariff Board has completed its enquiry and made its report to Government ; and the matter is, therefore, *sub judice*. But we feel that the true complexity of the question should not be glossed over or under-rated. The enquiry into the price of cloth was conducted so as to provide " a yardstick " for the measurement of costs and an analysis of the various factors which enter into the total costs of production of yarn and cloth, in order that the consumer (and the government) may know that they are not called upon to pay unjustifiable prices. It is also true that the enquiry is extremely overdue since the cost structure has undergone radical changes during the war, partly due to the war-time over-working of equipment, and partly due to the introduction of the eight-hour day and the removal of the third shift. But our concern is to point out here that the enquiry, as it turned out, became extremely tortuous and complex in character and content ; and to that extent its helpfulness in solving the immediate problems of securing greater production was becoming, we were afraid, much less than otherwise.

The pattern of views put forward before the Board by various interests was no simple one. Thus, representatives of labour pressed the need for settlement of fair wages, the mills urged the revision of prices to take into account the manifold changes during the war and after ; the shareholders wanted a scrutiny into the expenses of mill managements ; and the consumers asked for a limit to the mills' profits as well as to the middlemen's profits. The Tariff Board was considering the evolution of a ' costing standard ' and its purpose was to evolve a formula, or better still an equation, to adopt a mathematical analogy, which would represent the various costs and would automatically provide for adjustments when changes in the different units constituting the equation occurred. Heaven knows how difficult a job this can be in a country like ours in which mills vary not only in regard to equipment but accounting practices such as the method of computing cotton costs, depreciation, managing agency commissions and so on. With what success the Board has carried out the task assigned to it, the future alone can show. An equiry which began with the simple purpose of fixing a fair ex-mill price for cloth has had to extend into many fields and has almost assumed the nature of an attempt to rationalise production in the entire industry in its various sectors and to distribute the income of the industry among different factors of production on a mutually acceptable basis. We have heard it stated that the Board experienced no little difficulty in differentiating between the costs of various mills, some of which were very modern in equipment and technique while others were at the other end of the gamut of production technique. Moreover, labour charges vary in different parts of the country, transport costs are different and on top of all, the market for the various products also differs. A complete overhaul of the industry would perhaps be indicated.

Tariff Board President's remarks in opening the enquiry

In his speech welcoming the various representatives of the industry, public, trade unions, etc. to the cotton textile costing enquiry on 4th May 1948, the President of the Tariff Board surveyed the various changes in control and the developments leading to decontrol which we have depicted in earlier pages. He said that enquiries into prices were not known in this country before, though Australia and Canada have had tariff enquiries of this kind. With regard to the present task facing the Board, he said, " we do not in any way under-rate the complexity of the task especially in the present conditions wherein prices are far from being stable and costs of production have been rising. Moreover, the conditions in the textile industry are so diverse, and the range of its products so varied, that it has by no means been easy to select representative mills and types of cloth. The Tariff Boards on the cotton textile industry in the past have emphasised more than once the complex nature of the industry owing to the variety of its products and the divergent conditions of the industry in different parts of the country. But this is not all. Even in the course of our specialised task, we have badly felt the need of some kind of uniformity in the keeping of cost records by the textile mills. There is no approximation to any standard costing and in some instances, there is hardly any adequate costing system. I would like to stress that the textile industry as a premier and poineering industry should direct its attention to this important work without delay. The Indian textile industry has had to come before the public on several occasions, whether for tariff protection or for price fixation, for labour enquiries or for industrial disputes. Many of the questions which concern the industry have been the subject of acute and prolonged controversy because there has not been adequate data on various points nor have there been any common standards of measurement of efficiency and of costs. I might mention that the improvement of accounting and costing practice, including the formulation of standard costings, is one of the important functions of the Cotton Board in Lancashire."

The President of the Tariff Board also pointed out the practical difficulties of determining fair prices for the products of an industry not subject to regulation of any kind. In an uncontrolled economy, the textile industry will naturally be exposed to wide fluctuations in the cost of raw materials, etc. While, during the war, the controls helped to obtain maximum production, today in a decontrolled regime, the motives and the circumstances for maximum production do not operate to the same extent. The need for the utmost production is starkly evident, but somehow, ironical as it may seem, a nation which could put forth its best for the sake of a war fought for aliens, curiously enough, is not able to command the same vigour from mill managements and labour to tide over a national crisis. Far from showing that national objectives can be obtained by voluntary methods and by healthy compromises, the people of the country are treated to a wrangle whose most obvious outcome is to let the people down. We are glad that the Board seemed fully aware of the fact that the enquiry before it, although purely for determining prices on a costing basis, does impinge at many points upon, and is conditioned by, issues of both industrial relations and broad social policy. To those who believe, therefore, that the findings of the Tariff Board will automatically provide the magic key to our problems, this candid admission should serve as a pointer to the appreciation that " there is today the need and the opportunity to work in a spirit which combines confidence and an understanding by all ranks of the job to be done and a readiness to work together for the success of the industry as a whole ", as the Working Party Report on the cotton industry in Britain stated. As the President urged, the industry will be judged not only on its past record but on the way it deals with the new problems of the present and the future.

Decrease Cost by Improvement of Productivity

The real method of reducing costs and prices is increased productivity. In this connection, the following extract from the Annual Report of the Australian Tariff Board for 1947 contains significant guidance : " Increases in wages per man-hour, and in prices of raw materials do not inevitably mean commensurate increases in production costs per unit. In the best managed factories there is always some waste of effort and material, and the object of efficient management is to control and continuously reduce such waste. In factories in which the management is not the best, the possibilities of cost reductions by the reduction of waste are large. The objective of management should be to meet increasing costs by improving production per hour of labour or per ton or yard of material rather than by increasing selling prices." We commend this to the attention of the industry.

CHAPTER IV

DISTRIBUTION AND EXPORTS

The violent disturbances in the country following the 15th August 1947 threw the entire distributive system out of gear and the sufferings of the people owing to general shortage of cloth were thereby heightened. By September 1947, when the Hon'ble Mr. Bhabha came to Bombay for the discussions of the Industry's Committee, it was recognised that production and prices did not exhaust the problems of cloth and that distribution was an equally important item although the responsibility for it rested primarily on the provincial and State governments. Mr. Bhabha outlined the two directions in which government proposed to strengthen the then existing distributive structure ; first, they were anxious to remove unnecessary intermediaries in the distribution chains who performed no economic service worth the remuneration that they enjoyed. To this end, it was proposed to reduce the commission then allowed to quota-holders to 1 per cent, and that too as a preliminary to their eventual extinction where they need not exist. Secondly, as soon as production began increasing, they proposed to recommend the establishment of a large number of fair price shops directly under the control of mills. It was common ground to all sections of opinion that the cloth distress, although deriving mainly from short-fall in production, was unnecessarily made more acute by the poor distributing machinery. Readers will remember that, in the last *Annual*, sufficient stress was laid on the parasitic role played by the intermediaries in the cloth trade, particularly by the quota-holders (the pensioners !) in holding up the free flow of supplies and raising prices.

After the discussions in Bombay between the government's ministers and the industry, a press note was issued in November 1947 which among other things stated that the Equalisation Fund then proposed would be credited with half of the amount paid as quota-holders' commission which government decided to reduce from 3 to 1½ per cent from 1st January 1948. At the same time, one of the terms of reference of the Tariff Board was stated to be, to advise government generally on the then existing system of distribution of cloth and yarn.

As we all know now, decontrol was decided upon in January 1948 and the government closed the Cotton Textiles Equalisation Fund which amounted to Rs. 2 crores. In their own words, as regards distribution, "it is the intention of government to restore normal trade channels to facilitate movement of cloth to the largest extent possible. Provincial and State governments, will, however, be free to set up or continue their own procurement agencies. The system of quota-holders will be abolished. To relieve local shortages, every mill in surplus producing areas will be required to reserve 25% of its production at the disposal of the Textile Commissioner for a period of one month. Mills will be encouraged to set up fair price shops in deficit areas and have promised their co-operation. Movements of textiles within a Province will be free and will be sanctioned by the Textile Commissioner from one Province to another except where such transport is uneconomic or unreasonable.

It would be difficult and undesirable to have the same type or variety of cloth selling at two different prices in the market. The Government have considered the question of the difference between now and old prices on stocks now held by mills, quota-holders and the Bengal Textile Association. This increase could not in fairness be allowed to be appropriated by the holders. It has, therefore, been decided that this difference should be collected from the mills for the benefit of the public revenues on the basis of stocks held by them on the 31st December 1947 or the 20th January 1948 whichever is greater, and from stockholders on the stocks held by them on the latter date.

The present system of distribution of yarn has worked reasonably well and will be continued for the present in the interests of the handloom weavers. Mills will, however, be given permission to distribute as they wish such quantities of yarn as are not lifted within a reasonable period of allocation.

The control over the export of cloth, distribution of machinery, imported mill stores, dyes, chemicals, sizing materials will continue. Control over the prices and distribution of imported cloth and yarn will, however, be discontinued." (Resolution of 22-1-1948.)

It was not long, however, before the control was relaxed further in April 1948 in the hope that the industry and the trade would arrange for distribution in such a way as would make cloth available to the consumer at reasonable prices. The then existing regulations over the movement of cloth were continued. The Textile Commissioner was, however, still the authority for regulating inter-provincial movements of cloth by the issue of permits. The Textile Commissioner also promised to arrange for supplies of cloth at ex-mill prices to co-operative societies which were nominated by the provincial and State governments for this purpose, out of the portion of the production held by each mill at his disposal as mentioned above. The control over distribution of yarn was discontinued, but the government retained the right to requisition or earmark for the handloom industry at least as much yarn as was then being supplied under the all-India yarn distribution scheme to ensure the availability of yarn at reasonable prices. Towards this end, the Central Government invited the provincial and State governments to utilise co-operative societies of weavers and other similar organisations to undertake the distribution of yarn. To such agencies, allocations were made directly from the mills which were expected to sell the yarn at fair prices.

The following decisions were also taken in May 1948. First, the limit to the quantity of cloth which could be taken as personal luggage by railway within the Indian Union which was only 13 lbs. uptil then was raised to 30 lbs. The limit was, however, kept at 13 lbs. in the case of passengers going to Pakistan. (Recently, owing to the large smuggling reported, the limit to this personal luggage has been brought back to 13 lbs. from July.) Secondly, control over the distribution of mill-stores continued after May 1948, same as before, except as regards dyes and soda hydro-sulphide which were thenceforth allowed to move freely through normal trade channels. Hoarding of cloth and yarn continued to be an offence so that manufacturers and dealers can keep cloth and yarn whether in loose condition of unopened bales only for specified periods ; the manufacturers, dealers and other persons could possess stocks only upto the limit of their normal requirements as under control. Time-barred cloth or yarn was expected to be reported to the authorities as before. The Textile Commissioner retains the power to direct the manufacturers and dealers as regards the sale and delivery of cloth and yarn in their hands. This power was to be exercised only when absolutely necessary. There are no more quota-holders, and the mills are at liberty to choose their buyers.

We have already seen in the Chapter on Prices the various orders issued by the Textile Commissioner to quota-holders and retailers with regard to the levy, but after April all these were, of course, withdrawn. For a time, stocks of cloth had been freezed at various levels of the distributing trade, but the procedure for derationing cloth was evolved more or less on the lines of the derationing of sugar. The procedure that now obtains is that the Textile Commissioner gives the necessary transport permits for various provinces and States on fixed dates and these merchants have to make their own arrangements for purchasing cloth in the production centres. Since January 1948, the quota-holder system was abolished. Mills were free to deliver cloth to any one they liked. The provincial governments were allowed to continue their procurement agencies, if circumstances warranted that course. In order that every province gets a fair share of distribution, the Textile Commissioner regulates transport and thereby tries to check any unreasonable and uneconomic use of the same. With regard to the requirement that each mill in the surplus area is to reserve 25 per cent of its production for a month at the disposal of the Textile Commissioner, it must be made clear that it is not necessary for individual mills to have 25 per cent of their production ready each and every month. It would be sufficient if at any time a mill were in a position to supply the Textile Commissioner with a quarter of its average monthly production, to enable him to meet sudden shortages if necessary.

Reference has already been made to the Resolution by the Bombay Millowners' Association in March 1948, pointing out to the mills their responsibility for fixing reasonable prices. It was pointed out that distribution, as far as it lies within the direct practical control of the manufacturer, did not give room for practices which will stand in the way of the consumer securing his reasonable requirements of cloth or yarn at fair prices. The meeting condemned the measures used by any person in the industry or the cloth trade, to secure prices higher than the wholesale and retail prices authorised by the respective Panel Members. The Committee of the Association was also authorised to investigate complaints of alleged malpractices relating to sales and distribution of cloth and yarn by any person connected with any member of the Association, and to take such disciplinary action as may be decided upon by a majority. The meeting recognised the practical difficulty underlying the institution of an effective control on distribution by merchants and called upon every member to ensure that the first buyer from the mills sells his cloth at not more than 5 per cent over the authorised ex-mill price. The following clause was prescribed for inclusion in wholesale contracts for the local markets : " This contract is made on the additional condition that the said goods shall not be sold in wholesale quantities by the buyer at more than 5 per cent over the contract price save in the case of genuine retail sales." The logical corollary of the above provision would be for mills to cancel such contracts and to refuse to deal with such of the wholesale merchants as have been proved to be guilty of transgressing the limit.

In spite of all these exhortations of the Association, we have already noticed how unreasonable prices were charged and in the course of the Tariff Board enquiry, representatives of the industry felt grave concern at the very high prices. No doubt, there had been a steep rise in prices of cotton and mill stores, but a large number of speculators were reported to have entered the trade and raised the prices. The industry wanted to dissociate itself from these unsocial tendencies and in a statement, the Bombay Millowners' Association announced its intention to open fair price shops at important centres. There are now nearly 40 shops in the city of Bombay and all these shops are distributing some of the ordinary varieties of cloth needed by the average consumer, though obviously one should not expect a profusion of goods like dhoties, saris, etc. which can be made available only in course of time. These fair price shops have after all been started only from June 1948 and to work them, *personnel* was recruited both from the office of the Textile Commissioner and from other sources, by the Bombay Millowners' Association. It is too early yet to judge how far these shops have been successful in bringing down prices in the market. For one thing, the high prices in the market are only in respect of varieties which are not on sale at these shops ; and moreover, the consumer must also learn to resist the temptation to go in for the attractive looking varieties on sale in the open market at very high prices. In the long run, a check to excessive prices in the market can only come through a measure of consumer restraint and of that, there is unfortunately not much evidence at present. Perhaps, when that manifests itself and production also begins to increase in the mills—as is reported to be the case in recent months—high prices may not be so much of the order of the day.

Exports

In 1946-47, total exports of cloth are reported to have been 318 million yards. In 1943-44, it was 817 million yards, while in 1944-45 and 1945-46 it was 423 and 440 million yards respectively. The countries of the Far East, some of whom are supplying India rice and other goods, look up to

India for supplies of cloth and so, not only in the interests of keeping up a skeleton export trade, but in the interest of international friendship, exports have been maintained. It will be remembered that in previous years there was an export duty of 3 per cent *ad valorem* on all exports of cloth and yarn, and it had been represented to the government that the export trade was prejudiced by the levy of this duty. Full details have been given in the previous *Annual*.

So far as the year under review is concerned, we have to notice the fact that in the supplementary Budget introduced by the Finance Minister in November 1947, there was a provision for the levy of a duty of four annas per square yard on cloth and six annas per pound on cotton yarn exported from India. The levy applied to cloth and yarn of any description manufactured either wholly or partly from cotton and partly from any other substance containing not less than 10 per cent of cotton by weight. This was levied as a purely revenue measure. It was represented to the government that there was no justification for this levy since (1) the indigenous industry was already at a disadvantage in the sense that it had to pay an import duty on all cottons, mill stores, fuel oil, dyes, chemicals, etc. used by it ; (2) the incidence of the duty of four annas per square yard and six annas per pound of yarn would be unduly heavy in the case of certain types of yarn and cloth as against others ; (3) such a duty, once levied by the legislature, might be continued always on some pretext or other, thereby affecting overseas trade. Moreover, the duty was inconsistent with the government's frequent appeals for developing export markets so as to improve the balance of trade position. Perhaps the most important argument against the duty was that it would embarrass government in their negotiations with certain countries for the supply of foodgrains at concessional rates. The Millowners' Association, Bombay, suggested that the levy may be amended thus : (*a*) the life of the duty should be limited to one year in the first place and government should have power to reduce or abolish the duty altogether if they found that it prejudiced the export trade, without consulting the legislature ; and (*b*) a lower rate of duty should be levied in the case of export to those countries which supplied India with foodgrains at concessional rates. The Bill was, however, then passed by the Legislature, without any change.

Export Duty on Handloom Cloth removed

As a result of these and other representations, however, in the Indian Finance Bill, 1948, introduced by the end of February 1948, export duty on cloth was replaced by an *ad valorem* duty of 25 per cent, handloom cloth exempted from this duty, and duty on export of cotton yarn was withdrawn. These concessions involved the Government of India in a loss of revenue of Rs. 4.5 crores.

It was stated that the maximum quantity of Indian cloth that would be permitted for export in 1948 would be 320 million yards, without any restriction on prices. All goods for export and for internal sale have the same markings. Exporters have to obtain a licence for export of piece-goods from the Government of India who have admitted some newcomers in addition to the established shippers for export of cloth. Exporters have to fulfil the conditions imposed by Government. As price control on cloth in the country was removed from January 1948, no export prices were fixed by the Government. Cloth which is marked for export cannot be diverted to the Indian market without the permission of the Textile Commissioner. The position regarding price of export goods after 30th July 1948, is not clarified. The Cloth and Yarn (Export Control) Order, 1945, is still operative.

Export Duty operates Heavily—Demand for Reduction

In view of the extraordinary rise in the prices of cloth as a result of the lifting of control over prices of cloth with effect from January 1948, and the reduction of the margin of profit on the sale of cloth in foreign markets, representations were made to the Government of India for a reduction of the *ad valorem* export duty of 25 per cent as it operated very harshly and disabled the Indian textiles from competing effectively in the foreign markets. The question of a reduction in the export duty is receiving the attention of the Government of India (August 1948).

Cotton Textiles Fund amounts to nearly Rs. 160,00,000

It will be remembered that an ordinance was issued on the 8th July 1944 for establishing a Cotton Textiles Fund and to levy a duty of customs on exported cotton cloth and yarn. It was stated that the establishment of this fund was made necessary for supervising exports of cotton cloth and yarn and for the development of technical education, research and other matters in relation to the cotton textile industry, and for this purpose to levy a duty of customs on exports of cotton cloth and yarn. It is proposed to establish Institutes for research in the textile industry and handlooms out of this fund.

The customs duty under this fund was levied with effect from 1st February 1945, at the rate of 3 per cent on the maximum ex-factory prices. The amount at the credit of the fund amounts to over Rs. 1½ crores. There are no further accruals to this fund now.

Export Drive in 1948

In August 1948, the Hon. Mr. K. C. Neogy, Minister for Commerce, in his speech before the Export Advisory Council, laid stress on the strengthening of the Trade Commissioners' Organisation and referred to the decision of the Government to appoint an Inspector-General of Trade Commissioners in Europe, and at a later date in Asia. He also referred appropriately to the need of export drive in order to assist the economic progress of the country.

CHAPTER V

LABOUR

Planning for Industrial Truce

The first part of the year 1947-48 witnessed frequent and prolonged strikes in almost all the industries throughout the country. In some cases, strikers were even reported to have been guilty of violence to the managements. Coupled with the go-slow tactics of labour, this exhibition of indifference on the part of the working class cost the country very dearly. Government begged the labour leaders to give the right lead to the workers and at their instance, management and labour were brought together at a conference at Delhi, at which the so-called Industrial Truce was proclaimed by leading representatives of capital and labour. As we shall see later, it was with the greatest difficulty and only by great force of persuasion and pressure that the rival groups could at all be brought to agree. So strong is the self-interest of each class that, even in such a grave emergency as that which prevailed towards the close of 1947, they could not compose their differences and put the national interest in the forefront. To the student of industrial relations, the interesting part of this government-capital-labour problem would be the obviously evident desire of the new government not to chide the working class too much, while at the same time, the government were by no means ready to estrange the goodwill of the capitalist class. Indeed, a number of taxation reliefs were given to the business community, so that it might recover its enthusiasm to adopt a forward policy in regard to production.

Losses due to Strikes, etc.

The magnitude of the production crisis is well brought out by the following figures which relate to the calendar year 1947. During that year, a census of the spindle and loom hours lost owing to shortage of labour, strikes, etc. in mills in Bombay alone was undertaken, and the loss of production of cloth and yarn following from strikes and shortage of labour was also estimated. For the sake of comparison, corresponding figures for the period 1946 have also been given. It will be seen that the year 1947 was an improvement on its predecessor.

—	Year	Spindle hours lost	Loss of production
			Yarn
Shortage of labour	1946	626,584,353	27,107,681 lbs.
	1947	300,065,774	12,502,737 „
Strikes, hartals, etc.	1946	839,317,957	34,971,581 „
	1947	757,570,439	31,398,767 „

—	Year	Loom hours lost	Loss of production
			Cloth
Shortage of labour	1946	15,535,196	93,211,176 yards
	1947	6,532,857	39,197,142 „
Strikes, hartals, etc.	1946	18,048,798	108,292,788 „
	1947	20,102,257	120,613,542 „

Industrial Conference of December 1947

The Government of India were fully alive to the gravity of the situation and promoted a conference on industrial development during the middle of December 1947. The conference was fully representative of all governments, industry and labour, and in his opening speech, the Hon. Dr. S. P. Mookerji, Minister for Industry and Supply, very appropriately pointed out that rebuilding the India of our dreams required the utilisation of all available capital resources, man-power and talent. His department had prepared a really notable memorandum in which the needs of all industries, split up into a short-term and long-term basis, were set out after careful consideration by a number of departmental committees. In fact, much valuable information was collected and laid before the conference. Dr. Mookerji requested the conference to advise government as to the steps that were necessary to be taken for immediate improvement of production. He traced how, since the end of the war and particularly after August 1946, production had been declining. The decline has been so serious that he wondered whether we should not forget about further industrial development in this country and concentrate upon bringing installed capacity now lying idle to its fullest possible working. Cotton textiles production had fallen from 4,800 million yards in 1945 to 3,800 million yards in 1947. In steel, the fall is from 1,180,000 tons per year to 875,000 tons. Similarly, the monthly production of cement dropped from 160,000 tons to 112,000 tons. Dr. Mookerji concluded that India could be confronted by no worse crisis. He also announced that two new steel plants of 500,000 tons capacity each would be set up before long.

Generally, the fall in production has contributed to increased manufacturing costs on the one hand and reduced availability of both consumer goods and raw materials needed by industry on the other, the latter at a time when demand has risen greatly. The immediate problem was, therefore, to increase production to the maximum of installed capacity. A number of industries were selected for action, the criterion in all cases being the existence of circumstances which are capable of being tackled and overcome immediately. On this basis, the official memorandum was prepared and the textile industry in particular received the greatest attention, being the biggest industry of the land, with a block capital of Rs. 100 crores.

Ad Hoc Standardisation Committee, 1947

In this chapter, we are concerned to point out the position of labour in the textile industry and the developments which led to interferences in production. In the previous year, reference has been made to the matters taken up by the Industrial Court in regard to standardisation of wages and to the Award given by it on 31st May 1947. The interpretation and implementation of the Award presented numerous difficulties which were solved by references made by the mills to the Court. Certain sections of the Award especially those dealing with wages for piece-workers were not easy to implement. While a standard wage was prescribed for a calendar month of 26 days, for piece-workers like those engaged in drawing, slubbing, winding, warping and drawing-in work, a differential wage pattern was prescribed. As this did not satisfy the employees in these sections, they resorted to deliberate slow-down of work. Thus, production in the drawing-in department would fall, making it impossible to maintain full work in the weaving department. The mills found it difficult to meet the situation and on their request the Industrial Court early in August 1947 announced the appointment of an *ad hoc* standardisation committee, which was to clarify all the doubtful points of the Award and to suggest ways and means of smooth production. The Bombay Government also issued a press note deprecating the go-slow tactics and appealing to them to resume normal production. The *ad hoc* committee functioned from 18th August 1947, and considered the question of piece-work earnings of drawers-in. A majority report was submitted to the Court recommending for plain sorts a wage rate of 46 pies for thousand ends drawn through cotton healds. In September, the B.M.A. made a strong representation to the Bombay Government to enforce the Award. On 8th September 1947, the drawers-in workers decided to go on strike if their demand for 48 pies per thousand ends was not accepted. Meanwhile, the Industrial Court issued an order on the 16th September 1947, accepting the rates recommended by the *ad hoc* committee. In Bombay, drawers-in went on strike on 23rd September 1947, which was condemned in unmistakable terms by Mr. Nanda. The Millowners' Association put in an application to the Industrial Court and the strike was declared illegal. Ultimately, it fizzled out and the workers resumed work by the beginning of October 1947. In order to decide what should be the normal daily production for drawers-in of mills in Bombay City, the Bombay Government appointed Mr. D. R. Gadgil to enquire and report on the fair rate of output.

Housing of Textile Labour

The subject of housing of mill workers came in for extended notice at the hands of the Bombay Government during the past year. Ever since the Industrial Housing Sub-Committee reported in May 1946 on the need for a building fund to finance the housing of workers, the subject has been frequently discussed. Early in January 1947, the Bombay Provincial Housing Board was constituted and as stated in the last *Annual*, the Bombay Government placed before an advisory committee its programme aimed at the building up of 15,000 tenements in industrial centres within five years from 1st April 1947 and costing Rs. 7½ crores of which the Bombay Government was to provide 1/3rd of the cost, the Central Government a similar amount, while the balance of 2½ crores should be contributed by employers. The Bombay Government made it clear that the major part of the housing needs will have to be met by employers. This view was resisted by them as they pointed out that the suggestion would place a crushing burden upon industry and that the government had no clear ideas in the matter. The Millowners' Association pleaded for a solution on an all-India scale. Towards the latter part of August 1947, the Government of Bombay informed the Millowners' Association that the Provincial Housing Advisory Committee at its fourth meeting held on 10th June 1947 had fixed for all industrial towns in the Province a target of 1,25,000 tenements to be completed in five years and that the said target would include tenements constructed by all agencies, Government, Government-aided, and private enterprise. The Advisory Committee had also adopted the programme of constructing 15,000 tenements by Government in a period of five years at a cost of Rs. 7½ crores. Of this amount, Rs. 2½ crores each would be provided by the Government of India, the Government of Bombay and the employers ; and Rs. 3¾ crores each by the Government of Bombay and the employers, if the Government of India were unable to contribute. As regards the recovery of employers' contributions for raising the necessary funds, it was stated that recoveries would be made only after completion of each year's programme and that the position would be reviewed every year with a view to devising ways and means of reducing deficits, if any, in the scheme. With regard to other parts of the scheme entailing further financial burden on the employers, Government proposed to discuss the basis with employers before taking further steps. The Bombay Millowners' Association complained to government that they had not been treated properly. In November, the provincial government's decisions on the housing programme were embodied in a government resolution which accepted the programme originally prepared.

Dearness Allowance to Bombay Cotton Mill Workers

The cost of living index for the calendar year 1947 and the allowance applicable to each month are given in the table below. It may be mentioned here that on 11th August 1947, the mills in Bombay agreed to grant an Independence Bonus to the operatives employed in the mills in Bombay City and Island. The bonus was equivalent to 1/8th of their basic earnings in the period 1st January to 31st August 1947. In December 1947, the

Bombay Government addressed the mills in regard to a demand for bonus made by cotton mill workers. By a notification on the 9th January 1948, the Bombay Government referred the matter for arbitration by the Industrial Court. The attitude of the mills was stated to be that until and unless the dearness allowance and other claims which were to be taken up by the Industrial Court were decided, they could not consider the question of bonus to workers for the year 1947.

Month	Bombay Working Class. Cost of Living Index (of the previous month)	Dearness allowance for a month of 26 working days
...		Rs. As.
January 1947 ...	279	41 4
February „ ...	267	38 6
March „ ...	263	37 7
April „ ...	269	38 14
May „ ...	270	39 2
June „ ...	271	39 5
July „ ...	278	41 0
August „ ...	274	40 1
September „ ...	284	42 7
October „ ...	299	46 0
November „ ...	296	45 4
December „ ...	287	43 2

Industry's Conference Resolutions (1947)

We have already referred to the promotion of this conference and the importance attached to it by the Government of India in view of the industrial crisis in the country. The conference was at the time chiefly noted for the achievement of the so-called Industrial Truce resolution, by which management and labour agreed to put the country first before themselves and pledged themselves to increase production at all costs. Space forbids a detailed mention of all the resolutions of this conference though they are all extremely important. We shall be content to quote a few resolutions, which have a direct bearing upon the textile industry.

Resolution 1 : " This conference is of the view that the present inability of the industry to produce to its installed capacity and to expand as planned is mainly due to (*a*) bad transport, (*b*) unsatisfactory relations between management and labour, (*c*) shortage of raw materials. . . ." The resolution on Industrial Truce is our immediate concern and in view of its importance, it is quoted here in full : " This Conference considers that the increase in industrial production which is so vital to the economy of the country cannot be achieved without the fullest co-operation between labour and management and stable and friendly relations between them. The employer must recognise the proper role of the labour in industry and the need to secure for labour fair wages and working conditions ; labour for its part must give equal recognition to its duty in contributing to the increase of the national income, without which a permanent rise in the general standard of living cannot be achieved. Mutual discussion of all problems common to both and a determination to settle all disputes without recourse to interruption in or slowing down of production should be the common aim of employers and labour. The system of remuneration to capital as well as labour must be so devised that, while in the interests of the consumers and the primary producers' excessive profits should be prevented by suitable measures of taxation and otherwise, both will share the product of their common effort after making provision for payment of fair wages to labour, a fair return on capital employed to the industry and reasonable reserves for the maintenance and expansion of the undertaking.

For attaining these objectives, this Conference recommends :—

(*a*) that the fullest use should be made of statutory and other machinery for the resolution of industrial disputes in a just and peaceful manner ; where it does not exist, it should be created without delay. Such machinery should as far as possible be uniform throughout India ;

(*b*) that the establishment of machinery, Central, Regional and Functional, for the study and determination of fair wages and conditions of labour and fair remuneration for capital and methods for the association of labour in all matters concerning industrial production such as the formation of Central, Regional and Unit Production Committees ;

(*c*) that the constitution in each industrial undertaking of Works Committees representing management and duly elected representatives of labour for the settlement of any dispute which may arise from day to day ; and

(*d*) that, as a first step towards improving the standard of living of workers, immediate attention should be devoted to the problem of housing industrial labour ; the cost of such housing should be shared in suitable proportions between the Government, employers and labour, the share of labour being given in the shape of a reasonable rent.

The principles enunciated above having been accepted, this Conference calls upon labour and management to agree to maintain peace and to avert lock-outs, strikes or slowing down of production during the next three years.

This Conference invites labour and management to assist Government to secure, promote and guarantee such agreements between the parties as will usher in the period of contented and orderly advancement towards a co-operative Commonwealth ".

This Resolution was passed only after bringing considerable pressure to bear on the various interests and a good deal of lobbying, in which Ministers of the Central Government took part. There was general satisfaction at the conclusion of the Truce and at that time the people of the country did persuade themselves that the period of low production in India was at an end. Little did anybody expect that within a few weeks of its conclusion, the Truce would be flouted.

Industrial Committee for Textiles

Early in 1947, the I.L.O. had stressed to the member governments the necessity for setting up industrial committees to deal with the problems of individual industries. India desired that national committees on a tripartite basis to discuss the problems of each industry would be useful, particularly when such problems came before the International Industrial Committees. Such a committee on cotton textiles seemed particularly necessary to arrest the drop in production and in view of the numerous questions relating to rationalisation of wage structure, dearness allowance, standardisation of occupational nomenclatures, etc. The Government, therefore, proposed to constitute an industrial committee for textiles with a membership of 32 of which 16 seats were to be allotted to government and 8 each to employers and workers. The first meeting was to be held in April 1947, but the date was not convenient to the mills and only in November 1947 was the decision taken by government that the committee would consist of 39 members with equal representation for all the three parties.

The first meeting took place in January 1948 to discuss wage questions and measures for increasing production, but no resolutions were passed as on the main issues the employers and the workers' representatives could not agree. Mr. Jagjivan Ram, Labour Minister of the Government of India, presided over the meeting which was really to consider the ways and means of achieving the three-year Industrial Truce called for by the Industry's Conference in December ; the introduction of three shifts of 7½ hours each where possible or of overtime working to the extent of one hour per shift ; a scheme for the establishment of training institutions in the various centres like Bombay, Ahmedabad, Cawnpore, Calcutta, Nagpur, Coimbatore, Madras, and Delhi, which would turn out 10,000 trainees per year. The total cost of establishing these centres was estimated at Rs. 45 lakhs non-recurring and Rs. 8 lakhs recurring. The industry requires an intake of at least 10,000 new recruits each year to maintain its present strength. The Committee also considered the question of standardisation of wages of which there is already a measure as between different units in a particular centre. But they vary from centre to centre. The monthly basic wage of winders, for instance, was Rs. 32-8 in Bombay, Rs. 25-12 in Ahmedabad, Rs. 19-5 in Sholapur, Rs. 24-11 in Kanpur, Rs. 26 in Madras and Rs. 33-14 in Delhi. Similarly, bonuses are in some cases calculated on production, in others on attendance. Most of the provinces have already standardized wages or have referred the question to conciliation boards and other bodies. If uniform wages and dearness allowance are adopted for the industry as a whole, it would be in conformity with the recommendations of the Central Pay Commission in regard to railways, posts and telegraphs and other Central Government employees. The Asian Regional Conference of the I.L.O. prescribed compulsory provident funds for as many workers as possible and particularly for all regulated labour. It also stated that a scheme of compulsory insurance against death while in employment should be started. A compulsory provident fund scheme already exists for coal miners. These and other complex questions were on the agenda of the committee and were referred to by the Labour Minister in his address to the conference. As may be expected, it was too much for a single meeting.

Employment Exchange

In March 1948, at a press conference, the Labour Minister referred to the question again and stated that government had set up an Employment Service consisting of a net-work of employment exchanges, where records of recruits are maintained. Such employment services will undertake (*a*) standardisation of occupational terms, (*b*) technical and vocational training of workers, and (*c*) registration and maintenance of card indices. He said that a wage census had been prepared by Mr. Lloyd Jones and that in regard to wages, government would take further move. The Employees' State Insurance Bill, he said, is the most important move in the direction of social security.

Ahmedabad Award

The Industrial Court, Bombay, in giving its Award in the dispute referred to it by the Ahmedabad Millowners' Association and the Textile Labour Association fixed the minimum wage at Rs. 28. The Court was helped by Prof. C. N. Vakil acting as Assessor, who prepared a scheme for standardisation of wages. Labour demanded Rs. 30 as the minimum wage. In fixing the minimum wage at a level higher than the existing wage paid to the lowest unskilled employees, the Court held that they could not ignore the capacity of the industry to pay. The Wage Bill of the industry (1,30,000 workers) was about Rs. 5 crores and if the demand of labour was met in full the Wage Bill would be up by 40 per cent. The Court said that, whatever might be the actual surplus left to the industry after the payment of wages, the industry was in a position to pay the minimum wage of Rs. 28. On behalf of labour, two other demands were made—one for the abolition of contract labour which existed in about 10 departments of textile mills. The Court decided that the minimum wage and standardisation of wages should apply to such employees also. It felt that, so long as the Ahmedabad mills were dependent on coal power and not electricity, complete abolition of contract labour was not advisable, but it recommended that conditions of contract labour should be regulated and made uniform.

Bombay Award of February 1948

In respect of the workers' demand for increase in basic wages and standardisation of wages, preferred in the middle of 1947, the Industrial Court gave the following Award in February 1948.

" Since the Court has fixed Rs. 30 as the minimum occupational basic wage for employees in the cotton textile mills in Bombay, with effect from 1st January 1947, by the Award dated the 31st May 1947, it is directed that the existing basis of payment of dearness allowance should be revised as follows with effect from the same date.

The rise in the cost of living over the pre-war level of 105 in the case of an employee earning Rs. 30 for a month of 26 days should be neutralised to the extent of 90 per cent and all the employees should be paid at that flat rate. Taking the average index number of 279 for the year 1947, this employee should get a dearness allowance of Rs. 44-11-11 for a month of 26 days. On arithmetical calculation it is found that the rate comes to 1.9 pies per day per rise of each point in the cost of living index number over the pre-war figure. The employers should make fresh calculations on this basis for the month of January 1947 and onwards and after deducting the actual amount of dearness allowance already paid to the employees make payment of the arrears of the dearness allowance thus due within two months from the publication of this Award. They should continue to pay the dearness allowance hereafter on the revised basis for each month. The calculations should be made to the nearest anna, pies six and more to be reckoned as one anna and pies less than six to be omitted. The amount of dearness allowance will fluctuate according to the rise or fall in the cost of living index number. If, however, the cost of living index number reaches 325 either party will be at liberty to ask for a revision by applying to this Court."

Bonus for 1947

Similarly in the same month, the Court fixed the rate of wages for warpers. In the month of March 1948, on the question of bonus for the year 1947 claimed by the workers, the Court gave the following award :

" Subject to the following conditions all employees whether permanent or *badlis* who have worked in the mills concerned in this reference shall be given a bonus equal to 1/6th of their earnings in 1947 :—

(1) Employees who have worked for less than 75 working days and more than 32 working days shall be granted a bonus to the extent of 50 per cent and employees who have worked for 32 days or less shall not be paid any bonus.

(2) Any employee who has been dismissed for misconduct in 1947, shall not be entitled to any bonus even if he has worked for more than 32 days.

(3) Bonus shall be calculated on earnings (exclusive of dearness allowance and bonuses paid during the period) from 1st January to 31st December 1947.

(4) In the case of women who have been on maternity leave during the period referred to, the actual maternity allowance drawn by them shall be included in their earnings for the purpose of calculating the bonus payable.

(5) Bonus as above stated shall be paid to the employees in one lump sum on or before the 30th April 1948.

(6) Persons who are eligible for bonus but who are not in service of the mill on the date of the payment shall be paid in one lump sum on 31st May 1948 provided claims in writing are submitted to the Manager of the mill concerned before 21st May 1948, after which no application for bonus shall be entertained.

In fixing the quantum of bonus, viz. 1/6th of total annual earnings as against the demand for 1/4th of the annual earnings, the following main considerations have weighed with the Court :—

(*a*) The Industry has made lesser profits in 1947 than in 1946 for which a bonus equivalent to 1/5th of the total earnings was granted.

(*b*) The employees have got increased wages with effect from 1st January 1947, as a result of the award on standardisation of wages made on 31st May 1947, inasmuch as both the minimum and the average wage has been raised, the former being about Rs. 30 and the latter Rs. 41.

(*c*) The rate of dearness allowance has been increased from 1.75 pies to 1.9 pies per day for rise of each point in the cost of living index number over the pre-war figure with effect from 1st January 1947.

As a result of these two increases the employees have got a total additional benefit of more than 3 crores of rupees.

(*d*) The Millowners have voluntarily paid " Independence Bonus " equivalent to one month's earnings in 1947.

Industrial Disputes on the increase in 1947

It is a matter of great concern to note that the number of industrial disputes in India increased from 1,593 in 1946 to 1,811 in 1947, the number of workers involved being 18,40,784 in 1947 as compared with 19,51,751 in 1946, and the number of man-days lost being 1,65,62,666 in 1947 as compared with 1,26,88,121 in 1946. The cotton, woollen and silk mills accounted for 37 per cent of the disputes, 52 per cent of the workers involved and 44 per cent of the man-days lost in 1947, as against 38 per cent of the disputes, 53 per cent of the workers involved and 41 per cent of the man-days lost in 1946.

Recent Industrial Legislation in India a great Advance

India has thus been no exception to the spate of industrial disputes brought about in all industrial countries by the aftermath of war. These industrial disputes have doubtless led to shortage in production which in turn has led to widespread evils of blackmarketing. Even in normal times strikes and lock-outs may not be regarded as the only legitimate means of resolving differences between employers and workers. Industrial disputes or ' go-slow ' policy definitely accentuate the evil of blackmarketing and promote inflationary tendencies. The need of the hour is ' more and more production ', to make good shortages of essential commodities in India. We hope that the industrial truce which was adopted by the Industries Conference in December 1947 will be adhered to by all concerned, and earnest efforts will be made for ensuring increased production all-round in the country.

It is hardly necessary to observe that the Ministry of Labour have embarked on a positive programme of labour legislation within the last 3 years which represents a great advance on what has been attempted not only in India but in Asia. In fact, it must be conceded that in many respects the programme of labour legislation brings us within a measurable distance of the achievement of western countries which were industrialised very much earlier than India.

Even in regard to wages, there has been a great improvement as a result of conciliation and compulsory adjudication in industrial disputes. Attempts are being made to build up and strengthen the machinery of conciliation. We earnestly trust that the ' go-ahead ' policy of the Ministry of Labour will be appreciated on all sides and it will be possible to achieve industrial peace which should lead to increased production at no distant date.

Third Shift in Mills suggested by Inquiry Committee, 1948

The Report of the Bombay Industrial Conditions Inquiry Committee appointed by the Government of Bombay in 1946, was published in August 1948. The Committee suggested the introduction of a three-shift system in the cotton mill industry as a temporary measure, to improve the supply of cloth and encourage the production of utility types of cloth. The reaction of the textile industry as well as labour, however, is unfavourable to the adoption of this recommendation, and at the present time, in view of the objections pointed out by the industry and labour, it is not likely that this recommendation will be adopted, although there is at present an imperative need for raising the production of cloth and yarn.*

It should be remembered that in 1947 the Bombay Government also expressed themselves against the three-shift system.

New Legislation

Before concluding this chapter, we may briefly mention here the Factories Act, 1948,† which broadly ensures proper working conditions and requirements of health for workers, child labour and other allied matters. Similarly, in February 1948, a Bill for the grant of provident fund was introduced in the Constituent Assembly. The Bombay Industrial Relations Act was amended

* In his pocket plan, published in May 1948, Mr. G. D. Birla calculated that the total production of cloth could be increased to about 6,600 million yards through triple-shift working over a period of 5 years. Perhaps, it would be too optimistic an estimate, in view of our obsolete machinery and other bottlenecks. But the experiment must needs be made.

† This was passed on 28th August 1948.

in certain respects on 13th May 1948. The Dominion Legislature enacted the Minimum Wages Act, 1948, in March. The year thus witnessed considerable achievements on the labour front. One might be pardoned for thinking that too much was being attempted in a short period, but the fact that the popular government had a duty to initiate such legislation cannot also be overlooked. In fact, the government have made this clear in their industrial policy. Workers gained all along the front during the year; all the greater is the pity that they did not throw themselves heart and soul into any big production effort.*

CHAPTER VI

RAW COTTON

The year under review witnessed large fluctuations in prices of raw cotton in India as well as other cotton centres of the world, and as we have seen in the earlier chapters, these had their repercussions on the textile industry. Till the end of 1947, raw cotton prices continued on an even keel but after the government's decisions to decontrol and control again cotton along with cloth, exciting developments took place. To help the reader to understand developments in the proper perspective, it may not be amiss to recount here the fact that the Government of India, sometime in June, decided to allow unrestricted export of cotton till August 1947. The question of floors and ceilings for 1947-48 was referred to the Commodity Prices Board at the same time and government's policy for 1948-49 cotton season, it was stated, would be declared thereafter. About this time, the 4th all-India cotton forecast indicated a crop of 35,15,000 bales with an acreage of 1,46,08,000. The world cotton consumption was estimated at that time to be 2,75,00,000 bales, while production was estimated to be just over 2,00,00,000 bales as against the pre-war production of 30 million bales. The world consumption thus seemed almost near the pre-war level and it was clear that any deficit would have to be met from the previous carry-overs. About this time, the American authorities took care to see that Japan had her cotton requirements from the U.S.A. In pre-war years, 40% of Japan's total imports of cotton were from India.

By the middle of August 1947, I.C.C. September stood very near the floor, mainly because of lack of facility for carrying over to the next contract. The Bombay Government also announced their proposals for changing the constitution of E.I.C.A. as well as the surveying system, while in January 1948, the Mahajan Association was to be merged with the E.I.C.A. Permission was granted to begin trading in the new 1947-48 crop with the same floors and ceilings except for Deshi cotton, ceilings of which had been considerably raised. The price stood nominally at Rs. 430 and there was very little trading. The Pakistan government permitted free export till the end of 1947, while the Government of India reciprocated the same policy of free export, upto November 1947. Most of the long staples were rapidly disappearing from the market as they were all exported and premiums of long staple cotton had been daily rising owing to very good offtake in the spot market. It was agreed between India and Japan to send 1,70,000 bales of Indian cotton to Japan, who was to send textile and necessary goods in

***Promotion of efficiency by harder work, even if in lesser time, should be as much the concern of labour, as the obtaining of concessions from the State, for then alone can they and the country prosper.**

return. The total exports at the end of the cotton season (August 1947) were a little under 11,00,000 bales as against 13,00,000 bales allowed by the Government of India. The partition and the aftermath led to the cotton crop in the North being completely neglected, resulting in lower outturn. Towards the end of November 1947, government revised their policy of export. As it was feared that long staple cotton from Sind and Punjab might not be available, exports of cotton of 13/16 inch and longer were prohibited till March 1948. This, however, hardly depressed prices since a more drastic restriction had been anticipated. December really witnessed the beginning of the upward spurt in cotton prices which culminated in the terrific rise of April 1948. Strong rumours of decontrol, closure of railway booking which reduced stocks in Bombay to 8 lakhs bales as against 12 lakhs (inclusive of stock with exporters, dealers and mills) stimulated a rise in prices and I.C.C. January went upto Rs. 527 on 23rd. At this stage, the African crop was also reported to be very small and it was doubted whether India could get cotton from Africa and Sudan at controlled prices. Egyptian cotton prices particularly had risen sharply as the government controlled the stocks and would not release them except at high prices. American markets were also strong. In a press note in December 1947, the government stated that export of short and medium staples would be continued till August 1948 and the flow of exports was not likely to reach the target of 15 lakhs bales for India and Pakistan combined. Exports from Karachi since September 1 to November 30, 1947, were given out as 222,100 bales as compared with 100,000 bales for the corresponding period in the previous year. About 85,000 bales only were sent to Bombay and other Indian ports. The restriction on exports also applied to Pakistan.

Consequent upon Pakistan being declared a foreign territory, cotton imported from Pakistan also became liable with effect from 1st March 1948 to the import duty at the rate of two annas per pound. Early in March, the Textile Commissioner stated that government was prepared to consider applications from mills for exemption from the import duty of specific consignments of cotton from Pakistan to India. From 1st April 1948, government prohibited the export of Oomra Deshi to all destinations, besides the previously specified varieties, namely Bengal Deshi, Oomra Deshi, Assam and Comillas.*

Boom in Raw Cotton Prices in April, 1948

On April 21, there was a boom on the raw cotton market following the reports from New Delhi of the 2nd stage of decontrol of cloth and yarn. The May Contract touched Rs. 718 and the Board of the E.I.C.A. decided to declare a state of emergency in the market after fixing spot rates at Rs. 693. This price was criticised on the ground that the Board had actually encouraged aggressive buyers instead of discouraging them. The rival view was that the statistical position of cotton was very sound and higher prices were inevitable, especially after the terrible rise in prices in Egypt and Sudan, resulting from alleged large-scale Russian and British purchases. In any case, what concerns us here is the extent of the rise and its unsettling effects on the economy of cloth. Even in December 1947, the Bombay Millowners' Association had telegraphed to the government that important cotton varieties were not available even at ceiling prices and that pending Tariff Board's Report, immediate increases in cloth and yarn prices should be granted. The

* In a press communique issued on the 28th August 1948, the Government of India have renewed the existing restriction on export of raw cotton and have decided to continue the ban on export just as at present.

reactions in mill circles to the sharp rise in April 1948, may be imagined. But as cloth had been decontrolled, actually this ramp in cotton prices (and it is nothing less) came in very handy to the mills and the cloth trade to charge prices at their sweet will.

At this stage, we may also note in passing that the Tariff Board had been requested by government to study how fluctuations in prices of raw cotton should be linked to prices. When decontrol was announced in January 1948, the statutory floors and ceilings of cotton prices were abolished. To stabilise cotton prices, however, the export duty was doubled from Rs. 20 per bale of 400 pounds to Rs. 40. In view of the sky-rocketting of cotton prices in the Bombay market subsequently (April 1948), the following remarks of the government in their press note of January 1948 make ironical reading : " To stabilise cotton prices, the present export duty will be doubled. In view of the prevailing scarcity of cotton, government do not anticipate that cotton prices will fall below the floor levels hitherto prescribed. Should, however, such a contingency arise, they will take such steps as are necessary to protect the interests of the cotton growers." What followed proved that the cotton grower suffered from an excess of solicitude from the gentlemen of Kalbadevi ! It is true that subsequently the cotton market steadily moved down to fairly reasonable level, but the mischief had been done for the time being. (For further developments in the cotton market resulting from control of raw cotton, please see chapter entitled " Re-enter Textile Control ", page 67 *et seq.*).

Pakistan declared Foreign Territory from March, 1948

With regard to foreign cotton, apart from Pakistan, it may be mentioned that on the 7th January 1948, the East African Government were reported to be ready to auction their cotton. Earlier, the import control authorities had asked mills whether they were agreeable to continue the system of bulk purchases for the 1947-48 crop, to which the mills had agreed. A telegram sent to government by the Bombay Millowners' Association elicited the information that mills were permitted to bid at the option of East African cotton and that import licences would be issued to the mills. It appeared that the East African Government had set apart 50,000 bales for free export. The Egyptian Government had imposed a duty of about 2½d. per pound on cotton exported from Egypt. This appeared excessive considering the abnormally high prices at which this cotton had been quoted. A representation was made to the Egyptian Government to reconsider the matter, and at least exempt from the duty the sales concluded previous to the announcement of the duty. In April, the Government of India issued a communique " Pakistan having been declared a foreign territory with effect from March 1, 1948, imports of cotton from Pakistan have to bear the Indian import duty of two annas a pound. Since this duty will raise the price of imported Pakistan cotton and have the effect of inflating the price of Indian cotton and consequently of cotton textiles, the Government have decided that cotton grown in Pakistan and imported therefrom into India till August 31, 1948, should be exempt from the Indian import duty. A wise decision, indeed.

Indo-Pakistan Negotiations

The respective positions of the two new Dominions in regard to raw cotton and cloth left great scope for manoeuvring by both to get the best out of any barter deal. Pakistan had the long staple cotton in bulk, which India had not. India had the very great majority of mills, which Pakistan had not. The situation, theoretically, was ideal for the conclusion of an agreement, as one might suppose. In practice, however, this was not the case and the complementary character of the needs of each only stimulated a tendency to drive hard bargains with the other. The Pakistan Government badly needed cloth supplies from India and were out to get the utmost in return for their exports of raw cotton. India had also her cloth shortage and of course could not part with her precious cloth supplies, without getting a proportionate quantity of long staple cotton from Pakistan. It was only in May 1948 that the series of steps and retaliations taken by both Dominions ended in an agreement, which covers other things besides textiles.

The facts are that, after partition, the vast cotton tracts of Sind and West Punjab went out of India. Indian mills used to consume about a million bales of cotton grown in Pakistan. But Pakistan, presumably for diplomatic reasons, diverted most of the supplies to foreign oountries and nothing more than 400,000 bales of Pakistan cotton were expected to be sent to India. But even this quantity was not actually realised and the agreement for cloth-cotton exchange arrived at in March 1948 stipulated that Pakistan would make available to India 20 bales of cotton for every 12 bales of cloth exported from the Indian Union. The Government of India agreed at the time to make an *ad hoc* allotment of 25,000 bales of cloth to Pakistan against the cotton already received in India. The agreement originally was that Pakistan would charge Rs. 60 per bale by way of duty on cotton exported to India and that India would charge an import duty of As. 2 per pound, while India was free at the same time to charge an *ad valorem* duty of 25 per cent on cloth exports to Pakistan. Thus, cotton flowing from Pakistan into India was to pay an export duty equivalent to Rs. 120 per candy in Pakistan and an import duty of Rs. 100 per candy in India, making a total of Rs. 220 per candy by way of duty ! At this, the mills naturally represented to government during the middle of April 1948 that such a rise in the landed cost of Pakistan cotton would cause a corresponding increase in the price of cloth, and hit consumers in both Dominions. It was pointed out that in view of the close proximity of the two Dominions, the duty on cotton and export duty on cloth amounting to about 14½ annas per pound would bear on the consumer heavily. Thereupon, the Government of India removed the import duty on cotton from Pakistan, as we have noted earlier. The move was appreciated by the mills in India.

The Committee of the Bombay Millowners' Association, however, invited government's attention to a report current to the effect that the Government of Pakistan were prepared to waive the duty on cotton exported to India provided the Government of India on their part agreed to waive the 25% duty on cloth exported to Pakistan and stated that in their opinion Government should agree to waive the export duty on cloth exported to Pakistan with a view to securing a freer flow of Pakistan cotton into India. The Indian Union had been drawing, in the last few years, about a million bales of staple cotton from Pakistan. It was true that the Indian Central Cotton Committee had been endeavouring to increase the production of staple cotton within the Union but the results were not likely to materialise for some considerable time * and in any event, as priority had to be given to food crops, for some years at least, India must continue, bearing in mind the currency and exchange complications which might arise in dealing with other sources of cotton, to depend upon a steady supply of staple cotton from Pakistan.

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* The committee has decided in 1948 to increase the area under cotton by 4 lacs acres.

Indo-Pakistan Commercial Agreement, May 1948

A series of meetings between the representatives of the two Dominions took place thereafter and the atmosphere seemed to be conducive to an attitude of reasonableness and reciprocity between the two countries. Finally, the Indo-Pakistan Agreement for the mutual supply of essential commodities was signed in Karachi on the 26th May 1948 and was subsequently approved by both the governments. The following are relevant extracts from the text of the Agreement :—The representatives of the Government of India and the Government of Pakistan having considered the requirements of essential commodities which each Dominion needs from the other have, subject to ratification by their respective governments, agreed as hereunder :—

(1) The quantities of each commodity which each Dominion undertakes to make available to the other are stated in Annexures I and II. The annexures also indicate the demands made by each Dominion in respect of each commodity and special features, if any.

(2) Apart from the commodities listed in the Annexures I and II, it was agreed to show the maximum consideration in facilitating the export of goods from one Dominion to the other. It was agreed that imported goods which had been shipped and paid for in either Dominion before the 31st December 1947 out of the undivided exchange account will be allowed to be re-exported to the other Dominion wherever it is established that the goods were originally intended for consumption in that Dominion.

(3) The period of the agreement will be one year from 1st July 1948 to 30th June of 1949 except as regards

(*a*) raw cotton and cotton textiles for which the agreement shall cover the period from 1st September 1948 to 31st August 1949 ; and

(*b*) foodgrains for which the agreement will be for the period 1st June 1948 to 31st August 1949.

(4) With such exceptions as may be mutually agreed upon, supplies will ordinarily be made through commercial channels. Commodities which are not subject to *any* control either internally or for export present no problems. In the case of commodities which are not subject to internal control but are subject to export control, the supplying Dominion shall issue necessary export licences in such a manner that the export of the agreed quantities will be facilitated. In respect of commodities which are subject to internal as well as export control, the supplying Dominion shall either supply on a government to government basis or make specific allocations in conformity with their internal control as well as issue export licences.

(5) [Regarding jute.]

(6) It is agreed that neither Dominion will re-export to any country any commodity imported from the other Dominion in the form in which it was imported.

(7) [Regarding food.]

(8) It was agreed that subject to seasonal considerations each Dominion should spread its purchases as uniformly and conveniently as possible.

Annexture No. I.

Requirements of Pakistan

Commodity	Pakistan's stated annual requirements	Quantity agreed to by India	Remarks
Cloth & Yarn ...	4,00,000 bales	4,00,000 bales	¼th of this total quantity would be in the form of yarn

Annexture No. II.

Requirements of India

Commodity	India's stated annual requirements	Quantity agreed to by Pakistan	Remarks
Raw Cotton ...	9,00,000 bales	6,50,000 bales	The proportion of medium & long staple

Indian Trade Mission to Japan and Indo-Japanese Textile Trade in 1947-48

Pre-war Indo-Japanese trade was of substantial proportions and one which helped India a good deal in disposing of her surplus raw cotton. Since the war ended, it has not been easy to resume private trade with Japan as negotiations have necessarily to be opened with S.C.A.P. and that authority naturally looks to the safeguarding of American cotton exporting interests first. Nevertheless, even now there are several articles like raw cotton, jute, etc. which India can send to Japan and there are capital and consumer goods which can be imported to India from Japan. In June 1947, the Indian Trade Mission went to Japan with Mr. Tulsidas Kilachand as leader and Mr. T. P. Barat as Secretary. Its main term of reference was to complete arrangements for the sale of raw cotton to Japan and for the import of cotton cloth, rayon silk, textile machinery and other fabrics therefrom. The report of the Mission was submitted to the Government of India which published a press note on the report in May 1948. The report covers the whole field of Indo-Japanese trade of which cotton is only one of the items and it would be enough for our purpose to note that part of it which relates to the textile industry. It seems S.C.A.P. offered to India cotton spinning machinery from blowroom to spindles, in terms of 100,000 spindles, provided 30,000 tons of coking coal are supplied by India to enable production of this machinery. 16,000 doubling spindles were also offered against the supply of 895,000 tons of coal. Although there is machine-shop capacity in Japan, production of capital goods is limited by lack of raw materials. The Mission recommended that India should have Japanese machinery, which is efficient, simple in operation and cheaper than Swiss or American machines. In later years, machinery would be freely available.

After referring to the present size of the Japanese cotton textile industry, the report of the Mission has given figures of the consumption of raw cotton in Japan, which appears to have increased from 22,000 bales in July 1946 to 80,000 bales in December 1947. According to S.C.A.P., the consumption in the 1947-48 season will amount to 725,000 bales plus 200,000 bales for stock piling and 50,000 bales for miscellaneous purposes. The offtake of Indian cotton in the 1947-48 season was estimated at 314,688 bales (400 lb. per bale). The production of cotton fabrics has increased considerably in Japan.

S.C.A.P. Mission in India in May 1948

In May 1948, steps for fostering the trade between the two countries were being taken. The S.C.A.P. Trade Mission from Japan with Mr. W. R. Eaton as the leader came to India and negotiations were carried on with the authorities and the merchants in India. The East India Cotton Association's Board urged on the Mission the necessity for enabling India to export Bengal and Mathia cotton to Japan, while the Mission submitted the terms of contract it had brought from Japan. The prospects of Japan supplying textile machinery were discussed with the Mission by the textile stores merchants. In response to the request from the Mission, the Government of India as a special case decided to allow the export of 55,000 bales of raw cotton to Japan of the so-called prohibited varieties including Oomra Deshi Jarillas. The procedure for the export of the above quantity was also laid down since the sole importing authority in Japan is the Board of Trade in Tokyo which enters into contracts which are subsequently approved by the S.C.A.P. authorities. Intending exporters were requested to offer cotton to Mr. Fukui, a member of the S.C.A.P. Trade Mission. In an interview, Mr. Eaton appreciated the Government of India's gesture and hoped that it would be the forerunner of other steps for improving Indo-Japanese trade. He, however, made it clear that Japan would utilise the quota of 55,000 bales only if the desired varieties were offered at reasonable prices.

The Mission left India after arranging a deal of about 80,000 bales of Indian cotton. The problem, however, which confronts India at the present time is how to find a surplus of cotton for export abroad, in view of the increasing internal demand and declining production.

New Hedge Contract adopted in September 1948

During 1948, there were several discussions for revising the Indian Cotton Contract. At the outset there were several differences between the Indian Central Cotton Committee and the Hedge Contract Sub-Committee but they were ironed out later. It is also understood that the Indian Central Cotton Committee have decided not to press for the inclusion of old crop Jarilla among the tenderable varieties, and the Board of the East India Cotton Association have agreed to a basic staple length of 25/32″ instead of 3/4″ staple length which obtains at present.

Later, as a result of the announcement of the policy of the Government of India for re-imposition of control on cloth and cotton on the 30th July 1948, further discussions on this question took place, and **on the 9th September 1948, the East India Cotton Association at a general meeting decided to adopt Jarilla staple length of 25/32″, with a "tolerance" of 1/32″. This tolerance was allowed as a result of the imposition of cotton control.**

World Cotton Situation in 1947-48—Production lags behind Consumption

The world cotton situation for the 1947-48 season is characterized by :

(1) Production of cotton below the pre-war level and considerably less than indicated consumption.

(2) A general level of world mill activity below pre-war and mill output of cotton textiles much less than world needs.

(3) Stocks of cotton apparently ample to meet mill requirements for the current season but decreasing at a rapid rate as a result of the continuing excess of cotton consumption over production since the end of the war.

(4) International trade in cotton hampered by financial difficulties but with prospects that total trade for the current season may be sufficient for the maintenance of mill activity during the latter part of the season.

(5) Prices for cotton high enough to suggest increasing substitutions of synthetic fibres for cotton but too low in relation to returns from the production of foodstuffs and other competing enterprises to stimulate the rapid expansion of cotton cultivation in countries where governmental production control measures are not in effect.

(6) A continuation of the upward trend in synthetic fibre production with prospects for an accelerated increase in the rate of production and substitutions for cotton as war damaged rayon plants are repaired and new plants constructed.

Slower Expansion in Production of Cotton

World production of cotton for the current season (1947-48) is estimated at almost 25 million bales, about 16 per cent larger than in 1946-47 but 15 per cent less than in 1938-39. Most of the increase over last season is accounted for by the larger crop in the United States. **The expansion in world cultivation of cotton since the war has been slower than was generally anticipated, mainly because of the need for increased food production and comparatively favourable returns from the growth of food crops.** In some countries governments regulate the area under cotton in favour of urgently needed foodstuffs production and in others, farmers simply prefer to cultivate foodstuffs because of favourable monetary returns. Accurate indications of the probable volume of world cotton production in 1948-49 and later years are not yet available. Another moderate increase in the acreage of cotton planted in the United States is expected next year. In China, the Soviet Union, Argentina and in many other countries plans have been made for expanded production in the years ahead.

Rise in Tempo of Mill Activity in the World

World consumption of cotton in 1947-48 is estimated at approximately 28 million bales, about the same as last year. Increases in mill activity in cotton importing and textile exporting countries are expected to offset decreases in consumption in cotton exporting countries. **Despite the fact that unfilled needs for cotton textiles are believed to be the largest in peace-time history, world consumption of cotton this season will be considerably less than the 30 million bales consumed in 1938-39.** In exporting countries where cotton-textile output expanded during the war, consumption has continued above the pre-war level. **Although good progress has been made in restoring textile industries in importing countries, aggregate consumption in these countries is still substantially below pre-war.** The recovery of cotton manufacturing in cotton importing countries has been retarded by war damage to plants ; inadequate fuel and power ; shortages of labour and inadequate incentives to labour ; the severe winter of 1946-47 in European countries ; and in some countries insufficient supplies of cotton. Before the war, cotton importing countries in Europe and East Asia were the major suppliers of world textile markets, their textile exports accounting for a very substantial part of their total cotton consumption. **During the war, exports of textiles from this group were drastically curtailed while cotton producing and exporting countries (Western Hemisphere and India) expanded their textile exports and many textile importing areas increased domestic textile production. This is an important factor in the future pattern of world cotton consumption but**

while recovery in Europe and East Asia is still in progress, it is as yet too early to say what the ultimate effect will be.

Reduction in World Stocks—Shortage of Cotton feared

The surplus of cotton that has prevailed in the world for almost two decades will have been consumed in large part by the end of the current cotton season. **During the three post-war years, from August 1945 through July 1948, world consumption of cotton will almost certainly exceed production by nearly 14 million bales.** The result will be a reduction by half of the record high carry-over stocks on hand at the end of World War II. The world carry-over of cotton will have been reduced from the equivalent of more than a full year's requirements to an amount that is expected to equal only half of a year's needs by the end of July 1948. With a somewhat higher level of consumption in importing countries for the current season and with some reduction in imports expected as a result of financial difficulties, stocks in this group of countries are likely to be reduced from the comparatively high total prevailing at the beginning of the season. Mills in some importing countries were pinched for cotton last season and the number in this category may increase during the latter part of 1947-48. **Although a world carry-over of 14 to 14.5 million bales at the end of the current season would seem to be ample to avert any real world shortage of cotton in 1948-49, a continuation of the excess of consumption over production on the present scale would result in a shortage of cotton in 1949-50 or the following season.**

Increase in International Trade in Cotton since 1946

International trade in cotton increased from the war-depressed level of less than 5 million bales in 1944-45 to about 9.5 million bales in 1946-47. World trade for the current season may drop below 9 million bales. The pre-war average was approximately 13 million bales annually. In 1946-47 cotton imports in the aggregate exceeded consumption in importing countries and stocks in these countries increased. **World needs for textiles are far from satisfied, especially in Europe, the Orient and in many primary producing countries elsewhere.** World trade generally is still disrupted and much remains to be done in restoring normal international movements in cotton and cotton textiles. The United States, Interim Aid Programme for Austria, France and Italy, the proposed European Recovery Programme and numerous special trade arrangements give hope of at least partially alleviating deficits in cotton textiles and of sustaining the production of cotton goods in cotton importing countries in the years ahead. Many of the trade arrangements consummated since the end of the war have been of a barter nature and more agreements of this kind are being negotiated. Some of them involve an exchange of cotton against cotton textiles and practically all have direct or indirect effects upon cotton consumption and trade.

Higher Prices of Cotton

Cotton prices are at a level much higher than in the pre-war years. Prices for American cotton are still high relative to prices for most other growths. However, mid-season gains in prices for Brazilian, Egyptian, Indian and some other growths brought them more nearly in line with competitive prices for American cotton. But price competition has in recent years been much less of a factor in international trade than it was before the war. The use of international credits specifically for cotton, barter arrangements and various control measures have tended to weaken the influence of price competition in world cotton markets. The relationship of cotton prices to those of other crops continues to have an important bearing upon the area planted to cotton. Scarcities of foodstuffs and high prices for them are restraining the expansion of cotton in favour of food crops in many countries. Cotton prices, however, are currently higher than corresponding rayon prices. **As markets for textile fibres become more competitive in the years ahead, price competition between cotton and rayon is likely to be intensified.** Many cotton producing countries continue to provide price support measures for cotton producers but recently market prices have been well above support prices and Governments are disposing of any remaining stocks acquired in earlier years through the operation of these programmes.

Rayon—Potential Competition with Cotton

Both fibrous and non-fibrous materials compete either directly or indirectly with cotton in a variety of uses. **Rayon offers the most direct and at least potentially the keenest competition.** Rayon is also a competitor of wool, silk and other fibres but it is worth noting that the estimated world rayon output of 2 billion pounds in 1947 was equivalent to 4.7 million bales of cotton or 17 per cent of the estimated world cotton consumption in 1947-48. Prices of rayon staples and yarns are currently lower than prices of corresponding cotton staples and yarns. **Cotton's basic position among fibres, in so far as it is not held by virtue of consumer preference, is thus being challenged by rayon.** But the long-term cotton-rayon price relationship is not yet stabilized and cotton production costs are probably less rigid and possibly offer more scope for reduction (through mechanized production) than rayon costs. Meantime world rayon output, although increasing, is insufficient to meet demand augmented by substitutions for cotton. The 1947 output of 2 billion pounds is 20 per cent higher than in 1946 but is still 10 per cent below the 1939 level. However, the present total world position does not reveal potentials. In the United States, the United Kingdom and some other European countries, output is already substantially above pre-war and the construction of new plants is in progress. The two former major producers of rayon, Germany and Japan, are as yet producing on only a small scale.

World Cotton Production and Consumption

A statement on the current World cotton situation prepared for the International Cotton Advisory Committee meeting held in Cairo ‡ discloses that world production for 1947-48 was estimated at about 25 million bales, a decrease of 15 per cent from the 1938-39 output. World consumption was estimated at about 28 million bales compared with 30 million bales in 1938-39. International trade in cotton was 9.5 million bales compared with the pre-war annual average of about 13 million bales.

‡ The Indian delegation to the seventh session of the International Cotton Advisory Committee held at Cairo in April 1948, and which comprised of Messrs. R. G. Saraiya, C. S. Patel, V. G. Panse and N. G. Abhayankar, reported that the overall supply position of cotton in the world was likely to remain difficult for sometime to come, and that, consequent on partition, India was likely to be a net importer of cotton to a substantial extent.

World Cotton Production and Consumption in recent years

('000 bales *)

	PRODUCTION			CONSUMPTION		
	1938–39	1946–47	1947–48†	1938–39	1946–47	1947–48†
Western Hemisphere :—						
North America ...	11,964	9,073	12,028	7,391	10,743	9,735
South America ...	2,697	1,964	2,089	938	1,512	1,505
Total ...	14,661	11,037	14,117	8,329	12,255	11,240
Eastern Hemisphere :—						
Asia and Oceania ...	8,274	5,900	5,862	10,073	7,658	7,537
Africa ...	2,580	2,223	2,237	144	303	322
Europe ..	3,959	2,357	2,731	11,877	8,125	2,997
Total ...	14,813	10,480	10,830	22,094	16,086	10,856
World Total ...	29,474	21,517	24,917	30,423	28,341	28,096

CHAPTER VII

POSITION OF RAW COTTON AND CLOTH IN INDIA AND PAKISTAN

In the Chapter on Raw Cotton, details have been given about the relative requirements of textiles between these two Dominions and the efforts made by each to come to a commercial understanding with the other. In view of the importance of the subject, it has been thought advisable to mention separately in this chapter the actual position of Pakistan in respect of cotton and cloth.

Negligible Textile Industry in Pakistan

To take the industry first, there are 14 mills in Pakistan, with a spindleage of 1,63,285 and looms totalling 4,378. The total production of yarn from these mills is 19,923 million pounds, while total production of piece-goods is about 75,145,000 yards. These figures emphasise the dependence of Pakistan on imports from India and other countries for her clothing requirements.

Shortage of Cotton in India

On the other hand, India depends upon foreign sources to the extent of nearly 42 per cent of her cotton requirements. The Dominion of Pakistan was a very important unit in the total production of cotton in undivided India. Of the all-India production of cotton in 1945-46, viz. 34,38,000 bales,

* Bales of 478 lbs. net except American which are running bales.
† Preliminary estimate.

the long and medium staples were nearly 22,34,000 bales. The share of Pakistan in this was to the tune of 11,50,000 bales, viz. 51 per cent of the production of long and medium staples in all-India. India's problem is to replace this huge quantity of long staple cotton by cultivating it within her borders in the near future. While attempting to realise this immediate objective, namely, production of 11½ lacs bales of such cotton, which correspond roughly to 33% of India's entire cotton crop, we should not lose sight of the fact that even this production, if achieved, will keep us far away from the ideal of self-sufficiency in the matter of cotton to meet even the minimum requirement of cloth of the Indian population at its present level of 12 or 13 yards *per capita*. At the present time, about 34½ lacs bales of Indian cotton are required by the mill industry and for extra factory consumption. The internal production of India is only about 26 lacs bales and there is thus a shortage of about 8½ lacs bales annually.

Need of growth of Long Staple Cotton, and Larger Yields per Acre

We should, therefore, aim at (1) replacement of the quantity lost by the exclusion of Pakistan, (2) production of suitable quantity for keeping our mills engaged to full capacity, and (3) production of a still larger quantity which will be required for supplying the minimum clothing for the total population. The first is the practicable short-range target. It can be achieved only by increasing the area under cultivation from 11½ lacs to about 16 lacs acres, but that is not possible in view of the food situation. We should, therefore, rely on methods calculated to raise the yield per acre, which is deplorably low at 120 pounds as against Egypt's 531 pounds and Soviet's 322 pounds per acre. Climatic reasons will also make it difficult to grow long staples in all areas.

Side by side, there should also be the maximum utilisation of medium staple varieties like Broach which should be not exported but retained within the country for spinning purposes. The problem in fact requires serious study and the need for early action is apparent. Dependence on foreign cotton is costing India a great deal. The Pakistan Government according to latest advices have agreed that in addition to 400,000 bales expected before the end of August 1948, 650,000 bales would be made available to India between September 1948 and August 1949.* Against this, India would export 400,000 bales of cloth and yarn to Pakistan over the same period. The availability of Pakistan cotton to India, apart from Pakistan's political motives, is also seriously curtailed by the fact that there is serious competition for Pakistan cotton and the Soviet is said to be a large purchaser at attractive prices. The difficulty of obtaining cotton from Egypt, Pakistan and elsewhere should only spur India to greater effort for producing medium and long staple in her own territory.

CHAPTER VIII

RE-ENTER TEXTILE CONTROL (July 30th 1948)

We have seen in the previous chapters the circumstances under which textile control was removed, rather abruptly as it seemed, in January and April 1948. Readers would have also noticed from the trend of the writing,

* In September 1948, Pakistan Government announced their intention not to allow any carry-over for cotton which was due for delivery in any particular month, to the next month.

our main criticism against the textile policy, namely, that decontrol was decided upon more as a leap in the dark than as part of a concerted idea ; and that it would not lead to such an improvement in the position regarding both cloth supplies and distribution as the authorities permitted themselves to hope. After the previous chapters were completed, towards the end of July 1948, what should happen but the practical illustration of the very apprehensions we had entertained ? Finding that cloth prices were increasing to too high limits, the Government of India after some anxious deliberation, decided to re-impose control and in a press note dated the 30th July 1948, the entire ground was covered by them and the new steps proposed to be taken by way of introduction of a measure of control were also duly outlined. Before we proceed to a criticism of the new policy, it is necessary to recount here the various discussions that were held on the subject during the month of July, culminating finally in the decision to reintroduce control. (For text of the press note dated 30th July 1948, please see the portion "At a Glance".)

July Conferences prior to reintroduction of Control

The starting point of the new policy was the trend of opinion in the conference of provincial and States ministers held in Delhi by the middle of July 1948. It was stated that, compared with the prices fixed by the industry after January 20, 1948, the prices (wholesale) of various categories had risen by the middle of July 1948 to the extent of 30 to 40 per cent on coarse cloth, 50 to 60 per cent on medium and fine cloth and between 80 and 100 per cent on superfine cloth. Further, these trends were specially marked in Bombay and Ahmedabad. It is true that in June, a slight tendency to fall was noticed in prices and that, to relieve the congestion of stocks, mills had reduced their prices by about 15 per cent according to some observers. Retail prices, however, were unaffected. The general feeling among the public seemed to be that a 20 per cent increase might have been justifiable on account of the higher price of cotton but that anything above that savoured of inflation. At the conference of provincial ministers, it was generally admitted that decontrol had led to unjustified rise in prices, and that the results of the policy were not satisfactory. The opinion was in favour of exercising control over mills, so as to work for higher output and for output of those varieties of cloth mostly needed by the consumers. One recommendation of the conference was that a fair proportion of the mill production of cloth should be made available to the public at prices considered reasonable by the Central Government through shops run or regulated by the provincial governments. Of the balance, it was said that they may be distributed through retail shops opened by mills or otherwise. The Hon'ble Pandit Nehru inaugurating the conference gave a plain warning to the textile interests not to indulge in pofiteering and foreshadowed a kind of modified control empowering provincial and State governments to requisition cloth. It must also be mentioned in this connection that nobody wanted decontrol to be completely jettisoned since everyone felt that the irksome era of controls had better be given a decent burial for ever. In fact, the premiers of the provinces were said to be against controls being imposed, according to the daily press. The point to be noted here is that, though the hardships of high prices and profiteering were stressed, few felt even at that time that re-imposition of control was the remedy.

By the third week of July, the government had before it the recommendations of the Textile Advisory Committee, which is the successor to the late Textile Control Board and is functioning in an advisory capacity to the

Government of India. Apparently, this Committee was aware of the high dudgeon evoked in ministerial circles at Delhi by the high cloth prices in the country. Under the scheme put forward by the Committee, the Centre was to limit its powers to the minimum necessary for effecting co-ordination and uniformity, while leaving to the provincial governments and the States the charge of imposing and administering cloth control. It recommended a partial revival at the system of allocating periodical cloth quotas to the provinces and States while the latter were to be free to distribute the quotas to the public either through fair price shops or through normal channels was recommended by the Committee. It is believed that the Cabinet considered these recommendations and in a press note dated July 22, the Ministry of Industry and Supply deprecated any speculation as to the final decisions of government with regard to changes in textile control. The next stage was awaited with considerable wistfulness, bordering on anxiety.

It transpired that in the meantime discussions were carried on between the government through the Textile Commissioner and certain representatives of the industry as regards fixation of reasonable prices of cloth. As readers will remember, this 'reasonable price' has been the King Charles' head of all discussions on textile policy for two years. Pending a decision on the Tariff Board's report, an agreement on the proposed *ad hoc* prices of cloth was reached between the Textile Commissioner on the one side and Mr. Krishnaraj Thackersey and Mr. Neville Wadia on the other. Mr. Kasturbhai Lalbhai who had been appointed by the government earlier to report on the findings of the Tariff Board left for Delhi to formulate a price schedule with Sir Shri Ram. According to newspaper reports, the *ad hoc* prices proposed were lower than those ruling in the market. For instance, a pound of leopard cloth which was quoted at Rs. 2-11 in the market was to cost only Rs. 2-3, likewise other prices were also fixed. Copies of a twelve-page memorandum containing details regarding the basis for calculating the maximum ex-mill prices were sent by the Textile Commissioner to all mills in the country, as a result of the fixation of the *ad hoc* ex-mill prices of cloth and yarn decided by the Government of India. The rates were to come into force with effect from August 1. Textile circles which had received the memorandum stated that comparison of the new rates with the market rates was not easy as market rates varied widely, but it was stated that *ad hoc* prices were generally about 10 to 12 per cent over January prices (under control) in the case of coarse cloth ; about 25 per cent higher in the case of medium cloth ; about 28 to 30 per cent higher in the case of fine cloth and about 38 to 40 per cent higher in the case of superfine cloth.

The mills were asked to stamp the ex-factory prices on all cloth and yarn referred to in the memorandum. In respect of cloth and yarn which were in packed condition on July 30th to which the order applied, prices were required to be stamped prominently on the bales or packages only and not on their contents. The exemption did not apply to bales containing different varieties. The Textile Commissioner permitted sales of cloth lying in the retail shops of mills to *bona fide* consumers, provided the quantities and description of cloth so sold were furnished to him. Cloth for exports was not required to be stamped It was stated that the Textile Commissioner was in touch with the mills in the country regarding the price structure.

The general feeling was that mills working on fine counts were more favourably placed than those manufacturing coarse varieties. The following comparative table of prices for certain selected varieties may be interesting.

Variety	Pre-decontrol rate			Proposed *Ad hoc* rate		
	Rs.	a.	p.	Rs.	a.	p.
Long Cloth (Medium). Yd. ...	0	7	7	0	10	4
Dhoti Bld. 8 yds. (S. Fine), Pair ...	5	9	0	7	8	9
Bld. Sheets (Coarse), sheet ...	2	1	9	2	13	0
Striped Shirting. (Fine), Yd. ...	0	10	6	0	15	4
Bleached Voiles (S. Fine), Yd. ...	0	7	4	0	11	2
Bld. Shirting (White Fine), Yd. ...	0	11	2	1	2	7
Bld. Drill (Coarse), Yd. ...	0	10	6	0	13	0

Parliament discusses Control Policy in July 1948

Meanwhile, the Indian Parliament staged a debate on the necessity for bringing down the prices of necessities of life. Dr. S. P. Mookerji, the Industry and Supply Minister, outlined the steps taken by government to deal with the breach of the 'gentlemen's agreement' entered into last April with the textile industry not to disturb the price structure. He said that within a week of the receipt of the Tariff Board's report, government had taken the decision by which the entire production of the mills would be taken over by the State and sold at prices fixed by government. Some of the provincial governments, he stated, had already started giving effect to the scheme which we have noticed above. He hoped that as distribution had been left to the provincial governments, cloth would reach the consumer at reasonable prices. He also referred to the undue profits made by the trade in recent months and to the necessity for recovering legitimate dues to the government during the period of 'betrayal'.

On this point, the steps are apparently under consideration and it was significant that the Minister in a written reply to Mr. Z. H. Lari had referred to the sum of Rs. 4½ crores recovered in January 1948 by the levy of the cess on stocks held by mills and wholesalers, to which we have referred in the chapter on prices.

Principal Features of New Policy

At this point, we may enumerate the steps decided upon by government :—

(1) To ensure that the productive capacity of the mills is fully utilised, Government will set up machinery to prevent a fall in production and the manufacture of unsuitable or non-durable cloth.

(2) Government will fix prices of cloth and yarn ex-mill. The Tariff Board which had been asked to report on the fair prices of cloth has recently submitted its report and this is at present under consideration of Government. Pending a decision on the recommendations of the Tariff Board, Government will fix prices *ad hoc*.

(3) Such prices will be stamped on all cloth and yarn ex-mill. Such stamping will be done on existing stocks with the mills and orders have already been issued freezing stocks with the mills for this purpose.

(4) Distribution to provinces and States according to quotas will be only through wholesalers, approved or nominated by Provincial Governments or States. They have already been requested to forward the

lists of such wholesalers to the Textile Commissioner and it is hoped that distribution of stamped cloth through these channels will begin very soon.

State-controlled Shops

(5) Of the cloth so distributed to Provincial Governments and States, a certain amount will be distributed through shops controlled by them. The exact method of distribution must naturally be decided by them ; but it has been suggested to them that in the initial stages such controlled shops should cater to the needs of lower income groups.

(6) The balance of the cloth allotted to provinces and States will be distributed through consumers' co-operative societies and through normal trade channels. Provincial governments and States will exercise a general supervision over such trade channels and they have already been requested to introduce a system of licensing retail shops. It is not the intention to restrict or to interfere with the working of these channels so long as the distribution is within the Province or State concerned and the prices charged are correct.

(7) Retail shops in Provinces and States, both controlled and uncontrolled, will be allowed to charge an extra margin over the ex-mill prices stamped on the cloth according to the rate fixed by the Provincial Governments or States, for which the Central Government will prescribe a maximum.

(8) Powers will be assumed by the Central, Provincial and State Governments by which they can requisition cloth from wholesalers and dealers at prices considered fair by them. This power is intended to be used for checking hoarding, profiteering and other malpractices and will be freely used.

Enforcement Branch added

(9) Although the primary responsibility of implementing the Textile Control will rest with provinces and States, **an enforcement Branch** is also being immediately set up by the Central Government. Government will also assume adequate powers to deal drastically with infringements of the Textile Control in all aspects.*

Power of Requisitioning to be freely used

(10) The movement of stamped cloth from the mills to retail shops will naturally take some time. Meanwhile, there is a considerable quantity of cloth which is unstamped and which is at present with the wholesalers and retailers. Sale of such cloth will be permitted upto October 31, 1948.

Distribution of Cloth by Provinces

It will be seen that much of the responsibility of distribution under this scheme will lie with the Provinces and the States. If one had any doubt on the point, a reference to the experience of the government of Bombay in its

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* By an Amendment of the Essential Supplies (Temporary Powers) Act of 1946, passed by the Union Parliament in September 1948, the Government have been empowered, in cases involving contravention of any order in respect of cotton textiles, to award a sentence of imprisonment, and to order confiscation of goods. We hope this will have a deterrent effect, and eliminate anti-social activities.
An enforcement branch has also been established.

negotiations with the cloth merchants will dispel it. The Bombay Government's offer to representatives of the wholesale dealers to act as the agents for procurement of cloth from mills and its distribution in various districts was first rejected by them. The Maskati and Panch Kuwa wholesale cloth merchants' associations of Ahmedabad expressed fears that enormous difficulties would be entailed by acting as handling agents. The Hon'ble Mr. Dinker Rao Desai's offer of a margin of profit of 12½ per cent was not accepted. It was said that government had invited tenders from wholesale merchants to act as its agents, who will naturally be called upon to invest considerable amounts of money in the purchase of cloth from mills and distributing it to retail shops in the City and in the districts.

Bombay's Preparedness for introduction of Rationing

The Hon'ble Mr. Dinkarrao Desai, Supply Minister, foreshadowed the introduction of cloth rationing immediately after October 1948, provided there was no delay in taking over cloth from the mills. If there was no response to the tenders called for, the government itself might have to undertake the task of distribution, as the wholesale merchants were not prepared to act as commission agents. The attitude of the wholesalers is not helpful.

Bombay Merchants' views re : Distribution

The all-India conference of cloth and yarn dealers convened by the Federation of Piecegoods and Yarn Merchants' Association on 23rd August declared that the government's experiment of distributing cloth through co-operative societies and fair price shops would destroy the distributive trade and throw thousands out of employment, and that the piecegoods markets of Bombay, Ahmedabad, Madras and Calcutta will be ruined. The conference urged government to proceed with distribution through the old associations under strict supervision. The meeting expressed the view that the present method of distribution will hardly produce the desired result. Meanwhile, Mr. Bhogilal Chhotalal Sutaria, the President of the Maskati Cloth Market in Ahmedabad, stated that his association was prepared to give guarantee for government that the entire production of textile mills in Ahmedabad will be delivered to provincial dealers at prices fixed by government, on a reasonable remuneration to the Association.

Single Agency and Co-operative Societies favoured by Bombay Government for Distribution

Meanwhile, the Provincial Food and Commodities Advisory Board endorsed the Bombay Government's decision to reintroduce control on cotton prices, and suggested that government should departmentally take up the task of distribution of cloth from mills if a single agency could not be found. The Hon'ble Supply Minister, Mr. Dinkarrao Desai, was also in favour of a single agency. He said that the government wanted to reduce to a minimum the intermediaries between the mills and the consumers, both in the wholesale as well as in the retail stage. The new cloth distribution scheme was almost finalised in Bombay in September. So far as coarse and medium varieties are concerned, the margin between the ex-mill price and retail price was not to exceed 12½% it was stated, while the margin for finer varieties would be 20%. Prices of fine and superfine varieties are expected to be stepped up considerably. The experience of the previous rationing scheme has prompted the reduction of wholesalers who will not be more than one for each producing area, viz. Bombay, Ahmedabad and Sholapur. In the mofussil, there will be one wholesale agency for each district and tenders have been invited by the Bombay Government for the appointment of wholesale agencies. Similarly, the number of retail shops will be reduced. Preference will be given to reliable co-operative societies.

Bombay's claim for 24 yards *per capita*

The Bombay Government at least are determined to root out black market and their final plans would be made as soon as the Central Government has fixed prices and cloth quotas. As regards the latter, this Provincial Government is very firm in the belief that without a quota at 24 yards *per capita* in the urban areas and 18 yards in the mofussil, black marketing would not be eliminated. So they have demanded of the Centre, an allotment on this basis, which would amount to 3,400,000 bales a year, based on a population of 25 millions. The government is right in this demand, since in a producing centre like Bombay or Ahmedabad, inadequate quotas will inevitably lead to black-marketing. We wish all success to the laudable efforts of Shri Dinkarrao Desai in eliminating black-marketing.

Madras prefers distribution through Co-operative Societies

We may note in passing that the Madras Government has entrusted the distribution of mill cloth, as an *interim* arrangement, to 22 co-operative stores in the province in pursuance of the new textile policy. A statement to that effect was made by the Minister for Industries in the Madras Assembly on August 27. At a later stage, the Madras Government proposed to entrust 50 per cent of the sale of mill cloth to licensed private dealers. The retail price of cloth as fixed at present would include the ex-mill price, cost of transport, handling charges and 12½ per cent of the ex-mill price. Government of Madras have agreed to advance Rs. 2 crores to the Madras Provincial Handloom Weavers' Society (Co-operative) for distribution of yarn to weavers through the sixty emporiums in the province. The Minister also said that textile officials would be appointed by the Madras Government at Bombay, Ahmedabad and Sholapur to procure cloth for the province. A Special Assistant Textile Commissioner had been appointed at Bombay as a liason officer between Madras purchasers and the Bombay Textile Commissioner and millowners.

Controversy regarding Desirability of Fixation of Raw Cotton Prices

The foregoing policy depended for its success on the realignment of the policy regarding raw cotton, particularly upon the crucial question whether raw cotton prices should be controlled or not. It was axiomatic, at least to observers from outside, that if cloth prices are to be fixed, the price of raw cotton, which is the main part in the production cost of cloth, should also be controlled to some extent. On the 5th of August 1948, a deputation of the directors of the East India Cotton Association waited on the Bombay Government to press the desirability of leaving cotton prices alone. The Ministers were of the view that some form of restriction might be necessary to see that cotton prices did not rise to very high levels after cloth prices were controlled. If such a rise could be prevented by means of a mutual understanding between government and the trade, it would be a good proposition, but in such an event the government should be free to act if they find the understanding being broken. A telegram was sent by the E.I.C.A. to Delhi protesting against the move to control cotton prices. Briefly, the E.I.C.A.'s arguments are that the Indian cotton grower can obtain a fair price in relation to international prices only if there are no ceilings ; that floor prices are essential for ensuring self-sufficiency, and even in the U.S.A. effective floors in the form of minimum loan on parity price were maintained without fixing ceilings for cotton, although textiles were controlled ; further, that in view of the restrictions on exports leaving mills as the only buyers, a form of control already exists. The Association prayed for an early announcement in the matter, particularly as trading in new cloth would be difficult and as for some days only the September Contract exists for trading, on which the entire burden of hedging rested at present Sir Purshotamdas Thakurdas, Sir Chunilal B. Mehta and Mr. R. G. Saraiya also appealed to the government not to control cotton prices. They pointed out that any attempt to keep down Indian raw cotton prices will only result in favouring foreign cotton producers at the expense of Indian producers of cotton of improved varieties. Further, it would also be difficult to regulate the price of cloth because a part of the requirements in respect of cotton for producing cloth of certain higher counts would be supplied by means of imported cotton at a very high price, while a part of the requirements would be met by Indian cotton ruling at depressed prices if cotton was controlled. This argument has some value as India has to depend on imports of cotton from Pakistan and also from other countries where cotton prices stand at high levels.

Market Reactions to floor and ceiling prices of Cotton announced in August

The raw cotton market was full of apprehensions that floor and ceiling prices of cotton would again be imposed and was therefore nervous. Some traders had believed that in view of the vehement opposition to cotton control, government would not take any decision in the matter. But they were to be disappointed, for on August 21, the Government of India announced the fixation of floor and ceiling prices for 3/4th inch Jarilla at Rs. 475 and Rs. 600 respectively, much to the disillusionment of the trade.* The above prices are only Rs. 45 and Rs. 70 respectively over the rates that were in force till January 20, 1948, while the rate between the limits has increased from Rs. 100 to Rs. 125. A proposal to raise the basic staple length of Jarilla to 25/32 inch for purposes of the Indian Cotton Contract was adopted on the 9th September 1948, by the East India Cotton Association. The market was surprised by the levels fixed by government which they said, were entirely out of tune with the present statistical position of Indian and foreign cotton and at a special session held on Sunday, 22nd August, after urgent consultation among directors of the E.I.C.A., the September Contract opened around Rs. 534 as against the Saturday rate of Rs. 581-8.

Effect of low ceiling prices on Cotton Crop

In a telegram addressed to government, the Board of the E.I.C.A. recalled how at the recent agricultural conference at Delhi both provincial representatives and representatives of the textile industry unequivocally had stated that control of cotton was not necessary or desirable. Sir C. B. Mehta has pointed out that it would be difficult to implement the new ceiling and floor prices for the 1948-49 season without creating confusion. In the view of many people, the effect of the rather low ceiling prices on cotton production would be to encourage cotton cultivators to turn to the cultivation of more short staple than medium and long staple cotton. This is because the ceiling price now fixed is lower than the prices fetched by raw cotton in the spot market and than the price of cotton in Pakistan. Short staple cotton would under the new dispensation be more comparatively profitable, as it would require less labour. This is quite the reverse of what is actually wanted by government, since the purpose of the cotton ceiling price is to

* For the 1948-49 crop, the floor for Jarilla of 25/32" staple will be Rs. 495 and ceiling Rs. 620 per candy.

ensure a sufficient supply of cotton at the ceiling prices to the textile industry, and thereby maintaining the cloth prices fixed by government. Otherwise, government may have to raise cloth prices which they do not want to do.

Disparity in cotton prices between India and Pakistan—Government's decision to purchase cotton at floor levels

The new controlled prices are hard to work since Pakistan cotton prices are uncontrolled and at present, they are quoted at about Rs. 250 to Rs. 300 above the Indian prices. With controlled prices here and free prices there, it would be difficult indeed to maintain any uniformity of cloth prices. And if the prices of piecegoods are fixed on the ceiling prices of Indian cotton alone, it would mean that no mill can afford to use Pakistan cotton ; and if Pakistan cotton is not used, naturally total cloth production will be lower. Moreover, as Sir C. B. Mehta pointed out, the agreement between India and Pakistan for the exchange of 4,00,000 bales of piecegoods and 6.5 lakhs bales of cotton would be unworkable under the present conditions, because the bargain will affect India adversely since cloth prices are controlled. On 1st September 1948, the government announced the rates for different varieties of cotton, and stated that they would purchase cotton at the floor levels in the interest of growers. The Government also stated that they would maintain the ceiling prices in the interest of consumers, and would requisition cotton if the price of any variety tends to rise to the ceiling.

It is axiomatic that in the new anti-inflationary set-up which government wants to introduce, cloth prices should be controlled and as a corollary, raw cotton prices also should be controlled. But it seems to be open to argument whether the ceiling and floor prices do not err on the side of excessive caution. The government apparently have worked out cloth prices on the basis of Rs. 600 and they want the cotton price to be regulated accordingly. We withhold comment on this very controversial issue, but one thing is clear : cotton and cloth are the first " victims " in the new drive to combat inflation. After all, a beginning has to be made somewhere, and if so, why not with king cotton ? ! ! !

Government's Decision to re-impose Control, a Bold Step

Apparently, it is not going to be such an easy task to enforce the new control scheme to the real advantage of consumers. We admire the courage of the government in not standing on prestige and boldly and honestly retracing their steps. The latest decisions are a virtual confession that decontrol was rather premature and had not produced the honesty of purpose which government had expected from the industry, the trade and the workers. In the previous pages, we have indicated the excessive optimism and the rather undue haste with which control was lifted. While the machinery of control had become utterly discredited there was not much reason to assume, as the government did in January and April 1948, that prices would be maintained at reasonable levels. In fact, the millowners on paper have the better of the argument since they are now able to retort to the government that the industry never wanted decontrol and had even warned the authorities against it !

Decontrol led to Increase in Production during January/June 1948

What, then, were the basic assumptions of an economic nature, which government had when they took the decision to decontrol ? The first of these was that the restoration of a comparative degree of freedom to the mills might lead to higher production. Secondly, the advent of a free market in textiles might bring about a better state of equilibrium between prices and demand, and through the operation of the law of supply and demand, effect a proper adjustment in consumer psychology. The short period of decontrol should really be judged by these two criteria. What do we find ? As regards the first, we know definitely that cloth production was definitely moving upwards and the Minister of Industries and Supplies himself admitted recently that in the first six months of 1948, 2,130 million yards of cloth were produced as against 3,850 million yards in the whole of 1947. In fact, if decontrol had been continued, production for the whole of 1948 would have topped 4,200 million yards, in addition to the increase in handloom production through higher yarn output. It was thus obvious that the elasticity of production imparted by decontrol had certainly enabled the mills to turn out more goods. Secondly, there was undeniably a better distribution of cloth, at any rate, immediately after decontrol, and the accumulated stocks in Bombay and Ahmedabad slowly moved out to other centres when the transport restrictions were removed. Furthermore, the consumer regulated his purchases to the minimum compatible with his purse and to some extent, demand was being canalised. Even pricewise, certain varieties registered a decline, and voiles which rose to Rs. 2-12 on decontrol of cloth slumped to Rs. 1-4 per yard later. Similarly, the price of sarees rose to Rs. 13 and declined to Rs. 10. If only greater care and thought had been bestowed on distribution, it is highly probable that prices would have steadily declined from the abnormally high levels. On top of all, it should be remembered that cotton, particularly the foreign varieties, was becoming costlier every day. It was only the breakdown in distribution and unscrupulous profiteering that really robbed the consumer of the net advantages of decontrol.

Was Reversal of Policy too Quick ? New Policy deserves Nation's support

Such being the case, the question arises whether the government was wise to beat a hasty retreat to control, as in fact, it is doing. The new policy after all is only the old wine in new bottles. It does not fit in with the general policy for one thing, which is one of decontrol still on food and other fronts. Secondly, from the point of view of prices, it is by no means sure that the *ad hoc* prices will stimulate any enthusiasm on the part of mills, especially when there is also a proposal to limit the maximum number of counts to 60 instead of the previous maximum of 80s. We cannot help observing that the quality of cloth will suffer a serious decline, thereby really increasing effective consumption, because there will inevitably be a tendency on the part of mills to ignore quality in order to produce cloth and market them at the *ad hoc* prices. Even today, we have no machinery for adjustments in the prices to correspond to shifts in the elements of the cost of production. Our main problem was, and is, one of stepping up production. And decontrol had admittedly led to substantial increase in production. We cannot help observing, therefore, that it might have been better to have waited for some months more, so that the higher production may have had some time to show its effect on the prices and the level of consumer demand. The textile problem is undoubtedly complex, but it is our cardinal belief that it is best tackled by means of higher and higher production. On this view, the government would seem to have acted in haste. But the decision has now been taken, and plans are under consideration, on the recommendations made by economists and other interests summoned to a conference late in August 1948, for reintroducing control on essential goods for combating inflation, and it is the nation's solemn duty to support the Government in their policy for stopping the rot which has set in in the national economy.

Should Handloom Cloth be Controlled, too ?

The large powers given to the provinces and States in the field of distribution is probably a development in the right direction. Likewise, the presence of an enforcement branch will act as a deterrent to anti-social policies by traders. But we are by no means sure that distribution will be easily achieved, especially when the distributing trade is almost out to let the provincial governments stew in their own juice. There is also some case for bringing handloom production also within the purview of control. Handloom and powerloom production in the country is well over 27 per cent of total production, and to allow the handloom trade a free field in the matter of prices may perhaps bring hardships to the consumer. For five years, the handloom industry has had its own way and the time has come when, if it is to be supplied with yarn from the mills at controlled prices, it should also regulate the prices of cloth. We suggest that this matter should be examined at an early date.

CHAPTER IX

PLANNING AND POLICY

Government Resolution Re : Industrial Policy (April 1948)

In April 1948, the Government of India put before the Constituent Assembly a statement embodying government's policy in the industrial field, in the form of a resolution which was approved by the Assembly. The Resolution is a long one. Here we may note its salient features : The government proposed to establish a National Planning Commission to formulate programmes of development and to secure their expansion. Full emphasis should be laid on expansion of production. The State must play a progressively active role in the development of industries, but the ability to achieve the main objectives should determine the immediate extent of State responsibility and the limits to private enterprise. Private enterprise properly directed and regulated has a role to play but the State should expand its activities wherever it is already running an industry and by concentrating on new units of production. The power to take over any industry vital for national defence would be government's. The State would be exclusively responsible for new undertakings in the following industries :—Coal, Iron and Steel, Aircraft, Shipbuilding, manufacture of telephones, etc. and mineral oils. The inherent right of the State to acquire existing industrial undertakings will remain but they will be allowed to develop for a period of ten years during which all facilities for efficient working and reasonable expansion would be given. At the end of the period, the matter will be reviewed and in case of acquisition, compensation will be awarded on a fair and equitable basis. The State already controls the generation and distribution of electric power. The other industries will be open to private enterprise to develop but the State will progressively participate in them (Example : Aviation, fertilisers, essential drugs, etc.).

Textile Industry to be subject to Central Regulation in future

Certain basic industries of national importance were mentioned which are to be subject to Central regulation and control and these include cotton and woollen textiles, cement, sugar, paper, heavy chemicals, etc. non-ferrous metals and others. The ultimate direction over the field of these industries will be retained by the Central Government, but provincial governments as well as representatives of industry and labour will be associated. Cottage and small-scale industries are to be integrated with large-scale industries. For example, it will be examined how the textile mill industry can be made complementary to, rather than competitive with, the handloom industry.

Profit-sharing accepted in principle

Para 9 of the Resolution stated that the fullest co-operation between management and labour was important and that government accepted the Resolution of the Industry's Conference of December 1947, stating that " the system of remuneration to capital as well as labour must be so devised that, while in the interests of the consumers and the primary producers, excessive profits should be prevented by suitable methods of taxation and otherwise, both will share the product of their common effort after making provision for payment of fair wages to labour, a fair return on capital employed in the industry and reasonable reserves for the maintenance and expansion of the undertaking ". Government also considered that labour's share of the profit should be on a sliding scale varying with production. Machinery for giving advice on fair wages, fair remuneration for capital and conditions of labour was foreshadowed.* Works committees and production committees were to be set up and generally permanent industrial tribunals will be established for settling major disputes. Para 10 stated that participation of foreign capital in an enterprise can only be allowed with due regulation in the national interest. Necessary legislation for the scrutiny of every individual case of participation of foreign capital would be introduced. The idea is that effective control will always be in Indian hands. Finally, the government hoped that this elucidation of their broad intentions will remove apprehensions and that capital, labour and the public will make a joint effort.

Trade Views regarding Profit-sharing, etc.

The Resolution naturally stimulated a good deal of discussion as to the merits of State ownership. The Indian Merchants' Chamber, for instance, felt that in India government should not undertake the operation of industries on any large basis, owing to the inadequate financial resources and the limitation in regard to organisation. It was said that, on economic grounds, there was not much to be said for nationalisation as a general policy. Further, demarcation of the spheres of public and private enterprise was not easy and might lead to confusion. The general anxiety of industrialists was also sharpened by the report of the Economic Programme Sub-Committee of the Congress in which certain controversial issues had been raised. That Committee recommended that there should be a rapid transfer of ownership from private to public hands and new undertakings should be on the basis of public ownership. What is more, it recommended that a 5 per cent dividend in terms of employed capital would be the maximum limit for distribution of profits. Return on capital was to be computed on capital plus reserves. Out of the profits earned in any year, the surplus after setting aside 3 per cent on employed capital as dividend and another portion to be earmarked by government for schemes of social welfare, will be shared between the workers

* On 2nd September 1948, the Government of India announced the establishment of a Central Advisory Council of Industries under the chairmanship of the Honourable Minister for Industry and Supply, to assist them in securing the maximum increase in industrial production, and to advise them on specific questions relating to industries. It will consist, *inter alia*, of a large number of representatives of various labour unions and industries.

and the shareholders in a ratio to be fixed by government—the employer's share not to exceed in any year a third of the basic wage or the national minimum whichever is higher. As the Committee was presided over by Pandit Nehru and Dr. John Matthai was also one of the members, there was a general feeling that the Committee's views would become the official policy.

Accordingly, Messrs. A. D. Shroff, Tulsidas Kilachand, Badridas Goenka, D. M. Khatau, G. D. Birla, Kasturbhai Lalbhai, Lala Shri Ram, Biren Mookerji and H. P. Mody waited on the Prime Minister to obtain assurances that the economic policy would conform to what was outlined at the Industry's Conference in December 1947, and would not be shaped by the Congress Sub-Committee's report. A detailed memorandum was prepared by them and submitted to government. The statement on industrial policy, we have seen above, is the result of these representations and it will be seen that it is strongly Leftist in complexion and favours equalitarian doctrine.

Profit-Sharing and Limitation of Dividends

The spotlight of discussion remained on two main and inter-related things : the determination of fair return on capital employed in industry and the sharing of profits between industry and labour on an agreed percentage. We have just seen that the Congress Sub-Committee laid down 5 per cent dividend as the maximum limit of distribution of profits, reckoning ' employed capital ' as capital plus reserves. The Bombay Labour Minister, Mr. G. L. Nanda, speaking at a Labour Union meeting declared that the return on employed capital should be restricted to a maximum of 3 per cent and that the profits remaining after appropriations for dividend on the above basis and for reasonable reserves should be shared equitably between the workers and owners of capital respectively. All this really followed the resolution on Industrial Truce which decided that capital as well as labour " will share the product of their common effort after making provision for payment of fair wages to labour, a fair return on capital employed in industry and reasonable reserves for the maintenance and expansion of the undertaking."

In a letter to the Federation of Indian Chambers of Commerce and Industry, the Indian Merchants' Chamber of Bombay sounded a note of warning that any proposal for limiting the return on capital * will inevitably check the free flow of capital for industrial expansion and development. Also that in no other democratic country had such a restriction on the rate of return been imposed. It was also pointed out that the industries had had lean years and that the Tata Iron & Steel Co., for instance, paid dividends only during 19 years out of 38 years, leaving aside the war periods. In any case, it was not easy to determine the return on capital.

Advisory Council to fix Principles of Fair Wages, etc.

An Advisory Council was found in April 1948, to advise government on the principles to be followed for the determination of (a) fair wages to labour, (b) fair return on capital, (c) reasonable reserves, and (d) labour's share of the surplus profit, calculated on a sliding scale normally varying with production. A questionnaire was also circulated by the Committee of Experts,

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*Towards the end of August 1948, in a memorandum submitted to the Government of India, for remedying the economic situation in India, the industrialists had suggested to Government to put a ceiling on wages, prices, and profits, and had also undertaken voluntarily not to distribute dividends above the average of the last 3 years, and in the case of other companies, to limit the distribution of dividends to six per cent.

to elicit answers for computing capital employed, for the treatment of depreciation and taxation for arriving at gross profits, and for determination of labour's share in profits. It is beyond the purpose of this Annual to enter into the polemics of these grave economic issues. We would only note here that on the 1st of August 1948, a qualified scheme of profit-sharing between industry and labour was reported to have been evolved by the Experts Committee.

The establishment of a depreciation fund compulsorily was unanimously urged by the Committee which felt that surplus profits should be equally distributed between capital and labour and that this scheme should be applied to three major industries of textile; iron and steel and jute in the first place. Coal and sugar will be exempted from the scheme. It was felt by the Committee that the linking of distributable profits with production would be impracticable and that profits should be shared between capital and labour factory-wise and not on a regional basis. In due course, legislation will probably be brought forward. The Tripartite Advisory Council consisting of representatives of government, labour and capital will be set up to advise government on the various problems related to profit-sharing. The Sub-Committee on wages will lay down general principles for determining fair wages. It is significant that no agreement was reached on the question of a fair remuneration for capital, but the belief is that the majority favoured six per cent on paid-up capital plus reserves as the fair return. By September, the full report will be in hands of the Government of India.

Shape of things to come

These straws in the wind indicate many things and it is obvious that the whole structure of industry and society is on the eve of dramatic and big changes. One thing is clear. Government are out to give labour a very square deal. The capitalist may now give up all dreams of getting fat returns on investments. The times are out of joint for him. The only question is whether we are to put our industrial house in order first, before embarking on the implementation of the new socio-industrial policy. No one can answer that question except the government, but it is obvious that the national government takes its obligations to restore equality of wealth, opportunity and enjoyment of fruits of labour very seriously. Even if this policy does not take us anywhere near higher production, lower prices and all those elemental things of economic life which affect the masses, there would be the satisfaction that a bold attempt at social experimentation was made. But we fear it would be a long time before the millennium which all these attempts represent is attained. We would only suggest " hasten slowly ", and urge the adoption of a policy which would maintain the confidence of the people in industries, so as to promote a rapid development thereof, in the interest of a speedy achievement of our goal, viz. amelioration of the condition of the masses, and raising of the status of India among the nations of the world.

Importance of Cotton Textile Industry in India's Economy

The foregoing pages of this *Annual* will bear witness to the tremendous changes through which this industry is passing. On all sides, there are problems. The investor in textiles is suddenly threatened with a cut in the return on his investments to some level which is going to be statutorily fixed ; the industrialist is almost face to face with conditions in which no great enthusiasm can be evinced by the entrepreneur ; the worker wants utopia all at once in the shape of higher wages, lower hours of work, better amenities and so on ; on top of all this, there is the poor consumer, whose lot everybody is out to better judging from professions but who is really let down by all concerned, sometime even the government not excluded. These are circumstances in which no future planning or expansion of the industry is at all conceivable, so great is the ferment produced by social and economic forces at the moment ; and yet, it is this industry which perhaps more than any other is in very bad need of repair, replacement and expansion. Prospects of new equipment are very dim, indigenous manufacture of textile machinery is still a dream and one may be pardoned for evincing a great degree of concern as to what will happen to this mighty industry if it is going to be pulled about in all directions. Will the industry be nationalised ?* That is another question which will perhaps hold the stage before long. If it were nationalised, would its efficiency be more or less than now and would the industry serve the people better than what it does at present ? These and other questions readily spring to the mind, but one may wait in vain for a square answer to any of these posers.

Take lesson from Pioneers of the Industry

We would, however, enter a strong plea at this stage to all parties and people of various economic pursuasions to remember the colossal effort that has gone into the making of this industry, the biggest national industry. It might be tempting to have innovations all overnight, especially to placate this group or that, but it would also be tragic if in an insane pursuit of mere ideals, this glorious edifice is broken up. When all is said and done, the prosperity of the country is in direct proportion to the prosperity of this industry. It is the shining example of national achievement in the industrial sphere, and the great pioneers who fought their way against Lancashire and Japanese competition will indeed turn in their graves, if the present owners of the industry were to do anything which even remotely savoured of indifference. We owe it to the great captains of the past to guide the industry peacefully through the stormy period through which it is passing at present. There is still a lot of scope for improving the conditions of the working class ; and as the best organised labour force in the country, there is perhaps very little danger of worker's interest going by default in this industry. By the same token, we should like to stress to the millowners, that in the last few years they have made good the losses of the previous decades and the time has come when they should not look askance at the mere mention of a little sacrifice on their part. By increasing production, by consuming still larger quantities of the indigenous varieties of raw cotton, thereby increasing the turnover of the textile trade, there is assuredly a definite prospect for all the interests concerned, to enrich themselves by greater service to the people. The national government is pledged to raise the standard of living of the masses, and the implementation of that pledge implies a necessity to double, if not treble, the total production of cloth in the country. That is the beacon which should guide the activities of the industrialist, the worker, the dealer in piecegoods, the economist, the legislator and the politician.

* In a memorandum submitted to the Government of India by the industrialists towards the end of August 1948, for remedying the economic situation in India they urged that the Government should issue a statement withdrawing their previous declaration of April 1948, of considering the question of nationalising certain basic industries at the end of ten years.

6

Pace of Reform should be Moderate

Those who advocate facile reforms in this industry will do well to bear in mind the fact that the sellers' market in the world in piecegoods is rapidly disappearing and that with American observers predicting even a slump in the next few years, there is the greatest need to keep the structure of costs well within control and retain a large degree of elasticity in it. Present day tendencies are calculated to make the cost structure too rigid and if indeed there arises a situation in which over-production of textiles in the world as a whole becomes a fact, then the Indian industry would be hard put to it to maintain its competitive power. It is of no use for textile producers to bury their heads in the sand, under the belief that a national government would only be too obliging in the matter of granting fiscal protection ; on the other hand, if prices in this country remain high and out of relation from the rest of the world, the consumer in India would be most insistent that he should not be called upon to incur any further sacrifice than what has been willingly undergone by him in the first half of this century. Any government will find it hard to resist such a demand. In the interests of the future, whose economic contours may undergo considerable changes in the coming years, it is desirable that the pace of reform should be moderate. Here as elsewhere, evolution would any day be more salutary than revolution. In this sphere of industry, particularly there is no room for the sort of *blitzkreig* that is now sought to be brought about, if one may judge from the frantic efforts of everybody to change the shape of the industry, and to tackle vital economic issues all at once.

FINIS

Of interest to you it will be
To glance at Appendices A, B, C & D.

APPENDIX A

RAW COTTON IN INDIA, AND THE WORLD

(PRODUCTION, CONSUMPTION, IMPORT AND EXPORT ASPECTS)

Cotton is known universally as an international textile fibre possessing unique properties. The best types are produced in sub-tropical countries, although it can also be grown in tropical areas. Climatic conditions exert a great influence on the quality, and adequate rainfall is necessary for satisfactory cultivation. Cotton has now been standardised to so great an extent that the users can have a choice of almost any quality required for their various needs. These different characteristics are length, strength, regularity of staple, colour and varying degrees of softness.

The chief producing countries are the U.S.A., India, Soviet Union, Brazil, China, and Egypt, although it is also grown in 14 other territories on a fairly large scale. U.S.A., India, Brazil and Egypt represent the main sources for world trade. The quantities produced in Russia and China are generally consumed internally, although varying quantities have been sold abroad from time to time. The chief importing countries before the war were Japan and the U.K. which between them have accounted for almost half of the world's total imports. The remaining principal importers were largely European countries. The longest and finest staple cotton, excluding the specialised Sea Island (West Indies) varieties which are considered super qualities, are produced in Egypt, while the medium qualities are produced in the U.S.A. and Brazil. The coarse and short-staple varieties are produced mostly in India. Between these two extremeties lie the rest of the varieties grown in the different countries. 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 now over.

India is the second largest cotton producing country in the world, next only to the U.S.A. The present area under cotton in India is about two-thirds of the area under cotton in the U.S.A., but the production is less than 25 per cent of the U.S.A. crop.

World's Production of Cotton from 1933 *to* 1947

The total cotton production of the world in 1946-47 was 21,517,000 bales as compared with 29,474,000 bales in 1938-39 and 24,947,000 bales in 1947-48. 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	23,692	29,383	1,872	5,057	13,047	1,777
1934-35	23,515	26,866	1,797	4,797	9,637	1,566
1935-36	25,444	27,509	1,731	5,867	10,638	1,769
1936-37	24,759	29,755	1,781	6,234	12,399	1,887
1937-38	25,746	33,623	2,033	5,722	18,945	2,281
1938-39	23,490	24,248	1,830	5,051	11,944	1,728
1939-40	21,580	23,805	1,675	4,909	11,816	1,801
1940-41	23,311	23,861	1,735	6,080	12,565	1,900
1941-42	24,151	22,236	1,706	6,223	10,742	1,735
1942-43	19,203	22,602	733	4,702	12,820	877
1943-44	21,086	21,652	740	5,258	11,128	740
1944-45	14,843	20,009	885	3,580	12,230	962
1945-46	14,668	17,241	1,020	3,530	9,015	1,082
1946-47	14,860	18,190	1,259	3,566	8,500	1,252

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.

The cotton crop has been on the decline since 1941-42. The total area under cotton in 1946-47 was 14,860,000 acres of which 8,320,000 acres or roughly 56 per cent were under improved varieties.

India, which enjoys the distinction of being the birth place of cotton, grows at present 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 upto 1937-38.

* "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.

	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

(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 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 doubtless make a tremendous difference in the yield of cotton, per acre.

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|8″ upwards, with a general average of 5|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 *Jarilla* 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.*

* *Vide* Memorandum on the Development of Agriculture and Animal Husbandry in India of the Advisory Board of the Imperial Council of Agricultural Research, 1944.

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.

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 Coconadas. 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 Northerns 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 subtract. 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. Co_2, Co_3 and Co_4 are the quality strains evolved. The latter two are said to be the best cottons available in India. Co_3 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 :—

	Staple	G%
SIND		
Sind Sudhar—	1"	30
Sind American 98	7/8"	33
M. 4.	27/32"	33
C. P. & BERAR		
V. 434	7/8"	32
Buri 107	1"	28
UNITED PROVINCES		
C. 520	5/8"	30
Perso American	25/32"	32
PUNJAB		
L. S. S.	1"	31
289 F/43	1 1/32"	29
289 F/K 25	1 1/32"	33

	Staple	G%
MADRAS		
Co. 2	1"	35
Co. 3	1 1/16"	36
Co. 4	1 1/32"	33
BOMBAY		
1027 A. L. F.	15/16"	35
Jarilla	13/16"	35
Jayawant	1"	28
Gadag	7/8"	33
Vijaya	7/8"	42
Suyog	15/16"	38
Wagotar	13/16"	42

Production of Cotton by Varieties in India

We give below the estimates of areas and yield of cotton classified according to the trade descriptions for the year 1946-47 :—

FINAL COTTON FORECAST—1946-47

Description.	*Area.*	*Yield in bales (400 lbs.)*
Bengals ..	1,405,000	473,000
Americans ..	2,965,000	1,285,000
Oomras ..	4,200,000	640,000
Broach ..	586,000	134,000
Surti ..	339,000	70,000
Dholleras ..	878,000	174,000
Others ..	4,487,000	790,000
	14,860,000	3,566,000

The following table shows raw cotton production in India from 1938-39 to 1946-47 :—

RAW COTTON PRODUCTION IN INDIA

Official Estimates. (Acreage and Yield)

—	Area (In thousands of acres).	Out-turn (In thousands of bales).	Yield (per acre in lbs.)
1938-39 (pre-war)	23,490	5,051	86
1939-40 „	21,580	4,909	91
1940-41 „	23,311	6,080	104
1941-42 „	24,151	6,127	101
1942-43 „	19,203	4,702	98
1243-44 „	20,938	5,258	100
1944-45 . „	14,803	3,580	97
1945-46 „	14,668	3,530	96
1946-47 „	14,860	3,566	96

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.

Funds of the Indian Central Cotton Committee must be augmented

The funds of the Indian Central Cotton Committee were derived mostly from the cess of 2 annas on every bale of Indian cotton exported from India or consumed in mills in the Provinces in India. Until the entry of Japan in the last war the Central Cotton Committee enjoyed a sound financial position with an income of 6 to 8 lakhs of rupees per year. With the entry of Japan in the last war the receipts from the cess fell off considerably and the Committee drew upon its surplus balance to continue its programme of activities. As the surplus got depleted, the Committee recommended to Government in 1945 that the rate of the cess should be doubled. Before doing so, however, the Government of India decided to make a grant from the "cotton fund" which was specially built from the proceeds of the import duty on raw cotton imposed by the Cotton Fund Ordinance, 1942.

The Government of India decided in August 1948, however, that in order to enable the Committee to have a permanent source of income, it was necessary to double the rate of cess on cotton and to permit the Committee to continue to receive the grant from the cotton fund. The Government, therefore, passed an Act in the Constituent Assembly in September 1948, seeking to increase the rate of cotton cess from 2 annas per bale to 4 annas per bale. They also amended section 12 (2) of the Indian Cotton Cess Act which at present precludes the Committee from spending any monies received by it on development schemes.

With the passage of this Act, the amount of the cess, namely, 4 annas per bale, is calculated to bring a revenue of about Rs. 9,00,000 per year. We feel that this amount is all too inadequate for the Indian Central Cotton Committee and we strongly suggest to the Government of India the desirability of placing at the disposal of the Committee a grant of Rs. 25,00,000 per year. There is no doubt that the Committee has done valuable work in improving cultivation of cotton, and if it is allowed to continue its constructive activities for the promotion of cotton research, it will pay the country many times over in a period of 10 years. Compared to the amount spent in the U.S.A., the amount now being spent in India by the Government on cotton research, and looking to the size (28,00,000 bales) and the value (Rs. 70 crores) of the cotton crop of the Dominion of India, the grant of Rs. 25,00,000 per year on cotton research will work out to less than one-half per cent of the value of the present crop. The Committee has before it several urgent schemes of research, and the problem of research has gained greater importance after the separation of Pakistan from India, due to the urgent necessity of growth of long staple cotton in larger quantities from within the Dominion of India.

Great Benefit to Cotton Agriculturists

From a dispassionate review of the work of the Indian Central Cotton Committee, which has been highly spoken of by the Royal Commission on Agriculture in India and other competent bodies, it would not be incorrect to claim that the Central Cotton Committee has paid for itself many times over and that the gain to the cotton cultivator during the last few years can be put down at the modest figure of Rs. 10 crores per year. In fact, the extra income obtained by the grower during one year (1946) alone was 5 times the total expenditure incurred by the Committee since its inception on cotton research to date.* India, as has been shown elsewhere, has to import foreign cotton (other than Pakistan cotton) of the value of Rs. 25 crores, in addition to Pakistan cotton of the value of Rs. 30 crores per year. It is absolutely essential, in the interest of self-sufficiency of India, to cover the vast areas in India with improved varieties of long staple cotton, and for this purpose nothing can yield better results than promotion of cotton research for evolving better types of cotton and extending the area under improved strains within the Dominion of India.

In 1946-47, the Indian mills depended on Pakistan cottton to the extent of 9.4 lakhs bales, of which 6.35 lakhs bales were of staple lengths of $\frac{7}{8}''$ to $1\frac{1}{16}''$. This was in addition to the consumption of 6.95 lakhs bales of overseas cotton during the last season.

* *Vide* I. C. C. Report for 1947, p. 52.

We hope and trust that the Government of India will give their careful attention to this question of earmarking and placing at the disposal of the Central Cotton Committee funds to the extent of Rs. 25,00,000 per year for promotion of cotton research and development work.

Legislation and Central Cotton Committee's Work

By the enactment and enforcement of various legislations such as the Cotton Transport Act, the Cotton Control 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.

Under the provisions of the Cotton Control Act, the Bombay Government have assumed powers to fix in any area varieties of cotton which may be cultivated, and to prohibit the cultivation of other varieties. This Act was applied from November 1944 to the Khandesh Division where Jarilla variety is the only type allowed, and the growth of any other cotton is prohibited.*

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 48 per cent in the quinquennium 1939-44 ; the proportion in 1946-47 was 65 per cent against 67 per cent in 1945-46, and 66 per cent in 1944-45.

India :

		Yield per acre
Average	1924-27	92 lbs.
,,	1942-45	112 lbs.
,,	1946-47	114 lbs.

The average yield per acre has risen from 92 lbs. in 1924-27 to 112 lbs. in 1942-45 and in 1946-47 it was 114 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 (1946) for purposes of comparison with our own are given below † :—

	Year	
Egypt	1920–320	lbs.
	1937–531	,,
	1946–462	,,
U.S.A.	1920–187	,,
	1937–266	,,
	1946–269	,,

Peru	359	lbs.
Anglo-Egyptian Sudan	313	,,
Argentina	152	,,
Soviet Union	322	,,
Brazil	127	,,
Uganda	80	,,
Br. West Indies	120	,,

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, Jarilla, 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 shot up

* *Vide* "Agricultural Situation in India", for May 1948, published by the Ministry of Agriculture.

Industrial Fibres—C.E.C., London, 1948.

from 5,663,000 acres, or 24 per cent of the total cotton acreage in 1938-39 to 8,320,000 acres or 56 per cent of the total in 1946-47.‡

Jarilla Cotton

The noteworthy features of the Jarilla 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 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 de-marketed. 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 Jarilla seed have been taken up by the Provincial Agricultural Departments with the aid of funds provided by the Central Cotton Committee. The area under Jarilla in Khandesh in 1946-47 was estimated at about 235,000 acres. The spread of Jarilla in Berar has been even more phenomenal; it was 1,374,000 acres.

Development of Cotton in Bengal

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.

The question of extending the area suitable for cotton cultivation in West Bengal will have to be re-examined and a proper scheme formulated, due to the partition of India in August 1947.

More Long-Staple Cotton—Development in Madras

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.

‡ *Vide* I.C.C. Report for 1947, p 50.

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.

The Indian Central Cotton Committee, at its meeting in March 1948, prepared several schemes for improving cottons in Madras, one of which deals with the evolution of long staple cotton in the Cambodia tract and the trial of Sea Island cotton in the West Coast districts.

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. After the partition of India, the need of finding other uses for this cotton is perhaps not so urgent.

Consumption of Indian Cotton by Mills in India

There is a great increase in production of Indian mills and there is difficulty in obtaining Indian cotton in recent years. The consumption of Indian cotton in the cotton year ending August 1946 was 3,871,000 bales, while for the year ending August 1945, it was 4,159,000 bales, and 4,119,000 bales in 1943-44, 4,307,000 bales in 1942-43 and 4,025,000 bales in 1941-42. The consumption of Indian cotton during 1946-47 was 3;151,000 bales.

The consumption of Indian cotton in the Bombay Island during the year 1946-47 was 842,000 bales, as compared with 1,124,000 bales in 1945-46 and 1,224,000 bales in 1944-45.

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 : —

(In 1,000 bales of 400 lbs.)

	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47
Total	5,722	5,051	4,909	6,080	6,223	4,702	5,258	3,580	3,530	3,566
Long staple over 1 inch	54	72	66	94	156	273	372	187	83	2,318
Long staple 1"& Medium staple $\frac{7}{8}$ inch	1,717	1,790	1,794	2,151	2,690	2,617	2,941	2,165	2,287	
Short staple below $\frac{7}{8}$ inch	3,951	3,189	3,049	3,835	3,377	1,812	1,945	1,228	1,160	1,248

It will be evident from the figures given above that the production of improved varieties of raw cotton has been generally on the upgrade.

Imports of Raw Cotton in India

The volume and character of supplies of foreign cotton in India have been fluctuating during the last six 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. The total imports of foreign cotton by sea were lowest in 1943-44 (being 76,102 tons as compared with 87,575 tons in 1942-43). During 1944-45, 1945-46, and 1946-47, the imports were 89,717 tons, 86,009 tons and 98,997 tons respectively. The value of the imports was 24 crores of Rupees in 1944-45, Rs. 22 crores in 1945-46 and Rs. 25.9 crores in 1946-47. (*Vide* Table No. 3.).

Duty on Imported Cotton

The present duty on imported raw cotton is 0-2-0 per lb.

Varieties of Egyptian Cotton

The following brief description includes all varieties grown at present or represented in the carry-over in Egypt. 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 Monteserrat 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.

Indo-Pakistan Agreement (1948-49)

In any case, it will be long before India can produce enough quantities of these finer varieties and as such it seems that for a long time India will have to depend on imported cotton, and particularly from Pakistan which is now a foreign territory, and with whom a treaty has been recently concluded for obtaining 6.5 lakhs bales of cotton in exchange of 4 lakhs bales of cloth during September 1948 to August 1949.

The following table shows the consumption of cotton—Indian and Foreign—in mills from 1941-42 to 1946-47 :—

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
1945-46	3,871,022	604,650	4,475,672
1946-47	3,150,852	708,370	3,859,222

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 had been badly affected. This will be borne out by the following figures. The total exports declined from 2,348,000 bales in 1939-40 to 2,013,000 bales in 1940-41 and 873,000 bales in 1941-42. They dwindled sharply to only 160,000 bales in 1942-43. In 1943-44 the total exports were 383,000 bales and in 1944-45, 409,000 bales. They increased to 1,038,000 bales in 1945-46 and in 1946-47 were 1,008,000 bales. The exports to U.K. also declined from 555,000 bales in 1941-42 to 115,000 bales in 1942-43. In 1943-44 and 1944-45 exports to U.K. were 243,000 bales and 188,000 bales, in 1945-46, 131,000 bales and in 1946-47, 195,000 bales. The value of exports of raw cotton during 1944-45 was 6.9 crores of rupees, in 1945-46, 13.9 crores of rupees, and in 1946-47, 32.5 crores of rupees. (*Vide* Table No. 4.)

Export Duty on Indian Cotton

With effect from October 1946, the Government of India imposed an export duty of Rs. 20 per bale. This was increased to Rs. 40, in January 1948.

Cotton Exports from India—Prohibition of Export to continue in 1948

We give below a table showing the number of bales of cotton exported out of India from 1938-39 to 1946-47 :

	(In thousands of bales)
1938-39	3,274
1939-40	2,340
1940-41	2,013
1941-42	873
1942-43	160
1943-44	383
1944-45	409
1945-46	1,038
1946-47	1,008

Since the 2nd April 1948, the Government of India banned the export of raw cotton except the four short staple varieties—Bengal Deshi, Mathia, Assams and Comillas. In August 1948, the Government of India reviewed the existing restrictions on the export of raw cotton and decided to continue for the present this ban which was brought into effect from April 1948.

Money Value of Indian Cotton Crop

The money-value * of 1945-46 cotton crop is roughly estimated at Rs. 75 crores as compared with Rs. 64 crores in 1944-45. The value of the crop in 1946-47 may be estimated at about the same figure as for 1945-46.

Fixation of Floor and Ceiling Prices of Indian Cotton in 1948

It was in August 1948, that the Government of India decided to control prices of raw cotton. They fixed the floor prices of 1948-49 Jarilla of 25/32″ staple at Rs. 495, and ceiling at Rs. 620 per candy. The Government also announced their intention on 1st September 1948, of purchasing cotton at the floor prices, in the interest of cotton growers. *Vide* pages 74 and 75.

Mill Consumption of Indian Cotton from 1931 *to* 1947

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)
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	64.8	4,741
1942-43 ...	4,307	89.5	4,890
1943-44 ...	4,119	78.3	4,845
1944-45 ...	4,159	Consumption in excess	4,909
1945-46 ...	3,871	of the year's production.	4,550
1946-47 ...	3,151	88.4	3,859

We would invite our readers' attention to the tables in the *Cotton Industry at a Glance*, pp. i-ii.

* *Indian Cotton Review for* 1945-46.

New Hedge Contract—Revised in September 1948

The Indian cotton contract was revised on 9th September 1948. This question is referred to in the chapter on Raw Cotton, page 62.

Percentage of Total Production of Cotton in Principal Countries by Staples

We attach below a table showing the percentage of total production of cotton in the chief producing countries of the world during the last 3 years. This table has been taken from the publication of the Commonwealth Economic Committee, London, on Industrial Fibres, brought out in March 1948. It will show our great backwardness in production of long staple cotton.

	1944-45	1945-46	1946-47
UNITED STATES:			
1⅛ in. and longer	2.9	5.9	1.0
1 in.—1-3/32 in.	62.7	76.8	70.5
7/8 in.—31/32 in.	29.7	16.5	25.8
Shorter than 7/8 in.	4.7	0.8	2.7
Total ...	100.0	100.0	100.0
EGYPT:			
Over 1-3/8 in.	58.3	61.6	67.7
1¼ in.—1⅜ in.	14.8	10.5	3.8
Shorter than 1¼ in.	26.9	27.9	28.5
Total ...	100.0	100.0	100.0
INDIA:			
1 in. and longer	10.5	15.3	
7/8 in.—31/32 in.	55.2	59.6	Not available.
Shorter than 7/8 in.	34.3	35.1	
Total ...	100.0	100.0	

Self-sufficiency of Raw Cotton essential for India after Partition

We now propose to discuss the possibilities and methods of replacement of the quality and quantity of raw cotton as a result of the exclusion of the Dominion of Pakistan which was a very important unit in the total production of cotton. Of the all-India production of cotton in 1945-46, namely, 34,38,000 bales, the long and medium staple constituted nearly two-thirds, or 22,34,000 bales, and out of this the production of long and medium staple cotton in Pakistan was 11,50,000 bales, roughly 51% of the total production of long and medium staple cotton in all-India. The immensity of the problem would be realised when it is noted that we have to replace this huge quantity of long staple cotton from within the borders of India in the immediate future. While attempting to realise this immediate objective, namely, production of 11½ lakhs bales of such cotton, which correspond roughly to 33% of India's entire cotton crop, we should not lose sight of the fact that even this production, if achieved, will still keep us far away from the ideal of self-sufficiency in the matter of cotton to meet even the minimum requirement of cloth of the Indian population at its present level of 12 yards *per capita*. At the present time, about 34½ lakhs bales of Indian cotton are required by the mill industry and for extra factory consumption. The internal production of the Union of India is only about 26 lakhs bales, and there is thus a shortage of about 8½ lakhs bales.

Our target in respect of production of raw cotton can be aimed at (1) replacement of the quantity lost by the exclusion of Pakistan, or (2) production of suitable quantity for keeping our mills engaged to their maximum capacity, or (3) production of a still larger quantity which will be required for supplying the minimum clothing necessary for the total population of the Indian Dominion according to international standards. For the short-range programme we can concern ourselves with the first objective as the latter two objectives are in a sense idealistic and may well be aimed at as part of the long-range programme before the country. Our immediate short-term programme would, therefore, be a replenishment of the loss of cotton which was available so far from Pakistan as we cannot depend on supplies from Pakistan which may establish her trade relations with other countries for reasons of diplomacy or currency.

The short-term policy can be implemented by three or four methods. An easy method which would naturally strike one is an increase in the area under cultivation from 11½ lakhs acres to about 16 lakhs acres,* but in doing so there would be serious difficulties in encroaching upon land under food-crops, in view of the pressing food requirements of the country. We would, suggest, therefore, that the first practicable method of relieving the situation is to undertake an *intensive* cultivation of the areas already under cotton.

Looking at the average acre yield of India and comparing it with the yields in other progressive countries, one cannot but be struck by the huge scope that this method offers for immediate achievement of the ideal of higher production by proper manuring and judicious adjustment of cultivation practices. While the average yield per acre in India is only about 120 lbs., the yield in U.S.A. is 266 lbs., in Egypt 313 lbs., in the Soviet Union 322 lbs. per acre. There are vast technological possibilities of improvement in yield and quality, which should be explored immediately.

The second method is by the *extension of cotton cultivation to areas on the mountain slopes and valleys*, where several varieties, especially long stapled perennials, could be cultivated as plantation crops.

The third method is the *introduction of cotton as a rotation crop in paddy lands*, thus utilising the land which would otherwise lie fallow after harvest of paddy, while the fourth is the *replacement of the existing short staple variety by superior quality strain where such types are already evolved.*

All the four methods by which our ideal of immediately supplanting the production of Pakistan cotton could be attained have to be

* In September 1948, the Hon'ble Mr. Jairamdas Daulatram, Minister for Agriculture, announced in the Indian Parliament that it was decided to increase the area under cotton by 4 lacs acres.

translated into a direct plan of working a rough outline of which we give in the following paragraphs.

Firstly, we would suggest *the enforcement of legislation* by the proper Provincial and State Governments for demarcating *single variety tracts*, as for instance, the Khandesh Jarilla tract, in each Province and State, and the banning of cultivation of all varieties other than the principal ones, in the interest of production of a higher uniform quality of cotton which would benefit the grower, the trader and the manufacturer equally.

Secondly, we would suggest that adequate supply of manure should be made available by pooling all our resources, *primarily* in all localities where cotton is cultivated *under irrigation*, namely, the Madras Cambodia Tracts, the Mysore Irwin Canal Tracts, and the Canal Irrigated Area in East Punjab, in view of the fact that the response of the crop to manure in irrigated tracts is expected to be greater than in the rain-fed areas, and also by a general distribution of manure in the rain-fed tracts.

Thirdly, we would suggest the immediate replacement of short staple cottons by the improved strains already evolved for Mathia, Wagad, Kumpta, Gadag, C.P. and Berar and the Ceded Districts, comprising Westerns, Mungari, and Northerns Tracts. Superior varieties like Kalyan in the Wagad Tract and Pratap in the Mathia Tract in Saurashtra, Jawahir in Kumpta Tract, Subash in Gadag Tract, and other important types in other areas could be easily grown.

It should be appreciated that in all places, e.g. Bombay, it is not possible to substitute long staple varieties easily. On a rough estimate, however, these measures would result in an extra yield of about 8 lakhs bales of medium and staple cotton types within a period of 2 to 3 years.

Lastly, we would suggest an undertaking by Government of distribution of pure selected seed for cultivation through Provincial Departments. This should be one of the main planks of the plan to be undertaken for meeting the deficit of cotton of the required quality within the country.

A whole-hearted implementation of the programme on the lines outlined above would not only change the face of the Indian cotton but would also contribute in a large measure to the improvement of the production position of cotton in India.

It is also essential that if this object is to be attained within a measurable period of time, the officers and the people concerned should be fired with a spirit of zeal and enthusiasm for working on the different aspects of the plans simultaneously. A greater co-ordination in the departmental machinery will be absolutely essential and vital for the achievement of the target laid down.

If the goal of production of the entire requirement of cloth of the people from within the country is accepted, it would be necessary to retain a larger portion of even our short staple cotton, and with a view to providing all Indian Mills and the hand-spinning industry with the necessary raw material, it would even be necessary to ban export of cotton which is capable of spinning 15's and over. Such restriction on the raw cotton export would be essential to ensure that the raw material position of the textile industry is not jeopardised.

If the indigenous raw cotton is thus conserved it would mean a definite encouragement to the hand-spinning industry, which should be welcome for this would afford a solution to the problem of unemployment and under-employment of millions of agriculturists in the country, who would be provided with a part-time occupation from which they could supplement their meagre income. Mahatma Gandhi laid great stress on encouragement of hand-spinning and the utilisation of the short staple cotton crop in adjacent areas for hand-spinning purposes.

Fresh Study of Cotton Problem in the Indian Union

We therefore suggest that the problem of production of raw cotton in India should be studied in an expert manner, in relation to the needs not only of the cotton textile industry but also of the hand-spinning industry, which is a vital and well spread cottage industry in the village economy of the country with potentiality of further development, in the present world conditions of insecurity and shortage of raw cotton, and on the basis of the data available suitable steps should be taken for production of such quality of raw cotton *as could be processed within the country.* Under present conditions it is also difficult to count upon an uninterrupted supply of foreign long staple cotton to any large extent due to the price factor, difficulties of procurement as a result of world shortage, absence of peaceful conditions, etc.

Readjustment of Spinning Machinery to Production of Cotton

In the present context of world economy a reorientation is called for in our goal of cloth production, which should be the utilisation of all the raw cotton produced in the country for conversion into cloth, and in consonance with this goal, efforts should be made by the Government for adjusting the spinning machinery in a manner which would take care of the entire Indian cotton crop, depending less and less upon imported cotton of superfine quality. We suggest that this can be done by laying down a policy whereby any fresh spindles that may be installed should be of such kind as can process the bulk of the indigenous supply of cotton which will generally be of shorter staple than imported cotton.

We earnestly hope that the National Government of the country will concentrate their efforts on translating to the cultivators' fields the technological potentialities of improvement both in respect of yield per acre and quality, with a view to reducing cost of production and increasing the total yield so as to bring the Indian cultivator in line with the various other progressive cotton growing countries.

APPENDIX B

MONOGRAPH ON HANDLOOM WEAVING INDUSTRY IN INDIA—1948

(M. P. GANDHI)

PREFACE

In my last two brochures entitled "Handloom Industry in India" published in 1946 and 1947, I had referred to the fine spade work done by the All-India Handloom Board and its two Committees in examining in detail the main problems facing the handloom industry and to the action taken to some of the important recommendations by the Government of India. Due to the preoccupations of the Government of India with the political problems of the country which had to be faced prior to the 15th August 1947 and the developments that followed the establishment of two separate dominions of India and Pakistan, it is understandable that the Government of India had not been able to take decisions on the outstanding recommendations of the Board. It appears that for the same reasons further meetings of the All-India Handloom Board have not been held since January 1947, nor has the reconstitution of the Board which seems to have been under contemplation been decided upon.

Other important developments have, however, taken place which have a definite bearing on the future of the handloom industry. The development of the cottage industries has now become a major plank of the Government's industrial policy. This is in sharp contrast to the undefined attitude of the Government during pre-independence days. For a long time the subject has been purely of an academic interest. The Industries Conference held in December 1947 was the first conference of its kind which gave high priority to the problems of cottage industries. Then came the report of the economic planning committee which has since been accepted by the All-India Congress Committee. In this report it has been recognised that the development of cottage industries is an important means to achieve full employment of our human, animal and natural resources. This was followed by the Resolution presented to the Dominion Parliament in April 1948 by the Minister for Industry and Supply on the industrial policy wherein the Government have unequivocally declared that it is keenly interested in the healthy expansion of the cottage industries. While the necessity of developing our cottage industries is as great as ever, the recent developments dictated that progress should be accelerated in this direction. Now that the Government has adopted a firm policy, sufficient attention should be paid to the organisational aspect of cottage industries.

The Central Government have announced its intention to set up a Cottage Industries Board as recommended by the Industries Conference held in December 1947. The Committee on Small-scale and Cottage Industries which met on 15-12-1947 under the Presidentship of

Mr. N. G. Ranga recommended that the Cottage Industries Board should be for the present distinct from the existing All-India Handloom Board and that both these Boards should develop on the same lines as the Indian Council of Agricultural Research for organising, promoting and helping cottage and small-scale industries for promoting research, procuring raw materials and for developing co-operative societies, for the elimination of middlemen and for improvement of the efficiency and organisation of cottage industries and their handicraftsmen. It will be seen from a careful study of the recommendations already made by the All-India Handloom Board that they have done excellent field work in respect of the various aspects referred to above in so far as they relate to the handloom industry. It is necessary to emphasise that as the handloom industry is the most important of the cottage industries in the country spread practically all over the Indian Union, employing over 2 million looms and on which 10 million people depend for their livelihood, its problems would require the whole attention of a body such as the All-India Handloom Board for making intensive study and seeking solutions. The interests of the handloom industry should not therefore be linked with those of other cottage industries and small-scale industries and left to be tackled in a cursory manner. I do hope that the announcement regarding the setting up of the Cottage Industries Board will be followed up by the reorganisation of a separate All-India Handloom Board on a broader basis and vesting it with necessary powers to enable it to function effectively.

It has been emphasised both by the Industries' Conference and the Economic Planning Committee of the Congress that special attention should be paid to the organisation of the cottage industries on a co-operative basis. So far as the handloom industry is concerned, the nucleus of co-operative organisation already exists in a number of Provinces and States. Thanks to the grant-in-aid given by the Government of India to the Provinces during the years 1943 to 1947 such organisations were sponsored by the Provincial Governments and are still running even though the grant-in-aid has now been withdrawn. What is needed, however, is that co-operative organisations should be placed on a more firm footing backed up by finances to be provided either by the Provincial Governments or the Provincial co-operative banks. The proverbially chronic indebtedness of the weaver which has been brought out so forcibly by the Fact Finding Committee was to a certain extent removed by the temporary prosperity of the handloom weavers during the war years. But with the threatened slump in the cotton cloth trade following decontrol of mill cloth and the soaring prices of yarn, the handloom weaver will soon be faced with the problem of either giving up his profession or become a victim to the middlemen who had complete hold on the economic conditions of the weavers in the past. The Government has to step in with all its machinery and its resources to stop the impending rot in the condition of the handloom weavers. With the decontrol of yarn distribution, the Government of India have retained the right to requisition or earmark for the handloom industry as much yarn as was being supplied under the All-India Yarn Distribution Scheme. For this purpose they have proposed to invite the Provincial and State Governments to utilise co-operative societies of weavers and other similar organisations to undertake the distribution of yarn. To such agencies, allocations are proposed to be made directly from the mills which will be expected to sell yarn at fair prices. If, in addition, the Government of India arrange to fix fair ex-mill prices for yarn which it is understood has been recommended by the Tariff Board, this will prove to be a step in the right direction as it will ensure at least the minimum supplies to the handloom weavers at fair prices and also give them an incentive to join the co-operative organisations for their own future well-being. The hard realities which the weavers are facing after decontrol after some prosperous spell is sure to bring home to them the need for their coming under the co-operative fold as otherwise the alternative will be their getting into a state of indebtedness by seeking the help of middlemen or *entrepreneurs*. The weaver should not be left to look for raw materials, production and marketing his products himself. Procuring of raw materials and marketing of his products should be attended to by co-operative societies leaving only production to him and he should be ensured of a living wage to keep him free from indebtedness. Too many profiteers have entered the field of handloom industry during the war years and they do not find it profitable to continue production in the changed conditions brought about by the decontrol of cotton cloth and yarn. The industry has now to be organised on non-profit-making lines. With the Government prepared to make allocations of yarn for distribution through co-operative societies, it should be possible to strengthen these societies and direct production only to varieties consumable locally, except for limited quantities which are required for export outside India and for inter-provincial markets within India. Weavers' co-operatives should thus supply raw materials, guide production and sell the goods of their members, and, if possible, provide them with common workshops where they can work jointly and under better conditions than those now obtainable. They should be based on a strong federal structure consisting of primary societies, their regional unions and associations and the apex federation as recommended by the Economic Planning Committee of the Congress. Producers' co-operatives should deal direct with the consumers' co-operatives. All these emphasise the need for a central marketing organisation, the setting up of which has been recommended by the All-India Handloom Board, although its scope and function need expansion to include not only the study and development of markets but also carrying out research and improvement of production and serving as a link between the weavers' co-operatives in the different parts of the country, co-ordinating their activities and giving them the benefit of the experiences and the improvements made in the different centres of production and marketing.

I have tried to present in Table I how the Central Organisation could serve as the machinery for assisting the All-India Handloom Board and its committees in their onerous task and in Table II the outlines of a Federal Industrial Co-operative structure for handloom weavers.

Industrial co-operatives of handloom weavers, besides giving their members the personal assistance, can when they become financially sound and firmly established look after the welfare of its members by providing educational facilities for their children and recreational places, besides training centres for instructing their children who look forward to becoming weavers.

The Government of India have accepted the recommendations of the Industries' Conference for the investigation of the extent and manner in which the cottage industries can be co-ordinated and incorporated with large-scale industries. As an instance they have quoted in their statement of the industrial policy that the textile mill industry can be made complementary rather than competitive with the handloom industry which is the country's largest and best organised cottage industry. In this connection, the All-India Handloom Board had already recommended that a tribunal should go into the question and suggest suitable measures to enable the handloom weavers to compete with the mills. This recommendation needs early implementation. The Government of India are already controlling to a certain extent the production of varieties of cloth by the textile industry and the further development of the industry is still to take shape. The time is thus opportune for a detailed investigation of the matter and fixing the lines on which the production of the organised textile industry should be integrated to the needs of the handloom industry. The matter could best be referred to the Tariff Board for a detailed examination and report. But as that body is already busy with the examination of the urgent problems of the various major industries, it would, I suggest, be advisable to form a separate tribunal for a comprehensive survey, at an early date.

The most important raw material on which the handloom industry is dependent is cotton yarn produced by the Indian mills. With a few exceptions, there has been a deterioration in the quality of yarn made available to the handloom industry. Although the Textile Commissioner of the Government of India had fixed the maximum and minimum LEA strengths by a notification issued under the Cotton Cloth and Yarn (Control) Order, and the manner of packing and description of yarn had been statutorily fixed in the Merchandise Marks Act, there has been no marked improvement in the situation. Enforcement of penal clauses will indeed require the vigilance and the provision of extensive machinery for checking the quality of yarn by the local Governments. But the most effective method would be the voluntary co-operation of mills which should not be difficult for the millowners' organisations to ensure. This, indeed, implies a reorientation of approach by the Indian mills if they are to serve a national industry such as the handloom industry and humanitarian interests such as the interests of the large mass of people dependent for their livelihood on it. There is, however, one other way of ensuring a better quality of yarn and that is by Government making allocations of yarn from specific mills to specific co-operative societies which should not find it difficult to regularly check samples of yarn received by them and bring to the notice of the mills concerned and the local Government any major defects in the yarn supplied to them from time to time with a view to assisting the mills to make their best endeavours for removing them.

A system of placing orders at standard rates on weavers' co-operative societies should also be introduced in respect of Government requirements, and the present step-motherly treatment accorded to the handloom products in respect of Government purchases should be given up. Organised co-operative societies in certain parts of the country, like Madras, have been able to produce fabrics according to Government specifications with a view to meet the urgent defence requirements during the war years.

A part of the products of the co-operative societies should be allowed for export, for with their extensive organisation, they would be able to supply according to specifications and retain foreign markets. There has been a general complaint from foreign markets that they are not able to get handloom fabrics conforming either to the samples or to the specifications required. This is a defect which needs urgent attention. It was understood that the cess collected on export of cotton textiles and credited to the Cotton Textiles Fund was also meant to provide the necessary machinery to check up products before they are exported. This should be followed up by propaganda in foreign countries through show rooms and documentary films, besides studying the tastes and requirements of the peoples of other countries with a view to direct production in handloom centres which produce for export.

The restrictions on the inter-provincial movement of handloom cloth which were imposed as a result of the All-India Cloth Distribution Scheme and which created a major problem for the handloom industry have been relaxed with the decontrol of cloth distribution. Permits are now freely issued for the movement of handloom cloth to inter-provincial markets. The Government of India have also with a view to assisting the industry which had held large stocks of handloom fabrics which could not be disposed of within the country due to the decontrol of mill cloth, allowed free exports of handloom cloth to permissible destinations outside India and thereby rendered a timely assistance to the industry. It is however necessary for the industry to realise that it should switch on production to such varieties as are in demand in the country and as can very readily be absorbed in the country in view of the present cloth shortage.

It should also be mentioned to the credit of the Government that the exemption of handloom fabrics from the export duty imposed on cotton textiles with effect from the 1st March 1948 has been a good gesture to the persistent clamour of this industry to enable it not only to retain foreign markets for its fabrics but also to encourage the expansion of such markets. The high prices of handloom cloth caused by various factors on which the handloom weavers have no control can hardly bear any further burden by way of export duty.

While the organised textile industry has schemes for setting up research institutes on the model of the Shirley Institute of Manchester with the assistance of funds collected under the Cotton Textiles Fund and contributions made by the industrialists, the need for a separate research institute for the handloom industry does not seem to have received any serious attention. It is hardly necessary to emphasise that research in regard to the handloom production has definitely to be directed on different lines than those of the organised industry. Finances required for such an institute would be comparatively small, and it should not be difficult for the Government to provide.

Provincial schemes for the development of handloom industry are not yet made known. But such schemes could hardly exclude the production of handloom accessories such as shuttles, healds, etc. on cottage industries scale to meet the requirements of weavers in their locality.

It is gratifying to note that the Government of India have already released a quantity of art silk yarn imported by them from Japan t the handloom industry and thereby come to the assistance of the industry at a time when it was faced with a shortage of such yarn.

It would indeed be helpful if the Government assist in importation of further supplies of artificial silk yarn with a view to utilise the spare capacity of handlooms for increasing the overall production of textiles in the country, to meet the large unsatisfied demand of the people.

Another very fruitful source of increasing the production of handloom cloth is by development of handspinning in the Provinces.* This would be helpful for consumption of our short-staple cotton, and also find work for thousands in their spare time now running to waste.

One of the recommendations of the All-India Handloom Board which I hope will receive the careful consideration of the Government of India, at an early date, is the placing of funds at the disposal of the Board for sponsoring schemes of all-India significance. The Committee on small-scale and cottage industries had also recommended the grant of subventions by the Central Government to both the Cottage Industries' Board and the All-India Handloom Board.

While much progress has not been made during the year under review in tackling problems of the handloom industry for reasons which are quite obvious, it cannot be gainsaid that our National Government has tried to do its best during the short period after its assumption of office to remove some of the immediate difficulties faced by the industry in the wake of the gradual decontrol of mill production. The States Ministry has been busy so far forming integral and viable units of the States and the picture of the various parts of the Indian Union which would come to stay are just now getting to be clear. The industrial policy has laid the foundations of a definite programme for the development of the cottage industries.

The lines on which the handloom industry can be improved have been indicated. The next step would therefore be to reconstitute the All-India Handloom Board, vest it with powers and funds necessary for its effective functioning, and thus enable it to discharge its functions for the fulfilment of the purpose for which it was constituted. I hope and trust that the Hon. Dr. Shyama Prasad Mookerjee, Minister for Industry and Supply, who is acquainted with the problems of handloom industry, will take all steps to ensure that this industry, which is the largest national industry spread all over the country,† occupies a legitimate and honoured place among the industries of the country, and confers benefits to millions of people by finding them a source of fruitful occupation.

In addition to the usual collection of facts about the handloom industry, a brief synopsis of the trend of recent discussions is also given.

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* Mahatma Gandhi wrote as follows in the *Harijan* on 21-12-1947, emphasizing the need of handspinning, even after attaining Independence: "Unless, therefore, all the effort made during the past thirty years in India was a retrograde step, handspinning and all it implies must be prosecuted with much greater vigour and far greater intelligence than hitherto."

† *Of the total number of handlooms estimated at about 24 lakhs for India as a whole, only 12 per cent equivalent to roughly 3 lakhs will be in Pakistan. And out of these, 70 per cent of those in the Punjab, or roughly 1 lakh will be in Western Punjab, and 60 per cent of those in Bengal or roughly 88,000 will be in Eastern Bengal.*

I trust that it will enable readers to obtain a proper perspective of what the industry is, and what it is going to be in the near future under a regime which is prepared to extend every solicitude to this unique national industry.

If India is to live, this celebrated and largest indigenous industry must be made to live, and, therefore, it becomes the duty of every well-wisher of the country to devise measures which would accelerate its orderly development and growth.

I also hope that the Congress Governments in the various Provinces will render all the necessary help to the industry by giving it suitable facilities, and by exempting it from taxes, like the Bombay Sales Tax, as has already been done by the Bombay Government.

The accompanying pages give a few striking characteristics of this industry, the causes of its decline, the methods in which the problems facing the industry can be tackled, and indicate some practical directions in which the industry may be developed.

I take this opportunity of expressing my thankfulness to Mr. M. R. Kazimi of the Cotton Textiles Directorate for the very willing assistance he has given to me at all times for this publication.

I cherish the hope that these pages will succeed in their aim of cultivating public opinion for an improvement in the position of this largest small-scale industry and the 2½ million workers engaged therein (as compared with 7 lakhs workers in the Cotton Mill Industry),* who produce about 1,300 million yards of cloth, valued at the current prices at approximately 100 crores of rupees, as compared with the mills, the total value of whose production may be estimated at present at about Rs. 450 crores.

M. P. GANDHI

"Giri Kunj", 11, Hughes Road, Bombay 7.
Dated 10th September 1948.

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† For details, *vide* Mr. M. P. Gandhi's "Indian Cotton Textile Industry *Annual*, 1947-48", 450 pages, published in September 1947. Price Rs. 6.

DO YOU KNOW?

(1) That the number of handlooms in the Indian Union is at present about 21 lakhs of which approximately 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 lakhs power-looms installed in the mills.

(3) That the handlooms are responsible for production of about 1,300 million yards of cloth per year.

(4) That the handlooms supply nearly 26 per cent of the cloth consumed in the country per year.

(5) That the handlooms maintain at present a population of about 25 lakhs as against a bare 7 lakhs employed by the Mill Industry* and this means that nearly 78 per cent of the Textile Workers of the country are employed by the handlooms.

(6) That the handlooms solve one of the principal economic problems of India, viz. unemployment and under-employment of large masses of people, and afford an excellent solution to the problem of the population, now estimated at over 330 million for the Dominion of India.

(7) That the handlooms can be an important potential source of supply of special artistic fabrics for export to foreign countries.

(8) That in respect of this largest small-scale industry of the country, the Industrial Co-operative Societies have made a small beginning and have commenced functioning since 1946.

(9) That the 25 lakhs workers engaged in hand-weaving maintain, including themselves, a population of about 10 millions.

(10) That the total estimated value of handloom cloth, viz. 1,300 million yards, is about Rs. 100 crores per year

*Also *vide* "The Indian Cotton Textile Industry *Annual*" for 1947-48.

10th September 1948. M. P. GANDHI.

TABLE I

ALL-INDIA HANDLOOM BOARD

MARKETING AND RESEARCH COMMITTEE

RAW MATERIALS' COMMITTEE

CENTRAL ORGANISATION FOR CO-ORDINATION, PUBLICITY, STATISTICS, MARKETING & RESEARCH (MACHINERY FOR ASSISTING THE BOARD AND ITS COMMITTEES)

Marketing organisation to deal with subjects such as:

Marketing

(1) Study add development of Markets in India and abroad.
(2) Co-ordination of the activities of co-operatives and consumer societies in Provinces & States (Table II).
(3) Keep the industry in the Provinces & States informed of the changing fashions and tastes.
(4) Liaison between foreign markets and producing centres in India.
(5) Study of competition from mills and powerlooms & measures to avoid them.
(6) Handicaps caused by taxes, duties, freight, etc.
(7) Measures for enforcement of central legislation and direction for (a) protecting the industry from competition (b) checking & ensuring manufacture to specifications required in foreign markets.

Publicity & Statistics

(1) Publicity in India and abroad, through pamphlets, documentary films, etc.
(2) Showrooms to serve as museums in India and abroad.
(3) Exhibitions.
(4) Collection, maintenance & circulation of statistics relating to handloom production, requirements of raw materials, etc.
(5) Publications relating to handloom industry.

Research Institute for carrying out research into the manner of production and dealing with subjects such as:

(1) Raw materials, yarn, dyestuffs, chemicals. Their quality and supply.
(2) Preparatory process.
(3) Weaving.
(4) Sizing, dyeing, etc.
(5) Production and distribution of handloom appliances.
(6) Standardisation of production for internal and external consumption.
(7) Demonstration parties.
(8) Co-ordination of the activities of Provincial/States technical institutes for handloom Industry.

TABLE II

HANDLOOM INDUSTRIAL CO-OPERATIVES IN PROVINCES & STATES

APEX SOCIETY (FINANCED BY CO-OPERATIVE BANK OR BY PROVINCIAL/STATE GOVERNMENT)

(1) Bulk purchase for distribution to Primaries of raw materials.
   (a) Yarn direct from mills at ex-mill rates.
   (b) Dyes from importers or wholesale distributors.
   (c) Handloom appliances—purchase or manufacture on cottage industry basis.
(2) Running of technical institutes for training.
(3) Provincial sales depots.
(4) Liaison between the Central Organisation & Primary Societies.
(5) Maintenance of statistics of handloom production, etc.,
(6) Peripatetic demonstration parties.
(7) Dye Houses.

PRIMARY SOCIETIES IN DISTRICTS OR CENTRES

Distribution of raw materials to weavers.	Marketing of finished products of weavers.	District Sales Depots.	Dye Houses.	Facilities for the welfare of weavers and their families—Educational facilities for their children, etc.

HANDLOOM WEAVING INDUSTRY IN INDIA

The Government of Bombay appointed early in 1947, a Committee for the Promotion of Village Industries, of which Mr. Manu Subedar was the Chairman. In the Report of this Committee a special chapter has been devoted to the handloom industry. In a brief summary of the historical background of this ancient industry, the report dwells on the debacle in the industry which has been continuing without much check of any kind. The economy of machine production backed by political power resulted in the supply of cloth being made cheaper to the consumer; but at the same time in the process, both hand spinning and weaving declined and all factors conspired to undermine the handloom producer. His dependence on the mills for yarn was absolute and sometimes indeed pathetic. In 1946, " we are confronted with the last remnant of a once prosperous hand industry. If not properly assisted, it is doomed to be killed out with the exception of those handlooms which are engaged on high quality and luxury productions (including working of gold thread) which is required by the rich ", says the Committee. The report also makes a fine point in drawing attention to the fact that by the process of deterioration of the handloom industry, " the loss to India is not so much in production as in the unhappiness and misery of the class which was highly skilled and which has had to abrogate that skill and turn to unskilled or new occupations ". Therein lies the tragedy of this industry—a tragedy for which some remedy must be found before long.

In the past year or two, the position of the industry often came in for attention as well as comment. The textile policy framed by the Madras Ministry under the premiership of Mr. T. Prakasam highlighted the position generally as regards the non-mill production of cloth. It is true that the emphasis laid by that Ministry was on khadi, but as a province highly interested in the development of the handloom industry, the Madras Government had perforce to devote special attention to the handloom industry proper and in fact, exports of handloom cloth from the province of Madras have given substantial relief to the all-over supply position in India. On March 12, 1947, speaking on a cut motion in the Central Assembly to discuss the inadequate supply and mismanaged distribution of yarn among handloom weavers, the Hon'ble (now Governor-General of India) Mr. C. Rajagopalachari, Member for Industry and Supply, pointed out that only a fourth of the entire production of mill yarn in India was placed at the disposal of handloom weavers. That amounted to some eighty thousand bales, each bale containing four hundred lbs. of yarn. Distribution was entirely in the hands of Provincial Governments from a fixed quota which each received. The allotment was sufficient only to utilise a third or a half of the productive capacity of handloom weavers. In order to utilise their full capacity, it would be necessary to increase the supply of yarn to something like a lakh and seventy thousand bales. In order to make more yarn available to handloom weavers, a number of ways had been suggested during the debate. It had been suggested that composite mills, which produced yarn and manufactured cloth out of that yarn, should be asked to use only thirty or forty per cent of their yarn; that production of cloth by mills should be regulated by securing a switch-over from coarse to fine cloth; and that the State should start new spinning mills and reserve all the yarn produced by them for the use of handloom weavers. These, he suggested, were mainly long-term measures which were receiving Government's consideration. Particularly, the regulation of mill production of cloth and requisitioning of a certain quota of yarn produced by mills was a first charge for handloom weavers. But the more effective and immediate step seemed to him to be to tap the source of hand spinning much more than had hitherto been done; to get yarn from the cottages in addition to getting yarn from the mills. There was no conflict between the two. Hand-spun yarn was something which could be made available straightaway. There was ready at hand, he said, a large source of cloth production and a large fund of man-power willing to put forth its best efforts to make cloth. In the present circumstances, it was not mere concern for the handloom weaver or condescension towards him. It was absolute necessity that was forcing government to help him as the only practical way of getting more cloth for the country. The importance of the industry was clear from the fact that 2½ million handloom weavers,—and counting their families nearly 10 million people—depended upon the industry for augmenting their income and finding a suitable occupation for their energies. And yet, nothing tangible was achieved in the direction of an increased supply of yarn from the mills.

Yarn Supply in 1946-47

The supply of yarn was naturally low in a year in which mill production had considerably declined as a result of strikes, labour apathy, and absenteeism. Within the limits set by these unforeseen factors, the authorities can certainly claim that the best use was made of yarn available for diversion to handloom weavers. Under current conditions, it is becoming more and more clear every day that the vitality of the industry could only be revived by large-scale imports of yarn, particularly of the non-cotton types of which other countries have a large supply. Imports into India are mainly rayon and other synthetic piece-goods and the stage has not been reached when other countries find it advantageous to export yarn as such to countries like India. Until then, and until the mill production of yarn within India expands considerably, it is difficult to conceive of a regular and large supply of yarn to the handloom weaving industry. Reference was made in the previous issues to the setting up of an All-India Handloom Board and the spade work done by it in its first few meetings. These are also summarised in the following pages, to provide the reader with an idea of the important discussions held by the Board on various aspects of this complex industry. The trends of developments within the last two years and the new forces which have come into existence are referred to in the following pages.

Statistics

Before going into those details, it would help the reader to have a clear picture of the statistical position, and of the scheme of distribution of yarn. The Office of the Textile Commissioner distributes the 'free yarn' available from the Indian mills to the provinces and States under the All-India Yarn Distribution Scheme. Further distribution of this yarn to the handloom industry and other miscellaneous consumers such as powerlooms, hosiery factories, etc. is made by the provincial and State authorities concerned. No precise information is therefore available as to the quantity of yarn made available to the handloom industry alone in the various provinces and States. The figures for full years prior to 1945 are not available, but it is known that the quantity of free yarn made available by the Textile Commissioner amounted to 965,985 bales in 1945, 987,560 bales in 1946, and 918,400 bales in 1947. Similarly, for like reasons, exact figures of production of handloom cloth are not available. The official estimates, however, placed the production figure at approximately 1,500 million yards in 1945, 1,360 million yards in 1946, and 1,223 million yards in 1947. It is hardly necessary to stress the fact that too much reliance cannot be placed on these figures. They are largely of the nature of guess-work and are at best estimates which may show the trend.

Price and Movement Control

With regard to control over prices and production of handloom goods, the position is this. The Provincial Governments were empowered in September 1946 to fix the ex-factory wholesale and retail prices for and specify suitable markings to be made on handloom cloth. But, as far as can be seen, a scheme of price control was introduced in 1947, only in Madras, which has for its objective the control over the margin of profit for the producers, wholesalers and retailers. This, however, did not result in an appreciable decline in the prices of handloom cloth and the Madras Government gave up the scheme towards the end of 1947. Other Provinces such as the Punjab, C.P. and Berar, Bihar, Bengal and Assam, have also taken no action in this matter.

As regards the kind of control exercised on the industry and the movement of goods, the position is that movement control on cloth was imposed by the Cotton Cloth Movement Control Order. Under the provisions of that Order, handloom cloth required a general or special permit from the Textile Commissioner for its movement by rail. The restrictions on the movement of handloom cloth were continued under the Cotton Textiles (Control of Movement) Order, 1946, except that movement by goods train as well as by road, air, sea or inland navigation from a Province or State can now be authorised by the Provincial or State textile authorities concerned. As regards packing, stamping, marking, etc. ever since the inception of the Textile Control, handloom cloth has been exempt from the provisions of the Cotton Textiles (Control) Orders, relating to price-stamping, tex-marking and time limits for its disposal. The Textile Commissioner can, however, regulate the maximum quantity of handloom cloth which can be stocked by any dealer and determine the maximum period for which it may be held by such dealer.

Powerlooms

A growing limb of the handloom industry is the small powerloom. In Surat and other places, it is an expanding industry and it has the advantage that the production from it is slightly better than handloom varieties though inferior to mill-made ones. In other words, the powerloom occupies a position intermediate between the handloom and the mechanical mill looms.

The question has sometimes been raised whether powerloom cloth will not offer very serious competition to handloom cloth. Of course, current conditions of acute scarcity cannot throw much light on the subject. The Fact Finding Committee pointed out that in normal times the powerloom would certainly be a serious rival to the handloom, but at present the question is only academic. No difficulty is at present being experienced in the sale of the present production of handloom cloth even though their prices are much higher than those of powerloom cloth, due to the overall shortage of cloth in India.

The Central Government's grant-in-aid to the various provinces for the development of the handloom industry is discontinued since April 1947. An official report on the operation of the scheme with the Government of India's grant-in-aid for 1945-46 was published in 1947. (Bulletin No. HB-2). The report gives a summary of the work undertaken by the various provincial governments through Co-operative Societies. The provinces covered in the report are those of Madras, Bombay, Bengal, U.P., the Punjab, Bihar, Assam, Sind and Orissa, C.P. and Berar. It is not necessary to go into the details of this report except to stress the part played by the Co-operative organizations in furthering the interests of this industry. It may also be added here that in provinces like Bengal and U.P., the financially sounder types of Co-operative Societies also undertake the distribution of yarn in addition to the normal channel of trade. The Co-operative movement is a very important part of rural life and given proper facilities, it would not only help such old industries as the handloom industry to thrive but also give life to new cottage industries and thereby transform the face of rural 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 at once the largest and most widespread of the cottage industries of India and therefore of vital 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. 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 Supplies through its resolution dated 12th February 1945 was, admittedly, a move in the right direction. The functions of the Board were outlined 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 personnel of the Board and its sub-committees is given elsewhere.

The Board has met four times so far of which only two meetings were held during the year 1946 and it might be useful to give a brief summary of discussions in these meetings. 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 the serious nature of the difficulties in evolving an All-India plan, and working 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."

The handloom industry has certain export markets, and this is specially so in the case of the products in the South. Owing to the 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, one is on the one side being confronted with the demand for more export from certain parts of India and on the other side, there is 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.

The difficulties that the handloom weavers have to meet under existing conditions are well known. 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.

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 complain of the overall inadequacy of yarn and the particular inadequacy under fine yarn."

These were the main discussions at 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 approximates more or less to the quantity consumed by the handlooms and other industries before the war, 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 also the question of supply of dyes and chemicals to the industry. On the question of marketing and research, the Textile Commissioner said: "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 organization 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, the then 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 out 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."

The Textile Commissioner 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 a summary of the proceedings of the meetings and resolutions of the several sub-committees appointed by the Board.

Raw Materials Committee (First Meeting), January 1946

"The Committee came 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, the Committee reluctantly bowed to the fact that such a figure, however desirable, is under existing conditions, impracticable. It accordingly recommended 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 considered 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 recommended 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 recommended 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. The Committee drew 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. It urged that registration of designs cannot be enforced without hardship to the handloom industry and without victimising innocent producers. 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. The Committee was 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 : 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 a comprehensive note prepared on the subject by Mr. M. R. Kazimi, and recorded the following resolutions :—

(1) *Organisation.*—(*a*) 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. From past experience in different parts of India, it seemed 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. It was accordingly suggested 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, pro-

vided 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.

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 industry, the rationalisation and standardisation of production, the consolidation of the existing markets and 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 the success achieved by the co-operative movement in various provinces.

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.

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 half-hearted 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 smallness 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.

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.

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.

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.

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 out-turn 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.

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.

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.

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 investigations 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.

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.

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.

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 inter-provincial 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.

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 de-limitation 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.

The idea underlying the suggestion may be illustrated by citing the example of saries 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 saries 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 saries which would offer more severe competition owing to production in bulk and improvement in weaving technique. Besides the handloom saries, 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 saries in Bengal or restrict production to local requirements. The deficiency in saries 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.

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.

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.

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.

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.

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".

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 ultimate 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.

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.

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.

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 dependants. 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.

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.

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.

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.

Fourth Meeting of the Handloom Board in 1946

Since the last meeting of the Handloom Board and its Committees to which reference is made above, there has been only one meeting of the Board on the 16th December 1946, while towards the end of November 1946 the Raw Materials Committee and the Marketing and Research Committee met at Madras. We shall now refer to these.

The above meeting was held at Bombay on 16th December 1946, though it was to have been convened even in September 1946 by which time the replies of the provinces and States in respect of the important recommendations of the Board and its Committees were expected to be received. Presiding over this meeting, Mr. Dharma Vira, the Chairman of the Handloom Board, confessed that the picture of the yarn position was rather gloomy. When the yarn distribution scheme was introduced, about 70,000 bales of yarn per month was expected to be available. Actually, with the co-operation of the mill industry, an average of 83,334 bales per month were available during the first year of the scheme. Thereafter, the distribution fell away owing to poor production. The Textile Commissioner had requested the provinces to accord exemption from eight-hour shift working to those units which had asked for it, in the interests of the handloom weavers. But this was not to the liking of labour and therefore, there was no improvement at all. The Textile Commissioner stated that the position, as it appeared was likely to be relieved by the increasing imports of yarn particularly art silk, which could be imported under open general licence from the U.K. and under special licence from the U.S.A. (Since then import control has undergone many changes). He said that endeavours were also made to obtain cotton yarn from abroad. He, however, agreed that no appreciable improvement in the yarn position could be expected till new machinery is imported and start working. He therefore commended to the provinces and States the desirability of encouraging hand-spinning on a wide and organised basis.

Supply of Stores, Chemicals, etc. for Handlooms

In respect of dyes and chemicals also, the supply to the handloom industry falls far short of demand and only equitable distribution of available quantities has been possible. The estimates of fast and semi-fast dyes required by the handloom industry in respective areas have been prepared by the respective provinces and States and these have been intimated to the importers who have been requested to ensure supplies to the industry in those areas. The serious consideration given to the question of manufacturing dyes in the country was an encouraging factor. The question of ensuring supplies of loom accessories to the handloom industry at reasonable prices was also looked into. The Textile Commissioner admitted that though the bulk of healds, reeds, shuttles, and others are imported generally, there have been no complaints of short supply. This is because the reeds used by the handloom industry are generally those of indigenous manufacture generally made from bamboo splits, while healds are usually knitted by the weavers themselves. The supplies of healds and reeds have improved and control over their price and distribution has been lifted. In the case of shuttles, which are mainly obtained from abroad, the quantities are insufficient to meet the needs of both the handloom and the mill industry and prices are very high. The manufacture of shuttles from Indian timber should be explored.

The Textile Commissioner dealt with the important recommendations made by the Board at its earlier meetings. First, regarding the establishment of the Board on a permanent basis, he said, that the life of the Board had been extended until further notice, as the government had under consideration the question of remodelling the Board on an organisational basis. There is no doubt that the Board must be placed on a stable footing and that it should have at its disposal enough funds to finance the approved schemes.

Secondly, a start has been made towards a central marketing organisation with the appointment of three officers for the collection of data necessary for the formation of the schemes for the inter-provincial movement of cloth. The appointment of marketing officers in various parts of the country has been deferred in view of the cloth position in the country. The Board had not made up its mind about the collection of data for evolving a scheme for the rationalisation of handloom production, which was recommended by the Marketing and Research Committee. Similarly, the suggestion of the Board for the appointment of marketing officers in foreign countries has not been implemented as very little cloth is exported at present and in view of the supply position at home.

With regard to the establishment of a retailing organisation at Delhi partly as a museum also, arrangements have been made for exhibition of handloom fabrics in the office of the Textile Commissioner. The Provinces and States were requested in April 1946 to send samples and not all of them have done so. The Textile Commissioner concluded by inviting a reference to the recommendations of the Marketing and Research Committee in March 1946 regarding the organisation, rationalisation and research for the industry. A decision on the recommendations was deferred pending receipt of the opinions of the provinces and States. They are in general agreement with the proposals of the Committee. He also urged the need for organising the industry on sound lines quickly.

Incidence of Tariff on Cotton Yarn on the Industry (1946)

The Handloom Board discussed a resolution by a member which had been tabled earlier but had been deferred, regarding the tariff on cotton yarn. The resolution stated that the tagging of the handloom industry with the mills in the matter of formulating protective tariffs in the past had caused damage to the handloom industry and that the benefit which was intended to be afforded to the handloom weaver was in practice reaped by the mill industry. The resolution requested the Tariff Board to adopt a tariff policy of the handloom industry independent of and distinct from the mills. In this connection, the Marketing and Research Committee had recommended that the Central Government would appoint a tribunal to undertake a detailed examination of the incidence of tariff on cotton yarn and to suggest suitable measures to enable the handloom to compete on a fair basis with mills. After some discussion regarding the preparation of a case for tariff enquiry, the Board adopted a proposal that the Committee's recommendation should be forwarded to the Government of India for consideration and orders. It is, of course, common knowledge now, that the Government of India have announced their decision on the recommendation of the Tariff Board to continue the import duty on cotton yarn as part of the protection scheme. It would have been better if the import duty were dispensed with, but then apparently, the Government feel that the protective duty on yarn is a vital factor in maintaining its stability and prosperity of the mill industry as a whole, and that this consideration should be given preference over the needs of the handloom industry.

Silk and Art Silk Yarn

The fourth meeting of the Handloom Board also discussed a number of things relating to organisation and freight charged by railways. The Board adopted the recommendation that two representatives elected by it should be included in the Export Advisory Council. Similarly in regard to freight, the recommendation was adopted that the railway freight should be the same for pressed and unpressed handloom cloth bales. As regards the import of yarn itself, the Board adopted the recommendation of the Raw Materials Committee that all restrictions on the import of yarn of every kind should be removed, subject to effective control over distribution of cotton and yarn being maintained. With regard to pure silk, the Board agreed with the Raw Materials Committee that after the de-control of pure silk, it was not possible for the Central Government to control the distribution or price of silk. It, therefore, left the question to the provincial governments to take such action as they deem necessary for the equitable distribution of the silk available to them at reasonable prices. It was also agreed that if and when Japanese silk yarn is imported into India, the Government of India should allot a portion to the handloom industry. The Board took the same view for artificial silk yarn as for pure silk, but desired to have authoritative figures about the supplies of art silk yarn likely to be made available to India from Japan as part of reparations. The Chairman agreed to ascertain the position and convey it to the Board.

Role of Co-operative Societies

One Member tabled a resolution that premier weavers' societies like the Madras Handloom Weavers' Society should be allowed to deal directly with the mills and obtain yarn at the ex-mill price. The recommendation of the Raw Materials Committee was adopted to the effect that the organisation of handloom weavers in co-operative societies should be actively assisted, and that under proper supervision by the province or State, co-operative societies of weavers should be given the right to receive supplies of yarn direct from mills at the ex-mill prices to the extent specified by the government or State, subject to the following conditions: — (1) The society is a genuine co-operative society; (2) it distributes the whole of yarn allotted to it to weavers who are its members and takes over all the cloth produced therefrom, and (3) all the cloth so taken over is sold at controlled prices in the manner specified by government.

These brief references to the discussions will, we trust, enable the reader to form an idea of the manner in which the problems of the industry are being tackled. Of actual progress in the solution of those problems, there has been none; but the fact should also be admitted that present conditions are not conducive to a broad-based attack on all problems of the industry. There is no doubt that far more attention must be given to the problems than is now devoted to them. Perhaps, when conditions become normal, things would improve. Perhaps also, when imports of yarn are possible, the industry would obtain a fresh lease of life. If the mill production of yarn had not suffered such a drastic decline, even now things in the handloom industry might have been different. The best is to hope for better conditions all-round. At the moment, the industry is not doing too badly, to judge from reports. The black market in mill cloth in 1947 and 1948 aided it indirectly and, of course, the absence of control over prices of handloom goods has been a great blessing. In 1948, the Government helped the handloom industry to reduce its stocks, by encouraging exports and by exempting handlooms from the export duty on mill cloth.

Khadi Development

When so much attention is given in the present times to increase the supplies of yarn in the country, it may not be out of place to refer in this context to the views of the All-India Spinners' Association which is responsible for a substantial amount of Khadi as well as those of the Charka Sangh. At a conference held in Delhi recently, at which Mahatma Gandhi was present, resolutions were passed asking provincial governments to have a five-year development plan with the following provisions: (*a*) The students of all primary, middle and normal schools should be taught spinning. Every school should have at least one handloom. Basic education should be introduced in the schools in the quickest possible time and on a wider scale. (*b*) Multi-purpose co-operative societies should be started and through these, Khadi programme should be executed as a part of village reconstruction work. (*c*) Steps should be taken to grow cotton in those areas where it is not a cultivated crop at present. Proper arrangements should also be made so that spinners may easily get kapas cotton and accessories. (*d*) Khadi experts should be trained and research work should be conducted for the improvement of Khadi work. (*e*) Spinning should form a part of village uplift work and therefore, the employees of Government co-operative, education and agriculture district boards, local boards and village panchayats should pass the preliminary examination in "Khadi Provesh". Handwoven cloth made from mill yarn should be controlled. (*f*) Only handspun yarn should be used in the looms of the weaving schools. Spinning and weaving should be conducted in the jails. (*g*) The millowners are to help in the carrying out of this work. The provincial government and the millowners should make arrangements that mill cloth should not be sent to those areas where spinning and handweaving is possible. At another conference of the A.-I. S. A., enactment of suitable legislation for the protection and development of khadi was demanded.

It will be seen that in some respects, the interests of khadi under the handloom industry are conflicting with each other. The proper attitude to take is to have an open mind on the function and role of all the three industries—the mill, the handloom and the khadi industry and each should strive to keep its place on merits. Any other suggestion which involves and implies that the progress of one can only be at the expense of the other is not only impracticable but would be foolish. Unfortunately this is not remembered. What we see today is the mill industry grousing that handloom cloth is not controlled in regard to price; the handloom industry demanding that imports of yarn should be allowed free for its sake without any protective duty, unmindful of the fact that such a step will injure the mill industry, the khadi industry asking in pure fashion that the mill industry should be severely cribbed, cabined and confined and that the handloom weaver should not be given any supply of mill yarn. Such a babel of conflicting voices is not easy to resolve and does not do credit to anyone of the interests concerned. As we said, the best approach is for each to understand its place in the textile map of India and to concede that in the present context of things, the other has also a right to live. The handloom industry can no more be extinguished for the sake of the mill industry; nor can the khadi industry alone hope to flourish at the expense of the other two. The pertinent fact is that the economics of the three industries are all different in character, stability and *raison d'etre*, and in the present context of extreme shortage of cloth, all our resources for cloth production should be pressed into service to the maximum extent.

Important Developments in 1947 *and* 1948

Although no other meeting of the All-India Handloom Board or its committees was held in 1947 and 1948, other developments have taken place during this period which have a definite bearing on the Handloom Industry. The *resume* of these developments together with the extracts and recommendations and pronouncements made are given below. In December 1947, Government of India called for a conference on Industrial Development in India. One of the committees appointed by this conference was the Committee on Small-scale and Cottage Industries. A departmental committee presided over by Mr. C. C. Desai met on the 10th and 11th December 1947 and made certain important recommendations. These recommendations were considered by the Committee on Small-scale and Cottage Industries on the 15th December 1947. The relevant recommendations of this committee are :—

> "It is the unanimous opinion of this Committee that there should be a separate Board for Cottage Industries for the present, distinct from the existing All-India Handloom Board. Both those Boards should be developed on the same lines as the Indian Council of Agricultural Research for organising, promoting and helping cottage industries and small-scale industries, for promoting research in the processing, technique, materials and marketing for developing co-operative societies for the elimination of middlemen and for improvement of the efficiency and organisation of cottage industries and their handicraftsmen.
>
> "The subvention proposed for both the Boards should be by the Central Government.
>
> "The Committee recommend that a just and adequate quota of yarn for Handloom Industry should be the first charge of the spinning mills (yarn production).
>
> "The Committee recommends that the Central Government Trade Commissioners should continue to pay special attention to the marketing of Cottage Industries products in other markets and to make the relevant portion of reports of Trade Commissioners available to Provinces.
>
> "The Committee recommends that Provincial Governments should establish Provincial Cottage Industrial Co-operative Banks with

district units for the financing of cottage industries including handloom weaving and place them in possession of adequate funds, subscribing a part of the share capital and giving all facilities for raising loans with Government guarantee.

"The Committee recommends that the present railway freight rates should be so adjusted as to give preference as far as possible to the products of cottage industries and to remove their present disabilities with a view to develop them.

"The Committee suggests that in all National Research Institutes to be set up by Government, special attention may be paid to the interests of Cottage Industries.

In April 1948, the Hon'ble Dr. Shyama Prasad Mookerjee, Industry and Supply Minister, presented to the Dominion Parliament a resolution on the India Government's Industrial Policy which was adopted. The relevant portion of the resolution dealing with cottage and small-scale industries is reproduced below : —

"Cottage and small-scale industries have a very important role in the national economy, offering as they do scope for individual, village or co-operative enterprise, and means for the rehabilitation of displaced persons. Those industries are particularly suited for the better utilisation of local resources and for the achievement of local self-sufficiency in respect of certain types of essential consumer goods, like food, cloth and agricultural implements. The healthy expansion of cottage and small-scale industries depends upon a number of factors like the provision of raw materials, cheap power, technical advice, organised marketing of their produce, and, where necessary, safeguards against intensive competition by large-scale manufacture, as well as on the education of the worker in the use of the best available technique. Most of these fall in the provincial sphere and are receiving the attention of the Governments of the Provinces and the States. The resolution of the Industries Conference has requested the Central Government to investigate how far and in what manner these industries can be co-ordinated and integrated with large-scale industries. The Government of India accept this recommendation. It will be examined, for example, how the textile mill industry can be made complementary to, rather than competitive with the handloom industry, which is the country's largest and best organised cottage industry. In certain other lines of production, like agricultural implements, textile accessories, and parts of machine tools, it should be possible to produce components on a cottage industry scale and assemble these into their final product at a factory. It will also be investigated how far industries at present highly centralised could be decentralised with advantage."

"The resolution of the Industries Conference has recommended that Government should establish a Cottage Industries Board for the fostering of small-scale industries. The Government of India accept this recommendation * and propose to create suitable

* On the 10th August 1948, the Government of India issued a communique on the subject announcing the constitution of the Cottage Industries Board.

machinery to implement it. A cottage and small-scale industries directorate will also be set up within the Directorate-General of Industries and Supplies."

Industrial Co-operatives

"One of the main objectives will be to give a distinctly co-operative bias to this field of industry. During and before the last war, even a predominantly agricultural country like China showed what could be done in this respect, and her mobile industrial co-operative units were of outstanding assistance in her struggle against Japan. The present international situation is likely to lessen to a marked degree our chances of getting capital goods for large-scale industry and the leeway must be made up by having recourse to small-size industrial co-operatives throughout the country."

The Report of the Economic Programme Committee of the All-India Congress Committee was published in November 1947, and the recommendations made therein were adopted by the All-India Congress Committee at its session held in April 1948 at Bombay. Relevant extracts having a bearing on the handloom industry are given below:—

"The small-scale and cottage industries should be promoted on non-profit lines through industrial co-operative societies that undertake to supply raw materials, guide the production, and sell the goods of the members, and if possible provide them with a common workshop where they can produce jointly. The responsibility of organising these industries on co-operative lines or otherwise must be taken by the State working through non-official promotional bodies, free from official control and interference, though the Government may be represented on them. The structure that is built up should be a strong federal structure, consisting of primary societies, their regional unions and associations and the apex federation. This should allow production by small units with the benefits of centralised organisation, and should control and guide the production by the worker, and should undertake the disposal of the goods so produced. The artisan and the worker should not be expected to take the responsibilities of procurement of raw materials and sales of goods. He should be allowed to concentrate on production. The onus of purchases, sales, arrangement for tools, workshops, guidance and supervision should fall on the industrial co-operative structure.

"No State-aid should be given to an individual except through his co-operative society.

"The workers in these industries are not in a position to collect necessary funds. The co-operative banks and other local sources might be tapped if the Government could stand guarantee against margins. Direct loans and subsidies by Government will, however, be necessary in many industries in the initial stages, especially in the case of losing industries and new industries. These loans and subsidies of the Government should be made available through the co-operative structure.

"The major portion of the produce of these industries should be sold through the consumers' societies and multi-purpose agriculturists' societies with whom the industrial societies and their associations should maintain a close contact. Sales depots run by the industrial societies and their associations may also be encouraged specially in towns.

"The Government and public bodies should give preference to goods produced by small-scale and cottage industries for use by their departments. Patronage by large-scale industry of such goods should also be encouraged. There is a large possibility of these units working as feeders to large-scale industries. The industrial co-operative societies should, however, not be expected either by the Government, public bodies or large industries to submit tenders and compete with the merchants through the existing store-purchase channels. A system of placing orders at standard rates with the industrial co-operative societies should be introduced.

"The organisation and marketing of the products of these industries should be so arranged as to reduce the strain on the transport system to a minimum. The transport policy of the Government will, however, have to be substantially altered so as to give high priority and concessional rates for the transport of raw materials and other accessories required by these industries and the articles produced by them.

"The raw materials and accessories required by cottage and village industries and their products may be exempted from payment of octroi duties, terminal taxes, sales tax and other such charges.

"The Government, at its own cost, should organise propaganda and advertisement through the Press, the radio, the platform and by means of museums, exhibitions, demonstrations, posters, magic lantern shows, etc.

"The special interests of village and cottage industries should be borne in mind by the Tariff Board while framing recommendations regarding industries referred to it.

"The respective spheres of large-scale, small-scale and cottage industries should be demarcated as clearly as possible to avoid economic insecurity and destructive competition. Measures should be taken to co-ordinate the various types of industries and link them up in a supplementary-complementary relationship. Large-scale industry should make the fullest use of cottage industries for processes which can be handled on handicraft basis without serious loss of efficiency. In the conditions prevalent in our country emphasis will be on providing opportunities for employment of our unutilised or partially utilised reservoir of labour, and minimising the use of costly capital goods. Large-scale industry should also be utilised to improve the economic basis and the operative efficiency of small-scale and cottage industries. Certain lines of manufacture should be reserved for cottage industries. In order to avoid competition between production so reserved for cottage industries and large-scale production the

State may bring under its control such competing large-scale industry. Where a cottage industry is allowed to operate in the same field as large-scale mechanised industry its output should be protected from the competition of the latter by subsidies or some method of price equalisation. This applies specially to cotton textile industry. In this and similar cases, further expansion of large-scale machine industry should be restricted except where this is considered necessary. In such cases it should be undertaken under State auspices.

"Promotion of co-operative distribution is necessary to secure a balanced progressive economy in which regulated distribution will form an integral part of a comprehensive economic plan for the country. If wages are to be controlled and consequently the prices of agricultural products and manufactured articles, the distribution of consumer goods should be controlled by the encouragement of co-operative effort.

"Where producers' co-operatives are found, the State should use its good offices to see to it that they deal direct with consumers' co-operatives."

In pursuance of the policy of progressive decontrol of commodities the Government of India announced on 19-1-1948, and confirmed in their resolution No. 90|1-Tex.1|48 dated 22-1-1948, the extent of the relaxation of control over cloth and yarn, which is detailed below :—

(*a*) Relaxation of the Standardisation Scheme in regard to the mill production and the control over ex-mill prices of cloth and yarn, assurance was given by the industry that they would fix reasonable prices taking into consideration the prices of cotton then current.

(*b*) Decontrol of distribution of mill cloth with a view to restore normal trade channels to facilitate movement of cloth to the largest extent possible.

(*c*) Although the system of distribution of yarn was retained in the interest of handloom weavers as it had worked reasonably well, mills were given permission to distribute as they wished such quantities of yarn as were not lifted within a reasonable period of allocation.

(*d*) Decontrol of prices and distribution of imported cloth and yarn.

(*e*) Movement of textiles within the Provinces were made free but those from one Province to another were to be sanctioned by the Textile Commissioner except where such transport is uneconomic or unreasonable. The movement of handloom cloth was to be freely permitted. Permits for the movement of handloom cloth will be issued by the Provincial Authority of the despatch area. Applicants wanting permits for movement of handloom cloth will have to satisfy the Provincial Textile Authority of the despatch area that the goods they wish to despatch are in fact handloom cloth.

The following further relaxations in respect of control over cloth and yarn were announced by the Government of India on the 23rd April 1948, and in their resolution No 90|10-Tex.1|48 dated 4-5-1948 :—

(a) Discontinuance of stamping of ex-mill and retail prices of mill cloth.

(b) Discontinuance of the distribution of yarn. The Government have however retained the right to requisition or earmark for the handloom industry at least as much yarn as was being supplied under the All-India Yarn Distribution Scheme. To ensure availability of yarn at reasonable prices, it was proposed to invite the Provincial and State Governments to utilise Co-operative Societies and other similar organisations to undertake the distribution of yarn to such agencies. Allocations of yarn will be made directly from the mills which will be expected to sell the yarn at fair prices.

(c) Handloom goods were to be freely licensed for export to all permissible destinations until the end of July 1948. This was done with a view to help the handloom industry to tide over its difficulties caused by the decontrol of mill cloth if it was found that this free licensing resulted in too large a volume of exports of handloom cloth. Adjustments will be made against future export quantities. Meanwhile the handloom weavers were expected to convert their production to type and varieties of cloth in demand in the country to the extent possible, and to reduce their cost of production. (In June 1948, the Government of India announced that all licences will expire on 31st July and will not be renewed.)

The Cess levied on the export of cotton textiles was replaced by the export duty at the rate of 4 as. per sq. yard in November 1947. As a result of the representations made to the Government of India, however, handloom cloth was exempted from this duty with effect from 1st March 1948. This has helped the handloom industry considerably.

*Re-imposition of Control on Mill Cloth and Yarn, and Raw Cotton * (30th July 1948)—Handloom Cloth Exempted*

On 30th July 1948, the Government of India published a Resolution reversing their earlier policy of decontrol of cloth, and ushering in a new policy for controlling the production and distribution of cloth, as there was an extraordinarily steep and unjustified increase in the prices of textiles and yarn, which was detrimental to the consumers. The Government, therefore, decided to re-impose control on mill cloth and yarn. The position of handloom cloth and powerloom cloth in relation to the new control will remain the same, i.e. there will be no control on either production or prices. The movement of handloom cloth, although technically controlled, is fairly easy. We would suggest an examination of the feasibility of introduction of control on handloom cloth also, in the interest of the consumers.

The Ancient Handloom Industry of India

We may now refer briefly to the past history of the celebrated handloom industry of the country.

* Control over prices of raw cotton was made effective from the 20th August 1948, and the Government also announced on the 1st September 1948, their intention of purchasing cotton on their own account if necessary.

Cotton has been known in this country since prehistoric times. The earliest of civilisations, unearthed at Mohen-jo-Daro, gives evidence of cottonwears. 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|10th 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, mush-

* *Vide* Mr. M. P. Gandhi's "The Indian Cotton Textile Industry—Its Past, Present and Future," 1937, with a foreword by Sir Purshotamdas Thakurdas, showing in detail the vicissitudes of the industry, from the earliest times to the present day. 240 pages, Price Rs. 3-8.

roomed 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 ;

(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

* *Vide* Mr. M. P. Gandhi's "The Indian Cotton Textile Industry—Its Past, Present and Future," 1937, with a foreword by Sir Purshotamdas Thakurdas, showing in detail the vicissitudes of the industry, from the earliest times to the present day. 240 pages, Price Rs. 3-8.

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 the 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 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 the 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 *khaddar* 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 Lalbhai of Ahmedabad, 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, the 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. These 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

* Only 6,378 powerlooms use cotton yarn ; and their total consumption of cotton yarn was estimated in 1938-39 at about 9 million lbs.

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 handloom 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 hereditary 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."

Direct Governmental Financial Help to Industry till 1946-47

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. 50,00,000 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. This annual grant of rupees five lakhs was stopped from April 1947.

Decline in the Position of Industry During and After 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 effected 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 the production of hand-spun *Khaddar* will decrease).

The total quantity of yarn available from Indian mills was distributed by the Textile Commissioner to the Provinces and States under the All-India Yarn Distributing Scheme. Further distribution to the handloom industry and other miscellaneous consumers like power-looms, hosiery factories, etc. is made by the Provincial and State authorities. Details about the actual quantity of yarn distributed to the handlooms are not available, but 9,65,985 bales of yarn in 1945 and 9,87,560 bales of yarn in 1946 were made available to the Provinces and States by the Textile Commissioner's office. According to the Textile Commissioner the estimate of production of cloth by handlooms was 1,500 million yards in 1945, and 1,300 million yards in 1946. The yarn is distributed generally through Co-operative Societies, particularly in Madras, Bengal and U.P.

Price-fixing of Handloom Cloth in Post-war Period

The Provincial Governments were empowered in September 1946 to fix the ex-factory wholesale and retail prices for and specify suitable markings to be made for handloom cloth. But till July 1947, only the Madras Government had introduced a scheme for controlling the margin of profit for the producers, wholesalers and retailers. This has, however, not resulted in any appreciable decline in the prices of handloom cloth. Other Provinces are yet considering the question of price control.

Stoppage of Central Government's Grant to Handlooms

The Central Government's grant-in-aid to the various Provinces for the development of the handloom industry, of Rs. 5 lakhs per year which was being given from 1934-35, was stopped from April 1947 (*vide* previous pages).

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

* No up-to-date census of handlooms has been undertaken by the Provinces and States. Since then, the present estimate is 24 lakhs.

(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 information which the Fact-Finding Committee was able to gather in 1941, there were about 11,640 power-looms 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 power-looms 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 power-looms all over the country during the last 5 years. According to the information available to the Cotton Textile

* 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 power-looms in mills is 2,03,000 at present.

Directorate, there are 1,830 factories with 18,758 power-looms all over the country. Of these 1,325 factories with 5,389 power-looms were located in Bombay Presidency, as many as 332 factories with 3,869 looms being in Surat alone.†

The prices of handloom cloth are higher than cloth made by power-looms but in the present shortage, no serious competition between the two is felt.

All these power-looms 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 power-looms 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 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 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.

There is no reliable information regarding the number of factories consisting of less than 25 powerlooms. Nor is any reliable information available regarding the yarn available to these powerlooms (August 1948).

* 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.

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 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 weav-

* 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.

ing 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 *karkhanas.* 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.

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, the 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 pyramidical 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 *taklis*, 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 utilised 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	46.79
11-20s	123 03	24.74	0.38	98.50
21-30s	70.48	...	0 32	70.16
31-40s	50.03	...	3.91	47.02
Above 40s	42.57	...	5.73	36.84
Two-folds, etc.	...	...	22.65	...
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 and 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 and 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	38.8	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 durris, 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. *Sári*, 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, *Cholikhan*, 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 complementary 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

* *Vide* Table No. 15 the portion entitled "Cotton Industry at a Glance" towards the beginning of the Indian Cotton Textile Industry Annual, 1946-47.

Board observed that the bulk of the handloom cloth was of count 20s and below, but the Fact-Finding Committee believe that such a statement was not correct in 1932, and that at any rate it is not quite correct at the present time (1941).

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	71.6	24.0	3.2	1.3
Average	54.4	33.8	11.8	

A glance at 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 *ghagra*, 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 *pitamber* 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. To-day, 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 exhibition. 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 corerct 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 unemployment 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. In 1944-45, 1945-46 and 1946-47, the production is estimated at 1,500, 1,360 and 1,220 million yards respectively. 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 1944-45, it was 25 per cent, 1945-46 it was about 24 per cent, and in

*Since the publication of the Fact Finding Committee's Report, Co-operative Societies are being encouraged in various Provinces, particularly Madras, Bombay, U.P., C.P. and Bihar. There has been a marked increase in the number of these societies and a larger number of weavers have been brought within their fold.

1946-47 it was 26 per cent. There has been a noticeable increase in the number of handlooms in Madras and to some extent even in 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, since 1926, faced with several serious financial crises 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 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, and in 1945-46 it fell to 4,675 million yards. In 1946-47, it was only 3,863 million yards. In 1947-48, it may be slightly higher.

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 above 70% 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 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 the 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

* The number increased to over 6 lacs in 1945-46.

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 War and the period following the War, namely, 1942 to 1945, to a bare 14 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. The total quantity of cloth available was smaller still in 1946-47, and the *per capita* consumption has fallen to 12.2 yards only in 1946-47.

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 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 commenced functioning in 1945, but has not been able to do much yet. We hope, however, that with the present sympathetic attitude of the Central Government and also the Provincial Governments towards this small-scale industry, it will be possible to evolve a progressive policy, and to effect improvements in its condition by revitalising its energy.

We fervently hope that this short account will be found helpful for devising suitable measures for the development of this celebrated centuries-old indigenous small-scale industry giving support to about 10 million people, and for assessing and appraising properly its importance in India's National Econmy * and in devising measures for its expansion on sound lines in the future.

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* 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.

APPENDIX C

Statement* showing the requirements of Millstores, Dyes, Chemicals, etc. for the Cotton Textile Industry (including Small-Scale Cottage Industries), indigenous Production of Millstores, etc., and the Type of Assistance necessary for the Allied Indigenous Industry (Prepared in 1947).

Serial No.	Nomenclature of article (a)	Present annual requirements (b)	Present available indigenous production (c)	Balance to be imported (d)	C.I.F. Value of (a) in *thousands* of rupees (e)	Remarks and recommendations of the Barat Committee regarding form of assistance to be given to the indigenous industry (f)
1	Card Clothing and Card ... Sundries Cylinder Fillet Doffer Fillet Sets of Tops	3,250	Nil. Neither can production be established within 2/3 years	3,250	237 from Switzerland	In view of acute shortage of Card Clothing present requirements have been restricted to availability. These accessories are vital for efficient yarn production and the possibility of increasing imports in subsequent years should not be lost sight of. A fair requirement would be 50% more as old clothing in use is gradually getting worn out.
	Card Sundries, Cotton ... Waste and Wadding Card Clothing Sundries	Appropriate quantities.	do.	Appropriate quantities	4,318 from U.K.	
2	Bobbins of various types ...	3,84,000 gross †	2,19,000 gross	1,65,000 gross	11,169	Most of the indigenous manufacture lacks the requisite quality due to (*a*) Non-availability of suitable types of timber. Haldu is the most commonly used timber but even then the manufacturers cannot secure this at proper price. Kiam and Kalam are also used in Bombay but are not very suitable. Imported Birch and Maple being used in limited quantities. Haldu timber of better quality to be made available at fair price; (*b*) Insufficient seasoning. Manufacturers must improve seasoning;

* This statement is an appendix to the Report of the Committee on Textiles and Allied Industries appointed by the Government of India, Ministry of Industry and Supply, in December 1947, under the chairmanship of Mr. T. P. Barat, Joint Textile Commissioner (now Textile Commissioner). The Report of this Committee has been printed as an appendix to the booklet published by the Government of India, Ministry of Industry and Supply for the use of the Conference on Industrial Development in India held at New Delhi between the 15th and 18th December 1947.

† These requirements will increase progressively as new spindleage are installed. For every new spindle installed approximately 1 dozen additional bobbins of all types would be necessary.

Serial No.	(a)	(b)	(c)	(d)	(e)	(f)
						(c) Insufficient and make shift equipment in use. Assistance required for importing modern automatic machinery. Industrialists capable of undertaking manufacture in a big way with modern plant must come into the field; (d) Standards for indigenous manufacture should be prescribed and adhered to.
3	Paper Cones & Tubes	... 2,17,000 lbs.	...	2,17,000 lbs.	217	Nil.
4	Shuttles	... 8,300 gross	300 gross	8,000 gross	6,000	Additional capacity for manufacturing shuttles in the country must be established. Plants available from U.S.A. and U.K. Price of imported cornel wood block for making one shuttle is about Rs. 0-8-0 whereas the price of finished shuttle is about Rs. 5 C.I.F.
5	Spinning spares such as (i) spindles (ii) Rings (iii) Fluted rollers (iv) Tin rollers (v) Drafting rollers (vi) Jockey pulleys etc. etc.	... 4,000 tons	500 tons	3,500 tons	14,000 mostly from U.K. Small portion from Switzerland	Indian manufacturers can produce more provided they receive raw materials and mills order out their requirements from these manufacturers.
6	Weaving Spares	... 3,000 tons	1,000 tons	2,000 tons	6,600 mostly from U.K.	...
7	Healds	... 8,00,000 Sets	3,00,000 Sets	5,00,000 Sets	4,500	Indigenous Industry should be expanded.
8	Wire Healds	... 55,000 Bundles of 1,000 pcs.	5,000 Bundles	50,000 Bundles	425	Indigenous Industry should be expanded. Assistance should be given to existing manufacturers in procuring steel wire.
9	Reeds	... 4,00,000 Pieces	1,00,000 Pieces	3,00,000 Pieces	1,800	Indigenous industry should be expanded. The industry should be assisted with reed-wires of which there is an acute shortage.

10	Pickers	... 37,500 gross	30,000 gross	7,500 gross	1,200	Indigenous manufacturers require following assistance—(a) import of some heavy hides from Java (Batavia), (b) supply of steel wires for binding (c) sperm oil to treat the pickers to make them more durable.
11	Mutton Tallow	... 3,600 tons	Nil	3,600 tons	6,240 from Australia, New Zealand and Argentine.	Nil
12	Starches— (a) Maize (b) Sago Powder (c) Deteriorated Flour (d) Tamarind Seed	36,000 tons including Hand-looms, Jute and miscellaneous purposes.	30,000 tons ... 2,000 tons 10,000 tons	4,000 tons 17,000 tons	2,000 7,000	The indigenous maize starch industry can take care of the entire requirements. Tamarind seed powder is a substitute and in the interest of conserving food this industry should be stabilised and made to improve their product. Maize starch industry should be assisted with maizegrain as soon as food position improves.
13	*Machine Cloths*:— (a) Roller Cloth (b) Clearer Cloth (c) Sizing Flannel (d) Friction Flannel (e) Endless Clearer Cloth	 ... 1,00,000 yds ... 90,000 yds. ... 3,00,000 yds. ... 600 yds. 30,000 ft.	 Nil Nil 50,000 yds. Nil Nil	 1,00,000 yds 90,000 yds. 2,50,000 yds 600 yds. 30,000 ft.	 900 630 1,562 6 240	It is recommended that indigenous production of these cloths should be encouraged and any causes standing in the way of such production should be looked into.
14	Roller Skins	... 56,000 doz.	22,400 doz.	33,600 doz.	34,000	The present quality of indigenous production is not satisfactory. Efforts must be made to improve the quality of production and to expand production.
15 16 17	Spindle Tapes Tubular Bandings Ropes and Bandings	... 30,000 gross yds. ... 1,500 cwts ... 5,000 cwts.	10,000 gross yds. 300 cwts. 1,500 cwts.	20,000 gross yds. 1,200 cwts. 3,500 cwts.	300 400 700	It is high time that the mills manufacture their requirements themselves as very simple machinery is required.
18	*Card Cans*— (a) Fibre Cans (b) Steel Cans	 ... 65,000 ... 17,000	 30,000 5,000	47,000	282	Jute-Lac fabric may be considered for replacing vulcanised fibre. Steel cans should not be imported but made in the country.

Serial No.	(a)	(b)	(c)	(d)	(e)	(f)
19	*Emery Fillets*— (*a*) Grooved	... 10,00,000 ft.	Nil	10,07,500 ft.	2,50	
	(*b*) Corrundex	... 7,500 ft.				
20	Coal Tar Dyes (for all industries including cottage)	5,900 tons	Nil	5,950 tons	99,000 from U.K., U.S.A., Switzerland and Germany.	There is at present an acute shortage of fast category dyes for use in Cottom Mills and Handlooms who consume the bulk of these dyes. It is recommended that in issuing import licences weightage should be given to import of dyes of fast categories *e.g.* Vats and Solubulised Vats, Naphthols, Alizarine, Aniline Salts, etc.
21	Hydrosulphite of Soda	... 2,000 tons	Nil	2,000 tons	4,500 from U.K. and U.S.A.	Nil
22	Formusol	... 500 tons	Nil	500 tons	800 U.K.	
23	Sodium Nitrite	... 200 tons	Nil	200 tons	150 U.K.	
24	Sodium Sulphide	... 2,000 tons	1,600 tons	400 tons	850	This chemical is also used in the tanning industry. The indigenous production should be improved both in quality and volume.
25	Sulphate of Alumina (iron free)	300 tons	Nil	300 tons	84	The whole of this can be made in India provided the manufacturers stick to specification.
26	Caustic Soda	... 14,500 tons	Exists partially but this is apportioned to many industries.	Nil	Nil	This is one of the basic chemicals for bleaching, mercerising and dyeing. Installed and potential capacities should be extended to the fullest possible limits.
27	Bleaching Powder	... 7,800 tons	2,400 tons	5,400 tons	1,600 U.K.	In view of the new caustic soda plants which are coming up, arrangements should be made to manufacture the total requirements locally.
28	Zinc Chloride	... 3,000 tons	300 tons	2,700 tons	2,200	It is possible to increase local production.
29	Soda Ash	... 20,000 tons	Exists partially but is apportioned to many industries.	Nil	Nil	This is a basic chemical required for several industries. One of the major sources (Khewra) has gone to Pakistan. The need for maintaining and establishing indigenous production is therefore common for all industries.

APPENDIX C

LIST OF COTTON TEXTILE MILLS IN INDIA, AND IN PAKISTAN

(1948)

(THOROUGHLY REVISED AND BROUGHT UP-TO-DATE)

With Names and full Addresses of Managing Agents, Number of Spindles and Looms.

INDIA

BOMBAY CITY & ISLAND

APOLLO MILLS LTD., DeLisle Road, Chinchpokli; *Agents*: Messrs. The Rajputana Textiles (Agencies) Ltd., Mill Premises, Bombay; *No. of Spindles*: Ring 45500, *No. of Looms*: 898.

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 109008; *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 32496; Total 34992; *No. of Looms*: 848.

CENTURY SPG. & MFG. CO. LTD., DeLisle Road, (North); *Agents*: Messrs. Sir Chunilal V. Mehta & Sons Ltd., Queen's Mansions, Prescott Road, Bombay; *No of Spindles*: Ring 95536; *No of Looms*: 2684 (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 (Automatic 20).

COORLA SPG. & WVG. CO. LTD., Kurla, Bombay Suburban District; *Agents*: Messrs. Cowasjee Jehangir & Co., Ltd., Readymoney Mansion, Churchgate Street, Bombay; *No. of Spindles*: Ring 24964; *No. of Looms*: 680.

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 Estate, Bombay; *No. of Spindles*: Mule 14720, Ring 61000, Total 75720; *No. of Looms*: 1219 (1 Automatic).

DAWN MILLS CO. LTD., Fergusson Road, Lower Parel; *Agents*: Messrs. Ramnarain Sons Ltd., Imperial Bank Annexe, Bank Street, Fort, Bombay; *No. of Spindles*: Mule 3960, Ring 36984, Total 40944.

*Appendix to the Indian Cotton Textile Industry—1947-48 Annual, by Mr. M. P. Gandhi.

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. Jethabhai Katau & Co., Mill Premises; *No. of Spindles*: Ring 43192; *No. of Looms*: 1177.

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 20016, Ring 27612, Total 47628; *No. of Looms*: 920.

ELPHINSTONE SPG. & WVG. MILLS CO. LTD., Elphinstone Road, Parel; *Agents*: Messrs. Chidambaram Mulraj & Co. Ltd., Kamani Chambers, 32, Nicol Road, Ballard Estate, Fort, Bombay; *No. of Spindles*: Mule 6960, Ring 31712, Total 38672; *No. of Looms*: 785.

FINLAY MILLS LTD., Government Gate Road, Parel; *Agents*: Messrs. James Finlay & Co. Ltd., Chartered Bank Building, 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*: Ring 41192; *No. of Looms*: 1335 (273 Automatic Looms).

HIRJEE MILLS LTD., Fergusson Road, Lower Parel; *Agents*: Messrs. J. R. Bhadani & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 48520; *No. of Looms*: 870.

INDIA UNITED MILLS LTD., No. 1 Mill (Formerly Jacob Mill) Suparibaug Road, Parel; *Agents*: Messrs. Agarwal & Co, Ltd., E. D. 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 Alexandra Mill) Ghorupdeo Road, Chinchpokli; *Agents*: Messrs. Agarwal & Co., E. D. Sassoon Bldg., Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Ring 35880; *No. of Looms*: 742.

INDIA UNITED MILLS LTD., No. 3 Mill (Formerly E. D. Sassoon Mill), Ghorupdeo Road, Chinchpokli; *Agents*: Messrs. Agarwal & Co., E.D. Sassoon Bldg., Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Mule 5390, Ring 70704; Total 76094; *No. of Looms*: 752.

INDIA UNITED MILLS LTD., No. 4 Mill (Formerly Rachael Mill), Chinchpokli Road; *Agents*: Messrs. Agarwal & Co., E. D. Sassoon Bldg., Dougall Road, Ballard Estate, Bombay; *No. of Looms*: 2139.

INDIA UNITED MILLS LTD., No. 5 Mill (Formerly Manchester Mill), Chinchpokli Cross Lane Kalachowki; *Agents*: Messrs. Agarwal & Co., E. D. Sassoon Bldg., Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Ring 28940; *No of Looms*: 684.

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*: Ring 48776; *No of Looms*: 1217.

JAM MFG. CO. LTD., (Mill No. 1), Lalbaug, Parel; *Agents*: Messrs. Waljee Shamjee & Co., Mill Premises; *No. of Spindles*: Ring 27260; *No. of Looms*: 910.

JAM MFG. CO. LTD., (Mill No. 2), Sewree Road; *Agents*: Messrs. Waljee Shamjee & Co., Jam Mill No. 1, Lalbaug, Parel, Bombay; *No. of Spindles*: Ring 23516; *No. of Looms*: 574.

JUBILEE MILLS LTD., New Sewree Road, Sewree; *Agents*: Messrs. Mangaldas Mehta & Co., Mubarak Manzil, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 38230; *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*: Ring 62932; *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*: 1846.

MADHOWJI DHARAMSEY MFG. CO. LTD., (Managed by a Board of Directors), Foras Road, Tardeo; *Agents*: Mr. Shriyans Prasad Jain, Mg. Director, 15-A Elphinstone Circle, Fort, Bombay; *No. of Spindles*: Ring 36644; *No. of Looms*: 838.

MADHUSUDAN MILLS LTD., DeLisle Road; *Agents*: Messrs. Bhadami Bros. Ltd., Mill Premises; *No. of Spindles* 55812; *No. of Looms*: 1742.

MEYER MILLS LTD., Fergusson Road, Lower Parel; *Agents*: Messrs. B. R. Sons Ltd., Empire House, Hornby Road, 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 7440 Ring 16536, Total 23976.

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., New Sewree 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 (26 Automatic Looms).

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 (84 Automatic Looms).

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., 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*: Lala Kailashpat Singhania, Director in charge; J. K. Bldg., Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Ring 53716; *No. of Looms*: 1405

NEW PRALHAD MILLS LTD., Fergusson Road, Lower Parel; *Agents*: Messrs. Amrit Banaspati Co. Ltd., East & West Bldg., Apollo Street, Fort, Bombay; *No. of Spindles*: Mule 1040, Ring 33096, Total 34136; *No. of Looms*: 1033 (Ordinary), 17 (Blanket).

NEW SUN MILL CO. LTD., (Formerly Madhao Rao Scindia Mill), Sun Mill Road, Lower Parel, *Mg. Directors*: Messrs. Bhupatrai Karunashanker and Karunashanker Punjram, 64-66 Chuckla Street, Bombay 3; *No. of Spindles*: Mule 7000, Ring 10244, Total 17244; *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., Tulsi Pipe Road, Lower Parel; *Agents*: Ramnarain & Sons, Imperial Bank Annexe, Fort, Bombay; *No. of Spindles*: Mule 7740, Ring 48128, Total 55868; *No. of Looms*: 1000.

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*: 928.

RAGHUVANSHI MILLS LTD., 11-12 Haines Road, Mahaluxmi; *Agents*: Messrs. Ravindra Maganlal & Co. Ltd., 52-54 Tambakanta, Pydhoni, Bombay 3; *No. of Spindles*: Ring 32288.

RUBY MILLS LTD., Woollen Mill Gully, Lady Jamshetji Road, Dadar; *Agents*: Messrs. Choonilal Jeevandas & Co., 49-55 Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 15620; *No. of Looms*: 446.

SASSOON SPG. & WVG. CO. LTD., Mount Estate, Ghorupdeo, 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., No. 1, DeLisle Road; *Agents*: Messrs. Govindram Brothers Ltd., 139, Medows Street, Fort, Bombay; *No. of Spindles*.: Mule 14512, Ring 65196, Total 79708; *No. of Looms*: 1048.

SEKSARIA COTTON MILLS LTD., NO. 2. DeLisle Road; *Agents*: Messrs. Govindram Brothers Ltd., 139, Medows Street, Fort, Bombay; *No. of Spindles*: Ring 14776, *No. of Looms*: 363. (15 Blanket Looms).

SHREE NIVAS COTTON MILLS LTD., DeLisle Road; *Agents*: The Marwar Textiles (Agency) Ltd., Shree Nivas House, Waudby Road, Fort, Bombay; *No. of Spindles*: Ring 63100; *No. of Looms*: 1720.

SHREE RAM MILLS LTD., Fergusson Road, Lower Parel; *Agents*: Messrs. Bhogilal Menghraj & Co., Ltd., Mill Premises; *No of Spindles*: Ring 43904; *No. of Looms*: 950 (2 Automatic Looms)

SIMPLEX MILLS CO. LTD., Clerk Road, Jacob Circle, Byculla; *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*: 1286.

SIR SHAPURJI BROACHA MILLS LTD., (Connaught Mill).

SIR SHAPURJI BROACHA MILLS LTD., (New Empress Mill) DeLisle Road, Chinchpokli; (Managed by a Board of Directors) Mr. Shriyans Prasad Jain, Mg. Director; 15-A, Elphinstone Circle, Bombay; *No. of Spindles*: Mule 1872, Ring 63344, Total 65216; *No. of Looms*; 1010 (Blanket 52).

STANDARD MILLS CO. LTD., Parbhadevi Road, Lower Parel; *Agents*: Messrs. Mafatlal Gagalbhai & Sons, 29, Churchgate Street, Fort, Bombay; *No. of Spindles*: Ring 51696; *No. of Looms*: 1677 (526 Automatic Looms).

SVADESHI MILLS CO. LTD., Kurla, Bombay Suburban District; *Agents*: Tata Industries Ltd., Bombay House, 24 Bruce Street, Fort, Bombay; *No. of Spindles*: Ring 65040; *No. of Looms*: 2092.

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 (24 Automatic Looms)

TATA MILLS LTD., Dadar Road, Parel; *Mg. Agents*: Messrs. Tata Industries Ltd., Bombay House, 24, Bruce Street, Fort, Bombay; *No. of Spindles*: 62468; *No. of Looms*: 1800.

VICTORIA MILLS LTD., DeLisle Road, Globe Mill Lane, Parel; *Agents*: Messrs. Mangaldas Mehta & Co. Ltd., Mubarak Manzil, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 49140; *No. of Looms*: 982.

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*: 1354 (216 Automatic Looms)

AHMEDABAD

AHMEDABAD ADVANCE MILLS LTD., Shahibag Road, 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 21484; *No. of Looms*: 509.

AHMEDABAD JAYA BHARAT COTTON MILLS, LTD. Beyond Kankaria Rly. Siding, Mithipur; *Agents*: Messrs. Chandulal Chimanlal & Co., Post Box No. 24, Ahmedabad; *No. of Spindles*: Ring 31580; *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 29508; *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, P.O. Box No. 42, Ahmedabad; *Agents*: Messrs. Hariprasad Jayantilal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 26924; *No. of Looms*: 592.

AHMEDABAD MFG. & CALICO PRINTING CO. LTD., (CALICO MILLS), Outside Jamalpur Gate; and (JUBILEE MILLS), Outside Dariapur Gate; *Agents*: Messrs. Karamchand Premchand Ltd., Post Box No. 28, Ahmedabad; *No. of Spindles*: Ring 117780; *No. of Looms*: 2360 (Ordinary), 40 (Blanket), (48 Automatic).

AHMEDABAD NEW COTTON MILLS CO. LTD., Near Kokhra Mehemadabad; *Agents*: Messrs. Narottam Chandulal & Co., Ltd., Mill Premises; *No. of Spindles*: Ring 20700; *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. 160, 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 Meneckial & Co., Mill Premises; *No. of Spindles*: Ring 21576; *No. of Looms*: 476.

AJIT MILLS LTD., Rakhial Road; *Agents*: Messrs. Chinubhai Naranbhai & Co., Ltd., Mill Premises; *No. of Spindles*: Ring 22460; *No. of Looms*: 512. (32 Automatic Looms)

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., Post Box No. 57, Ahmedabad; *No. of Spindles*: Ring 40728; *No. of Looms*: 912.

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 & Bros. Ltd, 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 52788; *No. of Looms*: 1108.

ASARWA MILLS, Asarwa Road, Railwaypura Post; *Lessees*: Messrs. Chhotabhai Patel & Co., Ltd., 12, Bell Lane, N. M. Wadia Bldg., Fort, Bombay; *No. of Spindles*: Ring 21824; *No. of Looms*: 482.

ASOKA MILLS LTD., Naroda Road; *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., Mill Premises; *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 31720; *No. of Looms*: 1288.

BHARAT SURYODAYA MILLS CO. LTD., 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., P. O. Box No. 4; *No. of Spindles*: Ring 17016; *No. of Looms*: 440.

CITY OF AHMEDABAD SPG. & MFG. CO. LTD., Kankaria Road; *Agents*: Messrs. Chamanlal Mangaldas & Sons, Mill Premises; *No. of Spindles*: Ring 22512; *No. of Looms*: 481 (Looms not working).

COMMERCIAL AHMEDABAD MILLS CO. LTD., Outside Prem Darwaja; *Agents*: Messrs. Dhanjibhai & Tricumlal & 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, (Hosiery Mill).

GIRDHARDAS HARIVALLABHDAS 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. Chaturam & Sons, Mill Premises; *No. of Spindles*: Ring 31888; *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 Prem Gate; *Agents*: Messrs. Jamnabhai Mansukhbhai, Mill Premises; *No. of Spindles*: Ring 25232; *Looms*: 644.

GUJERAT SPG. & WVG. CO. LTD., Outside Kalupur Gate; *Agents*: Messrs. Jumnabhai Mansukhbhai & Co., Mill Premises; *No. of Spindles*: Ring 23792; *No. of Looms*: 680.

HARIVALLABHDAS MULCHAND MILLS CO. LTD., Outside Dariapur Gate, P. O. Railwaypura; *Agents*: Messrs. Girdharlal Harilal & Co., Mill Premises; *No of Spindles*: Ring 17712; *No. of Looms*: 448.

HATHISING MFG. CO. LTD., Outside Saraspur Gate; *Agents*: Messrs. Maneklal Mansukhbhai & Co., Saraspur Road, Post Box No. 2, 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:* 761.

JITENDRA MILLS LTD., Astodia Mill Estate, Outside Astodia Gate; *Agents:* Messrs. Arvind Manubhai & Co., 2972, Ratanpole; *No. of Spindles:* Ring 3600.

KALYAN MILLS LTD., Naroda Road; *Agent:* Mr. Radhesyam R. Morarka, Director-in-charge, 74, Marine Drive, Bombay; *No. of Spindles:* Ring 14448; *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* 775.

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 Harivallabhdas & Co., Mill Premises; *No. of Spindles:* Ring 31492; *No. of Looms:* 752.

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 34480; *No. of Looms:* 792.

NEW MANECKCHOWK SPG. & WVG. CO. LTD., Outside Dariapur Gate, Railwaypura; *Agents:* Messrs. Lalbhai Tricumal, Mill Premises; *No. of Spindles:* Ring 27512; *No. of Looms:* 656.

NEW NATIONAL MILLS LTD., Rakhial Road; *Agents:* Messrs. Tricumlal Bhogilal Sons & Co., Mill Premises, 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 19452; *No. of Looms:* 370.

NEW SWADESHI MILLS OF AHMEDABAD LTD., Naroda Road; *Mg. Agents*: Messrs. The Cotton Agents Ltd., Imperial Bank Building, Bank Street, Fort, Bombay; *No. of Spindles*: Ring 26144; *No. of Looms*: 720.

NUTAN MILLS LTD., Saraspur, Outside Nikoli Gate, Saraspur Road; *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 29096; *No. of Looms*: 634.

RAJNAGAR SPG., WVG. & MFG. CO. LTD., (No. 1), Camp Road; Railwaypura; *Agent*: Mr. Mangaldas Girdhardas Parekh; P. O. Box No. 40, Ahmedabad; *No. of Spindles*: Ring 15220; *No. of Looms*: 724.

RAJNAGAR SPG., WVG. & MFG. CO. LTD., (No. 2), Camp Road; Railwaypura; *Agent*: Mr. Mangaldas Girdhardas Parekh; P. O. Box No. 40, Ahmedabad; *No. of Spindles*: Ring 29580; *No. of Looms*: 632.

ROHIT MILLS LTD., Mithipur, Ahmedabad; *Agents*: Messrs. Lallubhai Gordhandas Ltd., Kothra Mehmedabad, Mithipur, Ahmedabad; *No. of Spindles*: Ring 27580; *No. of Looms*: 642 (Ordinary), 50 (Art Silk).

RUSTOM JEHANGIR VAKIL MILLS CO. LTD., 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. Ltd., Mill Premises; *No. of Spindles*: Ring 24400; *No. of Looms*: 570.

SARANGPUR COTTON MFG. CO. LTD., (Mill No. 2). Near Jaganath Mahadev; *Agents*: Messrs. Sakarlal Balabhai & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 30236; *No. of Looms*: 828.

SARASPUR MILLS LTD., Near Saraspur Gate; *Agents*: Lalbhai Dalpatbhai Sons & Co., Mill Premises; *No. of Spindles*: Ring 35324; *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*: 704.

SHREE ANAND COTTON MILLS LTD., Near Saraspur Gate; *Agents*: Messrs. Anandram Ratanlal Ltd., Mill Premises; *No. of Spindles*: Ring 19820; *No. of Looms*: 446.

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, LTD., Saraspur Road, Railwaypura Post, Ahmedabad; *Managing Agents*: Mooljee Jaitha & Co., Mooljee Jetha Bldg., Princess St., Bombay; *No. of Spindles*: Ring 18228; *No. of Looms*: 593.

SHRI VIVEKANAND MILLS LTD., Rakhial Road, P. O. Railwaypura; *Agents*: Messrs. Nanubhai Maneklal & Co., Mill Premises; *No. of Spindles*: Ring 18032; *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. Ltd., Mill Premises; *No. of Spindles*: Ring 28416; *No. of Looms*: 670.

VIKRAM MILLS LTD., Outside Saraspur Gate, Railwaypura; *Agents*: Messrs. Ramanlal Lallubhai Ltd., Mill Premises; *No. of Spindles*: Ring 26412; *No. of Looms*: 800.

OTHER MILLS IN BOMBAY PROVINCE

ABDUL SAMAD HAJI LAL MUHAMMAD WVG. FACTORY, Bhivandi (Thana District); *Owner*: Khan Saheb Abdul Somad Haji Lal Muhammad, Mill Premises: *No. of Looms*: 246.

ANJAR SPG. & WVG. MILLS CO. LTD. (Formerly: Kutch Spg. & Wvg. Co. Ltd.,) Anjar, (Kutch) *Mg. Director*: P. V. Shah Esqr., Mill Premises; *No. of Spindles*: Ring 5312; *No. of Looms*: 1824.

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 (District Sholapur); *Agents*: Messrs. Desai Sons & Co., Mill Premises; *No. of Spindles*: Ring 10900; *No. of Looms*: 271.

BHÁRAT 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), *Agents*: Messrs. Ramanlal Champaklal & Co., Palace Road, Baroda; *No. of Spindles*: Ring 12376; *No. of Looms*: 320.

BROACH FINE COUNTS SPG. & WVG. CO. LTD., Mahamadpura Road, Near Station, Broach; *Agents*: Messrs. Brijlal Bilasrai & Co., Agakhan Bldg., Dalal St., Fort, Bombay; *No. of Spindles*: Ring 28848; *No. of Looms*: 542.

CHALISGAON SHRI LAXMI NARAYAN MILLS CO. LTD., Chalisgaon, E. Khandesh; *Managing Agent*: Sheth Narayan Bankat, Mill Premises; *No. of Spindles*: Ring 22636; *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.

GAEKWAR MILLS LTD., Billimora (Baroda State); *Agents*: Messrs. H. M. Mehta & Co. Ltd., Billimora; *No. of Spindles*: Ring 29276; *No. of Looms*: 650.

GENDALAL MILLS LTD., Jalgaon, East Khandesh; *Mg. Director*: Surajmal Gendalal Badjatia, Esq., Mill Premises; *No. of Spindles*: Ring 12504; *No. of Looms*: 368.

GOKAK MILLS LTD., Gokak Falls, Balgaum Dist. S. M. C.; *Agents*: Messrs. Forbes Forbes Campbell & Co. Ltd., Forbes Building, Home Street, Bombay; *No. of Spindles*: Ring 72896; *No. of Looms*: 2. (Looms Produce Tyre Cloth).

GOPAL MILLS CO. LTD., (Nos. 1, 2 & 3), Mahatma 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.

JAYASHANKAR MILLS, BARSI, LTD., Barsi Town; *Agents*: Messrs. Zadbuke & Co., Mill Premises; *No. of Spindles*: Ring 11840.

KANTI COTTON MILLS, Wadhwan Camp (Kathiawar); *Mg. Agents*: Chandulal Ratilal & Co., 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 (E.K.); *Agents*: Messrs. Indrasingh & Sons Ltd., Cambata building, 42, Queen's Road, Back Bay Reclamation, Fort, Bombay; *No. of Spindles*: Ring 22040; *No. of Looms*: 465, (17 Blanket Looms).

KRISHNA KUMAR MILLS CO. LTD., Mahuva (Kathiawar); *Agents*: Messrs. Surendranath Maganlal & Co., Mill Premises; *No. of Spindles*: Ring 8496.

LAKSHMI COTTON MFG. CO. LTD., Sholapur; *Agents*: Messrs. The Bombay Co. Ltd., 9, Wallace Street, Fort, Bombay; *No. of Spindles*: Ring 45252 *No. of Looms*: 1281.

LOKAMANYA MILLS (BARSI) 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. (96 Art Silk Looms).

MAHARANA MILLS LTD., Porbandar (Kathiawar); *Agent* : Sheth Nanjibhai Kalidas Mehta, M. B. E., Swastik Bhuwan, Ugawda Road; *No. of Spindles*: Ring 23356; *No. of Looms*: 546.

MARATHE TEXTILE MILLS; Near Rly. Station Miraj (S. M. C.), *Agents*: B. K. Marathe & Sons, Mill Premises; *No. of Spindles*: Ring 2796.

NARAYANDAS CHUNILAL COTTON SPG. & WVG. MILLS, Gadag City, Dharwar District; *Proprietors*: Messrs. Narayandas Chunilal, 312, Kalbadevi Road, Bombay No. 2; *No. of Spindles*: Ring 12824; *No of Looms*: 214.

NARSINGGIRJI MFG. CO. LTD., Station Road, 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 INDIA INDUSTRIES LTD., Jetalpur Road, Baroda; *Agents*: Messrs. Distributors (Baroda) Ltd., Race Course Road, Baroda; *No. of Spindles*: Ring 6300.

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 Manekchand & 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, Railwaypura Post, Ahmedabad; *No. of Spindles*: Ring 44556; *No. of Looms*: 866.

NIRANJAN MILLS LTD., Falsawadi, Surat; *Agents*: Messrs. Shapoorji & Co., Mill Premises; *No. of Spindles*: Ring 8044; *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 18256.

PRABHA MILLS, LTD. (formerly Viramgam Mills), Fulwadi Road, Viramgam: Owners: Messrs. Janak Ltd., 59, Forbes Street, Fort, Bombay; *No. of Spindles*: Mule 450; Ring 23300; Total 23750; *No of Looms*: 559.

PRATAP SPG., WVG. & MFG. CO. LTD., Amalner, East Khandesh; *Agents*: Messrs. Motilal Maneckchand & Co., Amalner, East Khandesh; *No. of Spindles*: Ring 48952; Total 48952; *No. of Looms*: 1086: 14 (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., Mill Premises; *No. of Spindles*: Ring 23750; *No. of Looms*: 31.

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 (Baroda); *Agents*: Messrs. Ramanlal Keshavlal & Co., Mill Premises; *No. of Spindles*: Ring 18560; *No. of Looms*: 378.

SANTOKBHAI SPG. & WVG. FACTORY, Bhavsinghji Road, Bhavnagar; *Owners*: Messrs. Govindlal Gandalal Gundigara, Mill Premises; *No. of Spindles*: Ring 3272.

SECUNDER SARI MILLS, Sowdagar Mohalla, Bhivandi (Thana District); *Agent*: Abdul Quadir Secunder Patel, Esq., Mill Premises; *No. of Looms*: 103.

SHOLAPUR SPG. & WVG. CO. LTD., Station Road, Sholapur; *Agents*: Messrs. Morarka & Co., Standard Building, Hornby Road, Fort, Bombay; *No. of Spindles*: Ring 100900; *No. of Looms*: 2234.

SHREE BALAJI SPG., WVG. & OIL MILLS, Extension Part, Sangli; *Prop.* Jayanarayan Sivnath Ladda, Esq., Mill Premises; *No. of Spindles*: Ring 5140; *No. of Looms*: 95.

SHREE DIGVIJAYASINGHJI SPG. & WVG. MILLS, Bedeshwar Bunder Road, Jamnagar; *Proprietor*: Mr. Mangaldas H. Patel, Mill Premises; *No. of Spindles*: Ring 13704; *No. of Looms*: 100.

SHREE HARI COTTON MILLS LTD., (Formerly Siddhraj Mills) Near Rly. Station, Sidhpur (N. G.) *Props.* Messrs. Jalan Bros., Mill Premises; *No. of Spindles*: Ring 3262.

SHRI HARSHAD TEXTILE MILLS, Jamnagar; Messrs. P. V. Shah, D. K. Shah & G. M. Maroo, Partners, Mill Premises; *Looms*: 92.

SHRI RAMESH COTTON MILLS LTD., (Formerly Morvi Cotton Mills Ltd.), Morvi Kathiawar; *Agents*: Messrs. The Morvi Industries Ltd., Mill Premises; *Spindles*: Ring 11988; *Looms*: 324.

SHREE SAYAJI JUBILEE COTTON & JUTE MILLS CO. LTD., Opp. Rly. Station, Sidhpur; *Agents*: Messrs. Prehadji Sevakram & Co., Mill Premises; *No. of Spindles*: Ring 14412; *No. of Looms*: 320.

SHREE VIJAYALAXMI COTTON MILLS LTD., (Formerly Cambay State Mills), Husein Yawar Road, Cambay (Dist. Kaira); *Agents*: The Textile Agents Ltd., Mill Premises; *No. of Spindles*: Ring 17936; *No. of Looms*: 336.

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 AMARSINGHJI MILLS LTD., Wankaner (Kathiawar); *Agents*: Messrs. Jayantilal Amritlal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 12624; *No. of Looms*: 320.

SHRI GAJANAN MILLS, Sudamapuri, Sangh; S. M. C. *Prop.* V. R. Velankar, Esq., Mill Premises; *No. of Spindles*: Ring 7968; *No. of Looms*: 212; 83 (Art Silk).

SHRI JAGDISH MILLS LTD., Padra Road, Post Box No. 54, Baroda; *Agents*: M/s. Jagdish Agency Ltd., Mill Premises; *No. of Spindles*: Ring 20320; *No of Looms*: 407.

SHRI LAXMI TEXTILE MILLS LTD., Bhor (Bhor State); *Mg. Agents*: Messrs. H. R. Karandikar, D. B. Phatak, M. G. Desai, Mill Premises; *Spindles*: Ring 4080.

SHRI NARAYAN WEAVING MILLS, Ichalkaranji, S. M. C.; *Proprietors*: Messrs. Sangle Brothers, Mill Premises; *No of Looms*: 92.

SHRI SAYAJI MILLS CO. LTD., Near Railway Station, Baroda; *Agents*: Messrs. Vadilal Lallubhai & Co., Mill Premises; *No of Spindles*: Ring 25780; *No of Looms*: 602.

SHRI SHAHU CHHATRAPTI 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*: Mr. Navichandra Mafatlal, 29, Churchgate Street, Fort, Bombay; *No. of Spindles*: Ring 21464; *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. Rly. Station, Nandol Degham (Baroda State); *Agents*: Messrs. T. Bhogilal & Sons, Mill Premises; *No. of Spindles*: Ring 3452.

VISHNU COTTON MILLS LTD., Sholapur; *Agents*: Messrs. The Bombay Co. Ltd., 9, Wallace Street, Fort, Bombay; *No. of Spindles*: Ring 44600; *No. of Looms*: 1433, (12 Blanket).

RAJPUTANA

EDWARD MILLS CO. LTD., Beawar; *Mg. Dr.*: Rai Saheb Seth Motilalji Raniwalla, Diggi Street, Beawar; *No. of Spindles*: Ring 20488; *No. of Looms*: 376.

JAIPUR SPG. & WVG. MILLS LTD., Near Power House, Jaipur, *Mg. Agents*: Messrs. Shree Laxmi Traders, Ltd., Jobner Baug, Jaipur; *No. of Spindles*: Ring. 5096.

KOTAH TEXTILES LTD., Bhimgunj, Kotah Junction; *Mg. Agents*: Messrs. Piramal Chaturbhuji & Co., Mill Premises; *No. of Spindles*: Ring 7596; *Looms*: 160.

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*: 636.

MAHALAXMI MILLS CO. LTD., Beawar; *Mg. Dr.*: Rai Saheb Sheth Lalchand Kothari Mill Premises; *No. of Spindles*: Ring 13728; *No. of Looms*: 416.

MAHARAJA KISHENGARH MILLS CO. LTD., Madanganj, Kishengarh, *Mg. Agents*: Rai Bahadur Sheth Tikamchand Bhagchand Ltd., Madanganj Kishengarh; *No. of Spindles*: Mule 4320; Ring 22328; Total 26648; *No. of Looms*: 392.

MAHARAJA SRI UMAID MILLS LTD., Pali-Marwar; *Agents*: Messrs. The Shree Krishna Agency Ltd. Mill Premises; *No. of Spindles*: Ring 17136; *No. of Looms*: 428.

MEAWAR TEXTILE MILLS LTD., Bhilwara; *Mg. Agents*: Messrs. Sobhagmal Sampatmal Lodha, Office on Mill Premises; *No. of Spindles*: Ring 7812; *No. of Looms*: 250.

SREE BIJAY COTTON MILLS LTD., Near Railway Station, Bijaynagar (Ajmer); *Mg Director*: Seth Raghunathsingh Mansinghka, Mill Premises; *No. of Spindles*: Ring 11560; *No. of Looms*: 306.

SHREE MAHADEO COTTON MILLS LTD., Bhilwara; *Mg. Director*: Seth Sanwarmal Mansinghka, Mill Premises; *No. of Spindles*: Mule 1280, Ring 3260, Total 4540. *No. of Looms*: 45.

BERAR

BERAR MFG. CO. LTD., Badnera; *Agents*: Messrs. Kastoorchand Dadabhoy & Co., Ilaco House, Sir Phirozshah Mehta Road, Fort, Bombay; *No. of Spindles*: Ring 21334; *No. of Looms*: 369.

R. S. REKHCHAND GOPALDAS MOHOTA SPG. & WVG. MILLS LTD., Akola; Mg. *Agents*: Messrs. Bulakidas Mohota & Co. Ltd., Mill Premises, *No. of Spindles*: Mule 468, Ring 21408; Total 21876; *No. of Looms*: 466.

SAVATRAM RAMPRASAD MILLS CO. LTD., Tajnapeth, Akola; *Agents*: Messrs. Savatram Sons Ltd., Akola; *No. of Spindles*: Ring 13096; *No. of Looms*: 292.

VIDARBHA MILLS (BERAR) LTD., Ellichpur, Amraoti Dist; *Secretaries, Treasurers and Agents*: Messrs. Deshmukh & Co., Mill Premises; *No. of Spindles*: Ring 12092; *No. of Looms*: 343.

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, Lal Baug, Niwar Dist.; *Secretaries, Treasurers and Agents*: Messrs. P. N. Mehta & Sons, Cooks Building, Hornby Road, Fort, Bombay; *No. of Spindles*: Ring 29512, *No. of Looms*; 536 (Ordinary), 2 (Automatic).

CENTRAL INDIA SPG., WVG. & MFG. CO., LTD. (Empress Mills), Nagpur, *Mg. Agents*: Messrs. Tata Industries Ltd., Bombay House, Bruce Street, Fort, Bombay; *No of Spindles*: Ring 115188; *No. of Looms*: 2168 (Ordinary) 33 (Blanket) 10 (Automatic).

MODEL MILLS (NAGPUR) LTD., Umrer Road, 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 (Dist. Wardha); *Mg. Agents*: Messrs. Hardayal Sons, 59, Apollo St., Bombay; *No. of Spindles*: Ring 17792; *No of Looms*: 245.

RAI BAHADUR BANSILAL ABIRCHAND SPG. & WVG. MILLS LTD., Hinganghat, Dist. Wardha; *Owners*: Shrimathi Sodra Devi N. Doga & others, Mill Premises; *No. of Spindles*: Ring 31600; *No. of Looms*: 394.

RAI SAHEB REKHCHAND MOHOTA SPG. & WVG. MILLS, Hinganghat (Dist. Wardha) *Mg. Director*: 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*: 159.

GAYA COTTON AND JUTE MILLS LTD., Gaya; *Managing Director*: G. P. Prasad Bhadani, Esq., Mill Premises; *No. of Spindles*: Mule 1188, Ring 19336, Total 20524; *No. of Looms*: 586.

HYDERABAD (NIZAM'S TERRITORY)

AURANGABAD MILLS LTD., Aurangabad; *Agents*: Messrs. Gupta Sons, Empire House, Hornby Road, Fort, Bombay; *No. of Spindles*: Mule 2640, Ring 15676, Total 18316; *No. of Looms*: 271.

AZAMJAHI 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 Secunderabad (Deccan); *Agents*: Messrs. Lachminarayan Ramgopal & Sons Ltd., Mill Premises; *No. of Spindles*: Ring 16376; *No. of Looms*: 303.

HYDERABAD (DECCAN) SPG. & WVG. CO. LTD., Elchigudda Secunderabad (Deccan); *Agents*: Messrs. Ramannah Bhoomiah and Venkata Krishniah, Mill Premises; *No. of Spindles*: Ring 13080; *No. of Looms*: 241.

MAHABOOBSHAHI KULBURGA MILLS CO. LTD., Gulbarga; *Agents*: Messrs. Dayaram Surajmal Lahoti, Begumpet (Deccan); *No. of Spindles*: Ring: 27764; *No. of Looms*: 598.

OSMANSHAHI 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 & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 34952; *No. of Looms*: 861.

BINOD MILLS CO. LTD., (Deepchand Mills), Ujjain, Gwalior; *Secretaries, Treasurers and Agents*: Messrs. Binodiram Balchand & Co. Ltd., Mill Premises; *No. of Spindles*: 16284; *No. of Looms*: 480.

HIRA MILLS LTD., Ujjain; *Agents*: Sir Sarupchand Hukamchand & Co., Sitelmata Bazar, 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 43920, Total 44388; *No. of Looms*: 1488 (Ordinary), 5 (Blanket).

INDORE MALWA UNITED MILLS LTD. (Old & New Mills) Indore; *Agents*: Messrs. Govindram Seksaria, 139, Medows Street, Fort, Bombay; *No. of Spindles*: Mule 2182, Ring 50020; Total 52202 *No. of Looms*: 1420 (Ordinary), 42 (Blanket).

JIYAJEERAO COTTON MILLS LTD., Near Morar Road Rly. Station, Gwalior; *Mg. Agents*: Messrs. Birla Bros. Ltd., Mill Premises; *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 Saheb Seth Alabakhshji Muniruddin Nazarali, Mill Premises; *No. of Spindles*: Ring 17512; *No. of Looms*: 379.

MOTILAL AGARWAL MILLS LTD., Near Morar Road Railway Station, Gwalior; *Mg. Director*: L. Bansidar Bansal, Esq., Mill Premises; *No. of Spindles*: Mule 1464, Ring 15300, Total 16764.

NANDLAL BHANDHARI MILLS LTD., Indore; *Secretaries, Treasurers and Agents*: Messrs. Nandlal Bhandari & 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 Road, Indore; *Owners*: Messrs. Nandlal Bhandhari & Sons, Mill Premises; *No. of Spindles*: Ring 15696; *No. of Looms*: 351.

RAJKUMAR MILLS LTD., Silnath Camp Road, Indore; *Agents*: Sir Sarupchand Hukamchand & Co., Mill Premises; *No. of Spindles*: Ring 19728; *No. of Looms*: 700 (Ordinary), 4 (Blanket).

SHRI SAJJAN MILLS LTD., Ratlam; *Agents*: Messrs. Gopaldas Liladhar & Co., Mill Premises; *No. of Spindles*: 15824; *No. of Looms*: 439.

SHRI MAHARANI MAHALSABAI COTTON MILLS CO. LTD., Dewas Junior; *Agents*: Seth Dwarkadas Dharamsey, Station Road, Ratlam; *No. of Spindles*: Ring 10242.

SWADESHI COTTON AND FLOUR MILLS LTD., Silnath Camp, Indore; *Managing Agents*; Messrs. Jagannath Narayan & Co., Sanyogita Ganj, Indore; *No. of Spindles*: Ring 15332; *No. of Looms*: 362 (Ordinary), 28 (Blanket).

BENGAL PROVINCE

ACHARYA PRAFULLA CHANDRA COTTON MILLS LTD., Boyra Main Road, Khulna, *Mg. Agents*: Bengal Workers Association Ltd., 21-A Canning Street, Calcutta, E. Bengal; *No. of Looms*: 110.

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, (24 Parganas); *Secretary*: Mr. Vassonji Damodar, Mill Premises; *No. of Looms*: 340.

BASANTI COTTON MILLS LTD., Barrackpore Trunk Road, Panihati (24 Parganas); *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; *Mg. Agents*: Messrs. S. K. Roy & Co. Ltd., 2, Dalhousie Square East, Calcutta; *No. of Spindles*: Ring 1980; *No. of Looms*: 77.

BENGAL LUXMI COTTON MILLS LTD., Mahesh, Serampore, Dist. Hoogly.; *Agents*: Messrs. The Bengal Textile Agency, 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.

DUNBAR MILLS LTD., (Nos. 1, 2, 3 & 4) Shamnagar, (24 Parganas); *Agents*: Messrs. Kettlewell Bullen & Co. Ltd., 21, Strand Road, Culcutta; *No. of Spindles*: Ring 42944; *No. of Looms*: 530.

EAST INDIA COTTON MILLS LTD., Maurigram, Howrah District; *Managing Directors*: Mr. S. P. Chakravarti & Mr. Manabendra Mohan Kandu Chowdhury, 120, Maharshi Debendra Road, P. O. Hatkola, Calcutta; *No. of Looms*: 96.

HINDUSTAN COTTON MILLS LTD., Belgurriah (24 Parganas), *Managing Director*: Dr. A. C. Sen Gupta, National Bank Building, P-2, Mission Row Extension, Calcutta; *No. of Looms*: 120.

HOOGHLY 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, 8, Royal Exchange Place, Calcutta; *No. of Spindles*: Ring 57900; *No. of Looms*: 1990.

MAHALUXMI COTTON MILLS LTD., Palta, (24-Parganas); *Mg. Agents*: Messrs. H. Datta & Sons Ltd., 15, Netaji Subhas Road, Calcutta; *No. of Spindles*: Ring 5788; *No. of Looms*: 169.

MAVINDRA MILLS LTD., Cossim Bazar, Murshidabad (West Bengal); *Agents*: Messrs. Choudhury Roy & Co. Ltd., 23, Hurro Chunder Mullick Street, Calcutta; *No. of Looms*: 96.

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*: 527.

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*: 334.

PRAVATI TEXTILE MILLS LTD., Panihatti; *Agents*: Messrs. K. C. Biswas & Co., Mill Premises; *No. of Looms*: 52.

RAMPOORIA COTTON MILLS LTD., Serampore, Mohesh; *Mg. Agents*: Messrs. Hazarimall Heeralal, 148 Cotton Street, Calcutta; *No. of Spindles*: Ring 21064; *No. of Looms*: 795.

SHREE HANUMAN COTTON MILLS CO., Fuleshwar, P. O. Ulubaria, Dist. Howrah; *Owners*: Messrs. Partabmul Rameshwar & Nursingh & Co., 46, Strand Road, Calcutta; *No. of Spindles*: Ring 24916.

SHREE RADHA KRISHNA COTTON MILLS LTD., (No. 1), 122, Old Ghusery 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 Road, Belur, Howrah Dist.; *Mg. Agents*: Messrs. Sadhuram Tularam, 122, Old Ghusery Road, Howrah; *No. of Spindles*: Ring 18732; *No. of Looms* 564.

SHREE RADHESYAM MILLS LTD., 220, Naskarpara Road, Ghusery, Howrah; *Agents*: Messrs. Sobharam Keshavdeo, 15, Netaji Subhas Road, Calcutta; *No. of Spindles*: Mule 14774, Ring 30592, Total 45366; *No. of Looms*: 416.

SIDDHEWARI COTTON MILLS, Anantpur, Via Bagnan, Howrah; *Owners*: Messrs. Manna Mondal and Mullick & Co., Mill Premises; *No. of Looms*: 112.

SRI DURGA COTTON SPG. & WVG. MILLS LTD., Konnagar, (E. I. Rly.); *Agents*: Messrs. Choudhury & Co. Ltd., 23, Hurrochander Mullick Street, Calcutta; *No. of Spindles*: Ring 5532; *No. of Looms*: 220.

SWADESHI INDUSTRIES LTD., Panihatti; *Mg. Agents*: Messrs. Anandaram Gajadar, 51, Vivekananda Road, Calcutta. *Looms*: 151.

VICTORIA COTTON MILLS CO., Ghoosery, Salkia P. O., (Howrah Dist.) *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, G. T. Road, Amritsar; *Proprietor*: Sir Sahabji Maharaj Mills, Ltd., Mill Premises: *No. of Spindles*: Mule 9042, Ring 3952, Total: 12994; *No. of Looms*: 252.

PUNJAB CLOTH MILLS LTD., Bhiwani (Dist. Hissar); *Mg. Director*: Mr. Radhakishen Puranmal, Bhiwani; *No. of Spindles*: Ring 7908; *No. of Looms*: 225.

DELHI PROVINCE

BIRLA COTTON SPG. & WVG. MILLS LTD., 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., (Mill No. 1, 2 & 3) Rohtak Road, Delhi; *Mg. Directors*: Sir Shri Ram & Sir Shankar Lal, P. O. Box No. 39, Delhi; *No. of Spindles*: Ring 70000; *No. of Looms*: 1828, 197 Automatic Looms.

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).

LAKSHMICHAND JAIPURIA MILLS, (Mahabir Cotton Spg. & Wvg. Company Limited, Lease holders) Subzimundi, Delhi; *Owner*: Mr. R. S. Seth Ram Cowar Jaipuria, Mill Premises; *No. of Spindles*: Mule 4788, Ring 9924, Total 14712; *No. of Looms*: 226.

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 21396; Total 23436; *No. of Looms*: 503.

BIJLI COTTON MILLS LTD., Sasni Gate, Mendu Road, Hathras City; *Mg 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 Indian 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 Indian 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*: Ring 23936; *No. of Looms*: 510.

DAYALBAGH TEXTILE MILLS LTD., Dayalbagh, Agra; *Agents*: Social Security & Service Corporation Ltd. Dayalbagh; *No. of Looms*: 72; (120 Ring Wool *Spindles* & 6 Blanket Handlooms).

ELGIN MILLS CO. LTD., Civil Lines, Cawnpore; *Mg. Agents*: Messrs. Begg Sutherland & Co. Ltd., Sutherland House, Cawnpore; *No. of Spindles*: Mule 16936, Ring 35473, Total 52409; *No. of Looms*: 1198.

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 CO. LTD., Mau-Aima, Allahabad District. (Not working since 1942).

JOHN'S MILLS CO., Jeoni-ka-Mandi, Agra; *Owner*: Ronald Edwin John Esq., Jatnika Bagh, Agra; *No. of Spindles*: 51360.

J. K. COTTON MANUFACTURERS LTD., Darshanpura, Kamlapet Road, Cawnpore; *Mg. Agents*: Messrs. J. K. Commercial Corporation Ltd., 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 Padampat Singhania, Kamla Tower, Cawnpore; *No. of Spindles*: Ring 44964; *No. of Looms*: 1115 (4 Automatic).

KANAUJ DYEING & WVG. MILLS, Moh. Patanala Kanauj (U.P.); *Owners*: Messrs. Mannilal Benimadhawa, Mill Premises; *No. of Spindles*: Nil; *No. of Looms*: 70.

LAKSHMIRATAN COTTON MILLS CO. LTD., Kalpi Road, Cawnpore; *Mg. Agents*: Messrs. Beharilal Ramcharan, Bihari Nivas, Cawnpore; *No. of Spindles*: Ring 29340; *No. of Looms*: 788, (Ordinary), 26 (Blanket).

LALLA MAL HARDEO DASS COTTON SPG. MILL CO., Sadabad Gate, Hathras City, Aligarh District; *Receiver & Manager*: Mr. D. D. Seth, Mill Premises; *No. of Spindles*: Mule 4001, Ring 6426, Total 10427.

MORADABAD SPG. & WVG. MILLS CO. LTD., Moradabad; *Mg. Director*: Lala Hariraj Swarup, Kundanpur, Moradabad; *No. of Spindles*: Mule 8400, Ring 3732, Total 12132.

MUIR MILLS CO. LTD., Cawnpore; *Mg. Director*: K. J. D. Price Esq., Cawnpore; *No. of Spindles*: Mule 30528, Ring 56128, Total 86656; *No. of Looms*: 1652.

NARAYAN COTTON MILLS, Bansumandi, Cawnpore; *Owners*: Messrs. D. P. Singh and five other brothers, Subjimandi, Cawnpore; *No. of Spindles*: Mule 456, Ring 14200, Total 14656.

NEW VICTORIA MILLS CO. LTD., Gwaltoli, Cawnpore; *Secretaries*: Messrs. J. P. Shrivastava & Sons Ltd., P. B. No. 46, Cawnpore; *No. of Spindles*: Mule 5980, Ring 64772, Total 70752; *No. of Looms*: 1367.

PREM SPG. & WVG. MILLS CO. LTD., Ujhani; *Secretary*: L. Kailash Chandra Soni, Ujhani (U.P.); *No. of Spindles*: Ring 17600.

RAMCHAND SPG. & WVG. MILLS, Hathras City, Aligarh District; *Owners*: Messrs. Hiralal Gulabchand & Co., Mursan Gate, Hathras City; *No. of Spindles*: Mule 3540, Ring 16480, Total 20020; *No. of Looms*; 171.

RAZA TEXTILES LTD., P.O. Jwalanagar, Rampur State; *Mg. Agents*: Messrs Sir J. P. Srivastava & Sons (Rampur) Ltd., Rampur (State); *No. of Spindles*: Ring 19064; *No. of Looms*: 440.

R. G. COTTON MILLS CO. LTD., Talkatora, Lucknow; *Mg. Director*: Ranjit Singh, Esq., M.A., LL.B., O.B.E., Mill Premises; *No. of Spindles*: Ring 17512; *No. of Looms*: 310.

SACHENDI COTTON MILLS, Sachendi; *Agents*: Messrs. Naraindas Gopaldas, Shree Dwarkadish Road, Cawnpore; *Spindles*: Mule 2640, Ring 800, Total 3440.

SHRI RADHA KRISHNA MILLS., Narghat, Mirzapore; *Agents*: Messrs. Seksaria Bros. Ltd., 15, Vivekananda Road, Calcutta; *No. of Looms*: 71.

SWADESHI BHIMA COTTON MILLS LTD., Grand Trunk Road, Aligarh, Near Village Sarsol; *Proprietors*: Messrs. The Bharat Stores Ltd., Agra; *No. of Spindles*: Mule 2968, Ring 1800, Total 4768.

SWADESHI COTTON MILLS CO. LTD., Juhi, Cawnpore; *Mg. Director*: Messrs. Jaipuria Bros. Ltd., Generalganj, Cawnpore; *No. of Spindles*: Mule 988, Ring 113848, Total 114836; *No. of Looms*: 1877.

MADRAS PROVINCE

AARON SPG. & WVG. MILLS LTD., Pappinisseri (N. Malabar); *Managing Director*: C. S. Aaron Esq., Mill Premises; *No. of Looms*: 321.

ALAGAPPA TEXTILES (Cochin) LTD., Alagappanagar (Cochin State); *Agents*: Messrs. Ramal & Co. Ltd., Alagappanagar P. O.; *No. of Spindles*; Ring 40172.

ASHER TEXTILES LTD., Avanashi Road, Tiruppur (Coimbatore District); *Managing Agents*: The Textile Corporation Ltd., Mill Premises; *No. of Spindles*: Ring 14000.

BALAKRISHNA MILLS LTD., 21, East Madura Station Road, Madura; *Mg. Director*: Mr. A. H. S. Ramaswamy, 87, East Veli Street, Madura; *No. of Spindles*: Nil; *No. of Looms*: 83.

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., Alagappanagar, 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 14000.

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 46402; *No. of Looms*; 382.

COIMBATORE SPG. & WVG. CO. LTD., (formerly Andhra Cotton Mills) 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; *No. of Looms*: 100.

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; *No. of Looms*: 70.

JAYARAM MILLS LTD., Rajapalayam (Ramnad Dist.,) *Agents*: Ramco Management Ltd., Mill Premises. *No. of Spindles*: Ring 1720. *No. of Looms*: 81.

JAYALAKSHMI MILLS LTD., Uppilipalayam, Singanallur P.O.; *Mg. Director*: Mr. R. Thulasidoss: *No. of Spindles*: Mule 2170, Ring 408, Total 2578.

JAYANTI RAMCHANDRAPPA SETTY MILLS, LTD., Rayadrug (Bellary Dist.); *Mg. Director*: Mr. J. Venkataramanappa Shetty, Mill Premises; *No. of Spindles*: Nil; *No. of Looms*: 51.

JAWAHAR MILLS LTD., Nehru Nagaram, Salem Junction; *Managing Agents*: Messrs. Umaiyambika & Co., Mill Premises; *No. of Spindles*: Ring 24412.

KALEESWARAR MILLS LTD., Anupperpalayam: Coimbatore; *Agents*: Messrs. A. L. A. R. Arunachalam Chettiar & Dewan Bahadur P. Somasundaram Chettiar, Mill Premises; *No. of Spindles*: Ring 42460; *No. of Looms*: 295.

KANDAN TEXTILES LTD., Thiruvotiyur, Madras; *Agents*: C. S. & Co., 8, Second Line Beach, Madras; *No. of Looms*: 72.

KASTHURI MILLS LTD., Singanallur Railway Station, Coimbatore; *Agents* Messrs. C. N. V. Naidu & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 10880.

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, Idigarai P.O., Coimbatore; *Agents*: Messrs. N. Appuswamy Naidu & Co., Coimbatore; *No. of Spindles*: Ring 5880.

LAKSHMI MILLS CO., LTD. (No. 1) Pappanaickenpalayam, Avanashi Road, Coimbatore; *Agents*: Messrs. G. Kuppuswamy Naidu & Co., Mill Premises; *No. of Spindles*: Ring 41872.

LAKSHMI MILLS CO. LTD., (No. 2) Koilpatti, Tirunelveli 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 13240.

LOYAL TEXTILE MILLS LTD., Kovilpatti, Tirunelveli District., South India; *Agents*: Southern Agencies Ltd., 2/21, First Line Beach, Madras; *No. of Spindles*: Ring 24242; *No. of Looms*: 224.

MADRAS 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 Ltd., Madura; *No. of Spindles*: Ring 140736.

MADURA MILLS CO. LTD., Madura; *Managers*: Messrs. A. & F. Harvey Ltd., Tuticorin; *No. of Spindles*: Ring 230552.

MADURA MILLS CO. LTD., Tuticorin; *Managers*: Messrs. A. & F. Harvey Ltd., Mill Premises; *No. of Spindles*: Ring 60732.

MADURA MILLS CO. LTD., (Ambasamudram); *Managers*: Messrs. A. & F. Harvey Ltd., *No. of Spindles*: Ring 140736.

MADURA MILLS CO. LTD. (Pandyan Mills,) Madura East; *Managers*: Messrs. A. & F. Harvey Ltd., Madura; *No. of 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 22000.

MALABAR SPG. & WVG. CO. LTD., Kallai (Malabar): *Agents*: Messrs. A. L. A. R. Somanadhan Chettiar; P. S. Sathappa Chettiar, & 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*: Messrs. 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 25276.

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 36416.

RAJA MILLS, Madura; *Owner*: Mr. M. V. P. Kanagavel, Mill Premises.

RAJALAKSHMI MILLS LTD., Uppilipalayam, Singanallur Post; Coimbatore; *Mg. Agent*: Mr. B. Rangaswamy Naidu, Mill Premises; *No. of Spindles*: Ring 25120.

RAJAPALAYAM MILLS LTD., Rajapalayam, Ramnad Dist.; *Mg. Agents*: Messrs. Ramco Agencies Ltd., Ramamandram, Rajapalayam; *No. of Spindles*: Ring 14020.

SREE RAJENDRA MILLS LTD., Gandhinagar, Salem; *Agents*: Messrs. Tyagaraja Chetty & Co. Ltd., Madura; *No. of Spindles*: Ring 13544.

SREE SHUNMUGAR MILLS LTD., Rajapalayam; *Mg. Agents*: Messrs. Sree Alagai Ltd., Saraswati Nivas, Sivagamipuram Street, Rajapalayam; *No. of Spindles*: Ring 3696; *No. of Looms*: Nil.

SANKAR MILLS, Chatram, Pudukulam, Tirunelveli 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 13020, 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., Pushpagiri, Trichur; *No. of Spindles*: Ring 15540; *No. of Looms*: 416.

SOMASUNDARAM MILLS LTD., 270, Mill Road, Coimbatore; *Mg. Agent*: Mr. P. S. Sathappa Chettiar, Trichy Road, Coimbatore; *No. of Spindles*: Ring 23200; *No. of Looms*: 390.

SOUNDARARAJA MILLS LTD., Power House Road, Dindigul; *Mg. Agents*: Messrs. Lakshman & Co., Mill Premises; *No. of Spindles*: Ring 8080.

SREE MEENAKSHI MILLS LTD., Thirupparankundram Road, Madura; *Agents*: Messrs. Thiagaraja Chetty & Co., Mill Premises; *No. of Spindles*: Ring 36884.

SREE SURYANARAYANA SPG. & WVG. MILLS, Pandalapaka, E. Godavari Dist.; *Mg. Director*: Mr. N. Satyanarayana Murty, 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 Looms*: Ring 5600.

SRI RAMACHANDRA SPG. & WVG. MILLS, Pandalapaka, E. Godavari Dist.; *Proprietors*: Messrs. D. Subbireddi, K. Bhamireddi and V. Chellama, Mill Premises; *No. of Spindles*: Ring 7044.

SRI RAMALINGA CHOODAMBIKAI MILLS LTD., Uthukuli Road, Tiruppur; *Agents*: Messrs. S. Kulli Chittiar & Bros., 60/4 Uttukuli Road, Tiruppur; *No. of Spindles*: Ring 13124.

SRI RANGA VILAS GINNING, SPG. & WVG. MILLS LTD., Peelamedu, Coimbatore; *Mg. Agents*: Messrs. P. S. Govindaswamy Naidu & Sons, Mill Premises; *No. of Spindles*: Ring 28368; *No. of Looms*: 79.

SRI SARADA MILLS LTD., Lokanathapuram, Podanur; *Mg. Agents*: Messrs. V. S. Sengottaiah & Bros., Bhakthi Vilas, Jail Road, Coimbatore; *No. of Spindles*: Ring 13672; *No. of Looms*: 170.

SRI SATYANARAYANA SPG. MILLS, 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*: Sri Meenaksi Mills Ltd., Manapparai Post, Trichinopoly; *Spindles*: Ring 14560.

TIRUMURTHI MILLS LTD., Bodipatti, Udamalpet; *Agents*: Messrs. Jayalakshmi & Co., Mill Premises: *No. of Spindles*: Ring 11200.

TRICHINOPOLY MILLS LTD., Kalligudi, Manapparai 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.), Kuniayamuthur, Coimbatore; *Agents*: Messrs. Gupta & Co. Ltd., P. O. Box No 11, Coimbatore; *No. of Spindles*: Ring 11032.

TRAVANCORE

A. D. COTTON MILLS LTD., Quilon; *Agents*: Messrs. Girdharlal Amratlal Ltd.; Mill Premises; *No. of Spindles*: Ring 10924; *No. of Looms*: 300.

ALWAYE TEXTILES LTD., Alwaye; *Mg. Agents*: Sankar Agencies, Perumbavoor Road, Alwaye; *No. of Spindles*: Mule 1008, Ring 600, Total 1608; *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 39880; *No. of Looms*: 1157, 1139 (Automatic).

DAVANGERE COTTON MILLS LTD., Davangere; *Mg. Agents*: Messrs. R. Hanumanthappa & Son, Hanumanthappa Building, Chittaldrug Road, Davangere; *No. of Spindles*: Ring 12960.

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*: 500.

SRI KRISHNARAJENDRA MILLS LTD., Siddalingapur, Mysore; *Chairman and Mg. Director*: M. S. Ramchendra Rao, Mill Premises; *No. of Spindles*: Ring 25200; *No. of Looms*: 239.

SREE KRISHNA WVG. MILLS, Subramanyapura, Kengeri Post, Uttanhalli; *Proprietors*: Messrs. Yadalam Subbiah Setty & Sons, Chickpet, Bangalore City; *No of Looms*: 174.

SHREE SURYODAYA MILLS, Yeshwantpur, Bangalore City; *Proprietors*: Messrs. Rama Settiar and P. S. Santhappa Chettiar, Mill Premises; *No. of Looms*: 70.

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 MODELIARPETH S. A., Modeliarpet, Pondicherry; *Chairman of the Board of Directors*: Mr. M. Ehny, Mill Premises; *No. of Spindles*: Ring 18152; *No. of Looms*: 305.

"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*: 675.

Correction: Mohini Mills Ltd. No. 1 (Kushtia), on page xix should be deleted, as it falls in Pakistan.

[For Pakistan, please see overleaf]

PAKISTAN

SIND

DOULATRAM SPG. & WVG. MILLS, New Jail, Country Club Road, Karachi; *Proprietor*: Seth Jamnadas Ibji Dutia, Mill Premises; *No. of Spindles*: Ring 2216; *No. of Looms*: 60.

EAST BENGAL

BHANDAB SUGAR & COTTON MILLS LTD., Dacca, (Spinning only).

CHITTARANJAN COTTON MILLS, LTD., Narayanganj, Dacca; *Mg. Agents*: Messrs. The Keshavlal Industrial Syndicate, Ltd., 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. Gajraj Madanlal, Ramesh Chanda, Jogish Chandra Das, Mill Premises; *No. of Spindles*: Ring 3300; *No. of Looms*: 124.

DHAKESHWARI COTTON MILLS, LTD., (Mill No. 1); Dhamgarh, Narayanganj, Dacca; *Mg. Director*: S. K. Basu, Esq., Godnyle, Narayanganj, Dacca; *No. of Spindles*: Ring 28500; *No. of Looms*: 780.

DHAKESHWARI COTTON MILLS, LTD., (Mill No. 2); Godnyle, Narayanganj, Dacca; *Mg. Director*: S. K. Basu, Esq., Godnyle, Narayanganj, Dacca; *No. of Spindles*: Ring 19240; *No. of Looms*: 511.

JADAV COTTON MILLS LTD., Pabna.

LUXMINARAYAN COTTON MILLS, LTD., Godnyle, Narayanganj, Dacca; *Mg. Agents*: The Dacca National Agency, Ltd., 3, Johnson Road, Dacca; *No. of Spindles*: Ring 5628; *No. of Looms*: 222.

LUXMI SPG. & WVG. MILLS, LTD., Narayanganj, Dacca; *Agents*: The Textile Trust, Ltd., P. O. Bandar, Narayanganj, Dacca Dist.; *No. of Spindles*: Ring 2424.

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*: 527.

WEST PUNJAB

LYALLPUR COTTON MILLS, Lyallpur; Branch of Delhi Cloth & General Mills, Delhi; *No. of Spindles*: Ring 32052; *No. of Looms*: 994.

MELARAM COTTON MILLS, Mela Ram Road, Lahore; *Partners & Occupiers*: Messrs. R. B. Gopal Das & Sons, Ltd., P. O. Box No. 20, Lahore; *No. of Spindles*: Mule 5200, Ring 10916, Total 16116; *No. of Looms*: 148.

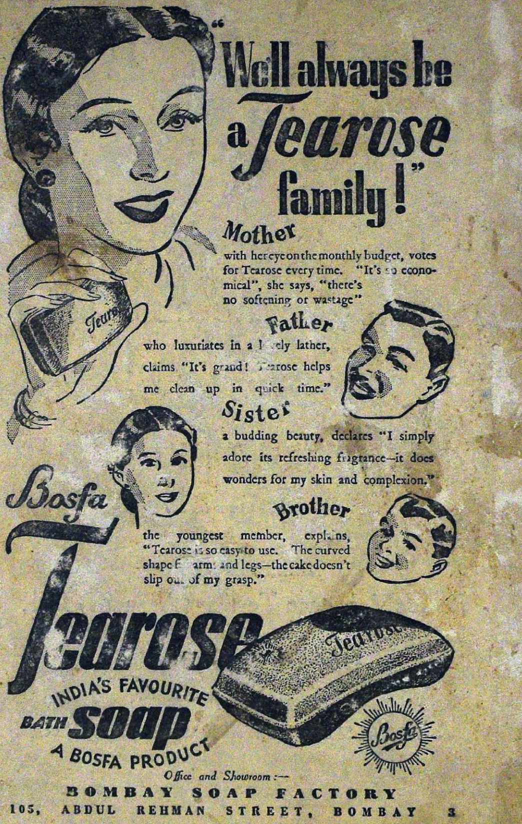
PUNJAB TEXTILE MILLS, LTD., P. O. Kot Dunichand, Lahore; *Mg. Director*: D. D. Puri, Esq., 2, Fane Road, Lahore; *No. of Spindles*: Ring 5040.

SUTLEJ COTTON MILLS, LTD., Okara, *Mg. Agents*: Messrs. Birla Bros., Ltd., 8, Royal Exchange Place, Calcutta; *No. of Spindles*: Ring 22808; *No. of Looms*: 925.

STATISTICS REGARDING PAKISTAN

No. of Mills	Total Spindleage	Total Looms	Total production of yarn and piecegoods (in thousand yds.) yarn	piecegoods
14	1,63,285	4,378	19,923	75,145

FINIS


"We'll always be a Tearose family!"
Mother
with her eye on the monthly budget, votes for Tearose every time. "It's so economical", she says, "there's no softening or wastage"
Tearose
Father
who luxuriates in a lovely lather, claims "It's grand! Tearose helps me clean up in quick time."
Sister
a budding beauty, declares "I simply adore its refreshing fragrance—it does wonders for my skin and complexion."
Bosfa
Brother
the youngest member, explains, "Tearose is so easy to use. The curved shape fits arms and legs—the cake doesn't slip out of my grasp."
Tearose
INDIA'S FAVOURITE BATH SOAP
A BOSFA PRODUCT
Tearose
Bosfa
Office and Showroom :—
BOMBAY SOAP FACTORY
105, ABDUL REHMAN STREET, BOMBAY 3