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HISTORY OF HANDLOOM INDUSTRY IN MADRAS.

CHAPTER I—DECLINE OF THE INDUSTRY.

From the dawn of history to the middle of the last century the handloom industry seems to have, on the whole, flourished well in our State causing no serious anxiety either to its workers or to the rulers of the country, except in times of natural calamities like floods and famines. The reasons for this are not far to seek. It was the age of man and not of the machine and science. It was the age in which the industry was not in any way dependent on mill-made yarn or foreign tools or foreign chemical dyes. It was the age in which spinning, dyeing as well as weaving were carried on with country products and country tools in hundreds of homes in numerous villages. It was also the age in which all people, men, women and children of our land, were clothed in nothing but hand-spun and hand-woven cloth. It was moreover the age in which large exports of such cloth were made to foreign countries like Greece and Rome and Malaya and Ceylon. And, finally, it was the age in which our Indian rulers and Indian nobles took not a little pride and delight in patronizing handloom fabrics noted for their artistic skill and beauty. Towards the close of this age, there came on the scene the East India Company, when the English, struck no less by the excellence of our handloom fabrics than by the profits which they held out in European markets, exported year after year in ever increasing quantities all the best of our palempores, chintzes and muslins to England. There is plenty of evidence to show that these Indian handloom products found great favour among Europeans. The demand for them became so great that in 1700 a law was passed in England by which all wrought silks, mixed stuffs and figured calicoes, the manufactures of India, were forbidden to be worn or otherwise used in Great Britain. This law, however, proved of little avail against the prodigious importation of cheap and attractive Indian piece-goods of that time. In fact, the whole of the eighteenth, and even the first half of the nineteenth century must be regarded as a period of boom for the Madras handloom industry of all sorts, artistic as well as non-artistic. One cannot read the records of this period without being impressed by the great encouragement given to this industry by the East India Company. They formed weavers' colonies, they advanced money to the leading merchants of Madras and other handloom centres for the manufacture of various kinds of cloth; and they annually sorted, priced, purchased and

Why the Industry flourished well before 1850.

sent hundreds of bales of this cloth to England. Under these conditions, no wonder, the industry grew to great proportions[1].

Why it declined after 1850, Effect of the spinning jenny, the power loom and the chemical dyes.

From about the middle of the last century, however, things began to change rapidly for the worse. It was then that machine and science sought to replace man; it was then that the combined effect of the invention of the spinning jenny, the power loom and the chemical dyes dealt a serious blow to the handloom industry and threw it completely out of gear. Manchester and Glasgow mills now began to export to Madras and other places in India cheaper yarn as well as cheaper cotton piece-goods. English and German aniline and alizarine dyes of cheap bright colours began to flood the markets in handloom centres. And by 1900 Indian mills began to compete with English mills in producing yarn and cotton piece-goods. The result was as might be expected. Exports of handloom cloth dwindled, import of mill-made cloth increased, hand-spun yarn gave place to English and Indian mill-made yarn, chemical dyes drove out indigenous dyes and European fashions, which came with European piece-goods, made grievous inroads into Indian homes. It was for these reasons that the prospects of the handloom industry suddenly became dark. And, as if this were not enough, the famines that ravaged our State during the second half of the last century wrought untold havoc among the weavers[2].

What the Board said in 1871 and 1891.

All this compelled the Government for the first time to look into the condition of the handloom industry. They approached the Board of Revenue and the Board twice conducted enquiries, once in 1871 and again in 1890, and on both these occasions came to the conclusion that the chief causes of the decline of the industry were the competition with the mill industry and the collapse of the spinning industry[3]. They asked also some special officers, E. B. Havell, Edgar Thurston and Edwin Holder, to study the conditions of the industry and these special officers who had a real love for Indian art did not fail to depict clearly the gloomy picture of the industry in all its aspects.

[1] Records are too numerous to mention—*See* the Consultations of the Public Department from 1700 to 1850. *See* also the Monograph on the Cotton Fabric Industry of the Madras Presidency by Edgar Thurston, 1897, pages 1-7. Cotton Painting and Printing in the Madras Presidency by W. S. Hadaway, 1917, pages 1–4. The Industrial Arts of India by C. M. Birdwood, 1880, pages 234 and 242.

[2] Monograph on the Cotton Fabric Industry of the Madras Presidency by Edgar Thurston, 1897.

G.O. No. 811, Revenue, dated 21st May 1872; G.O. No. 635, Revenue, dated 19th April 1872; G.O. No. 544, Revenue, dated 2nd July 1886; G.O. No. 314, Revenue, dated 14th March 1885 and G.O. No. 809, Finance, dated 24th November 1896.

[3] Memorandum on the Progress of the Madras Presidency by S. Srinivasa Raghava Iyengar, 1893, pages 93–99.

What Havell said in 1884.

This is what Havell said in 1884. The handloom industry which was formerly producing an abundance of silk and cotton cloths, satins and muslins and silver and gold lace, etc., was now showing unmistakable signs of decline and decay. It was suffering much from "the competition daily growing stronger" of the cheap English cotton goods which were being poured into the country. Many weavers had, as a result, been forced to abandon their occupation for other pursuits. Formerly there were two kinds of white dhoties, the first a plain dhoti with a narrow border of coloured cotton and sometimes with a broad band woven across each end, and secondly a superior dhoti of fine texture in which the borders were broader and of silk and generally embroidered with a simple pattern and the bands at each end were either of silk or of plain silver lace. The former was worn by the poorer classes, while the latter was worn by the wealthier classes. The former had been now entirely superseded for general wear by English long cloth or by English mill-made coarse dhoties both of which were much cheaper. The latter was, of course, still being manufactured but it was losing its hold on the people who were now buying it only for using it on ceremonial occasions. English mill-made finer dhoties were also coming into the market and, because of their cheapness, driving out the finer varieties of handloom dhoties. Moreover, the spread of western ideas and western dress was considerably hitting the weavers of fine dhoties. Sarees were still being woven on a large scale but, here again, cheap sarees were giving place to English and French printed cottons. It was really a blessing that the European manufacturers had not yet produced anything that could at all compete with the fine handloom sarees of Tanjore, Kuttalam, Kornad and other places. But, even in the case of these fine sarees, their characteristic beauty was now spoilt by the use of yarn dyed with chemical dyes. The indigenous dyes which used to produce sober colours pleasing to the eye were fast disappearing with the solitary exception of the famous Madurai red dye and hundreds of dyers had lost their occupation. Nor was this all. Almost all the yarn used for male as well as female cloths of finer quality was now entirely European and consequently the hand-spinning industry had practically died out. The much renowned Arni muslins and Bhavani turbans made of fine handspun yarn had become a thing of the past. So also had become a thing of the past, the cotton printing industry (block printing as well as hand printing), which in olden days used to produce palempores (bed covers, screens, and handkerchiefs) of European reputation[1].

[1] Selections from the records of the Madras Government New (Revenue) Series No. VI. 1909—*See* in this G.O. No. 1044, Revenue, dated 16th September 1884, pages 1-7.

The preparation of the famous Madurai red dye.

Having, as he did, a soft corner for the indigenous dyes, Havell thought it worth-while to describe the preparation of the famous Madurai red dye. This dye, he said, was also prepared in other places but Madurai had acquired a reputation for finer colour and greater permanence which was attributed by the weavers to the waters of the Vaigai. The process of its manufacture as described by him is as follows. The ashes of a plant called Umri (Salicornia indica) which grows wild on sandy beds near the sea coast round about Ramanathapuram and Tuticorin are steeped in water for ten days when the water is poured off and the cloth is dipped in the sediment and left for three or four days. When it is taken out and washed, the cloth has a yellowish green colour. Next it is dipped in a liquid prepared out of Tinbura root (a small shrub) growing on the banks of the Vaigai. The liquid is prepared thus. The root of the Tinbura is pounded and boiled in water for six or eight hours until the water is deep red. To this are added leaves of the Kaya (kasa) plant well dried and reduced to powder and gingelly oil in the proportion of Tinbura decoction 16 parts, kaya leaf two parts and gingelly oil two parts. The cloth is left in this liquid for two days, when it is taken to the bed of the Vaigai and left in very shallow running water for a day, after which it is dried in the sun. It is re-dipped in the dye and again washed in this way for two days, when the preparation is complete. The process is undoubtedly tedious but the results are excellent[1].

What Thurston said in 1897.

Thurston too in 1897 attributed the decline of the handloom industry to the increasing importation of European piece-goods, to the habitual use of European dyes and to the lamentable corruption in taste and fashion. There was a time, he said, when Madras was exporting large consignments of handloom piece-goods to England, but now these exports dwindled into nothing while the imports of piece-goods from England had enormously increased. Imports of cotton piece-goods from England to Madras port in 1895 were valued at nearly Rs. 194 lakhs. There was also a time, he said, when indigenous dyes alone were used in Madras, but now such dyes were no longer in use, the markets being flooded with European dyes. The imports of alizarine dyes from England and Europe to the Madras port in 1895 were valued as over Rs. 30 lakhs. The widespread importation of printed fabrics, he remarked, had changed the fashion of male and female cloths and hit the handloom weavers. And, at the same time, the universal use of chemical dyes, he lamented, had corrupted tastes and hit the makers of indigenous dyes. The English colours, he went on to say, were glaring and crude, whereas

[1] Selections from the records of the Madras Government New (Revenue) Series No. VI. 1909—*See* in this G.O. No. 1044, Revenue, dated 16th September 1884, pages 1-7.

the Indian colours were sober and beautiful, being "more subdued or composite tints." There was nothing in his opinion comparable to the beautiful reds of Madurai and Conjeevaram but even these famous dyes, he regretted, had practically ceased to exist. Referring in detail to the facts and figures revealed by his survey of handloom centres he pointed out that the condition of the handloom industry was serious, that the weavers and dyers were everywhere finding it difficult to make a living [1].

How Holder described the preparation of indigenous dyes in 1896 which were then fast disappearing.

Edwin Holder confined himself to the indigenous dyeing industry. This industry, he said, in 1896, had almost completely disappeared and it was with great difficulty that he had collected informatoin on the various processes by which these dyes were formerly prepared. In view of the fact that it has been said in our own days that it is impossible to revive this industry for want of knowledge regarding the preparation of dyes it behoves us to give here in some detail the various processes of their manufacture as described by Holder.

This is how he describes them. The chief mordants used in indigenous dyes are (1) aplakharam (dhobies earth), (2) padikharam (alum), (3) tagarai virrai (the seed of the tagarai plant, Cassia tora), (4) chunam (lime), (5) Kadukai (gallnut or myrobalans), (6) pista, (7) sheep's dung, (8) gingelly oil and (9) milk hedge (castor seeds). Yarn is generally dyed first and later on woven into cloth.

The dyeing of cotton.

In regard to the dyeing of cotton, the principal colours used are, red, yellow, orange, blue, green, black, purple and pink.

Red.—The chief colouring substance in this dye is the noona root. Kasa leaves are also used for modifying the magneta tint produced by the noona root. For a viss of cotton twist, take ashes of milk hedge five measures, gingelly oil one viss, and sheep's dung two pallams. Mix all these together in a sufficient quantity of water which would cover the twist. After allowing the mixture to stand for some hours pour off the clear liquid, steep the twist in this liquid pressing and squeezing it well with the hands to effect thorough absorption. Then leave it to soak and next day take it out and dry it in the sun. Repeat this process of twisting the twist and dyeing it eight times, on each occasion preparing the liquid as described above, the sediments left the first day being used together with fresh addition of the substances named, chiefly the ashes of milk hedge and oil, and every time only the clear liquid being used. After the eighth operation wash the twist well in clear water and proceed to prepare the

[1] Monograph on the Cotton Fabric Industry of the Madras Presidency by Edgar Thurston, 1897.

dyeing bath thus. Take powdered noona root 1/8th viss, mix it in water in a flat vessel, steep the twist in this mixture and leave it to soak for some time. Then take it out and dry it in the sun. Repeat this process of steeping and drying ten times after which the twist should be boiled in the same liquid together with a certain quantity of kasa leaves (Memecylon tinctorium). The final operation consists in boiling the twist with powdered bark of the semburam tree (Ventilago madraspatna). The colour thus obtained is a fine, rich, red like that of the dark red sealing wax.

Yellow.—For producing this colour, besides turmeric, the flower of the Butea frondosa (porasam poo), kasa leaves and myrobalans are also used, all the three which yield a yellow dye. For a viss of cotton thread to be dyed, commence by boiling the twist with one viss of broken myrobalans in a sufficient quantity of water. While this is going on, take half a viss of turmeric, one viss of porasam poo, half a viss of dried kasa leaves and one-fourth a viss of alum. Powder each of these, mix them and lifting up the twist out of the vessel on the fire, put the mixture into the boiling myrobalan solution. Boil the twist in this for two hours. If the water is evaporated or if it has become insufficient to cover the twist properly, more water may be added. The thread may be lifted out of the solution now and then to see if it has acquired the desired shade. It then only remains to wash the thread thoroughly and dry it in the sun. The yellow colour thus obtained is, however, not permanent.

Orange.—Yellow dull red or orange is obtained by dyeing the twist yellow as explained above and then boiling it in a decoction of sappan wood which is prepared thus. For a viss of cotton, one viss of sappan wood chips is reduced to a powder, mixed with a sufficient quantity of water and allowed to stand for 24 hours. The mixture is then boiled and strained and when cool, 1 pallam of alum is added to it. This causes a precipitation of useless matter, leaving a clear liquid of a deep orange colour which is carefully poured off and in which, as stated above, the yellow twist is boiled. Some dyers merely soak the yellow dyed twist in a cold decoction of safflower (Carthemus tinctorius) in order to produce the orange colour. By this, a brighter hue is produced than by the former method and a still brighter colour is produced by the use of arnatto seeds. The process of producing the dye with these seeds is as follows. A quantity of arnatto seeds is tied in a piece of cloth and soaked in water for 12 hours and the colouring matter is then squeezed out in a basin of fresh water, lime juice and alum being added. The yarn is steeped into this mixture and boiled for an hour.

Blue.—For this dye, indigo is used. As the lighter shades of the colour produced by indigo are not permanent in the case of cotton, it is used chiefly for dyeing blue black which is obtained by strengthening the bath with indigo and using dhobies earth and chunam and seeds of tagarai plant (Cassia tora) for producing a pure blue. The number of operations is multiplied according to the strength needed. Sometimes several baths are prepared varying in strength and the number of mordants used, and the stuff is exposed to each one in turn being dried after each immersion. Sometimes the stuff is washed after each immersion. The indigo bath is always used cold for cotton, silk and wool. The two sorts of indigo used are avari and pala. They are used also for dyeing blue black, avari, which is indigo proper, being superior.

Green.—This colour is produced merely by steeping the blue cotton twist into the yellow bath described above. For one viss of cotton twist, take indigo two pallams, boiled tagarai seeds (Cassia tora) four pallams, chunam two pallams and water 12 measures. Mix the above and steep the thread in the mixture for a few hours, the length of the time depending on the strength required; the bluer the stuff at this stage, the darker the shade of green eventually. Next, steep the twist in the yellow bath. It is always best to allow the blue twist to be well dried and exposed for a few days before the final operation.

Black.—The colouring substance in this dye is iron. For a viss of cotton twist to be dyed black, commence by steeping rusty iron pieces in a sufficient quantity of sour kanji-water for at least three days. Drain off the iron solution thus obtained and to it add a viss of broken myrobalans. Then put in the twist in the solution and heat gently for about 15 minutes or till the liquid begins to boil. Now lift up the thread and add a viss of sulphate of iron (annabedi) to the boiling mixture. Then replace the twist and again boil for an hour or two. This gives a fine black colour to the twist. Complete the process by washing the twist well in clear water.

Purple.—There are different shades of this colour, some almost black but none very bright. For obtaining dark purple, the yarn is first dyed red with noona root and then steeped in an indigo solution. Another method is to mix broken myrobalans, alum, jaggery and powdered noona root in water and allow the mixture to remain in a closed vessel for a month after which it is used for dyeing. A lighter shade of purple is obtained by first preparing the thread as for the red dye, soaking it in a decoction of surool pattai or semburam pattai (bark of the Ventilago madraspatana) for five days, morning and evening, drying it after each immersion and finally boiling it in the solution.

Pink.—The kusamba or safflower (Carthemus tinctorius) is used for this colour. The dried flowers are pounded and washed with water, then a solution of dhobies earth in water is added, and the clear liquid is drained off and lime juice is added to it. Bleached yarn soaked in this is dyed a fine rose colour.

Of these colours, indigo and noona root, Edwin Holder said, were by far the most permanent dyes, the permanency of the others depending entirely on the mode of preparation and the mordants used.

He also described the processes of dyeing silk. Silk, he said, was imported chiefly from Bengal and Bombay. The former was raw silk called kora (unbleached); the latter, which was China silk, was bleached silk. The bleaching of the kora silk was effected by boiling the material with one-fifth of its weight of aplakharam in water, care being taken to regulate the heat, excess of which would completely destroy the silk, reducing it to pulp. A portion of the silk was lifted out frequently and when it was no longer tough and slippery, it was taken out of the ebullition and washed well in clear cold water. After this operation, the silk would assume a silvery-white appearance and become ready for dyeing and weaving. Holder remarked that silk, being an animal substance, was better suited than cotton for receiving and permanently retaining the colouring particles. And he described the processes employed in dyeing silk in olden days as follows.

Bright red or bright crimson.—For this colour, cochineal is used. The mordants are alum and pista (the excrescence of gall found on the leaves of the myrobalan tree). To dye a viss of bleached silk first prepare the material for soaking it for a day in alum solution containing one-eighth viss of alum. Then take one-fourth viss of cochineal and one-eighth viss of pista. Grind the former dry and make the latter into a fine paste with a little water. Dissolve the two together in a sufficient quantity of water and heat the mixture till it begins to boil. Put the alumed-silk into the mixture and boil the mixture for two hours. While this is going on, take the same quantities of powdered cochineal and grounded pista as stated above and mix them with a smaller quantity of water than was first used. Then take out the silk and wash it well. Add the fresh decoction of cochineal to the boiling solution and replace the silk. Cover the vessel and boil the contents again for an hour. Lastly, wash the silk in clear water. The reason for using small quantities of cochineal twice, instead of the full quantity once, is to ensure evenness of colour on the stuff.

Dark red.—For this colour stick lac is used. To dye a viss of bleached silk, two visses of stick lac are required. The sticks are removed and the lac broken into small pieces but not powdered fine This is then tied in a coarse piece of cloth and steeped in a basin of hot water and occasionally bruised with a wooden mallet and shaken about. The liquid thus obtained which is a fine deep red, is put into another vessel and more hot water is poured on to the lac and the operation is repeated five or six times till the lac ceases to yield any more colour. A small quantity of tamarind pulp and powdered alum are added to this liquor. The silk is next put into it and boiled for three or four hours and then washed. The lac out of which colour is extracted is called shell lac.

Deep yellow and orange.—Orange is merely a deeper shade of yellow which is effected by keeping the silk longer in the dyeing bath. The colouring matter used is kapila powder (pollen of Rottlera tinctoria). Bleached silk is not required for dyeing in these colours. For a viss of raw silk, a decoction is made with a viss of dhobies earth and a little chunam dissolved in a sufficient quantity of water to cover the silk. When the coarse particles have settled to the bottom, the clear liquid is drained off and boiled. Into this the silk is immersed and well shaken about with a stick, then taken out and allowed to dry without being washed. The process does not bleach the silk entirely but renders it soft and free from dirt and starch. The dye bath is then prepared by first mixing half a viss of kapila powder with a little gingelly oil and alum into a thick paste resembling putty, this is afterwards dissolved in a solution previously prepared of one viss of aplakharam boiled in the required quantity of water. A beautiful orange colour is thus obtained into which the prepared silk is steeped and kept soaking for a few hours if a deep yellow is required and for a whole night if a deep orange is desired. A still deeper colour approaching scarlet is obtained by the use of other mordants.

Blue and green.—The process here is precisely the same as that employed for dyeing cotton in those colours. For blue. indigo is used and for green. the blue silk is steeped in the turmeric bath.

Black.—This colour is produced on silk by using the same materials and employing the same processes described above in the case of cotton. Here raw silk is used without any sort of preparation previous to being exposed to the dyeing bath, which is prepared with a solution of iron and myrobalans[1].

[1] Monograph on Dyes and Dyeing in the Madras Presidency by Edwin Holder, 1896; G.O. No. 1475, Revenue, dated 11th April 1896.

Beauty of the indigenous dyes.

It may be said here that this indigenous dyeing industry was at one time, before the importation of chemical dyes, the " Cynosure of neighbouring eyes ". There is ample evidence to show that the deep, subdued and composite tints produced by our vegetable dyes were " at once the aspiration and despair of artistic European dyers ". Edward Balfour who had the eye of an artist attributed the power of colouring beautifully, of achieving a happy combination of tints, to the traditional instincts of orientalists never to be attained by Europeans by any scientific methods [1]. Again, the fastness of many of our dyes was unquestioned and the fugitiveness of some of them was ascribed to the desire, then as now, prevalent among some people who wish one and the same cloth to be dyed each time in a different colour. There were indeed fast dyes as well as fugitive dyes, but all dyes were, without exception, pronounced by lovers of art to be wonderfully pleasing to the eye. It is a mistake to suppose, as some have supposed, that their colour scheme was very limited; it might not have been as wide as the colour scheme of chemical dyes, but it was wide enough to cover a large variety of tints [2].

[1] Cyclopædia of India by Edward Balfour, 1885, Volume I, page 589.

[2] Monograph on Dyes and Dyeing in the Madras Presidency by Edwin Holder, 1896, pages 1, 7 and 16. Indian Empire by W. Hunter, 1886, page 599. Journal of Indian Art and Industry, Volume VII, 1896-1897, page 23. Cyclopædia of India by Edward Balfour, 1885, Volume I, page 589. Monograph on Cotton Fabric Industry of the Madras Presidency by Edgar Thurston, 1897, pages 6, 7 and 16.

CHAPTER II—EARLY ATTEMPTS AT REVIVAL.

All the time when the handloom industry was languishing in the second half of the last century, no attempts to revive it were made by the Government. But from 1900 to 1934, a period, which may be called a period of experiments, several attempts were made by the Government to revive it, partly because of the insistance of public opinion during the Swadeshi and Swaraj movements, partly because of the serious conditions created by the First World War and the Economic Depression and partly also because of the increasing competition of the mill industry, a competition largely made possible by the tariff policy followed by the Government of India. All these attempts, however, while they did something to improve the technical side of the industry, did little to improve the economic condition of the weavers.

Experiments in improved methods.

Experiments in improved methods of weaving were commenced in 1901-1902 and a few flyshuttle looms were set up in the Anjuman Buildings at Madras with the object of obtaining experience as to their working capacity and data regarding their possibilities. At the same time certain improved methods of sizing, chiefly hank-sizing, were tried. About the beginning of next year, the looms were removed to the School of Arts and the experiments were continued there. Hank-sizing was, however, soon given up as the results of the experiments were found unsatisfactory, but weaving by flyshuttle looms was continued to be experimented upon. At first the manufacture of Madras Handkerchiefs was taken up and, though it was not much of a success in the beginning, gradual improvements were effected. These experiments, first with the Madras Handkerchiefs and subsequently with the other classes of cloth such as sarees and dhoties, yielded results which left no doubt as to the practicability of turning out a much larger percentage of cloth on a flyshuttle loom than on the ordinary country loom.

Establishment of a weaving factory at Salem.

In 1905 it was decided on the advice of Mr. Chatterton, who had been specially appointed as the Inspector of Technical Schools and the Superintendent of the School of Arts, to continue the experimental work in a properly organized handloom factory [1]. Accordingly in 1906 a weaving factory was established at Salem where there was a large weaver population, the object in view being to ascertain by experiment whether it was possible to improve the condition of handloom weavers of this State, (1) by substituting for the country handloom an improved handloom which would enable the weaver to produce a greater length of cloth in a given

[1] G.O. No. 1083 Revenue, dated 6th November 1905.

time, without in any way sacrificing the essential characteristics of the country hand-woven goods; (2) by introducing the factory system among weavers so that they might work under the management of men with commercial and manufacturing experience and so that capital and organization might be introduced into the industry; and (3) by introducing, if possible, improved preparatory processes to diminish the cost of preliminary warping and sizing.[1]

Much difficulty was experienced in getting together a sufficient number of capable handloom weavers. Good wages and regular continuous employment were offered but the weavers much preferred working in their own houses assisted by their women and children and evinced great dislike to the discipline and regular hours incidental to factory life. Few of them moreover were free agents, most of them being in the hands of master weavers and merchants who viewed the factory with suspicion and directed their influence against it. Nevertheless, by dint of patience, improvements were effected and in a few years the financial results showed a progressive improvement and indicated that, if properly managed, a handloom factory might be a success. Thus the factory aroused considerable interest and was the direct cause of numerous small private factories being started. Subsequent investigations showed that most of these factories failed sooner or later because of the lack of technical knowledge on the part of the management, because of the inability of the directors to work harmoniously together and because of the dislike of the weavers themselves of discipline and control. But, all the same, all these factories helped to popularise the flyshuttle loom.

Not much progress, however, was made in the improvement of the preparatory process in order to diminish the cost of preliminary warping and sizing. A complete plant of warping and sizing machinery was secured from England in 1907, but only negative results were obtained and little further work on the problem was attempted in Salem. But the Salem factory did one thing. As has already been indicated, it popularised the flyshuttle loom. A weaving competition arranged at Madras in 1908 as well as the work turned out by the Salem factory showed that the flyshuttle slay was cheaper than the ordinary slay and that the flyshuttle gave a greater outturn, its outturn relative to the country loom being nearly double in the case of coarse counts, more than 50 per cent greater with medium counts and rather less than 25 per cent greater with finer counts ranging from 80s to 150s.

It popularises flyshuttle looms.

Meanwhile the Salem factory was worked on a commercial scale. Besides cotton goods, silk cloths and worsted shawls were manufactured and the sale receipts in some years amounted to nearly Rs. 12,000. But this success proved the

[1] G.O. No. 3, Revenue, dated 2nd January 1906.

factory's undoing. The Chamber of Commerce entered a protest. Lord Morley, the Secretary of State for India, condemned the policy of attempting to create new industries by State intervention and the factory was consequently closed in 1910[1].

Its abolition

About this time, on account of the agitation made inside as well as outside the Legislature, the Government convened an Industrial Conference at Ootacamund. This conference of 1908 felt that the handloom industry was in the main suffering from lack of knowledge and lack of organization and that it should be revived by, (1) the establishment of one or more weaving institutes, (2) the appointment of a weaving expert and a dyeing expert, (3) the demonstration of improved methods of weaving and (4) the opening of weavers' co-operative societies[2]. As we shall see, all these recommendations were, in course of time, implemented.

Industrial Conference at Ootacamund

Shortly after the conference, a Weaving Expert was appointed and a Weaving Institute was opened at Madurai. But as the Expert was not much of a success his services were dispensed with after a few months trial. And as the building of the Madurai Institute was found to be ill-designed and suitable, the Institute was closed after some years. For a few years also some desultory work was carried out mainly in the demonstration of jacquard looms. In 1911, however, a census of flyshuttle looms having revealed that they had become popular and enquiry also having indicated that further demonstration work was necessary in the direction of introducing (1) some sort of warping mill in places where the flyshuttle had been adopted, (2) the dobbies for weaving simple designs, (3) jacquard machine for complicated patterns and (4) the frame loom wherever it might be profitable, it was decided to organize peripatetic weaving parties for the purpose of demonstrating to the weavers at their very doors the advantages of improved methods of weaving[3].

Appointment of a Weaving Expert and the opening of a Weaving Institute.

Organisation of peripatetic weaving parties.

The first party was organized in 1913 for work in the southern districts[4]. It consisted of a Superintendent and five

[1] G.O. Nos. 863 and 864, Revenue, dated 12th April 1907; G.O. No. 1935, Revenue, dated 7th August 1907; G.O. No. 2673, Revenue, dated 24th September 1908; G.O. No. 3146, Revenue, dated 27th October 1910 and G.O. No. 141, Home, dated 7th February 1917—*See* Mr. Innes's notes, page 19.

[2] Papers relating to the Industrial Conference held at Ootacamund in September 1908, pages 217-218.

[3] G.O. No. 406, Revenue, dated 11th May 1912; G.O. No. 141, Home (Education), dated 7th February 1917—*See* Mr. Innes's note, page 10 and G.O. No. 406, Education, dated 11th May 1912.

[4] G.O. No. 198, Educational, dated 4th March 1913.

weavers and was equipped with a warping mill, a beaming frame, a frame loom with automatic take up motion, spare slays, dobbies and jacquard machine and card cutting machines. A small stock of machinery for sale was added. A second party for the Northern Circars on the same lines was organized in 1914[1].

Appointment of a Dyeing Expert.

In 1912 a Dyeing Expert, or a Tinctorial Chemist, was appointed with a view to reviving if possible indigenous dyes and simplifying the tedious processes by which they were manufactured—a work which was rightly considered important by the Industrial Conference of 1908. But Dr. Marsden who was appointed as the Expert had no faith in indigenous dyes. He reported that the indigenous industry was practically dead, that the dyers had taken to the use of European chemical dyes and that, therefore, nothing could be done to revive indigenous dyes[2].

Mr. Cook recommends the revival of indigenous dyes.

But the subject was not allowed to sleep. Early in 1914 just on the eve of the First World War, Mr. Cooke, an admirer of Indian dyes, wrote to the Government that the revival of indigenous dyes was very desirable not only on artistic but also on economic and commercial grounds. There were still some dyers here and there who knew the ancient art of dyeing. It was true that there was some difficulty in dealing with these hereditary dyers each of whom used a formula of his own handed down from his father and possibly added to by himself as a result of which his art had become one of great complexity and involved the use of many processes and ingredients which were perhaps useless. But this difficulty could be got over by opening a School of Indian Dyers to examine scientifically and systematize the different processes of dyeing in vogue.

Dr. Marsden turns down the proposal.

Dr. Marsden, however, turned down this proposal. He stated that the development of dyeing had greatly changed the position of indigenous dyes, that the artificial dyes now placed in the market satisfied the most exacting demands with regard to purity of shade, beauty of colouring and fastness, that their use involved less waste of time and money and that the general growth of trade necessitated the employment of modern methods. He was, therefore, of opinion that neither the natural indigenous dyes nor the old methods of dyeing could hold their own against the artificial dyes or the new methods of dyeing. As to the School of Indian Dyers, he said that the dyers were ignorant and

[1] G.O. No. 823, Educational, dated 14th July 1914 and G.O. No. 141. Home, (Education), dated 7th February 1917—*See* Mr. Innes's note page 10.

[2] G.O. No. 112, Education, dated 9th February 1912.

suspicious of anything that was simple and straightforward and as such were incapable of forming a school.[1]

The War creates scarcity of chemical dyes.

Then came the War which put a stop to the importation of chemical dyes, and created a grave situation. In 1912-1913, for instance, dye stuffs to the value of £110,429 were imported into Madras. With the outbreak of hostilities in 1914 that supply was cut off and the price of what little stuff was available in the market shot up at once. Mr. Tressler, the then Director of Industries, suggested to the Government that it was necessary to make use of indigenous dyes. But his suggestion was knocked on the head by the expert. Dr. Marsden, the indefatigable defender of chemical dyes, said that he had, indeed, carried out some experiments with indigenous dye products but found them not in the least encouraging. He also said that the dye yielding plants and roots were no longer available as before in sufficient quantities, and that the dyes produced by them would be costly and would not appeal to the tastes of the people. His opinion was supported by Mr. Chatterton who had now become the Director of Industries and Commerce, Mysore. Mr. Chatterton said that he was completely in agreement with Dr. Marsden in thinking that notwithstanding the shortage of synthetic dyes at the moment, nothing useful could result in attempting to resuscitate vegetable dyes. His reasons for holding this view, he stated, were briefly the extreme cost of vegetable dyeing, the scarcity of dyeing materials and the change in the tastes of the people who had become accustomed to bright colours produced by synthetic dyes. In view of these opinions nothing was done to resuscitate the indigenous dyeing industry.[2]

Mr. Tressler suggests the revival of indigenous dyes.

Dr. Marsden and Mr. Chatterton oppose the suggestion.

Establishment of the Weavers' Co-operative Societies.

Something was, however, done during the pre-war and post-war period to form weavers' co-operative societies. Attention was paid to the problem of weavers at the very inception of the co-operative movement in 1905. The condition of the weavers in places like Conjeevaram, Madurai, Paramakudi, Tiruchengodu and Salem was studied carefully. The problem of weavers had always been the disposal of finished products. The small men were under the clutches of big men and the latter were unwilling to give the former equal treatment. The small men could not be relied upon to any large extent to work their own salvation. After a consideration of these factors, the first Weavers' Co-operative Society was started in Conjeevaram in 1905. Other Co-operative Societies of weavers soon followed. The working of these societies, however, for a long time, was found to be

[1] G.O. No. 504, Education, dated 1st May 1914.

[2] G.O. No. 2802, Revenue, dated 26th September 1914 and G.O. No. 115, Education, dated 4th February 1916.

utterly unsatisfactory. It is enough if we trace the history of the Conjeevaram Society, to show the conditions under which the co-operative societies were then working.

A history of the Conjeevaram Society which reveals the defects then existing in weavers' co-operatives

The Conjeevaram Society consisted of only such persons as were actually engaged in weaving and who were not dependent upon master weavers or sowcars for the supply of cash loans or the supply of yarn. Thus the bigger men whose interests were not identical with those of the smaller men were eliminated. If the bigger men were eliminated, the smaller men could not be expected to run the society. So the help of three gentlemen who were not weavers but who knew something of weaving and who sympathised with the lot of weavers was sought and they joined the society making their entire property liable for the debts of the society.[1]

The plan was that the society should supply yarn to the members and also give a small cash advance to meet petty expenditure connected with weaving and take back the finished products. The weavers took the yarn home, wove it into cloth and brought it back to the society. The society prescribed the kind of cloth to be woven. The yarn supplied was priced at a rate slightly higher than the cost price and the cloth woven was bought at a specified price the difference being paid as the wages of the weaver. The prices fixed both for yarn and cloth depended upon market rates. The society worked on this plan for some time, the necessary working capital having been furnished by members in the shape of share capital and supplemented by a loan from the Madras Central Urban Bank. The society was, however, soon faced with the difficulty of finding a market for the cloth woven. The whole quantity could not be sold locally, although the weavers wove the same kind of cloth which they were weaving before the advent of the society and although the quality of the cloth was acknowledged to be better. The finished products accumulated from time to time were disposed of in Madras by hawking them in Mylapore, Triplicane and Egmore.

It was, however, soon found that the members could not be entirely depended upon for the quality of cloth that they wove. They wove loosely in some parts and the cloths were not of the given standard. It was also found that some members did not bring back their finished products but either sold the yarn to others or sold the finished products in the market. Later on these were found to work for master weavers and merchants. The number of defaulters increased

[1] G.O. No. 491, Development, dated 20th March 1929—See Mr. Hood's note, pages 1-2.

with the result that the society had not enough money to carry on its work with the regular members, the working capital having been locked up with the defaulters, several of whom had to be proceeded against in the civil court. Various attempts were then made to raise the working capital. Non-weavers were induced to join as members and some money was also raised by issue of debenture bonds to sympathisers.

The original plan of asking the weaver to work in his home having failed to a large extent, the society had to adopt a different method to ensure the return of the finished products. The society now put up a factory, installed some flyshuttle looms and made the unreliable members to work in this factory. It, however, allowed the reliable members to work in their own homes [1].

This system, for a time, worked well but difficulties of selling their products continued. A liberal discount was given to those who bought the right type of goods worth more than a specified value. In the meanwhile the work of the people in the factory was becoming irregular. No man would work for any reasonable period in a month and as a consequence, his outturn became poor. Several inducements were adopted to make their attendance regular. Bonuses were given, in addition to wages, to members who wove more than a specified quantity and who attended more than a specified number of days in a month. Even these inducements failed in their effect. The number of workers in the factory fell. Moreover, fluctuations in yarn prices affected the society very often.

It was thought that a comparatively big society which would be able to deal directly with the mills for yarn or the wholesale dealers could withstand the market fluctuations better and sell the yarn to the weavers at a cheaper rate than the local retail dealer. With this end in view, a new society was registered in Conjeevaram where there were a number of weavers' societies. These societies as well as a number of big and small weavers took shares in the new society and the work was carried on for a time with some success. A few days after the society made a big purchase, there was a fall in the prices and about this time the local dealers began to undersell the society with the result that the members deserted the society at the critical period. There was also mismanagement of the society. Hence the society failed and had to be wound up [2].

[1] G.O. No. 491, Development, dated 20th March 1929—See Mr. Hood's note, pages 3-4.

[2] *Ibid—See* Mr. Hood's note, pages 4-7.

What happened in Conjeevaram happened also elsewhere in other places where the weavers' co-operative societies were started. Wherever it was not found possible to start such purchase and sale societies either on account of the opposition of the master weavers or on account of the want of material to manage the difficult work of purchase and sale among the independent small weavers, credit societies were started. The idea underlying these societies was that there were some weavers who were independent of the master weavers and who bought their yarn from the market and sold their finished products in the shandies and that such independent weavers should be helped. The plan was that the weavers should take small cash advances to buy raw material and repay them when they sold the finished products. Several of these credit societies gave loans for other purposes also, such as, payment of prior debt, building of houses, etc. Some of these bought yarn and sold finished products themselves having no responsibility in the profit and loss of the transactions. As soon as a consignment of yarn was purchased, it was distributed to members at cost price plus incidental charges. Similarly as soon as a quantity of cloth was sold, the sale proceeds were distributed to the members then and there [1].

The number of weavers' societies in 1928.

Such was the state of the weavers' co-operatives in 1928 when the handloom industry came to be considered afresh in all its aspects. It may be stated that there were then 63 weavers' societies for the purchase of raw materials and sale of finished goods and 73 weavers' credit societies.

Other measures.

Some attempts were also made in the post-war period in directions other than co-operation as a result of the recommendations of the Indian Industrial Commission, 1916-1918 and the growing competition of the mill industry. In 1919, a Textile Expert was appointed and charged with the duty of assisting not only the powerloom but also the handloom industry.[2]. Mr. Amalsad, who was so appointed [3] showed not a little energy and enthusiasm. He visited the important weaving centres with a view to investigating the technical aspects of the handloom industry and proposed, in the first instance, the creation of a large number of peripatetic weaving parties to popularise improved methods of weaving and the opening of a Textile Institute to train students in the up-to-date methods of weaving and in the conduct of research work.

Appointment of Textile Expert.

[1] G.O. No. 191, Development, dated 20th March 1929—See Mr. Hood's note, pages 7–8.

[2] G.O. No. 4, Revenue (Special), dated 3rd January 1921, page 12.

[3] He was first appointed as Weaving Expert in 1917.

Increase in weaving parties.

The Government sanctioned in 1920 the employment of 10 additional weaving parties; but only five were organized in 1920–1921 and 3 in 1921–1922 and the rest were organized in 1922-1923. There were thus in 1923, a dozen weaving parties including the two originally sanctioned in 1913-1914. Each party consisted of a head maistry or supervisor, an assistant maistry and three weavers. The efforts of the parties were directed to persuade the weavers to adopt the flyshuttle slay; to cheapen the cost of warp preparation by the use of hand-driven mill warping machines, sizing machines and dressing machines; to train the weavers who wove only plain cloth to produce towels, bedsheets, twill cloths and fancy cloths by the use of dobbies and jacquards; and to educate the weavers generally to weave finer cloths and cloths of greater width and better quality, the manufacture of which was more remunerative. The parties tried to introduce a large number of modern weaving appliances in many places, including flyshuttle slays, shuttles, dobbies, pirns, healds, reeds, pickers, shuttle wheels, frame looms, pit looms, tape looms, sash looms, warping mills, hand-driven sizing machines and power sized warps. In 1926, however, the parties were reduced to 5 on the ground that much had already been done to popularise improved methods. A dyeing party consisting of a maistry and two demonstrators was, however, temporarily added to these parties to demonstrate aerograph printing and improved methods of dyeing with modern dyes.[1]

Opening of a Textile Institute at Madras.

The Government also sanctioned in 1922 the opening of a Textile Institute in Madras. It was for a time located in a rented building, and later on provided with a permanent building. It was intended, (1) to provide practical training for weavers and maistries engaged in handloom weaving and for teachers of weaving employed in industrial schools; (2) to produce and supply machine-made warps and to demonstrate to the weavers the economy of such warps; (3) to demonstrate the weaving of various fabrics with the aid of improved looms and appliances; (4) to devise manufacture of and to demonstrate improved types of handlooms and new appliances for the requirements of several classes of weavers; (5) to train and maintain a staff of maistries for setting up looms and textile appliances for private parties, schools and factories; (6) to undertake the testing of yarn with the special plant installed for the purpose; (7) to carry out experiments and research with a view to designing improved appliances; and (8) to serve as a permanent museum for the display of all types of hand-woven fabrics, improved looms and accessories [2].

[1] For a short account —see the notes to G.O. No. 1218, Development, dated 12th September 1932.

[2] G.O. No. 212, Development, dated 7th February 1925, pages 28–29.

Two courses of instruction were provided in the Institute, one for the Supervisors course and the other for the Artisans course, in which subjects like, (*a*) weaving and dyeing, (*b*) knitting and dyeing, (*c*) carpet weaving and dyeing, (*d*) silk filature reeling and dyeing and (*e*) dyeing, bleaching and block printing, were taught. The Supervisors course embraced both the theory and practice of textiles, while the Artisans course was purely theoretical. Experiments in warp preparation and weaving with modern handloom appliances were also made in the Institute to demonstrate to interested persons the speedier as well as the more economic production of various types of fabrics. Nor was this all. Such improved appliances as Amalsad hand-sizing machine, vertical warping mills, jacquards, bobbins, pirn winders, doubling machine centre-shed dobbies, pit and frame looms and several other accessories were manufactured in the Institute and sold to the weavers departmentally till 1926. Thereafter, however, the departmental manufacture and sale of these appliances was discontinued and they were ordered to be supplied by contractors under the supervision of the staff of the Institute. The Institute also specially trained a staff of maistries and deputed them to the districts for erecting the new appliances. The Institute likewise conducted some experiments in the design, construction and improvements of several types of automatic frame looms for weaving cotton. The Institute, moreover, maintained a good laboratory to try the latest methods of bleaching, dyeing and printing and a good show-room to display all types of handloom fabrics, improved looms, etc.[1] It may be stated here that the Institute was placed under the charge of the Textile Expert who was appointed as its Principal.

Discussion both inside and outside the Legislature.

Very soon, however, these measures were considered insufficient. The work of the Industries Department came in for a good deal of adverse criticism both inside and outside the Legislature. In 1924 the Government themselves openly stated that it was doubtful whether in spite of the large expenditure that had been incurred on the efforts of the Industries Department to improve the handloom weaving industry during the last twenty-five years, any real improvement had been effected. They, therefore, proposed to appoint a committee to examine the conditions of the handloom industry. The committee was, however, not appointed and, instead, the views of some non-official gentlemen were obtained at an informal conference held in March 1925, which merely allowed the existing state of affairs to continue. But the question was agitated again. In 1927 a large number of members of the Legislative Council representing the different

[1] G.O. No. 113, Development, dated 23rd January 1926.

The Legislature recommends the creation of a separate Textile Department.

parties tabled a resolution in the following terms for constituting the Textile Branch of the Department of Industries into a separate department and placing it directly under the Government. "This Council recommends to the Government that the importance and magnitude of the hand-spinning and handloom weaving and connected cottage industries and the urgent need for their development and for tackling the various problems connected with them be recognised and that the Textile Branch which forms the largest section in the activities of the Department of Industries be formed into a separate department as in the case of Fisheries." On the assurance given by the then Minister for Development that he would convene a conference with a view to obtaining its opinion on this question, the resolution was withdrawn.

The Conference of 1928.

Accordingly, a conference was convened by the Government in 1928, to discuss the working of the textile section and consider the lines of future progress and development, consisting chiefly of non-officials and presided over by the Minister for Development.[1]

Its observations and recommendations.

This conference sat from September 1928 to January 1929, discussed the notes prepared by the Director of Industries and the Registrar of Co-operative Societies and made some important recommendations to the Government. Its observations and recommendations can be summarised as follows.

The work of the Textile Branch of the Department of Industries falls under two main heads—the resuscitation and development of the textile cottage industries and the assistance and advice to power textile industries. The textile cottage industry, i.e., the handloom industry, includes cotton, silk, wool, coir, jute, aleo, kora bleaching, dyeing, finishing, hosiery, lace embroidery, sericulture, silk reeling, silk twisting, wool spinning, etc. It ranks in importance and magnitude next only to agriculture. It is the chief means of livelihood for about two million people who entirely depend upon it and the chief classes among these people are the Devangas, Sowrashtras, Kaikolars, Padmasalis, Muslims and Harijans. It affords work for men, women as well as children. It turns out nearly five times the cotton cloth produced by the mills in this State and this amounts to one-third of the handloom cloth produced in the whole of India. And it exports hand-woven coloured goods costing nearly 18 million rupees per annum. Its importance is, therefore, beyond dispute.

In a country like India the handloom, as a cottage industry, has certain advantages over the powerloom. It has been ascertained that the actual cost of production on the handloom is lower than that on the powerloom and that for the

[1] G.O. No. 509, Development, dated 22nd March 1929.

same investment the quantity of cloth produced on the handloom is larger than that on the powerloom. But the price of handloom cloth when it reaches the market is at present higher by 7 to 10 per cent than the power products. In spite of this higher price, however, as much as about 4 million yards of cotton cloth are produced on the handlooms in this State.

As the production of cotton cloth of higher count and of variegated patterns on the handloom will provide work for only a small number of weavers on account of a limited demand for it, it is necessary that the bulk of the production on the handloom should be the ordinary wearing apparel of the masses, if the million and odd cotton weavers entirely dependent on handloom are to be provided with an occupation which will give them a living wage. If the handloom product should hold the field, the existing disparity in price between the hand and the power product has to be removed. It is only then that the large quantity of cloth produced on the handloom can be marketed, continuity of employment provided to the handloom weavers and remunerative work found for them.

In order to remove the disparity in prices between the handloom and the mill-made cloths, something should be done without delay. On the representations made by the Mill-owners' Association, the Government of India have offered protection and also assisted the cotton mill industry by removing the excise duty on cloth, enhancing the import duty on yarn, removing the import duty on machinery and by deputing a trade mission to explore the possibility of markets for Indian mill goods in other countries. The Department of Industries should, in future, urge for such steps as are likely to assist the handloom industry also. It is clear that as a result of the grant of protection to the Indian Spinning Mills, the competition between the handloom and the powerloom in respect of the wearing apparel of the masses has, in recent years, been intensified. In the case of cloths worn by the classes the duty has, to some extent, affected the earnings of the handloom weavers and it is desirable that, in order to enable the handloom weaving industry to survive in the competition, the duty on yarn of counts above 40s should be removed, as also the duty on gold thread. As regards the yarn of counts below 40s which are mainly supplied by Indian Mills, the Government should stipulate a condition that they should not be below a standard strength test and should be of reputed count, correct length and weight. The Government should also assist the handloom industry by providing cheap facilities by rail for transporting yarn and cloth for weavers' co-operative societies.

The solution of the removal of disparity in prices should also be sought for in other directions. The Textile Expert

has suggested certain lines of development whereby it should be possible to effect the removal of the disparity which may, in turn, bring about a mutual adjustment as between the products of hand and powerlooms. His scheme consists of, (a) an organization for securing yarn at a favourable rate either by direct purchase from the mills or by starting of a co-operative spinning mill or a mill worked by jail labour; (b) an organization for preparing and distributing ready-made warps to the weavers which, while helping to standardize the products of the handloom will set free the weavers' family from the unremunerative labour of warp preparation thus increasing the output of cloth with distinct improvement in his present wage; and (c) an organization for taking the cloth from the weaver and marketing it for him and thereby securing continuity of work for the weaver.[1]

Coming to the technical aspects of the industry, the scheme submitted by the Textile Expert involves activities on four different lines. The first is the improvement of the technique, the second is the imparting of technical training, the third is the bringing into existence of linked organizations for the supply of ready-made warps and also for popularising preparatory mechanical processes for warping and sizing, and the fourth is the placing of the industry on a commercial footing with the help of co-operative organizations. On the technical side some improvements are necessary. A portion of the Industrial Engineering Workshops should be set apart for the use of the Textile Expert to enable him to carry out the necessary experiments in the evolution of appliances. A qualified mechanic should also be added to the staff of the Textile Expert. The Industrial Engineer should undertake to manufacture in bulk the other appliances which have been evolved and found suitable for the purpose, and to offer them for sale at cost price without overhead charges. On the question of technical training and education and its control the Textile Institute should be transferred to the Leather Trades School buildings, the carpet weaving class attached to the School of Arts and Crafts should be transferred to the Textile Institute, the office of the Textile Expert should be located in the Textile Institute itself and all responsibility for the supervision and inspection of aided schools that teach weaving should be taken away from the Inspector of Industrial Schools and vested in the Textile Expert. On the subject of propaganda and demonstration, the peripatetic weaving parties should be strengthened and a power dresser sizing machine should be installed in the Textile Institute.

1 G.O. No. 509, Development, dated 22nd March 1938, pages 2-4.

Improvement and popularization of the technique alone would not be enough. A properly conceived policy for the betterment of the economic condition of the weavers and for enabling them to derive the benefit of co-operation for their improvement is also necessary. Towards that end, an extensive system of co-operative societies specially designed for affording them credit, for supplying them with yarn cheap, for arranging marketing facilities for finished products and for supplying them with information on all allied matters, should be organized. All authorities such as Mr. Hemingway, the author of the Co-operative Manual, the Townsend Committee on Co-operation in Madras and the Royal Commission on Indian Agriculture, have expressed their faith in co-operation for improving the condition of the weavers. What has yet been done in this field has not touched even the fringe of the problem. The chief points to be borne in mind in this connection are, (1) the widespread poverty of the weaving classes who have an ancient and hereditary craft in their possession which, but for the modern competition of machine-made cloth, would have kept them in a comparatively better condition economically; (2) the utter extinction of the hand-spinning industry in India, which was previously widespread and which has now reduced the weavers to entire dependence on mill-made and imported yarn and made it necessary to supply them yarn at cheap rates; (3) the necessity for the introduction of mechanised process to be linked with handlooms, (4) the weavers' dependence on and indebtedness to middlemen who alone now are mostly the agents for marketing the finished goods; and (5) the absence of any channel by which information regarding the requirements of markets, home and foreign, and the marketing conditions can be made available to the weavers.[1]

Handloom weaving is an ancient industry languishing now for want of adequate support. A large population, though now earning a precarious livelihood, is in danger of being thrown out of employment. Such unemployment would present a serious problem to the Government. No effort should therefore be spared to place the industry on a better and more profitable footing. The drink evil among the weavers, referred to by the Registrar of Co-operative Societies, should be eradicated. More attention should be given to the handloom industry in general. The prospect of success in improving this industry lies in devising a linked organization and in co-ordinated effort of a sustained character in which the textile section of the Industries Department, now one of the branches under the Director of Industries and the Co-operative Department must work conjointly. That the past efforts have not

[1] G.O. No. 509, Development, dated 22nd March 1929, pages 4-6.

produced adequate results cannot be gainsaid. It is obvious that a Director dealing with a number of industries, each involving its own problems and a distinct set of processes scientific, mechanical and artistic, can hardly be expected to do adequate justice to the heavy strain of this multifarious work, especially when most of the Directors of Industries here have been civilians who have had no special training for the post. This system is not conducive to the improvement and development of handloom textile industry with its many branches and varied sets of processes. Being the biggest industry after agriculture it certainly demands the constitution of the textile section into a separate department. Pending the consideration of the creation of a separate department, the Textile Expert should be made a Deputy Director to deal with the textile section alone working under the Director. Moreover, a Textile Advisory Committee should be constituted for advising the Government in all matters relating to the improvement of the textile industry and the betterment of the weaving classes [1].

The Govern ment accep some of th recommend ations.

Such were the observations and recommendations of the Textile Conference of 1928–29. The Government accepted some of its recommendations and postponed the others for future consideration. As regards the removal of the duty on yarn they observed that of the total quantity of yarn consumed by handlooms, less than 10 per cent were of counts above 40s and the production of fine cloth could at best afford occupation only to a section of the weaving classes. The question, they said, required further consideration. As to the prescription of standard strength, test, etc., they were inclined to think that the suggestion was likely to present practical difficulties and they, therefore, considered that the opinion of the local mills should be taken. On the question of cheap transport over railways, they thought that it would be preferable if the railway administration were addressed when there was a prospect of creation of a sufficient number of weavers' societies. On the question of measures to be taken with a view to improving the handloom industry in its technical and commercial sides, they agreed generally that development should proceed on the lines indicated. But, they said that the crux of the weavers' problem was how to standardize the products of the looms and to effect a reduction in the price of cloth without reducing the earnings of the weavers. Progress in the organization of the industry on its commercial and economic side was beset with considerable difficulties and the complex problem of producing standardized hand-made goods in quantity, of cheapening the cost of producing such

[1] G.O. No. 509, Development, dated 22nd March 1929, pages 5-7.

goods, of replacing the middlemen by a net-work of co-operative societies, of creating a steady and regular demand for the cloths turned out, and, last but not least, of improving the morality of the weaver and inculcating in him habits of thrift, was one which was not easy of solution. The policy outlined, they said, for the betterment of the economic condition of the weavers postulated the setting up of a net work of co-operative societies specially designed for affording them the necessary credit, supplying them with cheap yarn and arranging for marketing facilities for their finished products. The prospects of success in this direction, they felt, were not encouraging, in view of the improvident and intemperate habits of the weaver. The Co-operative Department would, however, be asked to pay special attention to the development of the weavers' societies on the lines suggested by the Conference.

The Government accepted the recommendations of the Conference regarding the setting apart a portion of the Industrial Engineering Workshops for the use of the Textile Expert and the appointment of a qualified mechanic, etc. They also accepted the recommendations regarding the transfer of the Textile Institute to the premises of the Leather Trade School, and the location of the office of the Textile Expert in the Textile Institute. But they deferred for consideration the proposal for the transfer of the carpet weaving class from the School of Arts and Crafts to the Textile Institute and only partially accepted the suggestion for transferring from the Education Department to the Textile Expert, the supervision and inspection of weaving classes conducted in aided industrial schools. They ordered that the Textile Expert should be instructed to make it a rule to visit from time to time all schools in which instruction in weaving was given and, if he noticed any defects or considered any improvements necessary, he should bring them to the notice of the Director who should, in consultation with the heads of the institutions, give careful consideration to the suggestions of the Textile Expert. They also ordered that the Textile Expert should examine the existing curriculam of instruction in weaving and that any revision or modification suggested by him should be given effect to in consultation with the management of the schools.

On the subject of propaganda, the Government conceded the need for strengthening the weaving parties but felt that the question of installing a power dresser sizing machine might be considered in future. On the subject of the creation of a separate Textile Department, they directed that the designation of the Textile Expert should be changed to the Assistant Director of Textiles, and they considered that the larger subject might be postponed. As to the appointment of a Textile Advisory Committee, they accepted the suggestion and accordingly ordered the constitution of such a committee on a temporary basis for a year.[1]

Appointment of a Textile Advisory Committee.

Recommendations of the Special Officer who surveyed the cottage industries.

From this time onwards more and more attention came to be bestowed on the development of the handloom industry. A Special Officer appointed to make a detailed survey of the cottage industries of this State, made some recommendations in 1929 to improve that industry. Some progress, he admitted, had, indeed, been made for introducing improved methods of weaving, such as flyshuttle slays, dobbies, jacquards, weavers' beam, etc. But what was wanted, he said, was more intensive propaganda and for this purpose the number of peripatetic weaving parties should be increased. Some progress had also, he admitted, been made in establishing co-operative societies for the supply of raw materials and the sale of finished goods. But what was needed, he said, was a more determined effort in this direction. The co-operative movement should be expanded and a Central Emporium in Madras should be opened for the sale of handloom as well as other cottage industries goods. Besides this, he suggested that frame looms and other appliances should be popularised by giving them to the weavers on the hire purchase system and that a linked organization should be established for making available a power driven sizer for a group of weavers[2].

Recommendations of the Cottage Industries Committee.

A Cottage Industries Committee appointed to consider the reports of the Special Officer also made some recommendations in regard to the handloom industry. The peripatetic weaving parties should be increased. Important weaving centres should be supplied with a set of appliances for winding, warping and sizing, for purposes of demonstration, together with jacquards and dobbies. Hot-air sizing machines and other costly appliances should be supplied to the weavers on the hire-purchase system. Weaving sections should be opened in important industrial schools to afford training in modern methods of weaving. Besides increasing the number of weavers' societies, a Central Weavers' Society and a Central Depot or Emporium should be established in Madras. The local societies should be affiliated to the Central Society and the latter should appoint a business organizer to study the market conditions in order to find out a ready sale for handloom goods both in India and abroad. Steps should be taken to get substantial reduction in railway freight on raw materials such as yarn, dyed and undyed, required for

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[1] G.O. No. 509, Development, dated 22nd March 1929, and G.O. No. 1684, Development, dated 5th October 1929.

[2] Report on the Survey of the Cottage Industries in the Madras Presidency by D. Narayana Rao, 1929, pages 85–88.

the handlooms. The import duty on gold thread should be abolished [1].

Recommendations of the Textile Advisory Committee.

The Textile Advisory Committee too made some recommendations. These were, (1) that the hire purchase system should be tried for the sale of hand sizing machines, wool spinning and silk throwing machines, etc., to co-operative societies, and that the system of loaning handsizing machines to such societies should be tried; (2) that the Railway administration should be addressed for a reduction in the existing rates of transport of yarn and handloom cloths from one station to another and also for a reduction in the rate for bundles; (3) that the import duty on raw silk should be revised so as to give protection to the indigenous sericulture and silk industry and that the tariff valuation should be fixed at Rs. 12 to Rs. 15 per lb.; (4) that the surplus revenue derived from the enhanced duty on imported silks should be utilized for giving bounties to concerns using power filatures, (5) that the Government of India should be requested to introduce legislation to provide for the grading and labelling of Indian mill yarn; and (6) that the Central Government should be addressed for the removal of the import duty on cotton yarn of counts above 40s or at least 60s and also on gold thread [2].

How far all these recommendations were carried out.

It may now be indicated how far all these recommendations were carried out. The peripatetic weaving parties, instead of being increased were, one and all, abolished in 1932 at the time of the General Retrenchment [3]. The weavers' co-operative societies were encouraged but the Central Society was not established, as we shall see, till 1935. The supply of appliances under the hire-purchase system was only cautiously attempted [4]. The Central Emporium at Madras for the sale of cottage industries goods was not established. The only thing that was done was that the Victoria Technical Institute was given grants for a few years to appoint an agent of its own in England for the sale of artistic cottage industry products, a system which failed to yield any real benefit [5]. The Railway Companies were requested to reduce the rates of transport of yarn and handloom cloth, but they refused to grant this request [6]. The Government of India were addressed to the effect that the tariff relaxation on imported silks should be based on their actual prices in the

[1] G.O No. 864, Development, dated 21st April 1930.

[2] *See* the notes to G.O. No. 1218, Development, dated 12th September 1932.

[3] *Ibid.*

[4] G.O. No. 1317, Development, dated 3rd September 1931, and G.O. No. 342, Development, dated 8th March 1932.

[5] G.O. No. 416, Development, dated 28th March 1934.

[6] G.O No. 1405, Development, dated 25th September 1931.

exporting countries, that it should also be regulated so as to give protection to the silk industry of this State and that the duty on re-reeled silk should be raised to 50 per cent in order to help the indigenous weavers and reelers to increase the production of South Indian silk. They, however, stated that it was not possible to regulate the tariff valuation of imported articles for the purpose of affording protection to an indigenous industry and that it was impracticable to fix a separate tariff value for every grade and quality of an article which was imported in a variety of grades and qualities [1]. The Government of India were also addressed to undertake legislation to provide that, (1) a bundle of yarn should be made up of a graded weight of 10 lbs., (2) each bundle should contain at least as many knots as the number of its count, (3) each knot should contain 10 hanks, each hank containing 480 yards, (4) each bundle should be labelled 'superior', 'medium' or 'inferior', in accordance with the prescribed test strength for those particular grades, and (5) the correct count of yarn should be indicated on the bundle. As regards (1), (2), (3) and (5), they stated that apart from the necessity of taking any action to prevent short reeling, no measures could be devised to check the practices, which would be either practicable or adequate. As regards (4), they were of opinion that it would be equally impracticable on account of lack of expert staff to enforce any legislation requiring that each bundle should be labelled to denote the correct textile strength of the yarn [2]. The Government of India were likewise addressed to abolish the duty on cotton yarn above 40s and the duty on gold thread. But they showed no disposition to accede to these requests. On the other hand, on the recommendation of the Tariff Board, they raised the duty on silver thread and wire and gold thread and wire to 50 per cent *ad valorem* [3].

The Indian Tariff Board Enquiry.

Meanwhile the Government of India took up the question of granting protection to the Indian Cotton Textile Industry and in this connection the Indian Tariff Board asked this Government in 1932 to supply information on a number of points connected with the handloom industry. The Tariff Board said that it had been asked to consider whether the claims of the Indian Cotton Industry had been established and if so in what form protection should be given and to what extent by means of import duties. It wanted to know how this protection would affect the handloom industry. It wanted also to know how the import duties introduced by the Indian Tariff Cotton Yarn Amendment Act of 1927 and the Cotton Textile Industry Protection Act of 1930 had affected the

[1] G.O. No. 2186, Development, dated 10th December 1930.

[2] *Ibid.*

[3] G.O. No. 1317, Development, dated 3rd September 1931.

handloom industry. And it wanted in addition, information specially on the following points, (1) the extent of the industry, the number of weavers and of handlooms and the approximate estimate of maximum and existing production; (2) the principal classes of cloth woven and the extent to which they competed in the market with mill products and the imported piecegoods; (3) the approximate cost of manufacture of typical classes of cloth; (4) the prices retailed for principal classes of cloth for the last few years and the prices of comparable classes of mill-made and imported cloth; (5) the kinds of yarn used, Indian or foreign, mill-made or hand-spun and their counts and prices; (6) the approximate estimate of the quantity of hand-spun yarn produced and (7) the extent to which protective duties on (*a*) yarn and (*b*) piece-goods would affect the handloom industry [1].

The Government's reply to the enquiry. This Government in reply said that they had no special views to offer on the mill industry, but that they had to make out a strong case for the handloom industry. And they remarked as follows :—

There is no accurate detailed information about the handloom industry; the industry is unorganized and there are no statistical returns relating to it. The sources of information are, (*a*) census enumeration, which gives the numbers of handlooms and of persons employed in cotton spinning, sizing and weaving and (*b*) estimates of output deduced from statistics of net imports of yarn, net production of Indian yarn and consumption in mills and consequent balance available for handlooms. Until 1921 it was possible to make an estimate of handloom consumption in the State by applying to the items above specified, the figures of rail-borne trade in yarn. But with the subsequent abolition of the rail-borne statistics of trade, that method of calculating the State output has had to be abandoned and the only course now is to make such assumptions as seem most reasonable as to the fluctuation in internal movements of yarn.

Notwithstanding the lack of precise information it is indisputable that the handloom weaving industry—though occupying a far lower position relatively in the textile industry than it did a century ago—is of immense importance providing, as it does, employment in this State for a population second only to that engaged in agriculture. The total population supported by the industry (cotton spinning, sizing and weaving) was 1,118,628 according to the 1911 census, but it fell in 1921 to 687,083 (or 911,901 if we include " weavers

[1] G.O. No. 1218, Development, dated 12th September 1932, pages 1-2.

unspecified "). The 1931 census figures indicate an increase in the number of actual weavers in the last 10 years from 304,000 to 486,248, i.e., about 60 per cent. Some doubt, however, arises as to the accuracy of this figure since the same census gives the number of looms as only 193,474, including looms used for artificial silk. This is an increase of only 15 per cent over the 1921 figure of 169,451. On the other hand, a survey of cottage industries made in 1928 gave an estimate of 259,451 looms in that year. In view of the decrease between 1811 and 1921 and the known difficulties under which the handloom weaving industry has been labouring in recent years, it is hard to believe that there has been an increase in the number of persons employed much in excess of the proportion in which the general population has expanded during the same period [1].

As regards the effect of recently imposed duties, there is no positive information, but it is relevant to note that, at present, prices of yarn of all counts up to 90s (which constitute the bulk of the weavers' consumption) pay at the higher rate the specified duty, that in consequence the import of coarse and medium counts is dwindling, that the protection benefits only the mills which are beginning under its shelter to take to the production of 40s and upwards and that the handloom industry is more than ever dependant for its supply of yarn on its principal competitors, the mills, which produce yarn chiefly for their own consumption. The Indian mill-made yarn is, moreover, inferior in reliability and tensile strength to imported yarn. In the face of all this, it is hardly necessary to adduce statistical proof that the handloom industry is seriously handicapped [2].

Turning to the points raised, the probable number of weavers employed in 1931 may be put down somewhere between 300,000 and 350,000, the number of looms between 200,000 and 250,000 and the production may be roughly estimated at about 70 million pounds of yarn. The average amount of yarn consumed by handloom weavers in this State during the decade ending 1920–21, as deduced from statistics, on the one side of import (by sea, coast and rail) and production in the mills and on the other side, of corresponding exports and consumption in the mills, was 59 million pounds. In the same period the average consumption in India as a whole was 244 million pounds. The All-India average consumption increased to 326 million pounds in the next decade, i.e., by a little more than 33 per cent. Assuming a proportionate increase in this State, the figure would be about 78 million pounds. This percentage increase is, however, considerably higher than that already admitted in the number of

[1] G.O. No. 1218, Development, dated 12th September 1932, pages 56-60.
[2] *Ibid*, pages 60–61.

looms, and the figure 70 million pounds may be more safely adopted. Assuming 5 yards of cloth to 1 lb. of yarn and 225,000 looms working for 200 days in the year, this gives a daily out-turn of about 7½ yards per loom which is a fairly normal figure.

The principal classes of cloths woven are dhoties, sarees, towels, sheets, shirtings, coatings, lungis, kailis and handkerchiefs. Mill competition is mainly in respect of the first seven except in regard to coloured sarees which are a speciality of the handlooms.

The approximate cost of manufacture of the principal classes of cloth is as follows: For one yard of coarse dhoties it is 3 annas; of fine dhoties, 6 annas and 1 pie; of women's sarees, 4 annas and 6 pies; of angavastrams, 9 annas and 4 pies; of Madras handkerchiefs, 10 annas and 3 pies; of towels, 3 annas and 10 pies; of twill shirtings, 4 annas and 4 pies; of coatings, 6 annas and 10 pies; of bed sheets, 12 annas and 3 pies and of lungis, 6 annas and 9 pies.

The handloom prices are generally slightly higher than the price of mill-made products, and their quality as indicated by the number of threads per inch, is also higher. Information, however, regarding the prices realised for the principal classes in the current and the two preceding years with corresponding prices of comparable goods, mill-made and imported, has proved difficult to collect. The quality of the hand-woven and mill-made cloths also varies so greatly as to make it hard to find any standard of comparison.

Counts from 12ˢ to 200ˢ are used, 31ˢ to 100ˢ being most in use. For these counts the weavers are mainly dependent on imported yarn, though with the protection imposed by the recent duties the production of higher counts in Indian mills has rapidly advanced. For counts below 30 the handlooms are entirely dependent on Indian mills and the case will soon be the same with the higher counts, if the present duties of yarn are continued.

The All-India Spinners' Association estimates the value of hand-spun yarn produced in 1930–31 in the State at about Rs. 32 lakhs which, at an average price of 6 annas a yard, gives an output of 8½ million yards—an insignificant contribution to the total consumption. The price is very high and the quality is coarse [1].

How the duty on yarn has hit the handloom industry.

There can be no doubt that the duty recently imposed on yarn hits the handloom weaver very hard. The cost of yarn represents nearly half the cost of production. This moiety is

[1] G.O. No. 1218, Development, dated 12th September 1932, pages 61–67.

affected by, (*a*) the naturally high price of imported yarn with its various commissions and transport charges, (*b*) the enhancement of price caused by the duty and (*c*) the competition of the mills which, protected by the duty, charge a high rate to the handloom weavers while producing the yarn for their own consumption at a cost which, by virtue of such factors as bulk production and shared overhead charges, is far lower than that incurred by the weavers. The effect on handloom weavers of the duty on piecegoods is determined by the fact that this duty operates to assist their chief competitors, the mills.

Mill competition.

All this indicates that the handloom industry has made little progress in the last generation, that it has not succeeded in establishing its position in respect of any of the various lines on which the cotton industry is conducted and that it is in evident danger of being displaced still further by mill competition. Such a prospect cannot be regarded with equanimity. The industry no doubt has defects, such as, want of steadiness and thrift in the character of the weavers, their chronic indebtedness, their primitive appliances and their complete lack of organization. More than this, it is suffering from the external handicaps of the duty on yarn and the preferential position of the mills. Unless, therefore, some restriction is placed on the power of the mills to raise yarn prices against the handloom weavers, or unless some agreement can be entered into with regard to the respective spheres of the handlooms and the mills, it is extremely doubtful whether any internal reform of the handloom industry can succeed even in arresting its general decay. This is not the only instance, but it is perhaps one of the most important, in which the vital interests of different great sections of the population are in conflict, and no measures, whether of tariffs or otherwise, can be deemed satisfactory which cater for the interests of only one part of the community.

The duty on yarn, gold thread and textile machinery should be abolished.

The handloom weavers are definitely handicapped by the duty on yarn of counts above 40ˢ. The mills are only slightly benefited by it, their production of such counts representing only about 3 per cent of their total output of yarn. This duty should be abolished. The loss in revenue might be made good by a small duty of three pies a pound on cotton cloth imported from other than British sources. Further handicaps are the enormous duty (50 per cent *ad valorem*) on imported gold thread, which is an essential ingredient in the manufacture of the richer sarees and turban cloths, which are a feature of the higher class work on handlooms, and the duties recently imposed on textile machinery apparatus and accessories. All these duties should also be abolished [1].

[1] G.O. No. 1218, Development, dated 12th September 1932, pages 68–70.

These measures alone are not enough. In order to achieve the improved organization in apparatus, marketing and finance, which the industry imperatively requires, it is necessary to have a fund at the disposal of the organizing body, and it has from time to time been suggested that such a fund might be found by the levy of an excise duty or cess on yarn consumed by the mills. This suggestion should again be considered. The important part which the handloom industry can play in the proper constitution of the textile industry may be invoked as a justification for such a levy. The mills benefit by tariffs, whose effect is detrimental to the handlooms. A large articulate interest thus benefits at the expense of a larger but inarticulate community. Legislation which permits such results surely needs revision; but to meet the objection that such a cess or duty should not fall solely on one section of the industry—a section moreover which derives no direct benefit from it—it may be conceded that the handloom industry, when organized, should also pay the cess which may be put at two pies a pound of yarn consumed. Legislation should also be undertaken to enforce the grading and labelling of Indian mill-made yarn and to penalise short reeling and other fraudulent practices [1].

An excise duty on yarn consumed by the mills should be imposed.

So much about cotton. In regard to artificial silk, the duties on the import of artificial silk piecegoods and yarn (which have become popular during the last 10 years) are at present 50 per cent *ad valorem* and $18\frac{3}{4}$ per cent *ad valorem*, respectively. The enormous increase of this cloth and yarn in this State indicates that, high as the duties appear to be, they are insufficient to check the influx. Consumption of artificial silk piecegoods and yarn must evidently displace a considerable volume of indigenous cotton and silk goods and to that extent the Indian cultivator suffers, while the handloom industry, though perhaps temporarily benefiting by the cheap imported yarn, is detrimentally affected by the import of piecegoods and must eventually suffer indirectly by the injury to cotton cultivators and by dependence on foreign raw material.

The handloom weavers have taken freely to the use of artificial silk yarn which they mix with cotton in the production of sarees, dress materials and shirtings. Their cost of production, however, prevents them generally from competing with imported artificial silk goods, especially from Japan. Even where the handloom using foreign artificial silk can, to some extent, compete with imported piecegoods, it tends to injure the cotton industry by lowering the price of textile fabrics generally. Nor does it seem desirable, apart from

[1] G.O. No. 1218, Development, dated 12th September 1932, pages 70-71.

Prohibitive duties on piece goods and yarn of artificial silk should be imposed.

injury to cotton growers and manufacturers, to encourage the use of artificial silk yarn goods made either wholly or partly of this material. Such goods do not wear well and the consumer could not really suffer by having to pay cotton goods at a slightly higher price. Prohibitive duties on piecegoods and yarn of artificial silk should, therefore, be imposed [1].

The Tariff Policy of the Government of India.

This unhealthy picture of the handloom industry painted by our Government was, indeed, a perfectly true picture. For, the industry was then suffering not only from the effects of the protection extended to the mill industry but also from the effects of the general economic depression created by the war. The protection extended to the Indian mill industry by the tariff policy of the Government of India can be described in a few words. From 1896 the import duty on cotton piecegoods was $3\frac{1}{2}$ per cent *ad valorem*, but as there was a countervailing excise duty to offset this advantage, the duty had no protective effect. In 1917, as a war measure, the import duty was raised to $7\frac{1}{2}$ per cent and, coupled with the transport difficulties, this had a powerful effect. The position for the Indian mill industry was further improved by the enhancement of the duty to 11 per cent in 1921 and 15 per cent in 1930 and by the removal of the excise duty in 1926. Between 1930 and 1931 the duty on British plain greys was increased to 25 per cent or $4\frac{1}{2}$ annas per pound. At the same time, the duty on foreign plain greys was raised from 20 per cent or $3\frac{1}{2}$ annas to 75 per cent or $6\frac{3}{4}$ annas in 1933. By 1934 there was a further classification and the duties on cotton piecegoods imported from the United Kingdom stood at 25 per cent or $4\frac{1}{2}$ annas and on those imported from foreign countries at between 35 and 50 per cent or $5\frac{1}{4}$ annas. Thus within a short time the Government of India raised a high tariff wall to protect the Indian mill industry. At the same time an import duty on yarn was also imposed. In 1922 a duty of 5 per cent *ad valorem* was levied and in 1927 a duty of $1\frac{1}{2}$ annas per pound was imposed as an alternative. The import duty was enhanced in 1931 to $6\frac{1}{4}$ per cent or $1\frac{7}{8}$ annas per pound. In 1934 the duty on British yarn of 50s and below was lowered to 5 per cent or $1\frac{1}{4}$ annas. On yarn above 50s, the British yarn paid 5 per cent and foreign yarn $6\frac{1}{4}$ per cent [2].

Effect of the protective duties and economic depression.

This is what the Fact Finding Committee of 1942 said about the effects of the protective duties and the economic depression. The production of cotton cloth in the Indian mills rose from 1,563 million yards in 1920–21 to 3,662 million yards in 1937–38, thus showing an increase of 135 per cent. During the same period the handloom products in India

[1] G.O No. 1218, Development, dated 12th September 1932, pages 86-87

[2] Report of the Fact Finding Committee (Handloom and Mills) 1942, pages 12-13.

increased only by 39 per cent The removal of the 3½ per cent excise duty in 1926 created a considerable handicap to the handloom weavers while it gave an immediate relief to the Indian mills. The increase of import duties on piecegoods very much benefited the Indian mills and strengthened them not only against foreign mills but also against the handloom weavers. The imposition of the duty on yarn which was intended to keep out foreign yarn and give a fillip to the Indian spinning mills contributed also not a little to hit the handloom industry which consumed the great bulk of the imported yarn, especially the yarn of finer counts. The Indian mills at the same time began to produce more and more yarn of finer counts and the handlooms became more and more dependent on this yarn[1].

In these circumstances, a keen competition arose between the mills and the handlooms. The mills now began to produce cloths, like finer count sarees, which were formerly the preserve of the handlooms. And, inasmuch as these cloths were produced out of mill-made yarn which the mills obtained at a cheaper rate than the handlooms, the handloom weavers found themselves placed in a very disadvantageous position. A keen price competition ensued in which the handloom weavers naturally suffered. The competition did not emanate from Indian mills alone. A steady increase of foreign competition took place after 1929 and this affected many of the handloom fabrics, especially lungis, muslins, chintzes and even dhoties. About the same time also large quantities of artificial silk yarn and manufactured goods were imported into our country from Japan and, owing to the depreciation of the yen, their prices here fell drastically after 1931. This too did not fail to affect the handloom industry[2].

All this happening, as it did, at the time of the great economic depression (1929–1933) rendered the condition of the handloom industry still worse. The immediate effect of the depression on the weavers was the fall in demand for their goods resulting from the decline in the purchasing power of the masses. The prices of all staple cloth declined rapidly from 1930 and especially after the exchange depreciation of 1931 a ruthless price cutting went on in the cloth market. The mill industry was, however, able to stand this competition as its production costs were then falling as a result of technical improvement, but the handloom weaver had hardly any such advantage and he had, therefore, to face the full force of the price-cutting menace. No doubt, the prices of yarn also declined to some extent, but they were artificially maintained

[1] Report of the Fact Finding Committee (Handloom and Mills), 1942, pages 13–14.
[2] *Ibid*, page 18.

at levels higher than they would otherwise have been by the protective tariff[1].

During the same period the overseas market enjoyed by the handloom weavers was affected by the competition of the mill products from India and abroad. Madras has long enjoyed a monopoly for the supply of Madras handkerchiefs to West Africa and the exports of this cloth amounted in value to Rs. 43·5 lakhs in 1929–1930; but owing to competition of imitation Madras handkerchiefs produced in Europe, the export of the cloth amounted in value only to Rs. 18·4 lakhs in 1933—1934 and to Rs. 12·4 lakhs in 1934—1935[2]. **Loss of overseas markets**

[1] Report of the Fact Finding Committee (Handloom and Mills), 1942, page 20.
[2] *Ibid* page 19.

CHAPTER III—LATER ATTEMPTS AND THE SECOND WORLD WAR.

Origin of the Madras Handloom Weavers' Provincial Co-operative Society.

There is a tide in the affairs of every thing, and this tide in the affairs of the weavers' co-operatives commenced in 1935 when the Madras Handloom Weavers' Provincial Co-operative Society was established. This society had its origin in the proposal made by this Government at the Industrial Conference held at Simla in 1933 for levying a cess on Indian mill yarn with a countervailing duty on Indian and imported cloth, the proceeds of which were to be applied to the setting up of a proper organization for the handloom industry mainly on a co-operative basis. Though this proposal did not receive general approval, it was recognized that the handloom industry had been hit hard by the import duty on yarn. The Government of India, therefore, while passing the Tariff Protection (Amendment) Act of 1934, provided also in their budget for 1934-1935 a grant to the handloom industry equivalent to the proceeds of an import duty of ¼ anna per pound on imported yarn up to 50s. The Government of India distributed the grant to the various States and, in our State the grant was utilized for organizing a Provincial Co-operative Society [1].

The Scheme

The scheme then drawn up by the Director of Industries in consultation with the Registrar of Co-operative Societies and approved by the Government contemplated the following.

The object of the society is to develop co-operative buying and selling and to improve the technical aspects of the industry. The area of the operations of the society will extend to the whole State. Its headquarters will be at Madras and its authorized share capital, Rs. 5 lakhs, will be divided into 10,000 shares of Rs. 50 each. Co-operative societies intended for the benefit of weavers are, among others, eligible to become its members and each primary society will, at the outset, consist of atleast 50 members. Thirty such societies will be organized in the first instance. The Provincial Society will be managed by private persons subject to the general control of the officers of the Department of Industries and Co-operation, who will act as ex-officio members of the Board of Directors of the society.

As the success of the scheme depends upon the regular sales of handloom cloths produced by the weavers' societies, a Marketing Officer will be appointed and attached to the Provincial Society. Besdies this officer, there will be five

[1] The Madras Co-operative Manual, Volume I, 1952, pages 289-290.

marketing agents, appointed in suitable centres. The agents will assist the primary weavers' societies in their jurisdiction in marketing their output. In course of time the paid marketing agents will be replaced by marketing agents paid on a commission basis and the services of paid men will be utilized for new centres. The marketing officer will prepare a standard wage list for handloom weavers, regulate the cost of cloth manufactured in primary weavers' societies and co-ordinate the work of the marketing agents. He will also secure forward contract orders from wholesale dealers of cloth and pass them on to the marketing agents for execution.

In order to supply the weavers' societies with a wide and varied range of improved designs for fabrics, a Cloth Designer will be appointed by the Provincial Society. He will keep in touch with the designs and patterns of mill cloths which are in great demand and evolve suitable designs for corresponding types of handloom cloths.

Attempt will be made to bring down the cost of production of cloths. The inclusion, as members of Provincial Society, of firms engaged in the production, distribution or sale of raw materials required by the handloom weavers, such as yarn, dye stuffs, chemicals, etc., will, it is expected, secure for the weavers' societies the required supply of raw materials on advantageous terms and under guarantee of quality.

Small units of power-driven machinery for preparing and distributing ready-made warps for handlooms will also effect reduction in the manufacture of handloom cloths and such installations will pave the way for the standardization of handloom products which will facilitate marketing. Proper finishing is also likely to create or develop the demand for handloom cloths. It is, therefore, proposed to install separate units of power-driven warp preparation plant. A small dyeing factory will also be attached to the Provincial Society.

As the grant of the Government of India is, however, limited, a subsidy will be made to the Provincial Society to cover part of its expenditure on installation of the above machinery. The primary weavers' societies will be given a subsidy to cover the cost of their staff and to purchase appliances. When they begin to show a profit, the subsidy will be diverted to new societies to be started in other areas. Their activities will be mainly directed towards producing such fabrics as can be marketed in or near their areas of operation and towards undertaking also the manufacture on handloom, of fabrics similar to mill cloths imported for use in their areas. Fabrics for the export market such as lungis, kailies and Madras handkerchiefs will also be produced and marketed [1].

[1] G.O. No. 368, Development, dated 8th March 1935.

This was how on a modest scale the Madras Handloom Weavers' Provincial Co-operative Society was started in 1935. Since then its activities have grown in various directions and as we go on, these will be indicated in their proper place. It may, however, be stated here that the control over the Provincial Society was first vested in the Director of Industries and shortly afterwards transferred to the Registrar of Co-operative Societies [1].

The Government's views on handloom industry.

Meanwhile, the Indian Tariff Board having made certain enquiries into the condition of the handloom industry in this State, the Government forwarded for its consideration their views. These views can be summarized thus.

There is little, if any, competition now between imported cloth and cloth woven on handlooms. The import duty on cloth should, however, be retained as it benefits either directly or indirectly both the power mill and the handloom weaver, and if the duty were abolished, the competition between the power mill and the handloom weaver in certain classes of cloth would be intensified.

The proportion of fine weaving in this State is higher than in most other States, as there is a regular export trade here in some special cloths, such as Madras handkerchiefs, lungis and kailies. Since recently there has been severe competition from Japan which affects the sale of these cloths in the foreign markets. There are two ways of counteracting this Japanese competition : one is to lower the production costs and the other is to secure tariff preference in the markets affected. The Madras Handloom Weavers' Provincial Co-operative Society is no doubt doing its best in various ways to reduce the cost of production. It would, however, be of considerable assistance to this section of the industry, if the duty on higher counts of yarn were removed. The question of import duty on yarn is of vital moment to the handloom industry. Almost all the weaving mills in India have spinning mills attached to them and the yarn they use costs them less than the yarn used by the handloom weavers. It is, in fact, this disparity that accounts partly for the difference in the selling price of handloom and mill-made cloth.

The handloom weavers absorb practically the whole of the cotton yarn imported into the State which consists mainly of 30s to 40s, 51s to 60s and 61s to 100s. The absorption of Indian mill yarn by the handloom weaving industry is mostly of counts up to and including 40s. Yarn constitutes, indeed, the principal item of expenditure in the manufacture of cloth on handlooms, the cost of the raw material ranging from 40 to 60 per cent of the total cost of manufacture, according to

[1] G.O. No 315, Development, dated 27th February 1936.

the quality and description of the cloth. Handloom weavers are, therefore, handicapped by the duty on yarn of counts above 40s, while the mills are benefited by it only to a limited extent. The abolition of all duties on yarn, and especially on counts of yarn above 40s would be of assistance to the handloom weavers in maintaining their earnings and increasing their production. But, looking also at the interests of the mills, the present dividing line in duties on counts above 50s and on counts 50s and below may be retained and no reduction in the duties on counts below 50s is pressed for. As regards yarn of counts above 50s the abolition of the duty in the case of imports from the United Kingdom is advocated, although as a compromise between the interests of the handloom weavers and the spinning mills, the existing duty on foreign yarn derived from sources other than the United Kingdom may be retained so as to give the mills some protection against the influx of the cheaper Chinese and Japanese yarn of counts 51s—60s. The abolition of the existing duty on imports of higher counts from the United Kingdom should be of special benefit to that section of the handloom industry which manufactures Madras handkerchiefs and lungis as well as to the weavers of superior quality sarees, dhoties and angavastrams. The handloom weavers find that by the use of English yarn of higher counts, the process of winding, warping, and sizing are facilitated and a better texture is imparted to the cloth. What is urged is that, in order to improve the condition of the handloom industry, the existing duty on yarn of counts above 50s from the United Kingdom may be abolished and the loss of revenue made good by the levy of a small extra duty of 1 pie per pound on the yarn and cloth imported from all countries. And further a cess of one pie per pound may also be levied on every pound of yarn manufactured by mills in India, an equivalent rebate being allowed on yarn exported from this country. A fund might be formed out of this cess for improving the handloom industry [1].

The Government's circular letter on suggestions for the improvement of the industry.

These were the suggestions made by the Government in 1935. Thereafter the position deteriorated and, as a result, early in 1939, the Congress Government, which was then in power, deemed it necessary to address a circular letter to all State Governments as well as the Central Government stressing the need for early reforms. This letter dwelt upon several important matters. This is what it said.

There is urgent need for taking measures to safeguard the interests of the handloom weavers in their struggle against the ever increasing competition of the textile mills, Indian and foreign. The importance of hand-spinning and weaving as a domestic industry in a predominently agricultural country like India can hardly be exaggerated. Hand-spinning provides

[1] G.O. No. 1699, Development, dated 4th December 1935.

suitable part-time employment to all classes of agriculturists especially in the seasons when the agricultural work is slack. Handloom weaving provides employment to 10 million people in India directly and indirectly and is only next to agriculture in importance to the internal economy of the country. It has been estimated that on an average 27 per cent of the total cloth consumed every year in the country is produced on handlooms. The handloom industry is responsible for 1,550 million yards of cloth a year on an average as against 3,262 million yards of Indian mill cloth and 940 million yards of foreign mill cloth. And even today when the export trade of handloom products is not in so flourishing a condition as a few years ago, this trade occupies by no means a negligible place.

Important as the handloom industry is, its claims have not received the attention that is its due. In formulating their tariff policy the Government of India have been far too sensitive to possible reactions of the Indian mill industry to do justice to the handloom industry. It was to protect the Indian mill industry that for the first time in 1922 the Government of India imposed a duty on foreign yarn. Again, it was in furtherance of their policy to assist the mills that they first suspended (in 1925), and then finally abolished (in 1926), the excise duty that till then had been levied on cloth woven on powerlooms. The first measure increased the cost of production of cloth for the handloom weaver, while the second measure helped to reduce the weaver's earning capacity by compelling him to reduce the price of his articles which had to find a sale in the same markets in competition with the product of powerlooms.

In its report submitted in 1932 on the grant of protection to the Indian Cotton Textile Industry, the Tariff Board summed up the position thus: "The duties imposed on piecegoods by the Cotton Textile (Protection) Act of 1930 have benefited the handloom industry equally with the mill industry. The duty on yarn introduced in 1927 has, however, definitely handicapped the handloom industry. In yarn of medium and finer counts the cost of yarn to the handloom weavers has been raised by almost exactly the amount of the duty in comparison with import prices. In the coarse counts which represent the bulk of the yarn consumed by the handloom weaver, the price, although still considerably less than the corresponding import price plus duty, is higher than it would have been without the duty. The severe trade depression which has prevailed since 1929 has seriously reduced the average earning capacity of the handloom weaver. And the effect of this depression has been accelerated by the relative increase in the cost of yarn on account of the protective duty. Thus the position of the handloom weaver in comparison with the mill industry has considerably deteriorated since 1927. The excise duty, while it was in force, had

afforded a small measure of assistance to the handloom weaver as against the mills. The removal of this duty followed immediately by the protective duty on yarn has adversely affected the position of the handloom industry in competition with the mill industry. 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 cloth woven on handloom to the total production, but 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."

The Special Tariff Board of 1936 also found 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".

Inherently the powerloom has no decided or definite advantage over the handloom. Its greater asset undoubtedly is its speed, but even here, taking the initial outlay into consideration, the handloom excels the powerloom in the quantity of cloth produced in a given time. A powerloom with a motor costing Rs. 600 can produce only 50 yards of cloth per day, while 20 handlooms costing Rs. 600 can produce more than 200 yards per day. The mill may also claim that they can supply cloth at a slightly cheaper rate to the people. While the cheap cloth may be a factor of some importance to the poorer masses, the prosperity of millions of weavers is an important element in the total purchasing power of the people and if the weavers are impoverished, the loss in purchasing power can in no way be compensated. The most obvious course to provide cloth at the lowest price to the masses is to admit foreign cloth free of duty. But such a suggestion will hardly be entertained by the Indian Textile mill industry. It will at once be pointed out that the protection of the indigenous mills will be required in the interests of national economy. The acceptance of this principle certainly entails the protection of the interests of handloom weavers against unfair competition from the products of powerlooms. The fact that a weaver is capable of earning Rs. 15 to Rs. 20 a month on an investment of a small sum of Rs. 30 is a most important factor to be borne in mind in this connection. The Indian Cotton Textile industry, protected as it is by a tariff wall and enjoying as it does cheap and abundant labour and raw material, has succeeded in doing considerable damage to the handloom industry.

Coming from the general principles to a particular examination of the position of the handloom industry *vis-a-vis* the mill industry, one need merely quote the words of the Tariff

Board of 1932. "The bulk of the handloom production consists of cloth of counts 20s and below. The manufacturing charges of this class of colth bear a relatively small proportion to the total cost and hence the scope for economies resulting from large scale production by machinery is limited. The handloom weaver has also the advantage of being nearer the market for his goods and he is in closer touch with local tastes and preferences in the matter of cloth. As regards the coarser counts it appears, therefore, that handloom production in India is not uneconomical and cannot be dismissed as an industry which will necessarily succumb to the Mill industry. It is, therefore, unfair to the handloom industry and against the national interest to burden it with charges which will impair its competitive strength. It is doubtful if in medium and finer counts the handloom weaver will be able to survive the competition of the mills. The cost of the raw material in these classes of cloth is proportionately so much higher that machine production offers great advantages as compared with handlooms. The handloom weaver, however, is in a very favourable position as regards colths of the finer counts in which special designs of an artistic character are in demand. Here the immemorial skill of Indian handicraft will preserve the handloom weaver against mill competition so long as machine made imitations are not too cheap. It is in medium counts ranging from 30s to 50s where the scope for economies of large scale prodnction is considerable and at the same time there is little demand for artistic work that the handloom weaver's position is most seriousiy threatened. Unfortunately in this class of cloth, his costs as compared with those of the mills have been considerably increased by the specific duty on imported yarn."

The Government of India have themselves recently recognized the need for safeguarding the interests of the handloom weaver. In the past 3 or 4 years they have provided grants-in-aid mainly to assist the weavers' buying and selling operations. The subvention, useful as it is, has by no means proved adequate even for the limited purpose in view. Under the scheme it has been possible to set up in Madras some hundred and odd primary societies, as against a possible 2,500 societies. The need for continuance of this grant can hardly be exaggerated.

Meanwhile other lines of action have to be explored. The question of adjustment between the handloom and the Indian mill industries has been more than once recently discussed. The Special Tariff Board, appointed in 1936 to examine and recommend the level of duty necessary to afford adequate protection to the Indian Cotton Textile industry, reported that the adjustment of the interests of the handloom industry was not a matter for it to deal with. The Tariff Board of 1932, however, examined in some detail the proposal to restrict the mill output by prohibiting mills from producing those classes

of cloth which form the bulk of the output of handloom weavers. But the Tariff Board found the proposal impracticable and left the matter with 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." The Tariff Board also examined another question, namely, a proposal to levy a cess at a rate not exceeding three pies per pound for the purpose of creating an All-India fund for helping the handloom industry. Though, however, it recorded its sympathy with the proposal and communicated it to the Government of India for favourable consideration, it was of opinion that the proposal was not ripe to be given effect to at once, since it would in effect penalize cotton mills situated in British India as against those situated in the Indian States.

The question was again discussed in a general way at the Nineth Industrial Conference in 1936. The suggestion to appoint a sub-committee to examine the question and submit proposals was not adopted but the Chairman gave an assurance that the Government of India would give the fullest consideration to the proposal. So far, however, nothing has come of this.

In regard to other suggestions, some have suggested the curtailment of the present mill production by prohibiting cotton mills from working at night. Many small units will find it uneconomical to work their mills on this basis. Further, unless such restriction is applicable to all mills in British India and the Indian States, it cannot achieve its primary purpose by reducing the total mill production in the country. Similar reasons militate against the alternative suggestion to fix a quota of production for the mills. Another method suggested is to earmark the styles of cloth to be produced on the handloom and the powerloom. This process would have to be of a minutely detailed character and may be found to be difficult of enforcement in practice. Some others have come forward with proposals for the levy of excise duty on mill cloth or terminal tax on cloth imported from other States. Excise duty can be levied by the Government of India and the terminal taxes will have to be levied by the Government of India in respect of goods arriving by railway or air or coastwise and by the State Government in respect of goods arriving by road and inland water-ways. These are mere variations of the proposal considered by the Tariff Board of 1932 to levy a cess on mill-made goods.

In Madras it is incumbent on all dealers in cloth to take out a licence under the Madras Sale of Cloth Act of 1935. To a dealer dealing exclusively in handloom products the licence is given free of charge; others have to pay a small fee. There is also under consideration in Madras a Bill for the levy of general sales or turnover tax at the rate of one half of a per cent of the turnover of business in a year in cases where such turnover exceeds Rs. 40,000 a year. In the case of a business with a turnover of between Rs. 20,000 and Rs. 40,000 there will be a fixed charge of Rs. 150 a year and business with a turnover of between Rs. 10,000 and Rs. 20,000 will pay Rs. 75 a year and those under Rs. 10,000 will be exempted from the tax. Power has been taken under the Bill to exempt the articles, commodities and materials from the purview of the tax by notification. Proposals are under consideration to exempt handloom products from this levy.

It is clear that a proper solution of the problem and the success of all endeavours in this direction can be fully assured only if all States, including the Indian States, adopt a common policy. The problem of the handloom weaver is an All-India problem and should, therefore, be dealt with on an All-India footing. It has, therefore, to be decided how far it will be possible for the Government of India and the State Governments to take action on an agreed basis on this vital matter [1].

Growing unemployment.

When this circular letter was being sent, the Director of Industries pointed out that unemployment among handloom weavers was growing on account of increasing competition from Indian mill-made fabrics, in spite of the fact that the statistics of the yarn consumed by the weavers showed a definite increase during the last decade. He thought that the paradox could be explained only by the fact that owing to depression more people had taken to handloom weaving and that there were then more handloom weavers weaving coarse cloth than formerly [2]. Shortly afterwards, a Special Officer who had been appointed to conduct a sample survey of the handloom industry submitted his report and started afresh the discussion on the question of giving aid to that industry. As the report throws light on a number of points connected with the industry we may first indicate its findings.

Special Officer's Report.

These are its findings. Among the weavers 23 per cent are independent, 46·5 per cent work for sowcars and the remaining 30·5 per cent are cooly weavers. Ordinary looms as well as flyshuttle looms are in use. The flyshuttle looms seem to have been adopted in the majority of the districts; they form nearly 77 per cent. Improved appliances such as dobbies have also been adopted in most of the districts; roughly about 12 per cent of the looms have been fitted with dobbies. There are many weaving centres in which warping mills are employed and roughly 21 per cent of the looms are fitted with weavers' beams.

[1] G.O. No. 3106, Development, dated 4th September 1940.
[2] G.O. No. 950, Development, dated 4th [illegible]

Hand-spun yarn is used only in small quantities. The great majority of the looms use only mill-made yarn. A majority of the looms weave cloth from coarse and medium counts, the proportion of coarse, medium and fine counts being 38, 44·5 and 17.5 per cent respectively. 82.5 per cent of the looms use only grey and dyed yarn; 3·25 per cent use silk yarn; 4·25 per cent use art silk yarn; 3·5 per cent use mixture of cotton and silk; 5 per cent use mixture of cotton and art silk; and 1·5 per cent use mixture of art silk.

Roughly about 66 per cent of the workers engaged in the industry are whole-time workers, while the rest are part-time workers. The industry is becoming more and more a full-time occupation. The proportion of the men, women and children employed in the industry works out to 43, 35 and 22 per cent respectively. The average number of hours of work put in per day by a full-time worker and a part-time worker differs from district to district. However, the average may be taken as 8 to 10 hours for a full-time worker and 4 to 5 hours for a part-time worker. The number of days the weavers work per annum ranges from 250 to 300 days.

Only yarn up to and including 40^s is generally used by the handloom weavers. 51 per cent of the total consumption consists of yarn upto and inclusive of 20^s. The remaining 49 per cent represent the consumption of yarn above 20^s. In Tanjore, generally yarn of 20^s and 40^s is consumed by handloom weavers. Silk yarn is consumed to a fairly large extent in Conjeevaram, Madurai and Tiruchirappalli. Art silk is consumed to a fairly large extent in North Arcot, South Arcot, Cuddapah, Guntur, Madurai and Tirunelveli.

Cloths of various sizes and patterns are produced by handloom weavers. Important kinds of these are dhoties, angavastrams, sarees, lungis, kailies, Madras handkerchiefs, towels, bed-sheets, shirtings and coatings. Centres of production of the coarser variety are chiefly Tirunelveli, North Arcot, Coimbatore, Cuddapah, Visakhapatnam, Chittoor and Malabar districts. Cloths made of medium counts are chiefly produced in the districts of Salem, Anantapur, Bellary, North Arcot, South Arcot, Coimbatore, Madurai, Ramanathapuram and Tanjore. Finer counts of yarn are chiefly in use in Kumbakonam, Madurai, Salem, Erode, Nellore and Anantapur.

As regards price, the mill-made cloths are cheaper than handloom cloths by 20 to 30 per cent. The extent of handloom cloth manufactured and sold locally varies from centre to centre. The average local sale ranges from 5 to 20 per cent of the manufactured cloth. As regards the extent of imported cloth sold in the various centres, the percentage of this ranges between 60 and 90. The handloom products of the various centres are exported to all parts of this State and to some places in the Bombay State, Mysore and the Nizam's Dominion. Goods are also exported to Burma, Federated Malaya States, Ceylon, Singapore and Aden; of the exports 90 per cent constitute cotton goods and 10 per cent silk sarees.

Yarn consumed by the weavers in the various centres is generally obtained from mills at Madurai, Coimbatore, Bangalore, Sholapur, Bombay, Madras, Tuticorin and Chirala. In some places the local merchants arrange to get wholesale supply and distribute yarn to weavers. The prices of yarn are not steady anywhere.

There is no appreciable difference between the wages paid to cooly weavers working under independent weavers and to weavers working for sowcars. The average wages may be taken at 3 to 5 annas a day. The wages paid in 1933-34 are reported to be higher than the wages paid in 1938.

Except in a few places, the preparatory processes of winding, warping and sizing are carried out not by professional workers but by the weavers themselves. Warping is generally done by women and children. Sizing is done my women. The average wages earned per day in sizing range from 4 annas to 6 annas.

The production of cloth per weaver per day of 10 hours varies according to the yarn used and the cloth produced. The average production may be taken as 4 to 6 yards with 20^s and 2 to 3 yards with 40^s. In some places, however, production with fine counts comes to $2\frac{1}{2}$ to 4 yards and with medium counts comes to 6 to 7 yards per day.

Except in Coimbatore, West Godavari, Tiruchirappalli and Tanjore, there are dyeing centres in weaving centres. The main dye-stuffs used are nepthol and indenthrene dyes. The colours used in dyeing are direct basic colours, vat colours, sulphur colours and acid colours. Weavers do not generally dye their yarn in their houses.

And lastly, the percentage of commission charged by middlemen for sale of handloom cloth varies from place to place and range from $3\frac{1}{8}$ to $12\frac{1}{2}$ per cent.

The principal defects of the industry are: (1) the high cost of production consequent on the high price of raw material (yarn); (2) the competition with the cheap mill-made cloth; (3) the lack of adequate and well-organized marketing facilities and consequent low price of manuafctured goods; (4) lack of continuity of employment; (5) failure on the part of the weavers to adjust their designs, etc., to suit the changing fashions; (6) the bad habits and prior indebtedness among weavers; and (7) the dearth of capital and credit facilities.

Upon this report of the Special Officer, the Director of Industries and the Registrar of Co-operative Societies offered their remarks. The Director said that the question of giving adequate protection to the handloom industry was a complex problem. Any scheme must take into account the interests of the handloom weaver, the Indian mill industry, the cotton grower and the consumer. There were, he observed, four ways of protecting the handloom industry; (1) by the levy of an excise duty on mill-made cloth, (2) by the demarcation of the spheres of production of the handloom and the powerloom, (3) by the grant of a subsidy to the handloom industry and (4) by the imposition of a sales tax on mill-made cloth. The best way was undoubtedly the levy of an excise duty on Indian mill cloth with a countervailing import duty on foreign cloth which would enable the handloom weaver to earn a living wage. This, however, demanded the co-operation of the Indian States. The second solution required Central legislation as well as the co-operation of the Indian States. It also involved the prohibition of import of certain kinds of cloth into the country. It was, therefore, most unlikely that the Central Government would countenance such a proposal. As to the third solution, the State Government might not have sufficient funds to subsidize the handloom weaving industry. Thus the only possible way of affording protection to the handloom industry was by the imposition of a sales tax on the mill-made cloth, i.e., by adopting the fourth solution. The amount of the protection required would have to be determined by a thorough enquiry into the cost of production of cloth on the handloom and the powerloom. If there was any legal objection to the exemption of handloom cloth from the payment of the sales tax, the tax might be levied on it also and a part of the amount so collected might be utilized for the organization of the handloom weaving industry on co-operative lines. It was true that a beginning had already been made by establishing the Madras Handloom Weavers' Provincial Co-operative Society with the subvention granted by the Central Government for the development of the handloom industry. But the society's operations had so far covered only a small fraction of the total volume of the piece-goods produced by the handloom weavers in the State. This slow progress was largely due to the failure of the primary societies to attract, as members, weavers who were indebted to master weavers and sowcars. If sufficient progress was to be made, legislation to protect from attachment the earnings below a certain level of independent weavers as in the case of the salaried employees, appeared to be necessary.

The Registrar of Co-operative Societies commented upon these remarks of the Director of Industries. The first two suggestions of the Director as the Director himself admitted were, he said, not easy of accomplishment. However, the second suggestion as regards the adjustment of the production between mills and handlooms might be taken up with the Government of India. Yarn up to 20^s at least, if not up to 40^s, might be reserved for the handloom products. This would afford protection to about 50 per cent of the handloom goods. The question might perhaps be first considered by an *ad hoc* committee. The third suggestion would have to be tried only if the Government of India discontinued their subvention. The fourth suggestion that a sales tax should be levied on mill-made cloth was worthy of consideration.

The Government's views.

The Government postponed the consideration of these suggestions pending the arrival of the replies to their circular letter from the State Governments and the Government of India. In the meantime they deemed it necessary to issue directions on one or two matters. They observed that the State Handloom Co-operative Society was trying to market the handloom products by opening sales depots and utilizing the services of merchants and subsidizing them. The opening of a few sales depots, they stated, would not meet the requirements of the handloom weavers. And they directed that steps should be taken to press merchants more systematically in organizing sales of handloom products on a State-wide scale. The present time, they observed, was propitious owing to the exemption of the handloom products from the general sales tax. They also said that the handloom weavers should be helped by providing them with up to date designs and directed that the staff of the Textile Institute should be utilized fully for the purpose[1].

The Government of India Enquiry.

Meanwhile the Government of India took up the question of reconciling the claims of the handloom and the mill industries and of safeguarding the position of the former, a question which it would be recollected, had been raised, in the circular letter of this Government. They said that the following suggestions had been made: (1) the imposition of an excise duty on mill-made cloth; (2) the imposition of a terminal tax on mill-made products; (3) the restriction of mill outputs by prohibiting mills from producing certain classes of cloth; (4) the imposition of a cess on mill products; (5) the reduction of duty on yarn and (6) the fixation of quota and of particular counts between the handloom industry and the mill industry. And they asked for the views of the State Government on these suggestions.

Views of the Government on various suggestions.

This Government then obtained the views of the Madras Handloom Weavers' Provincial Co-operative Society and the Registrar of Co-operative Societies and offered their own views as follows: The levy of a terminal tax on mill cloth (Indian and foreign) was beset with considerable practical difficulties both in the way of its collection and differentiation between the handloom and the mill-products in the case of certain classes

[1]G.O. No. 2058, Development, dated 21st August 1939.

of cloth. As to the restriction of mill output by prohibiting mills from producing certain classes of cloth and the fixing of quota and of particular counts between the handloom and the mill industry, the principal classes of fabrics woven on the handlooms in Madras which entered into direct competition with the mill products were dhoties and sarees of 60 and below. Both the proposals had found favour with the Madras Handloom Weavers' Provincial Co-operative Society. But this solution could not be accepted as it would give a direct monopoly of production of certain classes of cloth to one branch of the textile industry at the expense of the other. The solution was also open to further criticism. The lines of demarcation of the spheres of production between the two industries suggested by the State Society which was 60s would appear to be too high. Even if the line was drawn at a lower level—and it would be extremely difficult to do this on any agreed basis—the proposal would have to be dismissed as impracticable. The reduction of duty on yarn was not likely to help the weavers much, at any rate to the extent necessary.

Imposition of an Excise Duty on mill cloth recommended.

As regards the imposition of a cess on mill products and the imposition of an excise duty on mill-made cloth, the imposition of an excise duty on those mill-made products which competed with the principal classes of fabrics woven on the handloom, seemed to offer the best solution. The Indian Tariff Board of 1932 recorded its sympathy with the proposal to levy a cess (which was a mere variation of the above proposal) but suggested that the question might be held over till a constitution was evolved, which would enable the Government of India to legislate for both British India and Indian States. This obstacle was, however, not an insuperable one. The Central Government could take power to impose a cess or an excise duty in the form of a customs duty on all mill products brought into British India from the territory of an Indian State as in the case of sugar—vide section 6 (1) of the Sugar Excise Duty Act of 1934. As between a cess and an excise duty preference should be given to the latter. The levy of an excise duty at an appropriate figure would alone be sufficient to give the handloom industry such an advantage as would enable it to stand up to the competition with mills and it would not then be necessary to go further and provide that the proceeds of such a duty should be spent in any manner to the express advantage of the handloom weavers. The duty would, of course, require to be a substantial one, but the proceeds [illegible] to the general revenues of the State. As to th[illegible] on which the excise duty should be levie[illegible] might be levied [illegible] the mill products comprising sarees [illegible] dhoties and such [illegible] fabrics as might be included on an [illegible]d basis at a conference of both the interests, with a correspondingly higher duty [illegible] imported cloth, a rebate of the excise duty being allowed on such products exported from this country[1].

The appointment of the Fact Finding Committee. This question of safeguarding the position of the handloom industry and at the same time reconciling the conflicting interests of the handloom and mill industries was shortly afterwards referred by the Government of India to a Fact Finding Committee appointed under the chairman-ship of Dr. P. J. Thomas. This committee submitted a comprehensive report in 1942. This is what it said in essence.

The old handloom industry using hand-spun yarn decayed during the last century and along with it hand-spinning also decayed which till then provided a subsidiary occupation to the agricultural classes. In its place there grew a new handloom industry depending upon the use of mill-made yarn at first imported and later supplied by the Indian mills. During the First World War the handloom industry suffered a serious set back but a partial revival occurred in the post war period. Very soon, however, the competition from Indian mill-made production began to grow. At the same time, the textile tariff policy of the Government of India benefited the mills more than the handlooms. The import duty on yarn, in particular, placed a definite burden on the handlooms. The Khaddar movement also handicapped the handloom industry by the ban placed on the use of imported mill yarn. The changes that occurred in the clothing habits of the people as well as the growing competition of the mills, likewise, affected adversely the handloom industry.

In recent years there has been a fall in the exports of handloom products from India. In recent years also, i.e., after the world economic crisis of 1929-30, the condition of the handloom industry and the weavers has become very bad. The total number of handlooms in India has been estimated at about two millions. The majority of the looms are cotton weaving and throw shuttle looms, although much progress has recently been made in the introduction of flyshuttle slays in some States like Madras. The number of weavers (full time and part time) has been estimated at about 2½ millions and of assistants (paid and unpaid) at another 3½ millions and the total population dependent on the industry at about 10 millions. From a rough comparison of the chronological figures of weavers during the present century a declining trend is indicated. The number of powerlooms has been estimated at about 15,000. The handloom production has been estimated at 1,617.4 million yards. The value of the hand-woven cloth per annum has been estimated at Rs. 72·8 crores for all kinds of cloth—cotton, silk, artificial silk, wool and mixture.

[1]G.O. No. 2764, Development, dated 2nd December 1940.

Hand-weaving is a full time occupation for the large majority of the people engaged in it. Recently new entrants have come into the profession.

At present not only are the prices of yarn for the weavers high owing to "pyramiding' caused by the intervention of too many middlemen but there are also several malpractices in the yarn trade to be reckoned with. The weavers use various ranges of counts and also different kinds of yarn like cotton, mercerised silk, artificial silk, etc. Generally for lower and medium counts they depend on Indian mills, while for higher counts they depend mostly on imported supplies. The quantity of hand-spun yarn produced in India has been estimated at 66 million pounds and its consumption by handloom weavers at 54.4 million pounds. The bulk of the production of cloth consists of counts 20 and below.

Agencies for marketing of handloom products are usually the sowcar weavers. The present organization for marketing is a very costly one from the weavers' point of view and the margin of the middlemen's profit is also considerable ranging upto 47 per cent. Difficulties are also experienced on account of transport and want of standardization of handloom goods. There is, moreover, great need for publicity and propaganda, if the markets for the handloom products are to be expanded. The entire export trade in handloom fabrics needs proper organization.

On the question of competition between mills and handlooms extremely divergent views have been expressed. The mill competition, however, seems to have developed more seriously after 1925 due to certain favourable factors for the mills, like the fiscal policy of the Government, change of fashions and improved transport. The question whether the mills have replaced handloom cloth in the aggregate is extremely difficult to decide. At the same time, however, it looks probable that in particular categories of cloth especially dhoties, sarees, etc., the mills have encroached upon the handlooms. As regards competition under counts, the effect of mill competition is differently felt in different States, those weaving higher counts generally suffering more. As to fabrics, competition has been going on between mills and handlooms in many ways, "apparel" competition and "quality" competition signified by the change of fashions, and "direct" or "price" competition which may be regarded as competition proper. In sarees, competition is most serious in counts 20s to 40s. In the case of dhoties also direct mill competition is in respect of medium counts. In shirtings and coatings also mill competition of a serious nature had developed. While encroachment in styles of goods has been mutual between the mills and handlooms, the effects of such encroachment have been more adverse on the latter than on the former. A recent development is the competition from powerlooms which is being felt not only by handlooms but also by mills in some cases.

The early efforts in weavers' co-operation during 1905-1935 made in different States were mostly failures. In 1935 the co-operative movement was reorganized and put on a more sound basis under the ægis of the Government of India subvention scheme for handloom industry. The grants made to the different States have been utilized in different ways; nor has there been any uniformity either in the control of such grants, or in the *modus operandi* in the various States. Generally the grants have been utilized for improving the marketing and financial facilities of the weavers and their productive technique. The extent of benefit derived from the grant has varied greatly from State to State. However, though a good beginning has been made, it is clear that only a fringe of the problem has been touched. If greater success is to be achieved, a proper planning of production and marketing is necessary. The indigenous co-operative institutions operating among the handloom weavers may be utilised with advantage in the reorganization of the industry wherever possible. Further advance will depend on the greater association of businessmen and co-ordination of the scattered activities by an All-India organization.

It is apparent that the total production of cloth by handlooms has been maintained and even slightly increased since 1920. But it is also clear such increase has not brought any corresponding prosperity to the handloom weavers. Such increase as has taken place is largely due to technical improvements and the helplessness of the handloom weavers who pursue weaving as their hereditary profession. On the other hand there is reason to believe that both the total earnings of the handloom industry and those of the individual weavers have fallen drastically during the last 10 or 15 years.

The handloom industry cannot be considered as an industry which is bound to decay and vanish in course of time. Among the favourable factors now operating for its preservation are its technical superiority in special fabrics, the durability of handloom cloth, and the conservatism especially of women folk. But the unfavourable factors now operating are perhaps more potent and left to itself the handloom industry may dwindle into the position of a small handicraft concentrating on speciality fabrics. The low earnings of the handloom weaver are due to the competition of mill made cloth, to the uneconomical ways of production and to the high cost he has to incur

on yarn, credit and marketing. There is need for internal organization of the industry. Where there are middlemen their services should be utilised and where there are none, a network of co-operative institutions and perhaps joint stock organizations may be formed. Although the factory system seems advantageous in some ways, its results will have to be watched carefully [1].

Various proposals have been put forward to assist the handloom industry. One is that the mills should be prohibited by legislation from using yarn of low counts. Such a restriction to be effective has to be placed on the mills in the Indian States also. Such a restriction also demands that the imports of cloths in the restricted range of counts should be prohibited, that the powerlooms should be prohibited from using yarn of low counts and that exceptions should be made in respect of cloths like drills, twills and jeans which cannot be produced on the handloom. Quite apart from this it is doubtful whether such a restriction would really help the handloom weavers. If the restriction is imposed on counts upto 10ˢ, the mills may still produce similar goods of 20ˢ and still compete with the handloom. If the restriction is imposed on counts up to 20ˢ, the consequences on many mill centres would be serious; more than half the mill production will have to go. Another proposal is that the weaving in mills should be abolished. This will hit not only the mills but also the consumers. This will not also lessen the competition against the handloom industry, since it will have to hold its own against imports of foreign cloth in a competitive market. If it is suggested that the imports also should be shut off by means of prohibitive duties, then the burden on the consumer of cloth as a permanent proposition will still remain. A third proposal is that the existing mills must be discouraged from adding to their looms and that the mills which are only engaged in spinning must be prevented from taking up weaving. It has been suggested that the installation of new looms must receive the approval of the Government. This may be possible if this forms part of a planned policy of textile production, but may not be advisable in the absence of a concerted endeavour. Further, any such checks on mills will not be effective unless the small powerloom factories also are brought under a similar check. It has also been suggested that direct assistance may be given to purely spinning mills in the shape of subsidies based on the quality of yarn produced by them or sold by them to approved co-operative or other organizations of weavers. In any case, the steps taken for discouraging weaving must not lead to a rise in the cost of the material to the handloom weaver.

[1] Report of the Fact Finding Committee (Handloom and Mill) 1942.

A fourth proposal is that without necessarily giving up weaving themselves, the mills may be asked to distribute yarn among the weavers and to take back cloth from them and sell it after finishing it. If any mills, particularly the spinning mills, employ handloom weavers on such a basis, there is no doubt that total employment in hand-weaving would increase and some of the organizational evils which predominate in the trade at present can be put an end to. Moreover, if such an alignment can be brought about between mills and handlooms, many of the disadvantages from which the handloom industry suffers, in respect of the supply of yarn, finance, organization, marketing, etc., will ultimately disappear. Further, if the handloom weaver is placed on a footing of equality with the mill owner in respect of such basic conditions, the cost of production of his cloth would be almost the same as that of cloth woven on the machine, taking into consideration all the charges in costings for the two processes. But such an alignment cannot be brought about by legislation; it can be brought about only by co-operation on the part of the leaders of the spinning industry.

The fifth proposal is that the production of common weaving apparel of the masses should be left to the handloom weavers and that the mills should produce only such cloths as cannot be woven by the handloom weavers. In this connection it is suggested that the mills should not produce sarees and dhoties of a width more than 36 inches. But the term saree is a vague and wide one and it is impossible to give a specific description of it. Same is the case with the term dhoti. However, taking a very general definition of saree as something coloured, if the mills are asked not to make sarees, they should be correct in interpreting the term saree as standing for an article in women's dress, where coloured yarn is introduced in the body and where borders and headings must be developed. The mill might very easily avoid this type; but nothing would prevent them from producing grey sarees and dyeing them in piece, or grey sarees on which the ground could be printed. This might encourage the introduction of plain grey or bleached goods where the borders and headings are printed subsequently. Owing to the flaw in the legal definition, the mills would still be able to replace hand-woven goods by another type. In the long run, therefore, such a restriction is not likely to be of any help to the weavers.

It is, however, felt that some sort of reservation should be made for the handloom weavers. Such restriction must be based on a mutual agreement between the mills and the handlooms. Such an agreement would be possible if the mills agree not to weave any goods of plain weave with a width of from 25 inches to 50 inches and a length of from $1\frac{1}{2}$ years to $9\frac{1}{2}$ yards per piece, divided by headings across the width at a lengthwise distance of less than $9\frac{1}{2}$ yards and with borders, the grounds of such articles not being distinguished with any stripes or checks, woven, developed by different counts of yarn or by bleached, coloured, or printed yarn. Neither should the grounds of such cloth be striped or checked by some other process such as printing or by crimp-dyeing or by any other chemical methods. Such a definition would reserve to handlooms all striped and checked sarees, gamchas and checked chaddars, and is likely to narrow down the field of competition. The mills and powerlooms can afford to relinquish their production of this type of articles. This is likely to provide a greater field for the handloom weavers and no complication whatever is likely to arise if any such voluntary restriction is imposed by mills upon themselves in the interests of the poor handloom weavers.

The sixth proposal is that the mills should be prohibited from using dobbies and jacquards, as these have enabled the mills to encroach upon the field of 'speciality' fabrics produced by the handlooms. This will cause, however, an unnecessary amount of damage to the mill industry by prohibiting the production of a number of piece goods in which dobbies and jacquards play a part.

Besides these proposals several suggestions have also been made. It has been suggested that yarn should be controlled. There can be no doubt that the price of yarn is 'pyramided' by a chain of middlemen working between the producers of yarn, i.e., the spinning mills and the consumers, i.e., the handloom weavers. Yarn should be supplied at a reasonable price to the weavers. A Yarn Controller should be appointed. The dealers should be brought under control and licences should be issued only to those who would abide by rules for the sale of yarn. A yarn dealer to be entitled for a licence should not have any interest direct or indirect in the finished products. The licensing can be enforced under the direction of the State Government. In order to check malpractices the correct number of knots in each bundle of yarn according to standard packing should be insisted upon and the yarn should be required to be packed in standard bundles by law.

It has also been suggested that yarn depots and dyeing houses should be established by the Government for the supply of yarn and dyes to the weavers. If such depots are established, sales should be on cash basis, and marketing of cloth also should be undertaken by the Government. Otherwise the weavers would still go to the middlemen. The agency of middlemen in the marketing of cloth, however, cannot be wholly abolished. In Mysore, for instance, the yarn depot manager purchases cloth at a fixed price for standard types of cloth and later the cloth is disposed of through the existing machinery of middlemen. When there is the stamp of the depot on the cloth, the merchants also buy it without demur and the stamp in effect becomes the guarantee of the quality of the goods. If the State Governments adopt this system and enforce some sort of standardization of cloths and prices, the yarn depot system is likely to be very successful. In this connection the possibility of the establishment of depots by the spinning mills themselves may also be considered.

It has likewise been suggested that spinning mills should be established at all important handloom centres. At present several such centres have no spinning mills anywhere near them with the result that the weavers have to pay higher prices for yarn owing to transport charges as well as the necessary multiplication of intermediaries. There is much force in this suggestion. If the spinning mills are established under private management but under some sort of official control and with the aid of the State Governments in areas which are yarn consuming, they will be of much use to the handloom industry. This may also enable the Governments indirectly to control the yarn market in the area by providing an element of fair competition in the market.

Other suggestions relate to the supply of designs, finishing of handloom cloth, marketing, technical guidance and Government patronage. A continuous supply of new designs is necessary to enable the handloom industry to hold its own against the competition of mills. Such designs should be evolved by the Department of Industries in each State and made known to the weavers through peripatetic parties, exhibitions and co-operative societies. Finishing of cloth may also increase sales in some cases. Broadly speaking shirtings and coatings as well as other fine fabrics of counts above 40s do require finishing if they are to be expected to stand the competition of mill cloth of the same varieties, but speciality fabrics like sarees may not require finishing. Special types of finishing would also be desirable in certain classes of high priced fabrics intended for the export trade. Modern calendering, however, can be successful, only if it is done on a very large scale. As to marketing, standardization of cloth is bound to go a long way in fetching and retaining markets. An organization for this should be started. Transport facilities should also be extended. There should be no differential rates as between the mill and the handloom industry arising from distance, form of packing or unit of consumption and besides other handicaps such as terminal taxes and *octrois* or unauthorized payments should

be removed. Every thing possible also should be done for publicity and propaganda for the regulation of export trade through the agency of Indian Trade Commissioners and others and for exploring new markets especially for speciality fabrics both in and outside the countrq. As to technical guidance peripatetic parties should be organized and training in improved methods of weaving should be imparted to students in technical schools. As to Government patronage, the Government of India as well as the State Governments should extend such patronage to the handloom industry. All types of cloth required for the different departments, military as well as civil, including hospitals, should be obtained from handloom centres.

Creation of an All-India Handloom Board suggested.

All this alone is not enough. In order to co-ordinate the activities of the co-operative organizations of the States and to look after the interests of the handloom industry generally, an All-India Board should be appointed. The functions of this Board will be mainly three-fold, namely, (*a*) research, (*b*) supply of raw material and (*c*) marketing. In regard to research, the principal functions of the Board will be to encourage and co-ordinate the work now going on in the technical institutes maintained in the various States, to conduct research also independently on the economic as well as the technical problems of the industry, and to pool and disseminate all such information. In regard to the supply of 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. In regard to marketing, the Board will have to do whatever is possible to market the handloom cloth both in India and abroad. The Board may work through the existing co-operative and other organizations. It must have branches in the various States and it should include representatives from the States. The funds for the Board may be provided by the levy of a cess or duty on mill and powerloom production, or by the levy of a sales tax on mill cloth[1].

The Second World War and its effects on the industry.

By the time this report was submitted by the Fact Finding Committee to the Government of India, the condition of the handloom industry in our State became critical on account of the out-break of the Second World War. Yarn prices violently fluctuated, dyes became scarce and unemployment among the weavers became acute. During 1940-42, the handloom

[1] Report of the Fact Finding Committee (Handloom and Mills) 1942, pages 217-236

industry indeed passed through a trying period. The distress among the weavers was attributed by the Registrar of Co-operative Societies and two Special Officers appointed to investigate the conditions, mainly to the high prices of yarn and the failure of the price of cloth to rise proportionately. The rise in the price of yarn was caused mostly by speculative activities, while the failure of a proportionate rise in the price of cloth was caused by several factors. The first and foremost was the competition of mill cloth. As all the weaving mills were both spinning and weaving mills, they got the yarn cheap, but the handloom weaver had to pay more than 200 per cent of the normal price for his yarn when it reached him through a chain of middlemen and speculators. Secondly, the cloth market became dull on account of the shrinkage in foreign markets as a result of the war and the difficulties of transport. Thirdly, the cloth market was to some extent demoralised by almost forced sales made by independent weavers, often below the cost of their raw materials, because of their inability to wait sufficiently long to realise fair prices. Fourthly, the master weavers and merchants, on whom the great majority of the weavers depended for their work, felt nervous about the future in a speculative market and refused to buy either yarn or cloth on any large scale. And finally, the rise in the price of yarn was not accompanied by a similar rise in other prices and a rise in the income of the people with the result that the demand for handloom cloth became less and less [1].

The Special Officers pointed out that lack of organization was another main cause for the deterioration of the handloom industry. What was wanted, they said, was a single comprehensive organization which would cover the whole industry, preferably a Statutory Board consisting of representatives of all the principal interests, the weaver, the merchant, the exporting firm and the Government. This body should have the power and means to purchase all the raw materials necessary to run the industry, to regulate production and distribution, to arrange for marketing, to organize smaller district and village organizations and to employ the necessary supervisory research and investigating staff. Such a Statutory Board, they thought, would do far more for the handloom industry than what the Provincial Handloom Weavers' Co-operative Society had been able to do. It would have to establish institutions for financing the industry. It would have to establish depots where the weaver could buy yarn at the cheapest posible rate. It would have to establish large scale bleaching, dyeing and finishing factories, where hand produced fabrics could be finished at a reasonable cost. It would have to set up subsidiary organizations for the marketing of handloom products cutting out as far as possible the middlemen. It would have to introduce labour saving devices and appliances which would help the weaver to increase his daily output and enable him to earn more than what he did at the time. It would have to collect information regarding the market conditions in India and abroad and control and direct the production of goods for those markets. And, finally it would have to collect the factual data relating to all aspects of the industry [1].

[1] G.O No 140, Development, dated 20th January 1942.

Measures taken to relieve distress among weavers.

The high price of yarn, the scarcity of dyes and the distress among the weavers led to the introduction of a series of measures. Relief centres were opened in several districts [2]. Consuming departments were asked to place their orders for textile articles with the Madras Handloom Weavers' Provincial Co-operative Society in cases in which the Jail Department was unable to comply with them in a reasonable time with goods of adequate quality [3]. Hospital requirements in respect of certain kinds of cloth were ordered to be purchased from the Provincial Society by giving the Society 10 per cent preference in price to its articles over and above the lowest tender or articles of similar quality [4]. And, in view of the continued distress, it was subsequently directed that in cases in which the Jail Department was unable to supply, the consuming departments should purchase all their requirements from the Provincial Society whether bought hitherto from jails or from outside, subject to the following conditions; (a) that the existing procedure for calling for tenders should be continued, (b) that the quality of the materials offered by the society was suitable and (c) that a 10 per cent preference in price should be extended to all such purchases [5]. The co-operative movement was given a great fillip. The Provincial Society appointed a sub-committee with the Registrar of Co-operative Societies as its president to examine the defects in the working of the primary weavers' societies and to suggest ways and means for their improvement, and on the recommendations of this sub-committee several measures were undertaken, such as, the appointment of paid secretaries or managers in all societies with 25 or more looms, the organization of new societies in select districts, an increase in the share capital of the Provincial Society and the primaries, the financing of the primaries by central banks, the standardization of

[1] G.O. No 447, Development, dated 2nd March 1942.
[2] G.O. No. 2304, Development, dated 13th December 1951 and G.O. No. 83. Development, dated 10th January 1942.
[3] G.O. No. 2368, Development, dated 5th October 1940.
[4] G.O. No. 556, Public Health, dated 16th February 1942.
[5] G.O. No. 1171, Development, dated 10th June 1942.

the varieties of cloth produced in societies into a small number of well defined types so as to increase the sale of handloom products through merchants and emporiums, and the appointment of a special designing officer, etc. A Special Deputy Registrar was sanctioned for dealing exclusively with the problem of the production and marketing of handloom cloth. Arrangements were made with the Harvey Mills, Madurai, and a few mills in Coimbatore for the supply of yarn to weavers on a forward contract basis and at favourable rates. A co-operative dyeing factory was opened in Madurai [1]. Assistance was given by the Government for indemnifying co-operative central banks against business losses in their transactions with the societies undertaking relief schemes and for providing capital grants for adopting looms to weave new varieties of fabrics at a rate not exceeding Rs. 5 per loom and free services of departmental officers were given to supervise the working of co-operative schemes. Two dye houses were also opened at Chirala and Salem by the Provincial Society to supply yarn of guaranteed colours to the societies [2]. Attempts were at the same time made by the Government to revive the use of indigenous dyes, but these attempts, proved failures. The knowledge of the preparation of these dyes was nowhere available and a few bloodless recipes evolved by the Industries Department failed to become popular [3].

Appointment of a Yarn Commissioner and the establishment of Collective Weaving Centres.

But the most important measures taken to relieve distress were the appointment of Yarn Commissioner and the establishment of Collective Weaving Centres. Both these measures were taken in 1942. The Yarn Commissioner was appointed by the Government to supervise two new schemes sanctioned by the Government of India, one for the supply of yarn to handloom weavers, and the other for the fabrication of textile materials required for war purposes against contracts placed by the Department of Supply. The first scheme involved the distribution of yarn under the supervision of the State Government through the normal trade channels in two stages: (1) the primary wholesale dealers who would purchase yarn directly from the mills and (2) other dealers who would purchase yarn from the primary wholesale dealers and distribute it to the consumers. In both cases the dealers were licensed by the State Government. The second scheme demanded close

[1] G.O. No. 264, Development, dated 9th February 1942—*Vide* Administration Report for 1940-1941, pages 7-8.
[2] G.O. No. 3282, Development, dated 1st March 1943—*Vide* pages 39-42 of the Administration Report for 1941-1942.
[3] G.O. No. 191, Development, dated 1st February 1941 and G.O. No 207, Development, dated 29th January 1942.

consultation with the Supply Department for securing war orders and an expeditious reorganization of the handloom industry for executing such orders [1]. In working the scheme for the distribution of yarn through licensed channels the Yarn Commissioner was assisted by an advisory committee [2]. Besides supervising these schemes, the Yarn Commissioner was required to improve the technique and enlarge or control the market of handloom products [3], and placed in charge of the Textile Institute [4].

Shortly afterwards, upon his recommendations, the Government sanctioned the scheme of starting Collective Weaving Centres primarily to expedite the orders for war textiles received from the Supply Department and also to investigate the possibility of setting up effective business organizations of weavers through the agency of staff appointed by the Government. It was considered that such centres might prove to be the most promising kind of probation units for large and sound weavers' co-operative societies. Such centres were in the first instance organized in the districts of Salem, Ramanathapuram, Tirunelveli and Bellary [5].

Controls and control schemes.

In the years that followed till the end of the war and even afterwards, several control orders were passed and several schemes were undertaken. We shall deal here with only such of them as are important.

In 1943 the high price of yarn continued to cause concern to the Government and the Yarn Commissioner having represented that hoarding and speculative activities could only be satisfactorily checked if the dealers' accounts were checked with a full knowledge of the transactions of the spinning mills, and that the existing order (Madras Yarn Control Order of 1942) for licensing the dealers had not proved sufficiently effective for the purpose of controlling yarn in the hands of dealers, the Government issued two orders. The first of these was called "The Madras Yarn (Spinning Mills) Returns of Production, Stocks and Sales Order, 1943". In accordance with this order, every spinning mill in the State was required to submit to the Yarn Commissioner a correct and complete monthly return of its business every month in a certain prescribed form. The second order was called "The Madras Yarn (Dealers) Control Order, 1943". It superseded the previous order of 1942. It prescribed that licences already issued to yarn dealers would be valid only for a period of 15 days from the date of its publication, and that yarn dealers

[1] G.O. No. 504, Development, dated 9th March 1942.
[2] G.O No 332, Development, dated 17th September 1942.
[3] G.O No. 1329, Development, dated 27th June 1942.
[4] G.O. No 505, Development, dated 6th November 1942.
[5] G.O. No. 202, Development, dated 5th August 1942 and G.O. No. 376, Development, dated 2nd October 1942.

should therefore apply immediately to the Yarn Commissioner for fresh licences. Under it and under the licences issued under it, the Yarn Commissioner was empowered to fix the maximum stock which might be held by a licensee and to cancel his licence, if he had in possession any stock above that quantity. It also provided that a licensee should not have in his possession or under his control any cotton yarn in excess of the net quantity revealed by his accounts and that, if any such excess quantity was not properly accounted for by the licensee, it would be liable to be confiscated to the Government under the orders of the Yarn Commissioner. There was no provision in this order for fixing maximum prices of yarn but provision was made in the new licences that, if a price was so fixed, by the competent authority and if yarn was sold above that price, the licence would be cancelled. Contravention of any of the provisions of these orders was made liable to be punished with fine or imprisonment[1].

In view of the difficulties experienced by the Yarn Commissioner in getting sufficient quantities of yarn for the Collective Weaving Centres run by him and by the handloom weavers in general in getting the yarn that they required for their daily work, the Government considered it expedient to empower the Yarn Commissioner to requisition and acquire stocks of yarn and to arrange for their distribution and issued another order under the Defence of India Rules. It was ordered that, when yarn so requisitioned by the Yarn Commissioner was supplied to the Handloom Weavers' Provincial Co-operative Society for distribution to the affiliated societies, the society should pay him the amount of compensation fixed by the Cotton Textile Advisory Panel constituted by the Government of India. It was also ordered that the society should then arrange to obtain the funds required for the purpose by way of advances from the Madras Provincial Co-operative Bank, and it was agreed that the Government should guarantee for a period of six months the repayment to the bank of advances to the extent of Rs. 10 lakhs which might be made by it to the Society for the purpose[2]. As, however, soon after the initial exercise of the power by the Yarn Commissioner, an amicable agreement was reached between the South India Mill Owners' Association and the Government regarding the supply of yarn at panel prices to the approved organizations, it was possible to suspend the exercise of that power.

Another order promulgated was the one which prohibited the export of cotton yarn from this State except under permits

[1] G.O. Nos. 165–166 Development, dated 13th February 1943
G.O. Nos. 255-256. Development, dated 7th March 1943.

granted by the Yarn Commissioner. The object of this was to safeguard adequate supplies of yarn to the handlooms of this State [1].

Mill-made Standard Cloth Scheme.

Meanwhile the Government decided to participate in the Central Government's Mill-made Standard Cloth Scheme in May 1943 and issued a control order called "Madras Mill-made Standard Cloth (Control of Distribution and Sales) Order, 1943" in order to secure the proper enforcement of the scheme in this State. According to this order, the Government were to buy the cloth in bulk from the Central Government and sell it outright to licensed merchants and selected co-operative stores who were to sell the cloth to the consumers at prices not exceeding the retail selling prices fixed by the Central Government. The retail selling price was to be the ex-mill price of the cloth plus 6¼ per cent on the ex-mill price for meeting their expenses connected with the administration of the scheme. The scheme, however, soon proved a failure as the people preferred to buy non-standard cloths, the prices of which had been brought down by the control measures. It was wound up in the latter part of 1945[2].

Handloom Standard Cloth Scheme.

On the analogy of the Mill-made Standard Cloth Scheme sponsored by the Central Government, this Government introduced a Handloom Standard Cloth Scheme about the middle of 1943. The idea was to supply cheap cloth to the consumers. The dearth of cloth was so great that the Government desired that a vigorous plan for the production of cheap handloom cloth should be worked by enlisting as many handlooms as possible under the weavers' co-operative societies working under the control of the Registrar of Co-operative Societies and the Collective Weaving Centres working under the Yarn Commissioner. They also sanctioned the organization of more Collective Weaving Centres; some new centres were now started in Cuddapah, Kurnool, Guntur, Chittoor, East Godavari, Tanjore and Tirunelveli districts.

The Handloom Standard Cloth Scheme which was drawn up by the Yarn Commissioner in consultation with the Registrar of Co-operative Societies fixed the varieties and specifications of the cheap cloths to be produced. The production began with seven varieties of grey shirtings, seven varieties of dhoties, four varieties of sarees and two varieties of towels in counts ranging from 14s to 6s. But subsequently as the

[1] G.O. No 5022, Development, dated 24th November 1944—Administration Report of the Yarn Commissioner for 1943-1944, pages 2-3.

[2] G.O. No. 5022, Development, dated 24th November 1944—Yarn Commissioner's Report for 1943-1944, pages 9-10, and G.O. No. 4727, Development, dated 28th November 1945—Yarn Commissioner's Report for 1944-45, page 2.

stock of shirtings increased considerably while its marketing did not keep pace with the production, mainly because the mill-made standard cloth shirtings which were calendered and finished flooded the market, and as two varieties of dhoties, both varieties of towels and one variety of sarees were found to be not popular in the market, their further production was stopped. Thereafter, the production of five varieties of dhoties and three varieties of sarees alone was continued.

During the first few months, the sale of the Handloom Standard Cloth was entrusted to the Handloom Weavers' Provincial Co-operative Society mainly to give it the benefit of earning all the commission on sales of this cloth, which would otherwise have had to be paid to the agencies undertaking the marketing and also because it had already some organization, some sales emporiums, in most districts to sell cloth. While the production of these comparatively easier cloths went on briskly both in the Collective Weaving Centres and in the Weavers' Co-operative Societies, it was unfortunately found that marketing did not keep pace with it, with the result that stocks of Handloom Standard Cloth began to accumulate in the centres and in the societies. The main reason for the slow movement of Handloom Standard Cloth in the market was the introduction of Mill-made Standard Cloth into the market simultaneously with Handloom Standard Cloth. The Mill-made Standard Cloth, being equally cheap and being also calendered material, took the fancy of the public much more than Handloom Standard Cloth, although the Mill-made Standard Cloth shirtings and dhoties were not of a specification superior to that of the Handloom Standard Cloth. The uncertainty as to the position of handloom cloth under the Central Government Cotton Cloth and Yarn (Control) Order of 1943 (which will be presently explained) partly affected the sales of the Handloom Standard Cloth. people expected that the prices would fall and suspended their purchases. It was only later that the exemption of handloom cloth from certain important provisions of the Central Control order was announced. It was soon found that the Provincial Society alone with its few emporiums could not tackle the problem of marketing the accumulating stocks of Handloom Standard Cloth. In September 1943, the Government therefore sanctioned a scheme for the licensing of merchants in all the districts, as in the case of Mill-made Standard Cloth, for the sale of Handloom Standard Cloth. This gave some impetus to the marketing of Handloom Standard Cloth[1].

[1] G.O. No. 866, Development, dated 24th May 1943, G.O. No. 2453, Development, dated 4th October 1943; G.O. No. 5022, Development, dated 24th November 1944—*See* the Yarn Commissioner's Report for 1943–1944, pages 11–14.

Meanwhile, as has already been indicated, the Central Government had passed what was called the Cotton Cloth and Yarn (Control) Order, 1943. In this order, the Government of India took powers to constitute a Textile Board to advise them through the Textile Commissioner on matters connected with the order, including export of cloth, yarn and raw cotton. The Board was authorized to form committees and the Textile Commissioner, Bombay (Government of India), was empowered by notification, (*a*) to declare and define classes and specifications of cloth and yarn for the purpose of the order; (*b*) to fix the maximum prices, both ex-factory and retail of all or any classes or specifications of cloth or yarn, that might be sold and (*c*) to prescribe the markings and the manner of marking thereof which the manufacturers were to follow. The Textile Commissioner was also empowered to direct any manufacturer to manufacture only such classes or specifications of cloth or yarn and in such quantities as he might specify. No manufacturer or retail seller was to sell or offer to sell any cloth or yarn in excess of the maximum ex-factory or retail price fixed under the order[1]. It may be stated that the administration of this order was entrusted to the Yarn Commissioner and his designation was, because of his increased duties under textile control, changed to the Provincial Textile Commissioner[2].

Handloom Standard Cloth Scheme abandoned.

The operation of the Central Government Cotton Cloth and Yarn (Control) Order of 1943 began immediately to ease the cloth situation. The hoarded stocks of cloth began to find their way into the market because all unmarked and unstamped cloth had to be sold out before the close of the year 1943. Prices were also reduced because the stock had to be cleared. Thus, when mill-cloth with reduced prices was available, people did not like to buy the less attractive, though cheap, Handloom Standard Cloth. The Control Order exempted handloom goods to a considerable extent and, in consequence, the activity of the master weavers increased. They began to pay wages recklessly to the weavers to monopolise the production and trade in handloom cloth with the result that the looms working on Standard Handloom Cloth began to drop off. The maximum wages were paid under the Handloom Standard Cloth Scheme but the short-sighted weavers did not hesitate to desert the Collective Weaving Centres and Weavers' Co-operative Societies and take up the more lucrative, though temporary, employment under the master weavers. Consequently demand for Handloom Standard Cloth waned, its production became impossible and its marketing difficult. For

[1] G.O. No 1480, Development, dated 15th July 1943.

[2] G.O. No. 1518, Development, dated 19th July 1943 and G.O. No. 2140, Development, dated 6th September 1943.

these reasons, it was decided to abandon the Handloom Standard Cloth Scheme in 1944 [1].

The Collective Weaving Centres which were producing the Handloom Standard Cloth were thereafter allowed to engage looms on normal varieties of civilian cloth, such as dhoties, sarees, shirtings, bed-sheets and towels [2].

Other measures.

About the same time the Government set up an Expert Advisory Committee to assist the Provincial Textile Commissioner in settling allocation of the Government demand among the mills in the State [3]. They also appointed a Tinctorial Chemist to assist him in conducting research on the extraction, standardization and use of vegetable dyes [4], a measure which, it may be remarked, did not produce any results. They likewise sanctioned a thrift scheme for promoting thrift among the weavers of the Collective Weaving Centres. According to this scheme, each weaver who joined the scheme was to contribute out of his wages at the rate of 2 annas per set of 36 yards of finished goods delivered by him. Withdrawals by the members were to be permitted with the previous sanction of the Provincial Textile Commissioner for the following purposes : (1) to meet urgent and unforeseen domestic expenses, (2) to meet Deepavali expenses once a year and (3) to enable the weaver to pay share capital and join the weavers' co-operative society either existing or to be newly started. The Provincial Textile Commissioner was permitted to invest the deposits in his discretion in a co-operative institution or in a postal Savings Bank in the name of the officer-in-charge of the Collective Weaving Centre [5].

The Government sanctioned, in addition, a scheme for the production and sale of Handloom Standard Cloth through master weavers and merchants. Under this scheme, the master weavers and merchants were to be selected and licensed by the Provincial Textile Commissioner. Each master weaver was to be required to put 100 looms on Handloom Standard Cloth. Yarn for the manufacture of this cloth was to be supplied by the Government at panel prices on payment of cash. The master weaver was to be responsible for the production of cloth according to the specifications prescribed by the Provincial Textile Commissioner. The cloth so produced was to be purchased by the Government at the price fixed by the Commissioner and was to be sold to merchants for retail sale to the public. The retail selling price was to be so fixed as to

[1] G.O. No. 1285, Development, dated 22nd March 1944 and G.O. No. 5022, Development, dated 24th November 1944—*See* the Textile Commissioner's Administration Report for 1943-44, page 14.

[2] G.O. No. 5022, Development, dated 24th November 1944, page 14.

[3] G.O. No. 1431, Development, dated 12th July 1943.

[4] G.O. No. 3978, Development, dated 7th December 1943 and G.O. No. 3986, Development, dated 7th December 1943.

[5] G.O. No. 1984, Development, dated 25th August 1943.

allow a margin of 7½ per cent for overheads and profits. The master weavers were to be allowed 2½ per cent over the cost of production and the merchants 3 per cent on the retail selling price. It was proposed to work this scheme in the first instance for a period of six months in three centres [1]. Actually, however, the scheme was worked only in one centre, Dharmavaram, and wound up when the Handloom Standard Cloth Scheme was abandoned [2].

One other scheme undertaken about this time related to the distribution of hydrosulphite of soda, a chemical which was necessary for dyeing with indanthren dyes. It must be remembered that throughout this period, the handloom industry suffered for want of dyes and chemicals. The hydrosulphite of soda became so scarce that its price in the black market reached the fabulous figure of Rs. 4,000 per cwt. The Textile Commissioner, Bombay (of the Government of India), therefore, decided to entrust the entire distribution of this chemical among handloom dyers and dyeing factories in this State, to the Handloom Weavers' Provincial Co-operative Society and this scheme, which proved to be a success, enabled the handloom industry to secure this valuable chemical at controlled rates. The scheme was worked through the Provincial Society from about the middle of 1944 [3].

A trying period.

In spite of all these schemes, however, the handloom industry passed through a trying period in 1943-1944. Various factors contributed to this, the loss of foreign markets, the passing of the Central Government's Cotton Cloth and Yarn (Control) Order, 1943, and the sale of mill-made standard cloth. The loss of foreign markets needs no explanation; exports were found practically impossible during the War. The Control Order was issued in June 1943. Clause 1 of section 13 of this order required that all cloth produced after 31st July 1943 should be marked with the date of packing and the other clauses of this order prescribed the time limits for the opening of bales and their final disposal. Originally, handloom cloth was not exempt from the operation of the Control Order. There was, therefore, considerable uncertainty among the producers and sellers of handloom cloth and the master weavers suddenly threw out of employment almost all the weavers working under them. It was only some time in August 1943, when the Textile Commissioner, Bombay, announced the exemption in favour of handloom cloth that there was a revival of manufacture of handloom cloth and

[1] G.O. No. 2453, Development, dated 4th October 1943.

[2] G.O. No. 5022, Development, dated 24th November 1944—*See* the Textile Commissioner's Report for 1943-44, pages 17-18.

[3] G.O. No. 5022, Development, dated 24th November 1944—*See* the Textile Commissioner's Report for 1943-44, page 23.

re-employment of the weavers. But the revival was slow and the real recovery set in only towards the end of the year. All the time the handloom industry suffered also on account of the competition of the mill-made standard cloth. The result was a fall in the demand of handloom cloth, an accumulation of stocks and unemployment and distress among weavers. The distress might have proved serious but for the fact that the Collective Weaving Centres came to the rescue and absorbed a large number of unemployed weavers[1].

Scheme for distribution of cloth.

Meanwhile an All-India scheme for distribution of cloth was introduced with effect from November 1944. Quotas were fixed for the deficit zones. This State was included in the South Deficit Zone along with some other States and its quota was fixed on the basis of 10 yards per capita on the popula-tion according to the census of 1941. The mill quotas despatch-ed direct by the mills to their quota holders were distributed to sub-wholesale dealers specified by the Provincial Textile Commissioner and thus passed on to the retail dealers. The market purchases were distributed to the retail dealers direct. Cloth quotas were fixed for the distribution of cloth to each district taking into account the population of the dis-trict and the handloom cloth available for consumption in the district. The Government protested against the meagre quota of ten yards per capita, but it was of no use. The position was further aggravated by transport difficulties and the conse-quent delays in the arrival of these meagre supplies. There would have been panic in the State but for the fact that large supplies of handloom cloth were available here for sale[2]. The quota was, however, raised from 10 yards per capita per annum to 12 yards per capita in November 1945, but it was reduced again to 10·8 yards per annum from 1st June 1946 owing to a deterioration in the cloth production position[3].

Scheme for distribution of yarn.

A scheme for equitable distribution of yarn among all the weaving centres of this State was also introduced about this time. It had for its object the safeguarding of steady supplies of yarn month after month for the handlooms in each district. According to it, the quantities of yarn in each count required for each district were fixed on the best available data. The Madurai Mills group and a few other mills which were not members of the South India Millowners' Association, Coim-batore, provided their shares of these supplies and the balance was arranged through the association. As the mills could sell yarn only to their quota-holders, the despatches were so arranged that as much as possible was sent to the quota-holders themselves at their branches. However, when

[1] G.O. No. 5022, Development, dated 24th November 1944, pages 23-24.

[2] G.O. No. 4727, Development, dated 28th November 1945, page 6.

[3] G.O. No. 1052, Development, dated 11th March 1947, page 5.

any yarn due to a quota-holder had, under the district quota scheme, to be sent to a place where he had no branch, it was consigned to a selected wholesale dealer there. The yarn received in each district was sold by the quota-holders or the consignees to the sub-wholesale dealers who had been linked up to the former. The sub-wholesale dealers in their turn sold the yarn to specified retail dealers who had been linked up with them; and each retail dealer was linked up to the specified consumers. There was thus in each district a basic linking up of the quota-holders and the consignees on the one hand and sub-wholesale dealers and retailers on the other.

When the scheme was first started, the Textile Control officers prepared distribution lists showing for each retail dealer the weavers to whom he should sell yarn and the quanti-ties and counts of yarn that he should sell to each of his consumers every fortnight. These lists were subsequently superseded by the issue of ration card to each consumer. The ration cards gave the number of looms under each count possessed by the consumer and the quantity of yarn to be supplied to him. The name of the retail dealer who should supply the yarn was also entered in the ration card. Thus, each consumer knew exactly which dealer he should approach for supply of yarn to him and how much he could get every fortnight. In preparing distribution lists and ration cards the co-operation of non-officials was enlisted. Local distribution committees were constituted on the following lines at each centre to advise the Textile Control officers: (1) a representa-tive of the mill-owner, if there were mills in the centre in question; (2) a representative of the local yarn merchants' association; (3) a representative of the local Chamber of Com-merce, if it had among its members master weavers or dealers in handloom cloth; (4) a representative of each properly organized local yarn consumers' organization; and (5) a representative of independent weavers, if they had not organized themselves into an association.

The consumers of yarn were divided into four categories, (1) independent weavers who worked on their own looms and produced and sold cloth on their own account; (2) weavers who worked under master weavers but at their own houses; (3) weavers who worked in the houses or weaving sheds of master weavers and (4) handloom factories as in Karur in Tiruchi-rappalli district. The issue of ration cards was made on the principle that every owner of a loom should have a card to purchase yarn. Applying this test, the actual weavers in cate-gories (1) and (2) were each given a card, while master weavers and factory owners coming under classes (3) and (4) were given cards in their names with reference to the number of looms actually working under them. If a cooly weaver work-ing in a handloom factory or under a master weaver in the latter's house or weaving shed, acquired his own loom, he was given a separate ration card. Special arrangements were also made for the supply of yarn to dyers who held licences to deal in coloured yarn.

It may be stated that this scheme worked very satisfactorily. Along with this scheme, measures were also taken to regulate the despatch of cotton yarn and cloth from the Coimbatore mill areas[1]. A census of looms taken in October 1945 with the help of the retail yarn dealers and local yarn distribution committees showed that there were then nearly 5 lakhs of active looms in this State as against the 3 lakhs reported by the Fact Finding Committee[2].

One other scheme that need be mentioned here related to the distribution of artificial silk yarn in the State. The Madras Artificial Silk Yarn (Dealers) Control Order of 1945 introduced a system of licensing of dealers in artificial silk yarn. This distribution was linked up with the distribution of cotton yarn[3].

Meanwhile the Collective Weaving Centres showed signs of disintegration. The Provincial Textile Commissioner reported that, though all the centres, and there were 10 such centres then, had worked at profit it could not be said that they had been successful from the point of view of organizing the weavers on a durable basis. The weavers had taken these centres to be just Relief Centres to which they could revert during times of distress when they could not get employment anywhere. They had preferred time and again to run back to the master weaver who had exploited them to his own advantage. So long as the master weavers were left uncontrolled, they would continue to play their seasonal dodges and hinder anything like a steady and really satisfactory development of approved organizations. There was, therefore, no justification for incurring a large expenditure over those centres when no permanent benefits could be achieved. For these reasons, the centres were, in June 1945, ordered to be transferred to the Handloom Weavers' Provincial Co-operative Society to be converted into weavers' societies[4].

All this time the Handloom Weavers' Provincial Co-operative Society grew from strength to strength with the expansion of its activities. In 1943 it was reorganized on business lines to protect the handloom industry; and as has been seen, it

[1] G.O. No. 4727, Development, dated 28th November 1945, pages 6-8 and G.O. No. 1052, Development, dated 11th March 1947, page 8.
[2] G.O. No. 1052, Development, dated 11th March 1947, page 8.
[3] G.O. No. 4727, Development. dated 28th November 1945, pages 8-9.
[4] G.O. No. 2339, Development, dated 16th June 1945, G.O. No. 5022, Development, dated 24th November 1944, page 24 and G.O. No. 4727, Development, dated 28th November 1945, page 10.

took up several schemes introduced under controls during the war period. In 1944 there were 264 weavers' societies affiliated to the Provincial Society with a total number of 15,292 working looms. In 1945 a Post-war Development Scheme of Handloom Industry on a co-operative basis was formulated. This scheme, which was a five-year plan, contemplated the increase of weavers' societies to 500 to attract 50,000 looms, i.e., 20 per cent of the active looms in the State, the establishment of 20 dye factories to ensure adequate supply of coloured yarn to the weavers' societies, of 20 weaving factories for the production of new varieties to suit the tastes of the public and for giving training to weavers in the manufacture of improved varieties and of four screen printing factories for the printing of easily saleable cloth. The scheme also envisaged several other things. The Provincial Society should have an assured supply of yarn from the mills at concessional rates for distribution to the societies to provide continuous work to the weaver members. It would have to arrange for the supply of all raw materials required by the societies and render technical assistance to the societies through the designers attached to the weaving factories. It would have to take up the marketing of the finished goods of the societies through the network of its emporiums. It would have to increase the number of emporiums from 26 to 81 so as to have one emporium in every municipal town in the State. It would have to employ marketing officers to attend to marketing functions. A subsidy was to be sanctioned by the Government for the working of the weavers' societies and for the employment of the technical staff and other staff by the Provincial Society to successfully work out the scheme. The Government were to guarantee for the repayment of the loans borrowed by the Provincial Society from the Provincial Co-operative Bank and grant an interest-free loan of Rs. 6,80,000 for the starting and running of the factories mentioned above. The scheme was to cost on the whole Rs. 3,94,000[1].

Post-War Development Scheme.

An idea of the growth of the co-operative movement can be gained by the following figures: On 30th June 1936 there were 50 weavers' co-operative societies, of which 20 were dormant. The working capital of these societies was Rs. 1·44 lakhs and their production and sales during 1935–36 were valued at Rs. 63,975 and Rs. 76,199 respectively. The Handloom Weavers' Provincial Co-operative Society which had been established in August 1935, had then 98 members and in 1935–36, it sold yarn and cloth valued at Rs. 15,624[2]. On 30th June 1946 there were 336 weavers' co-operative

[1] G.O. No. 983, Development, dated 10th March 1945.
[2] G.O. No. 183, Development, dated 26th January 1937—*See* Report for 1935–36, page 40.

societies with 65,286 members and a paid up share capital of Rs. 20 lakhs. About 40,000 looms had been by then brought into the co-operative fold. Production and sales during 1945–46 were valued at Rs. 347·69 lakhs and Rs. 373·09 lakhs respectively. During the same year the Handloom Weavers' Provincial Co-operative Society had 1,258 members and it sold yarn and cloth valued at Rs. 191 lakhs[1]. Co-operation was still young but it was showing signs of rapid growth.

[1]G.O. No. 891, Development dated 1st March 1947—*Vide* Report for 1945-46, pages 57-59.

CHAPTER IV—SINCE THE WAR.

Since the War, the handloom industry has, as before, passed through some ups and downs and we propose to trace here its history down to 1956, down to the year up to which information could be readily gathered from the records. We may say at the very outset that this post-war period, which witnessed the rise of the National Government, witnessed also the introduction of some important measures for the relief of weavers and for the development of the industry.

Prices of cloth go up.

The prices of handloom cloth began to go up even before the conclusion of the War. One reason for this was the exemption of handloom cloth from price control under the Cotton Cloth and Yarn (Control) Order. Another reason was that handloom exporters taking advantage of the conditions prevailing in Bengal and Ceylon were prepared to pay exorbitant prices which increased the general level of prices of all handloom fabrics. Some control over the export of handloom cloth thus became imperative. The third reason was the scarcity of mill cloth. Further, under the All-India scheme for the distribution of mill-made cloth from the surplus to the deficit zones introduced by the Textile Commissioner, Bombay, the quantity of mill cloth allowed to this State was regulated with reference to the local handloom cloth and mill cloth available for civilian consumption. As the quantity of cotton cloth allowed every month for consumption in each area was thus fixed, it became necessary to take effective steps to safeguard the retention of cloth required for civil consumption in this State. This Government accordingly promulgated the Madras Cotton Cloth (Exports) Control Order, 1945, in January 1945, under which no cloth could be transferred from any place within the State to any place outside it, except in accordance with the terms and conditions of a permit issued by the Provincial Textile Commissioner. This order applied to hand woven cloth as well as mill-made cloth.

Measures taken to bring down prices by Control Orders.

Madras Cotton Cloth (Exports) Control Order, 1945

But this was not enough. Taking advantage of the prevailing high prices of handloom cloth in Bengal, several persons who had not done any trade in handloom cloth set up business newly and began to export cloth to Bengal and other States. These people offered competitive prices which resulted in the soaring of prices. It was therefore decided to eliminate the new consumers and to issue export permits under the Madras Cotton Cloth (Exports) Control Order, 1945, mostly to persons who had been exporting handloom cloth in the past during the basic period, namely, six months from ...

Issue of permits export.

September 1944. About the same time a scheme for the control of handloom goods exported to Ceylon was introduced with a view to checking the rising prices and avoiding the criticism that the exporters to Ceylon were exploiting the Ceylon market. This scheme, which was approved by the Government of India, fixed the varieties of handloom cloth that might be exported, as well as the maximum producers' and export prices for such varieties [1]. Subsequently, at the suggestion of the exporters the prices of handloom cloth were stamped on the goods before they were exported[2].

Handloom Cloth (Price Control) Order, 1946.

In spite of all this, however, the prices of the handloom cloth continued to soar high with the result that this cloth became more and more unpopular, while the scramble for the limited quantity of mill cloth available became worse and worse. The Government therefore promulgated the Handloom Cloth (Price Control) Order, 1946. The main features of this Order were : (1) there was to be only one wholesale dealer and one retail dealer between the producer and the consumer; (2) one wholesale dealer was not to sell cloth to another wholesale dealer; (3) the producer's price was to be 15 per cent over the cost of production of the cloth to him, while the wholesale and the retail selling rates were to be 4 and 14 per cent respectively over the producer's price; and (4) the weaving wages were not to be fixed. In a Press Note issued, the Government said that there had been persistent complaints from consumers as well as dealers in handloom cloth that the prices of such cloth were unreasonably high and that they were, in fact, higher than could be justified with reference to the existing controlled prices of yarn and the wages actually paid to the weavers. The object of the scheme, they remarked, was to check profiteering by middlemen and thus to bring down the prices to a reasonable level[3].

Levy of licence fees on dealers in handloom cloth.

This order was soon followed by the levy of licence fees from dealers in handloom cloth. Hitherto the policy of the Government had been not to levy any tax or fee which would increase the price of handloom cloth. In accordance with this policy, while dealers in mill cloth had to pay a licence fee of Rs. 15 for wholesale business and Rs. 7½ for retail business, the dealers in handloom cloth had been exempted from such a licence fee. But now that the dealers in handloom cloth were reported to be profiteering and the prices of handloom cloth were soaring high, the Government deemed it necessary to impose a licence fee on dealers of handloom

[1] G.O No. 4727, Development, dated 28th November 1945, pages 9–10.
G.O No. 3084, Development, dated 4th August 1945.
[2] G.O. No. 1052, Development, dated 11th March 1947.
[3] G.O. No. 3284, Development, dated 27th August 1946 and G.O. No. 1952, Development, dated 11th March 1947, pages 9–10.

cloth, on wholesale dealers at Rs. 10, on retail dealers at Rs. 5 and on hawkers at Rs. 2 per annum. The producers, whether independent weavers or master-weavers, whose sales of cloth were confined to cloth produced by them, were exempted from the payment of the licence fees [1].

Other measu

The Government also issued in December 1946 the following instructions for controlling the prices of handloom cloth including wages and for regulating the supply of yarn to the weavers. The existing weavers' societies should be expanded and new ones should be organized as quickly as possible, so as to cover all the cotton handlooms which were then outside the co-operative field, eliminating in the process automatically all yarn dealers in the areas served by such societies. Until such societies were organized the following arrangements should be made. The maximum weaving wages per yard that might be paid in any specified area for each variety of handloom cloth should be notified by the Government. A Provincial Handloom Wages Board was to be formed to advise the Government in this matter. Subject to these ceiling rates of wages, the Local Handloom Board, mentioned below, might adopt any lower wage level prevailing within the area. A Local Handloom Board was to be constituted by the Collectors for each taluk to assist the village and town committees which were then being organized. In the case of large weaving centres, separate Local Wages Boards might be appointed. Every such Board should have a stamping establishment to stamp the retail ceiling price of cloth. This price would be the cost of production of cloth plus 18¾ per cent thereof. Within this retail price, it was to be left to the trade to adjust the margins of profit for the producer, the wholesale dealers and the retail dealers as well as the incidences of all miscellaneous items like packing and transport charges. It was to be an offence for any person, including the producer, to sell any handloom cloth until it had been stamped by the Stamping Inspector. The existing restriction on the number of wholesale dealers was to be removed. Every producer was to have a pass-book in which the dealer selling the yarn to him was to enter full particulars of the yarn sold, while the Stamping Inspector was to enter in it the particulars of the cloth stamped by him. When a producer presented the fabrics made by him for stamping, the Stamping Inspector would be in a position to satisfy himself that the former had accounted for the last ration drawn by him. If he was so satisfied, he was to give a certificate to the effect to enable the producer to draw the next ration. No fresh supply of yarn was lawfully to be made to a producer without such a certificate from the Stamping Inspector. The Stamping Inspectors were to conduct in their respective

[1] G.O. No. 4462, Development, dated 2nd December 1946.

areas, (1) an accurate census of the genuine active looms in their areas and (2) also other yarn and handloom cloth inspections whenever they could find time, but their main duty was to be appraising the handloom fabrics produced in their areas and stamping them [1].

Madras Handloom Cloth (Control) Order, 1947.

But even this did not bring down the prices, and accordingly the Madras Handloom Cloth (Control) Order, 1947, was issued. It was a comprehensive order passed at the instance of the Provincial Textile Commissioner. It cancelled the Madras Handloom Cloth (Price Control) Order, 1946, and laid down as follows. No person was to carry on business as a producer except under the terms and conditions of a producer's licence. A person carrying on business as a producer in more than one stamping area was to obtain a separate licence in respect of each such area. No person was to sell cloth other than the cloth produced by him or store it for sale or carry on business as a hawker or as a commission agent in cloth in the State, except under a dealer's licence. When a dealer had more than one place of business, he was to obtain a separate licence in respect of such place of business. The Provincial Textile Commissioner or the Collector could suspend or cancel a licence. Every application for licence should be in a prescribed form, provided that licences were to be granted without application to independent weavers who held valid yarn ration cards. The Collector might direct a licensing authority subordinate to him to refuse or cancel a licence. No fee was to be payable for the grant or renewal of a producer's licence. Certain prescribed fees were to be payable for a dealer's licence, whether it be for original licence or its renewal. A dealer who carried on business in cloth, both wholesale and retail, was to obtain separate licences. The Government might, by notification, specify the maximum weaving wage per yard in respect of each variety of cloth. The cost of production of the cloth was to be the total of (1) the cost of the yarn utilized for its production, (2) the cost of weaving, (3) the cost, if any, of the processing of the cloth after its manufacture and (4) any of the items of expenditure which the Government might allow. No person was to sell cloth at a price exceeding the aggregate of the cost of the production of the cloth and 18¾ per cent thereof. No person was to charge, whether on account of transport or any other account, any price for the sale of cloth in excess of the rate above specified. If, however, the producer paid sales tax, he might charge it also. The Stamping Inspector was to cause the prescribed markings of price, etc., to be made on every cloth produced in his area. When a cloth stamped was not sold as a whole, that portion of it containing the

[1] G.O. No. 4696, Development, dated 23rd December 1946.

prescribed markings was to be sold last by the producer or the dealer. Every producer was to keep a pass-book in his custody and the Inspector might make entries in this book.

It was not to be lawful for a producer to buy or otherwise acquire any yarn unless the Inspector certified that the producer had accounted for all the yarn previously acquired by him. Every producer was to maintain vouchers in respect of raw materials bought by him and the expenditure incurred by him. Every master-weaver and every dealer was to, (1) maintain the prescribed accounts and (2) submit returns of his business to the authorities prescribed. Every dealer in respect of every cloth sold by him was to give a cash receipt or credit note and keep a duplicate thereof and produce it for inspection by the Inspecting Officer. All prescribed accounts, vouchers, etc., were to be produced on demand by the Inspecting Officer. The Commissioner or the Collector might direct any producer or dealer (*a*) to sell to such person or persons such quantities of cloth specified, (*b*) not to sell or deliver any cloth except to such person or persons under specified conditions. In respect of the sales by persons to whom export quotas had been sanctioned for export of cloth to any area outside the State, the maximum selling price was to be the maximum price already referred to above, reduced by such percentage as might be prescribed. An Inspecting Officer might (*a*) require any person to give information about his or other person's business, (*b*) inspect any books or documents, (*c*) enter upon and search any house, building, etc., and seize any cloth in respect to which a contravention of the order was apprehended. Any person contravening the order was not only to be subject to any punishment which the court might prescribe but also to be subject to the forfeiture of his cloth [1].

Provincial Handloom Wages Board.

The Government also constituted a Provincial Handloom Wages Board to advise them on matters relating to the fixation of maximum weaving wages. This Board had as its Chairman, the Minister for Industries and as its members, the Provincial Textile Commissioner, the Secretary to Government, Development Department, the Business Manager and Special Deputy Registrar for Weavers' Co-operative Societies, four consumers' representatives, four representatives each of the Weavers' Organizations of the master-weavers and of the Provincial Handloom Merchants' Association [2]. On the advice of this Board, the Government fixed the maximum wages at the wages prevailing in April 1946. This would bring in, they thought, not less than Rs. 35 as average net income to a weaver per mensem and

[1] G.O. No. 1073, Development, dated 12th March 1947.
[2] G.O. No. 1630, Development, dated 15th April 1947 and G.O. No. 124, Development, dated 9th January 1948, page 23.

about Rs. 45 to Rs. 50 as net income per mensem to an independent weaver who was free to sell the cloth to consumers direct and get the entire profit margin of 18¾ per cent provided in the Control Order .

Some other measures were, at the same time, taken. The producers were then manufacturing exportable varieties much in excess of the quota, leading to accumulation of large stocks with exporters and consequently to cessation of purchases and temporary unemployment among weavers. The speculative buying of certain varieties by exporters was also resulting frequently to increase in prices to unprecedented levels not only for export varieties but also for cloth produced for local consumption. With a view therefore to reducing the production of export varieties and to increasing the production of utility varieties, the Government promulgated the Madras Handloom Cloth Production (Control) Order, 1947, under which the Provincial Textile Commissioner was empowered to give directions to any producer regarding the varieties and specifications of cloth which he should or should not manufacture. Under this order he issued a notification restricting the production of lungis, Madras Handkerchiefs and other exportable varieties [2].

Madras Handloom Cloth Production (Control) Order, 1947.

Other steps

Owing to the scarcity of cloth, and to the reduction (from 1st January 1947) of the allotment to this State to 10 yards per capita per annum, several steps were taken. Steps were taken to associate non-officials more closely with the administration of Textile Control measures; the village, taluk and district Food Committees constituted to assist the food administration were enlarged and invested with powers to deal with the distribution of mill cloth [3]. Steps were also taken to overhaul licences under the Textile Control Orders so as to render the control of licences effective, to bring cloth within easier reach of the rural consumer and to give greater opportunities to Harijans and co-operative institutions to serve as dealers in textiles. The District Collectors were asked to send up schemes for the overhauling of licences in consultation with the local committees and the schemes so received were scrutinized by the Government and returned with their comments for implementation. Steps were likewise taken to introduce rationing of mill cloth. From August 1946 a scheme of informal rationing was introduced in urban areas. Under this scheme, retail dealers were authorized to sell four yards per adult and two yards per child on the basis of the food ration card in Madras City and two yards

Rationing of mill cloth.

[1] G.O. No. 4642, Development, dated 27th September 1947.
[2] G.O. No. 3182, Development, dated 22nd July 1947 and G.O. No. 124, Development, dated 9th January 1948, pages 31–33.
[3] G.O. No. 2826, Development, dated 23rd July 1946 and G.O. No. 1217, Development, dated 20th March 1947.

per adult and one yard per child in the mufassal. Subsequently a scheme of rationing at a flat ration of five yards per adult and two yards per child in all areas of the State was introduced [1].

Yarn control was continued and the quantities of yarn in each count required for each district were fixed with reference to the loom census taken in 1945. As the Government were desirous of bringing in all the looms under the co-operative fold, as early as possible, and as it was considered necessary to encourage the weavers to get into these societies, members of co-operative societies were given an extra-ration of 20 per cent. Supplies of yarn to Weavers' Co-operative Societies were also made at ex-mill rates [2].

Control Orders abolished.

Towards the end of 1947 and the beginning of 1948 the cloth as well as the yarn position began to improve with the result that it was felt no longer necessary to continue the various controls. The Government of India as well as this Government therefore abolished their Control Orders. The All-India cloth distribution scheme was abandoned from January 1948. The cloth rationing scheme and the Madras Cloth Dealers' Control Order were abolished with effect from January 1948. The rationing of yarn was abolished with effect from January 1948 and the Yarn Dealers' Control Order was abolished with effect from March 1948. The All-India yarn scheme was given up in April 1948. The Madras Handloom Cloth (Control) Order and the Madras Handloom Cloth Production (Control) Order were repealed in December 1947. The Madras Handloom Cloth (Exports) Control Order was rescinded in February 1948 and the export of handloom cloth within the southern zone was made free in 1948 [3].

Discontinuance of the Government of India grant.

Some other changes that took place and the orders that were passed about this time must also be stated. The Government of India discontinued the grants-in-aid for the development of the handloom industry with effect from April 1947 [4]. With a view to eliminating blackmarketing in yarn and controlling the prices of handloom fabrics effectually, this Government asked the Registrar of Co-operative Societies to organize new Weavers' Co-operative Societies as quickly as possible to cover all the cotton handlooms which were then outside the co-operative fold and sanctioned the necessary staff for the purpose [5]. On receipt of a report from Dr. B. V. Narayanaswami Naidu, who had been appointed to hold a court of enquiry into the labour conditions in the handloom

[1] G.O. No. 124, Development, dated 9th January 1948, pages 19–21.
[2] *Idem*—pages 23–25.
[3] G.O. No. 5461, Development, dated 4th November 1948—*See* the Textile Commissioner's Report for 1947–48.
[4] G.O. No. 1304, Development, dated 25th March 1947.
[5] G.O. No. 1202, Development, dated 19th March 1947.

industry, the Government passed certain orders in February 1948. He recommended as follows: (1) The chain of middlemen in yarn and cloth business must be eliminated and a drastic revision of dyeing charges should be made so that the price of handloom goods might be reduced and a good market secured for the industry. (2) Every effort should be made to increase the supply of yarn which would provide employment to the weavers 24 days in a month, so that the wages of weavers might be made to fall automatically. (3) Every Weavers' Co-operative Production and Sales Society should open a credit department which must be able to finance the indebted weavers to liquidate their debts to the outsiders. The society must be made to function as a multi-purpose society catering to all the material needs of the weaving community. (4) As there was an unqualified desire on the part of the weavers to become members of co-operative societies, the weavers' co-operative movement should be extended to embrace the entire community of weavers and coercion must be adopted to bring all the weavers into the co-operative fold. (5) Weavers should not be compelled to take coloured yarn. (6) The provisions of the Non-power Factories Act, the Employment of Children Act, the Payment of Wages Act, the Madras Maternity Benefit Act and the Workmen's Compensation Act must be applied to the handloom industry. (7) A bonus of three months' wages might be paid to all the weavers in all the handloom factories for the year 1946–47. All dependent weavers might be paid by their master-weavers a bonus equal to one-sixth of their annual earnings for the same year. And (8) a system of compulsory provident fund might be constituted and the weavers and the employers might contribute equally to this fund at the rate of one anna in the rupee of the wages paid.

Orders on Dr. Narayanaswami Naidu's report.

The Government commented upon this report thus. All control over handloom cloth, except its exports to other States in India, had been removed and the price had been left to be adjusted by the trade. The control over the distribution of yarn and the system of licensing in yarn were being retained but the price was to be as fixed by the mills. The policy of the Government was to bring all weavers within the co-operative fold in due course; and when all the weavers were brought within the co-operative fold, the middlemen in handloom cloth and yarn would disappear. The system of supplying weavers coloured instead of raw yarn had been abolished in many districts, and it would be abolished in other districts shortly. The Non-power Factory Act would be applied to handloom weaving also. The Government were, in general, inclined to agree to the other recommendations and these, they ordered, were to be commended to the workers and managements of the several handloom factories[1].

[1] G.O. No. 795, Development, dated 19th February 1948.

Re-imposition of certain controls.

Shortly afterwards certain cloth and yarn controls were again re-introduced. As the de-control of cloth had led to an increase of sometimes even 200 per cent over the previous controlled prices, the Government of India re-imposed control over mill cloth from July 1948 by their Cotton Textile Control Order, 1948. Thereafter allocation of cloth was, as before, made to this State after taking into consideration the production of handloom cloth less exports. The per capital allotment was fixed at 12, 15 and 18 yards for the rural, urban and city population respectively. The Madras Cloth Dealers (Control) Order, 1948, was issued in October to control, as before, the distribution of cloth in this State through licensed dealers. This order, however, applied to mill cloth alone. No control over the prices and distribution of handloom cloth or powerloom cloth was imposed; nor was any control over the prices of imported cloth imposed. Even in the case of mill cloth there was no rationing or restriction on its inter-district movement. About the same time, in order to make the raw materials available to the mills at controlled prices, the Madras Cotton (Control) Order and the Madras Cotton (Licensing) Order were issued (February 1949).

Cotton Textile Control Order, 1948.

The Madras Cloth Dealers (Control) Order, 1948.

Madras Cotton (Control) Order and Madras Cotton (Licensing) Order, 1949.

Re-imposition of control over yarn.

In regard to yarn, the Government of India re-imposed the control over the price and distribution of yarn from July 1948. The Textile Commissioner, Bombay, first made an *ad hoc* allotment of yarn and then from August onwards he made running releases on the mills for the supply of certain number of bales per month to this State. As an interim measure the distribution of yarn was entrusted to the Handloom Weavers' Provincial Co-operative Society through its emporiums and affiliated societies. Later, from October 1948 a maximum upto 50 per cent of the quota was distributed by the Society and the balance by the licensed dealers. There was no rationing of yarn to the weavers. All the yarn allotted to the State was allocated among the districts on the basis of the data available from last control. The powerloom, hosiery and handloom factories and certain old and well-established dye houses in the State and the master-weavers who were all getting yarn from the mills during the previous control were allowed the same privileges now. Certain handloom factories were permitted to draw their supplies at wholesale rates. Yarn was supplied to the weavers and factories which did not come under the above categories from the district quota by the Collectors either through societies or through ordinary trade channels. Supplies to other dye houses and miscellaneous consumers such as fishermen, rope and tape makers, etc., were made by the Collectors. A running scheme of allotment, under which each mill was linked to the districts for deliveries of yarn each month, was prepared and wholesale dealers were linked to the mills to ensure a speedy and smooth delivery of yarn. Ultimately, the yarn was passed on to the consumers through the retail dealers.

The Government fixed the following profit margins for wholesale and retail over the maximum ex-mill prices fixed by the Textile Commissioner, Bombay; wholesale $3\frac{1}{16}$ per cent over ex-mill price and retail $7\frac{13}{16}$ per cent over ex-mill price. All other items of expenditure such as transport charges, sales tax, etc., were charged extra. There was no control over the price and distribution of imported yarn. But the profit margins mentioned above were made applicable to sewing thread also, the ex-mill prices of which were fixed by the Textile Commissioner, Bombay. Only persons licensed under the Madras Yarn (Dealers) Control Order, 1948, were allowed to deal in imported yarn or sewing thread. Generally export of yarn outside the State by private merchants was not permitted [1].

Industry passed through a critical period.

The reimposition of these controls did not improve the position of the handloom industry. In 1949, the industry passed through a critical period. Mill cloth began to pour in and affected the internal market, while the external market dwindled into nothing. Large accumulations of handloom cloth resulted everywhere and thousands of handloom weavers were thrown out of employment. It became therefore imperative to undertake several measures to help the handloom industry.

Liberalization of the export of handloom cloth.

Of these measures, the first was the liberalization of the export of handloom cloth outside India. Early in 1949, the Government of India allowed freely the export of 50 million yards of handloom cloth to Pakistan through normal trade channels and agreed to issue export licences for smaller quantities for export to other countries like Malaya and Burma [2]. The second measure was the announcement by the Government of India in the same year that they would purchase one-third of their textile requirements worth about rupees one crore in the shape of handloom cloth. The third measure was the request made by this Government to the Government of India to popularise Indian handloom cloth through the Indian Trade Commissioners and Indian Embassies in various countries. The fourth measure consisted of the steps taken to see that the production of handloom cloth was done on a planned basis with due appreciation of the requirements of the consumers and that guarantees of quality and size were furnished so that the handloom goods might command the confidence of the public [3].

Purchase of one-third of their textile requirements by the Government of India.

[1] G.O. No. 4430, Development, dated 31st August 1949—See Textile Commissioner's Report for 1948–49.
[2] G.O. No. 1262, Development, dated 11th March 1949.
[3] G.O. No. 5533, Development, dated 18th November 1949—See the Summarising Note.

Distress among weavers.

All these measures, however, were found quite inadequate to relieve the distress among the weavers to the extent necessary. The Collector of Salem and the Director of Controlled Commodities (who, it may be stated here, took up the duties regarding control from the Provincial Textile Commissioner, when the Commissioner's post was abolished on 1st August 1949) who were specially asked to tour Salem district to suggest ways and means of relieving distress reported that several handloom weavers in the district had suspended work on account of the slump in the handloom cloth trade and that, unless immediate relief was afforded, the situation might soon develop into famine conditions. A conference was then held in the Chief Minister's residence on 21st October to consider the situation as to how the relief could be afforded and based on the tentative decisions arrived at during the conference, the Registrar of Co-operative Societies submitted a scheme for affording immediate relief to weavers through the agency of co-operative societies which would assure the weavers of a minimum wage and continuous employment and also relieve them from the burden of marketing cloth as far as possible. The scheme contemplated the revival of all co-operative primary weavers' societies which had stopped functioning as a result of the slump in the trade and making it possible for weavers outside the co-operative fold to join the existing or new primary weavers' societies for which the Government would lend money required for the share capital. This scheme was sanctioned subject to the following remarks.

Relief Scheme.

The scheme should be introduced immediately in the Salem district for a period of six months or until such time as the conditions among the weavers might improve. It was to be extended to the other districts in the light of the experience gained. It was to be restricted to weavers employed in the production of goods in counts 40s and below, as the distress among them was comparatively more acute than among those engaged in the production of finer counts. As some of the weavers seeking fresh admission to the primary weavers' societies might find it difficult to remit the necessary share capital, advances were to be paid to them at a rate not exceeding Rs. 25 per head. These advances were to be treated as interest-free loans and were to be recovered by the societies in 12 monthly instalments from the wages of the weavers concerned. The amount required for the payment of such advances was to be advanced to the societies by the Registrar of Co-operative Societies. A sum of Rs. 25,000 required for the purpose was to be placed at the disposal of the Registrar.

The primary societies working the scheme would require funds for the purchase of yarn and payment of wages at the rate of about Rs. 75 per loom. The amount required for the purpose was to be advanced to the primary societies by the District Co-operative Central Bank and the Government were to guarantee the repayment of such loans taken by the primaries during the pendency of the scheme. In case the Central Bank was not in a position to make such advances for want of funds, it was to borrow the necessary amount from the Madras Provincial Co-operative Bank which in turn, if necessary, was to borrow the funds required from the Imperial Bank of India (now State Bank of India). The Government were to stand guarantee to the Imperial Bank of India for the repayment of the money that might be borrowed by the Provincial Co-operative Bank for the purpose of the scheme.

The responsibility for marketing the goods produced under the scheme was to rest mainly on the primary societies themselves. They might sell the goods locally in retail as well as wholesale or get the assistance of the Provincial Co-operative Society or the wholesale and primary co-operative stores for the disposal of the cloth produced. The primary weavers' societies were to run the risk of sustaining losses in the disposal of the goods produced under the scheme on account of fluctuations in prices, etc. The Government, however, were to guarantee to make good the ultimate business losses to those societies arising out of marketing difficulties, fluctuations in prices, etc., during the pendency of the scheme, provided they were satisfied that the societies had been run on sound and efficient basis. The reserves already built up by the societies prior to the introduction of the scheme were not to be taken into consideration for arriving at the net loss incurred in working the scheme, but profits earned during the pendency of the scheme were, however, to be set off against losses in working out the net loss to be recouped from the Government. Every society was to maintain separate accounts for the transactions coming under the scheme. The Government expected that 3,000 co-operative institutions which had been dealing mainly in mill cloth since the beginning of the controls would take to the marketing of the handloom cloth produced by the co-operative weavers' societies.

Wages at rates not exceeding 6 annas per knot were to be sanctioned under the scheme and the societies were to be instructed to keep the wages on a par with the prevailing market rates whenever such rates were below 6 annas per knot. Technical Supervisors who had undergone the weaving course at the Technical Institute were to be appointed at the rate of one for every five societies to advise the societies in regard to specifications of cloth, marketing of goods, etc. A Committee was to be constituted in the district consisting of the Collector, the local Deputy Registrar of Co-operative

Societies and one or more representatives of the primary societies to revise, if necessary, the prices of handloom cloth produced under the scheme, from time to time, in accordance with the prevailing market conditions[1].

This Relief Scheme which was first introduced in the Salem district was subsequently extended to sixteen more districts in which the distress became acute[2]. By the middle of 1950, however, these schemes were wound up in almost all districts.

State Handloom Committee.

Meanwhile in 1950, a State Handloom Committee consisting of the representatives of handloom weavers, cloth merchants, yarn dealers and mill owners was appointed by the Government to advise them on all matters relating to the development of the handloom industry, and upon its advice, District Handloom Boards under the chairmanship of the Collector were constituted in the districts to advise the Collector on local problems relating to the handloom industry[3]. Yarn position was now becoming exceedingly serious, on account of the short supply of yarn from the mills. The demand for all counts of yarn was increasing everywhere. On more than one occasion, on the advice of the State Handloom Committee, this Government had to press the Government of India to increase the quota of yarn for this State.[4] The total allotment made by the Government of India of 17,800 bales a month was found utterly inadequate to meet the requirements of this State which were estimated at about 30,000 bales a month[5].

District Handloom Boards.

Steps taken to supply yarn.

Whatever possible was done to distribute the available limited quantities of yarn placed by the mills at the disposal of the Director of Controlled Commodities on an equitable basis and informal rationing was introduced. Yarn was distributed to the consumer quota holders, to the miscellaneous consumers such as fishermen and to the Fisheries Department and the balance was distributed to co-operative societies and the trade at 36 per cent and 64 per cent respectively. The distribution of yarn to different districts was made according to the percentage fixed for the district during the previous control on the basis of the looms in the district. In order to distribute the yarn to all weaving centres equitably, each district was divided into sub-areas and each sub-area was comprised within the jurisdiction of a Yarn Advisory Committee. The Collectors allotted the yarn received from the mills to the consuming areas in proportion to their off-take in different counts during the previous control period and distributed to

[1] G.O. No. 5533, Development, dated 18th November 1949—*See the Summarising Note.*
[2] G.O. No. 3193, Development, dated 16th August 1950.
[3] G.O. No. 3510, Development, dated 6th September 1950.
[4] G.O. No. 796, Development, dated 16th February 1951.
[5] G.O. No. 3656, Development, dated 9th August 1957—Notes, page 4.

each loom not less than the minimum quantity of yarn required for the weavers. In order to make available larger quantities of yarn for handlooms, the Collectors were instructed to reduce supplies to powerlooms and other miscellaneous consumers. Under the rationing scheme adopted, a fresh census of looms existing in the districts was taken with the help of the Yarn Advisory Committees and ration cards were issued and the yarn was distributed on the basis of the active looms.[1]

Reservation of certain varieties of fabrics to the handlooms.

Nor was this all. In order to assist the handloom industry, the Government of India reserved ten varieties of cotton fabrics for production by that industry and prohibited the composite mills and powerlooms from manufacturing these varieties with effect from July 1950. The State Handloom Committee felt that any reservation made in particular varieties of cloth for production on handlooms would not be beneficial to the industry in practice and that the reservation of cloth of particular width alone would help the industry and requested the Government to address the Government of India to prohibit the mills and powerlooms from weaving cloths of widths over 40 inches and up to 48 inches (including 48 inches), since handlooms were weaving mostly sarees and dhoties and since the width of a major part of those two varieties fell within that range. But, as the problem was then not so much finding market for finished products as finding sufficient yarn for the industry, the Government postponed the consideration of this question. They were also apprehensive that if, as was suggested, the handlooms were given practically a monopoly for the production of sarees and dhoties, the prices of those articles might go up and hit the consumers[2].

Proposal for establishing Statutory Handloom Boards.

The State Handloom Committee recommended about the same time, legislation for the standardization of handloom cloth and the establishment of Statutory Handloom Boards in the State. It prepared a Bill for that purpose, the provisions of which may be indicated as follows.

The Government may, by notification, declare their intention to promote the general adoption of certain prescribed standards in connection with the production of cloth in such area or areas as may be specified in the notification. The Government shall establish a Board for every notified area whose duty it shall be to enforce the provisions of the Act. Every Board so constituted shall establish such a number of stamping centres as the Collector may direct from time to time for the purpose of stamping cloth with the prescribed markings. No person shall, within the notified area, set up or use any handloom for the production of cloth, except under and in accordance with the conditions of a loom certificate granted to him by the Collector. The Board shall, with

[1] G.O. No. 3656, Development, dated 9th August 1951—Notes, pages 4-5.

[2] G.O. No. 2735, Development, dated 14th June 1951.

the approval of the Director of the Controlled Commodities, prescribe standard specifications in respect of cloth produced in the notified area or parts thereof and the markings to be stamped on such cloth. Generally all cloth produced in a notified area shall be stamped. Only such cloth as conforms to the standard specifications shall be marked as standard cloth; other cloth shall be stamped as 'non-standard' cloth The Board may, however, with the approval of the Director of Controlled Commodities, exempt from marking any cloth produced by any independent weaver or class of independent weavers. No person other than an officer of the Board shall, within the notified area, set up, establish or use any place for the stamping of cloth with the markings prescribed except under and in accordance with the conditions of a licence granted to him by the Collector. Such a licence shall ordinarily be granted to any person who applies for it in the prescribed form on payment of the prescribed fees.

No master weaver or dealer or independent weaver who has not been exempted shall despatch or deliver to any person whether in pursuance of a sale or otherwise any cloth, unless it has been stamped with the markings prescribed by the Board. No master weaver (which term includes a weavers' co-operative society or a handloom factory) or dealer shall sell cloth or store it for sale or carry on business as a commission agent or broker in cloth trade in the State, except and in accordance with the terms and conditions of a licence granted to him by the licensing authority. Where a person other than a hawker has more than one place of business whether in the same town or village or different towns and villages, he shall obtain a separate licence in respect of such place of business. The Collector may, in his discretion grant or refuse to grant a licence and, subject to such rules as may be made by the Government, he may cancel or shall comply with the provisions of the Act, the rules and the shall comply with the provisions of the Act, the rules and the by-laws made thereunder and the conditions specified in the licence.

Every Board shall consist of not more than fifteen members. The Deputy Registrar of Co-operative Societies having jurisdiction over the notified area shall be a member of the Board. Each of the following electorates shall elect from among persons comprising it such number of members of the Board as the Government may determine: (a) independent weavers, (b) master weavers, (c) primary weavers' co-operative societies and (d) dealers other than master weavers, brokers and commission agents. The Government may appoint to every Board such number of members as they think fit not exceeding the number of members to be elected, provided that, where a Board is established in a notified area for the first time, the Government shall appoint all the members of such a Board for a period of two years. Except these members, other members are to hold office for a period of three years. The Government may remove any member of a Board. The Board shall elect one of its members as its Chairman and another as its Vice-Chairman. It shall be a corporate body; it may appoint sub-committees and joint committees and delegate its powers to them; it may appoint its own officers; and it can execute contracts, etc. It shall, subject to such rules as may be made, levy fees for stamping the prescribed markings on cloth produced in the notified area at such rates as it may determine. It may levy a subscription for collecting and disseminating among the subscribers information on any matter relating to the production and marketing of cloth. All moneys received by the Board shall be paid into a fund called the Handloom Board Fund. The purposes for which the fund may be expended are: (1) acquisition of a site or sites or building for the Board, (2) construction and repair of buildings, (3) pay, pensions, etc., of the officers and servants of the Board, (4) expenses incidental to elections, (5) payment of interest on loans that may be raised, (6) collection and dissemination of information relating to production and marketing of cloth, (7) schemes for the extension or improvement of production of cloth, (8) propaganda in favour of technical improvement of production and provision of facilities for teaching improved methods to weavers, (9) holding of exhibitions and occular display of improved methods of production of cloth, (10) publicity and provision of facility for marketing, (11) provision of facilities for the examination and testing of different fabrics, processes and practices or for any investigation or research necessary, (12) establishing and maintaining libraries and museums for furthering the purposes of standardization and improving the technique of production and processing of cloth, (13) for hiring out improved appliances and (14) such other purposes as may be authorized by the Government for the improvement of the handloom industry.

The Board is to have power to borrow. The Government may supersede the Board if it fails to perform its duties imposed upon it by the Act. Whoever affixes or causes to be affixed prescribed markings which are false shall be punished with fine which may extend to Rs. 500. Whoever contravenes the provision of the Act relating to the loom certificate and the licences shall be punishable with fine which may extend to Rs. 200 and, in the case of continuing contravention, with a further fine which may extend to Rs. 100 for every day during which the contravention is continued. The Government may make rules for carrying out the purposes of the Act. Subject to such rules, the Board may make by-laws for the regulation of production of cloth and the conditions

of trading in cloth. The contravention of a by-law shall be punishable with a fine of Rs. 50. The Board may write off irrecoverable fees. No offence made punishable by this Act or any rule or by-law made thereunder shall be tried by a court inferior to that of a Presidency Magistrate or a Magistrate of the First-class. Sums due by the Board to the Government shall be recovered in the same manner as arrears of land revenue. The Collector may delegate his power to his subordinates not below the rank of a Tahsildar. An appeal against the Collector's orders shall lie with the Director of Controlled Commodities.

The proposal opposed by the Provincial Society.

This Bill prepared by the State Handloom Committee was recommended by the Director of Controlled Commodities. It was, however, opposed by the Provincial Handloom Weavers' Co-operative Society on several grounds. (1) It was open to any weaver to join the Provincial Co-operative Society and strengthen it rather than seek strength through the District Handloom Boards contemplated under the Bill. (2) The Bill did not give any scope for the Provincial Society to function for the development of the handloom industry. (3) According to the provisions of the Bill, no person should, within a notified area, set up, use, continue, etc., any handloom for the production of cloth except under and in accordance with the conditions of a loom certificate granted to him by the Collector. No safeguard or exemption had been provided for the weavers' co-operative societies in the matter of obtaining loom certificates. (4) According also to the provisions of the Bill, the Board as a body corporate with powers to acquire and hold property, movable or immovable, etc., was to function as a major trading corporation to deal with handloom cloth produced within its jurisdiction. This would naturally include the goods of weavers' co-operative societies and ultimately the production of weavers' societies would be controlled by the District Handloom Boards on the plea of marketing of goods. (5) The Handloom Boards were to be constituted for the purpose of standardization and for stamping of prices without any provision for carrying on trade or for executing contracts. Their functions should be technical and advisory and they should be formed by nomination and not by election. On these grounds the Provincial Society considered that the Bill would do more harm than good to handloom weavers and the Government ordered that the Bill might be dropped [1].

The proposal dropped.

Another proposal which fell through at this time was the recommendation of the State Handloom Committee that for the proper development of the handloom industry it was necessary to co-ordinate the activities of the different departments which were connected with the industry by the

[1] G.O. No. 101, Development, dated 9th January 1952.

Proposal for a separate Handloom Department considered and dropped.

formation of a separate Handloom Department. The proposal, as we have seen, was nothing new; it was mooted in 1928-29, but it now took a somewhat different shape. The Director of Controlled Commodities remarked that a nucleus of a separate Department of Handloom Industry might be formed by attaching a new handloom section to his office as he was the Chairman of the State Handloom Committee. He also recommended that the work connected with the industry that was then being attended to by the Director of Industries and Commerce and the Registrar of Co-operative Societies might continue to be done by those heads of departments but that the administration of the Government Textile Institute, which had been transferred from the Provincial Textile Commissioner to the Director of Industries and Commerce might be transferred to him, though the Polytechnic Schools might be continued to be retained by the Director of Industries and Commerce. The Director of Industries and Commerce was, however, not agreeable to this proposal. The Government decided that the Institute might continue for some time under the control of the Director of Industries and Commerce and only sanctioned the appointment of the necessary staff for the formation of a new handloom section in the office of the Director of Controlled Commodities [1].

The Great slump.

And now there came a great slump in the handloom industry which began in March 1952 and continued till the close of 1953. It arose out of the general slump in the trade market, which hit the mill industry equally with the handloom industry. When the mill industry itself in spite of its powerful organization and financial stability could not withstand the rigour of this slump, it was not to be expected that the handloom industry could withstand the rigour without much assistance from the Government. Distress selling became now the order of the day, the discount ranging from 20 per cent to 60 per cent.

Relief Scheme introduced.

Various important measures were therefore undertaken, some by the State Government and others by the Government of India. In June 1952 this Government introduced a Relief Scheme in all districts on the lines of the Relief Scheme sanctioned in 1949. This scheme submitted by the Registrar of Co-operative Societies and recommended by the Director of Controlled Commodities, was approved by the Government with the following remarks.

The scheme will assure the weavers a subsistence wage and continuous employment and also relieve them from the burden of marketing cloth as far as possible. It contemplates the revival of all co-operative primary weavers' societies which have stopped functioning as a result of the present slump in the trade and the making it possible for the weavers outside the

[1] G.O. No. 2039, Development, dated 9th May 1952.

co-operative fold to join the existing or new primary weavers' societies for which purpose the Government will lend the money required for the share capital.

The scheme will be introduced immediately and worked through the existing select primary weavers' societies in the districts for a period of three months or until such time as the conditions among the weavers improve, whichever is earlier. The number of weavers to be admitted into the primary weavers' co-operative societies need not be limited as proposed by the Registrar to 1,000 weavers in each district. As many weavers as are anxious to join the societies should be taken in. The restriction to 40 counts of yarn as suggested by the Registrar also need not be insisted upon. Wherever higher counts are being used preponderatingly in a locality, the Registrar may accept weavers of higher counts as members.

As some of the weavers seeking admission to the primary weavers' co-operative society may find it difficult to remit the necessary share capital, advances will be paid to them by the societies at a rate not exceeding Rs. 25 per head. These advances will be interest-free and will be recovered by the societies in 12 monthly instalments from the wages of the weavers concerned.

The primary societies working the scheme will require funds for the purchase of yarn and payment of wages at the rate of about Rs. 65 per loom. The amount required for the purpose will be advanced to the primary societies by the District Co-operative Central Bank and the Government will guarantee the repayment of such loans by the primaries during the pendency of the scheme. In case the Central Bank is not in a position to make such advances for want of funds, it will borrow the necessary amount from the Madras State Co-operative Bank which will in turn, if necessary, borrow the funds required for the purpose from the Imperial Bank of India (now State Bank of India). The Government will be prepared to stand guarantee to the Imperial Bank of India for the repayment of the money to be borrowed by the State Co-operative Bank for the purpose of the scheme. A sum of Rs. 5 lakhs will be placed at the disposal of the Registrar for the initial starting of the scheme.

The responsibility for marketing of the goods produced under the scheme will rest mainly with the primary weavers' societies themselves. The primary societies will have to run the risk of sustaining losses in the disposal of the goods on account of fluctuation in prices, etc. The Government will, however, guarantee to make good the ultimate business losses to these societies arising out of marketing difficulties, fluctuations in prices, etc., during the pendency of the scheme, provided they are satisfied that the societies have been run on a sound and efficient basis. Every society will maintain separate accounts for the transactions coming under the relief scheme.

The societies working under the scheme will have to pay wages to weavers at the rate related to the selling price of cloth. At present a higher rate than 6 annas per knot is not justified and will not be paid without the orders of the Government.

The Registrar has proposed that Supervisors have to be appointed at the rate of one for every five societies to advise the societies in regard to specifications of cloth, marketing, etc., and that the Government will have to reimburse the Provincial Society this expenditure. The Government have accepted these proposals. He has also suggested that a Committee should be constituted for each district consisting of the Collector of the district, the Deputy Registrar and one or two representatives of the primary societies for the purpose of revising the prices of handloom cloth produced under the scheme from time to time in accordance with the prevailing market conditions. The Government have accepted this suggestion also[1].

This scheme which was introduced in almost all districts in July 1952 was wound up only in June 1953 on the introduction of the Cess Fund Schemes which will be mentioned shortly.

In the meantime the control over the distribution of foreign yarn was removed and permission was granted to the Indian mills to sell to buyers of their own choice one-third of the production of cotton yarn. This having made the yarn supply position easy, the Government suspended the informal rationing of yarn first for three months and then for another three months. Distribution of yarn to State nominees and licensees, however, continued as before: it was only distribution on the card system that was suspended[2].

Nor was this all. This Government now put up proposals to the Government of India for the complete reservation of bordered dhoties and coloured sarees to the handlooms. The Government of India, however, refused to agree to this reservation and imposed only a quantitative restriction on the production of dhoties by mills; the mills were precluded from producing more than 60 per cent of their average production in 1951-52[3].

[1] G.O. No. 2541, Development, dated 16th June 1952.
[2] G.O. No. 2604, Development, dated 20th June 1952.
[3] G.O. No. 4584, Development, dated 12th October 1953—*See the* Printed Report, page 22.

About this time the State Handloom Committee recommended to the Government another measure, that no more powerlooms should be permitted to be installed in the country. The Government then reviewed the whole question. They said that the Committee had made a similar recommendation in 1950 to the effect that no new powerlooms should be permitted to be installed either in composite mills or in weaving factories. That recommendation forwarded to the Government of India had simply been ignored by that Government. If the intention of the present recommendation was merely to ensure that handloom weavers got adequate supplies of yarn to ply their trade, then sufficient safeguards had already been taken. The policy of this Government in recent years had been to ban installations of new powerlooms, unless the factories had their own spinning plants. Even in the case of composite mills it had been insisted that looms might be allowed to be installed up to half their installed spindlage, the other half being left over to meet the yarn requirements of the handloom weavers. Latterly, when the yarn supply position had deteriorated and the Government had urged total prohibition of new powerlooms in the State until a sufficient supply of yarn had been assured to this State, a spate of protests had come from the mills and in view of these protests the Government had decided (November 1951) to permit the installation of new looms in composite mills at the rate of one loom for every 40 spindles on condition (1) that they continued to contribute to the free yarn pool a quantity not less than that delivered by them in the last quarter of 1948 and (2) that they also delivered an additional quantity equal to that consumed by the new looms. The Textile Commissioner of the Government of India had, however, reported that the above conditions were opposed to the Cotton Textiles (Control) Order, 1948 and that once permission to acquire or import looms was given, the Government could not refuse permission to install them. He had also permitted some mills to work new looms ignoring this Government's recommendation.

The present recommendation of the State Handloom Committee, the Government went on to observe, not only banned the expansion of powerlooms but also prohibited the acquisition by mills of looms for replacement of those which might have become unserviceable in course of time. This meant the gradual weeding out of even existing powerlooms, leaving the field clear for the handlooms. And the Committee would have this policy implemented not only in this State but throughout India. It appeared to the Government that powerlooms need not necessarily compete with handlooms if their spheres of production were properly demarcated. In the case of dhoties, sarees and towels there was said to be competition between the powerlooms and the handlooms; and so, bordered dhoties and coloured sarees had been recommended by this Government to be reserved for handlooms in addition to the reservations already made by the Government of India. If Indian mill cloth was driven out, the people would go in for foreign mill cloth. In view of all these factors the Government considered that the interests of the handloom weaver were not likely to be served by banning the installation or replacement of powerlooms in textile mills. They also considered that the best way of helping the handloom weaver was to reserve certain varieties of fabrics like sarees, dhoties, etc., to handlooms exclusively and to ensure adequate supply of yarn to them [1].

An important scheme undertaken at this time was one for the opening of international markets. The credit for formulating this scheme belongs to Sri J. C. Ryan, who was then the Registrar of Co-operative Societies. This is what he said.

Foreign markets for handloom goods are Ceylon, Malaya, Thailand, Burma, Pakistan, Arabia, Persia, Egypt and West Africa. West Africa chiefly consumes Madras handkerchiefs, but there are political difficulties in opening Indian trading centres in West Africa. The scheme, therefore, omits West Africa from its ambit. As regards the other countries, one proposal is that the Indian Trade Commissioners in those countries might exhibit handloom goods in the shop windows attached to their offices and introduce dependable merchants there to established dealers in India like the State Handloom Weavers' Co-operative Society. That proposal is being pursued separately. Here it is proposed to send out Commercial Travellers to those countries at the expense of the Government of India who have recognized that the development of international markets for handloom goods is their responsibility. These Commercial Travellers should not only find wholesale buyers for handloom goods in foreign countries but also be able to establish godowns or emporiums in those countries, from which they should deliver goods on the spot.

For the present one Commercial Traveller should be appointed with headquarters at Singapore, covering Malaya, Ceylon and Thailand, another at Rangoon, covering Burma and East Pakistan, a third at Aden, to explore the markets in Arabia, Persia, Egypt and West Pakistan. These Commercial Travellers should be appointed by the Government of India and should be given a Government salary in addition to commission on sales contributed by the Indian consigners. Their services should be available not only to

[1] G.O. No. 4118, Development, dated 29th September 1952.

the State Handloom Weavers' Co-operative Society but also to every other exporter of goods in India. The best thing to do is to place the Commercial Travellers on foreign service terms under the State Handloom Co-operative Society. They should be paid by the society and be answerable to the society. The Government of India might reimburse the society the expenses incurred on the Commercial Travellers.

The State Handloom Weavers' Co-operative Society will open emporiums at Singapore, Colombo, Bangkok, Rangoon, Chittagong, Karachi and Aden. The expenses connected with these seven emporiums will be borne by the society. These emporiums will stock goods for sale not only belonging to the society but also belonging to all Indian exporters.

It is important that the standard of handloom goods sent abroad should be assured. Only goods of standard varieties should be exported to the emporiums. For this purpose approved standards should be communicated by the society to the Textile Controller in each State and he should ensure that goods conforming to those standards are exported.

The Commercial Traveller should contact importers in the countries allotted to him, show samples of goods to them and persuade them to place bulk orders with the State Society at Madras or with any other recognized large exporter of goods in India. On bulk consignments sent in this manner, the society will be entitled to a commission of ten per cent on the invoiced price. Out of this commission it will give 50 per cent to the Commercial Traveller.

The Commercial Traveller will also order goods from the exporters in India for stocking the emporiums. On goods stocked there, the State Society will be entitled to a commission of 10 per cent on the invoiced price out of which one-third will be passed on to the Commercial Traveller as his commission. He will have to advertise in the local dailies about the handloom goods available and the advertisement charges will be borne by the society. He will have to arrange for securing import permits for goods entering the foreign countries. He may for this purpose avail himself of the good offices of the Indian Trade Commissioner, when necessary.

Initially, the Commercial Travellers may be recruited from among the Deputy Registrars of Co-operative Societies; these officers will be lent on foreign service to the State Society. The by-laws of the society will have to be amended to convert the society into an International Trading Organization. The entire cost of the Commercial Travellers (pay and allowances) will be borne by the Government of India. The cost of the seven emporiums proposed might be borne by the Government of India and the State Society in the ratio of 50 : 50. The State Society will work the scheme under the control of the Madras Government. The period of the scheme may be five years to begin with.

The Government sent the above scheme to the Textile Commissioner of the Government of India and stated that they would have no objection to the Government of India undertaking the scheme on the understanding that the entire financial liability (including the share of the State Co-operative Society) would be borne by the Centre. The Standing Committee of the All-India Handloom Board (which will be presently explained), approved the scheme thus: "The Committee approved the scheme of Sri J. C. Ryan for the development of external markets of handloom products with the proviso that, for the time being, and until the All-India Handloom Board sets up its own organization for the development of foreign markets, the Madras State Handloom Weavers' Co-operative Society will act as the agent of the Board; four Commercial Travellers, one each to be stationed at Singapore, Baghdad, Colombo and Rangoon are to be appointed for the promotion of export markets for handloom products." For the purpose of immediately starting the work the Committee agreed that the All-India Handloom Board should place at the disposal of the State Society an amount of Rs. 2,12,000 for which an account would have to be rendered by the society to the Board; 50 per cent of the expenditure incurred on the emporiums was to be contributed by the State Society. The Government of India accordingly sanctioned the scheme in the first instance for one year for (a) appointment of four Commercial Travellers in foreign countries to act as liaison between the Indian exporters and overseas importers of handloom cloth and to be stationed at Singapore, Colombo, Rangoon and Baghdad and (b) opening of emporiums of handloom goods at Singapore, Colombo, Bangkok, Rangoon, Chittagong, Karachi and Aden for marketing of handloom products produced all over India. Until other arrangements could be made, the scheme, they said, would be operated by the Madras Handloom Weavers' Co-operative Society which would act as the agent of the All-India Handloom Board in the execution of the scheme. They also conveyed sanction to the payment to the society of a grant of Rs. 2,24,000 on condition that the balance of expenditure amounting to Rs. 1,26,000 for the implementation of the scheme was contributed by the society which was to render periodical accounts of expenditure to the All-India Handloom Board.

This Government at first insisted that the entire expenditure should be borne by the Government of India but subsequently agreed to the scheme sanctioned by that Government. The scheme so sanctioned in March 1953 was renewed from year to year [1].

[1] G.O. No. 5004, Development, dated 20th November 1952.

All-India Handloom Board formed.

We may now make a pause and see how this All-India Handloom Board referred to above came to be constituted. It will be recollected that the Fact Finding Committee, recommended the formation of an All-India Handloom Board. In accordance with this recommendation the Government of India set up in 1945 the first All-India Handloom Board. The functions of this Board were confined to the question of supply of raw materials to the handloom weavers, the method of marketing handloom fabrics and the administration of grants-in-aid. This Board, however, ceased to function after 1947. In 1948 the Government of India created a new body, called the Standing Handloom Committee, under the Cottage Industries Board, to look after the interests of handloom weavers. Whe nthe annual grants were stopped in 1947–1948, the Standing Handloom Committee recommended that the grants should not only be revived but also placed at its disposal for disbursement to the States. This recommendation was not initially accepted by the Government, but in 1949 they agreed to create a Handloom Development Fund of Rs. 10 lakhs and placed this amount at the disposal of the Standing Handloom Committee. This fund was augmented by a further sum of Rs. 5 lakhs in October 1950. But when the great slump in the handloom industry came in 1952, the Government of India took a number of measures for the rehabilitation of the industry. Of these, the most important was the constitution of an All-India Handloom Board with comprehensive functions to develop the handloom industry. Other measures included: (1) the levy of an additional excise duty on mill-made cloth for the purpose of developing the Khadi and the handloom industry; (2) the appointment of a Textile Enquiry Committee to make a survey into the various sectors of the cotton textiles industry, i.e., the mills, the powerlooms and the handlooms, with a view to determining the place of each in the national economy of the country and their inter-relationship; and (3) the enforcement of certain interim measures directed towards ensuring an assured market for the products of the handloom industry. It may be stated here that the functions of the All-India Handloom Board were to advise the Government of India generally on the problems of the handloom industry, to examine schemes for the development and improvement of the industry and to make recommendations for assistance from the Cess Fund created out of the additional excise duty on mill-made cloth [1].

[1] For a brief account *see* Minutes of Meetings of the All-India Handloom Board and the Standing Committee (1952–56), Volume I, 1958, pages 1–2.

Proposals for equitable distribution of yarn.

When these measures were being undertaken, 48 members of the Madras Legislature sent a memorandum to the Government, in which they made an important recommendation that the existing system of meeting the yarn requirements of the composite and weaving mills first and treating as a last charge the requirements of the handloom industry should be revised, and that the total output of yarn in the country should be distributed strictly in proportion to the estimated requirements of the various consumers of yarn, including the composite and weaving mills. Thereupon this Government addressed the Government of India stating that they had carefully examined the recommendation and that their views were as follows: The question was whether the adoption of the suggestion might not affect the fundamental rights of the proprietors of the composite mills under Articles 19 (1) (*f*) and (*g*) of the Constitution. They were advised that even under clause 12 of the Cotton Textiles (Control) Order, 1948, the rights of these proprietors were curtailed, such curtailment being justified under clauses (5) and (6) of Article 19 and that the additional restriction that might have to be imposed on the proprietors of the composite mills to give effect to the above suggestion could also be justified under clauses (5) and (6) of Article 19 of the Constitution on the grounds of social and economic policy or on grounds of "common good"—e.g., for securing the ends referred to in clauses (*b*) and (*c*) of Article 39 of the Constitution. Therefore, there could be no legal objection to amending the Cotton Textiles (Control) Order, 1948, with a view to giving effect to the suggestion mentioned above. The order might be amended to the extent necessary to give the Textile Commissioner, Bombay, discretion to allocate to the handlooms a quantity of yarn related to the existing capacity of the spinning and composite mills and not to their capacity in 1949–1950. If the Government of India were to agree to the proposal already made to reserve all bordered dhoties and coloured sarees for exclusive production on handlooms, the quantity of yarn required by the handloom industry would be very much in excess of that fixed with reference to the actuals of 1949-1950.

This proposal, however, found no favour with the Government of India. They said that they were then constituting an All-India Handloom Board and that the question might be left to be considered by that Board[1].

Yarn and cloth controls relaxed.

This was towards the end of 1952. By the middle of 1953, however, the position of yarn became easy and, as a result, the Government of India relaxed the price and distribution control over yarn from 10th July 1953. This Government

[1] G.O. No. 1769, Development, dated 16th April 1953.

continued the licensing system of yarn, but licences were now issued without any restriction to all persons who applied. The licence fee for the yarn was also reduced from Rs. 100 to Rs. 25 and the system of distinction between the quota and non-quota licences was abolished. The Government now repealed the Madras Yarn (Dealers) Control Order, 1948, and re-issued it as Madras Yarn (Dealers) Control Order, 1953 and cloth position also having become easy, they also repealed the Madras Cloth (Dealers) Control Order, 1948, and re-issued it, after relaxing some of its provisions, as the Madras Cloth (Dealers) Control Order, 1953. Both these Yarn and Cloth Control Orders were, however, rescinded towards the close of 1955 as yarn and cloth then became available in adequate quantities. General permission was also then granted for the free movement of cloth and yarn from any place in this State to any place within the Indian Union[1].

Introduction of Cess Fund Schemes.

Meanwhile in 1953 a great step was taken: the Cess Fund Schemes were inaugurated, which opened a conspicuous chapter in the history of the handloom industry. In that year was passed the Central Act called the Khadi and Other Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953. In pursuance of Section 3 of this Act, an additional excise duty of 3 pies per yard on mill cloth was levied from 15th February 1953 for raising funds for the development of Khadi and handloom industries. The fund was not to be utilized for giving doles or relief; it was to be utilized for developing the handloom industry in all its aspects. Schemes were to be submitted for this purpose and after sanction by the All-India Handloom Board and the Government of India, they were to be executed by the State Governments. The execution of the schemes was to be, as far as possible, through the medium of the co-operative societies. Co-operative organizations where already existing were to be encouraged to bring in as many handloom weavers as possible into their fold and where no such organizations existed, they were to be started by the State Governments. Such co-operative societies were to be financed primarily through the usual sources, i.e., by loans from co-operative banks, etc. Assistance from the Cess Fund, however, was to be given as grants to subsidize their schemes, e.g., to cushion price differences and to meet incidental expenses such

[1] Madras State Administration Report, 1953-54, Part II, pages 201-202.

G.O. No. 5109, Industries, Labour and Co-operation, dated 9th December 1953.

Madras State Administration Report, 1955-56, Part II, page 1[illegible].

as transport, etc., incurred in procuring and supplying yarn, to assist in improving the technique of production and research and to set up marketing organizations, etc.

After thus describing generally the principles governing the distribution of the Cess Fund, the Government of India recommended to the State Governments that they also should constitute Handloom Boards or Committees (where these did not exist already) to work the schemes successfully. The Government of India said that they had, on the recommendation of the All-India Handloom Board, sanctioned a Central Handloom Directorate, the duties of which would be to help the State Governments and State Handloom Boards in the development of co-operative organizations and effect necessary liaison between the Centre and the States. A branch of this Directorate, they said, would be set up at Madras. The external marketing scheme which had been sanctioned for setting up emporiums and appointing Commercial Travellers or Agents, they observed, would be handled by the All-India Handloom Board [1].

Progress in the Co-operatives.

At this time some progress had already been made in the co-operative movement. Thus in June 1953 on the eve of the introduction of the Cess Fund Schemes and of the separation of the Andhra State, there were 1,191 primary weavers' co-operative societies with 222,619 members and 211,807 looms. Their working capital was Rs. 394.10 lakhs and they produced and sold cloth during 1952-53 valued at Rs. 401·33 lakhs and 538·53 lakhs respectively. In June 1953 the State Handloom Weavers' Co-operative Society had 1,479 members and its share capital stood at Rs. 4·86 lakhs. Its purchase and sale of goods during 1952-53 amounted to Rs. 92·39 lakhs and 86·19 lakhs respectively [2]. There were also in 1953 seven weaving factories engaged in the production of improved varieties of cloth, one printing factory in Madras and seven dye factories [3]. There were likewise in 1953 nine weavers' co-operative societies which had taken steps to provide houses for their weaver members. Of these, the Yemmiganur Weavers' Co-operative Society in the Bellary district had shown great enthusiasm for building an up-to-date housing colony. Besides this, there were in 1953, two projects for establishing Co-operative Spinning Mills, one at Guntakal and the other at Tirunelveli [4].

[1] G.O. No. 3845, Development, dated 25th August 1953.

[2] Report on the Working of Co-operative Societies for the year ending June 1953, pages 80 and 83.

[3] *Idem*, pages 83-84.

[4] *Idem*, pages 84-87.

Cess Fund Schemes give a fillip to the co-operatives.

With the introduction of the Cess Fund Schemes a great tempo was given to co-operation and the Relief Scheme sanctioned in 1952 was wound up [1]. It may be mentioned that under these Cess Fund Schemes large amounts have been sanctioned by the Government of India for the development of the handloom industry. It may also be mentioned that under these schemes, priority has been ordered to be given in the Community Project and National Extension Service Areas [2].

Cess Fund Schemes described.

The Cess Fund Schemes sanctioned from 1953–1954 to 1955–1956 (the year with which we close our chapter) were as follows :—

Particulars of schemes.	*Loans and grants sanctioned by the Government of India for implementing handloom development schemes.* *Loans.* RS.	*Grants.* RS.
1953-54.		
1 (a) Advances to new members towards share capital	6,62,000	...
(b) Loans to societies towards working capital	26,48,000	...
(c) Supervision of new societies—Cost of Senior Inspectors	...	1,18,498
2 (a) Opening of new depots	...	4,06,204
(b) Opening of Central depots	...	66,014
(c) Supervision cost of depots within the State	...	97,976
(d) Inter-State depots	...	86,854
(e) Supervision cost to depots outside the State	...	19,066
(f) Mobile vans	...	2,80,688
(g) Publicity	...	33,100
3 (a) Standardisation committees	...	8,606
(b) Supply of standard reeds	...	66,200
(c) Supply of devices to regulate picks ...	...	33,100
(d) Supply of warping machines ...	16,550	16,550
(e) Technical Assistants for stamping of cloth	...	24,825
(f) Setting up of dye houses	...	79,440
(g) Award of prizes	...	7,447
(h) Pattern making factories	...	38,925
(i) Pedal looms	...	13,240
4 Subsidy to recoup rebate	...	33,10,000
5 Loan to South India Co-operative Spinning Mills	10,00,000	...
6 Administrative Unit in Registrar's office.	...	22,600

[1] G.O. No. 204, Industries, Labour and Co-operation, dated 28th January 1954.

[2] G.O. No. 3387, Industries, Labour and Co-operation, dated 2nd December 1954.

G.O. No. 1910, Industries, Labour and Co-operation, dated 28th May 1955.

G.O. No. 3905, Industries, Labour and Co-operation, dated ...

Particulars of schemes.	Loans and grants sanctioned by the Government of India for implementing handloom development schemes. Loans. RS.	Grants. RS.
1953-54—cont.		
7 Loans towards working capital for Madras State Handloom Weavers' Co-operative Society (Sanctioned by Government of Madras)	1,40,000	...
1954-55.		
1 (a) Advance to new members towards share capital	5,93,750	...
(b) Loans to Weavers' Co-operative Societies towards working capital ...	37,98,150	...
(c) Supervision of societies—cost of Senior Inspectors	...	45,000
(d) Organisational expenses	...	1,13,715
2 (a) Opening of new depots	...	4,75,750
(b) Publicity	...	16,900
3 (a) Supply of standard reeds	...	1,00,000
(b) Supply of devices to regulate picks ...	...	1,00,000
(c) Warping machines	50,000	...
(d) Technical Assistants	...	24,825
(e) Setting up of dye houses	...	1,20,000
(f) Pedal looms	...	1,00,000
(g) Pattern-making factory	...	1,37,200
(h) Award of prizes	...	10,000
4 Administrative Unit in Registrar's Office.	...	14,115
5 Working capital to Madras State Handloom Weavers' Co-operative Society ...	83,00,000	...
6 Collection of statistics	...	1,18,064
7 Malabar Industrial Co-operatives ...	1,12,303	...
8 Conjeevaram Silk Weavers' Co-operative Society	69,700	7,038
9 Reorganisation of Government Textile Institute	..	72,955
10 Peripatetic Weaving Party	..	18,624
11 Supply of semi-automatic looms ..	..	66,200
1955-56.		
1 Opening of depots	...	50,500
2 Expansion and modernisation of 70 emporiums	...	70,000
3 Purchase of samples	...	20,000
4 Publicity	...	80,000
5 Opening of Central depots	...	18,000
6 Inter-State depots and staff	...	27,000
7 Inter-State depots in Mysore and Devanagiri	...	30,000
8 Purchasing Officer (by Government of Madras)	...	28,800
9 Staff for supervision of Madras State Handloom Weavers' Co-operative Society (by Government of Madras) ...	...	42,000
10 Award of prizes	...	15,000
11 Supply of varnished healds	...	60,000

Particulars of schemes.	Loans and grants sanctioned by the Government of India for implementing handloom development schemes. Loans. RS.	Grants. RS.
1955-56—cont.		
12 Supply of vertical warping machines ...	...	5,000
13 Supply of dobbies	...	15,000
14 Subsidy to recoup rebate	...	34,00,000
Subsidy to recoup rebate (advance by Government of Madras)	...	18,60,000
15 Silk Weavers' Co-operative Societies ...	...	51,150
16 Conjeevaram Silk Pattern-making Unit	...	45,000
17 Peripatetic weaving party	...	15,000
18 Supply of jacquards	...	3,000
19 Art Silk Weavers' Co-operative Societies.	...	5,400
20 Appointment of Hawkers	...	7,200
21 Subsidy to stores and multi-purpose societies to open depots	...	72,000
22 Organisational expenses	...	2,36,128
23 Marketing Officers and staff (sanctioned by Government of Madras)	...	1,78,175
24 Appointment of Demonstrator	...	7,200
25 Subsidy for export and cost of staff (sanctioned by Government of Madras).	...	2,28,420
26 Admission of new weavers into co-operative fold	1,20,313	...
27 Provision of working capital to Madras State Handloom Weavers' Co-operative Society	15,00,000	...
28 Provision of working capital to Weavers' Co-operative Societies	53,73,850	...
29 Silk Weavers' Co-operative Societies ...	3,54,870	...
30 Supply of jacquards	3,000	...
31 Art Silk Weavers' Co-operative Societies.	33,431	...
32 Conversion of handlooms into powerlooms	40,000	...

As to the progress made under these schemes till 1956, in regard to Scheme (1), which relates to the enlistment of looms into co-operatives, out of the 87,600 looms as to be so enlisted, 71,428 looms were enlisted up to the end of September 1956, *i.e.*, just on the eve of the reorganization of the States. A sum of Rs. 13·63 lakhs was disbursed as share capital loan. There were 162,599 looms in the co-operative fold in September 1956 representing 29 per cent of the looms (which number 5·6 lakhs) in the State. In regard to Scheme (2), 926 depots were opened by the Madras State Handloom Weavers' Co-operative Society till 30th June 1956; besides these, the society opened a large sales depot at Coimbatore and a Saree Museum at Madras. The society also maintained 6 central depots, six Marketing Officers and 18 depots outside the State. In addition, six mobile vans were employed for doing intensive propaganda and selling handloom goods and large sums were disbursed for doing publicity, for erecting neon sign boards, for participating in fairs, exhibitions, etc. A staff was also employed under the State Society for purchasing cloth and supervising the work of the primary societies and funds were given to the society for modernizing all its 70 emporiums. In regard to Scheme (3), a Standardization Sub-Committee was constituted in 1954-1955 and the specifications prescribed by it were brought to the notice of the primary weavers' societies. Standard reeds and devices to regulate picks were distributed to the societies. Technical Assistants were appointed for attending to the work of inspection and stamping of cloth; services of a number of dyer supervisors were placed at the disposal of the societies; and prizes were awarded for the best handloom goods produced. Four pattern-making societies were opened at Cannanore, Salem, Madurai and Tirunelveli to produce improved handloom fabrics both in utility varieties and exportable goods in different designs and weaving to cater to the changing public tastes. Pedal looms, varnished healds, dobbies, jacquards and vertical warping machines were also supplied through the State Society to the primary societies.

In regard to Scheme (4), namely, the subsidy to recoup rebate, the primary societies and the State Society allowed rebate to the consumers at the rate of 1½ annas per rupee on retail sales of handloom cloth for rupees 2 and more and up to rupees 50. Rebate at one anna in the rupee first and at 1½ annas in the rupee later, was also allowed on wholesale sales of handloom cloth conducted by the weavers' societies. The consumers' societies allowed rebate on retail sales at one anna in the rupee. In regard to Scheme (5), a loan of rupees 10 lakhs was sanctioned to the State Society for starting the South India Co-operative Spinning Mills at Tirunelveli for the supply of yarn at reasonable prices to the weavers in the co-operative fold. In regard to Scheme (5) (1954–55), a sum of rupees 33 lakhs was sanctioned to the State Society in 1954-55 towards its working capital. Another sum of rupees 15 lakhs was given to the society for the same purpose in 1955–56. Silk Weavers' Co-operative Societies were started at Conjeevaram, Manambuchavadi, Kumbakonam, Tirubuvanam and Mannargudi. They were given loans towards share capital and working capital and grants for the purchase and supply of accessories such as reeds, healds and dobbies. They were also provided with the services of the departmental staff. Besides these important schemes, a scheme was also sanctioned for marketing the handloom goods through hawkers and another for subsidising the weavers' co-operative housing schemes.[1]

Assessment of the Cess Fund Schemes.

No wonder the Registrar of Co-operative Societies hoped for a bright future under these schemes to the handloom industry. In 1956 he stated that under the Cess Fund Schemes, the condition of the weavers had improved steadily, that co-operation had made rapid strides, that production had increased from rupees 18 lakhs per month to rupees 60 lakhs per month, that sales had increased from rupees 21 lakhs per month to rupees 60 lakhs per month and that a general improvement in the level of wages had been noticed, each loom earning about rupees 40 to rupees 50 per month. "The Socio-economic conditions of the lakhs of handloom weavers", he said, "have improved considerably and the weavers are looking forward to an era of further development under the period of the Second Five-Year Plan.[2]"

Second Five Year Plan.

This Second Five-Year Plan formulated for the development of the handloom industry in 1955–56, contains a number of schemes. These schemes relate to: (1) admission of weavers into the co-operative fold; (2) establishment of housing colonies for weavers; (3) formation of handloom weaving units as adjuncts to weavers' co-operative societies; (4) organization of industrial co-operative societies; (5) improvements of research and technique; (6) training of weavers in pattern-making factories; (7) sanction of rebate on sales of handloom cloth; and (8) promotion of marketing and publicity.

To give some details about these schemes, Scheme (1) envisages the enrolment of 1·04 lakhs of looms, i.e., more than 50 per cent of the looms, in the reorganized State into the co-operative fold. To achieve this object interest-free loans repayable in two years to weavers seeking admission into the weavers' co-operatives and working capital loans repayable in ten years to weavers' co-operatives are provided. Scheme (2) aims at establishing 15 housing colonies each with 100 houses in accordance with a phased programme at a cost of rupees 70·36 lakhs. The estimated cost of each house, including site, will not exceed rupees 3,600 and the assistance from the Cess Fund for this purpose will be in the shape of loans and grants, the loans being limited to 66⅔ per cent of the cost and the grants to 33⅓ per cent. The cost of the amenities to be provided for the colonies will also be met by a loan from the Cess Fund. Grants will be obtained from the Cess Fund for setting up dye houses and for the supply of

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[1] Report on the Working of Co-operative Societies for the year 1956, pages 145, 150–158 and 240–242.

[2] Report on the Working of the Co-operative Societies for the year 1956, page 158.

pedal looms, frame looms, etc. At first the housing colonies will be established at Ammapet in the Salem district, Aruppukottai in the Ramanathapuram district and in Coimbatore. Scheme (3) proposed to set up model weaving units as adjuncts to 25 weavers' societies at a cost of rupees 3·23 lakhs. It has, however, been finally decided to drop this scheme pending the assessment of the results of the working of the pattern-making units already set up by the Madras State Handloom Weavers' Society.

Under Scheme (4) it was originally proposed to start 10 industrial co-operatives for handloom weavers at a cost of Rs. 6·76 lakhs. On the reorganization of the State, the provision has been reduced to Rs. 4·36 lakhs for six industrial co-operatives. Each society will work with about 75 looms. Members will be given interest-free loans for enabling them to pay share capital and the co-operatives will be provided with loans to meet the cost of looms and other capital equipments. Each factory will also be provided with managerial staff free of cost. Such societies have already been organized at Cannanore and Chirakkal in the Malabar district, Karur in the Tiruchirappalli district, Aruppukottai in the Ramanathapuram district and at Madurai. Scheme (5) contemplates the supply of improved appliances to weavers for improving the quality of handloom cloth produced by the weavers' co-operative societies and reducing the cost of production. It provides for the supply to members of weavers' co-operative societies pedal looms, standard reeds, varnished healds, vertical warping machines, jacquards and other improved appliances and for the stamping of goods so produced by Technical Assistants specially appointed for the purpose. The cost of the scheme will be Rs. 11·03 lakhs in the reorganized State. Scheme (6) provides for the training of 1,600 weavers in the pattern-making factories of the State Handloom Weavers' Co-operative Society at a cost of Rs. 2·40 lakhs. Scheme (7) provides Rs. 63·71 lakhs for rebate on sale of handloom cloth. Scheme (8) for marketing and publicity is designed to promote marketing of handloom cloth by opening more depots and by undertaking publicity programme.[1]

Formation of District Federations of Weavers.

Two more important measures undertaken for the development of the handloom weaving industry were the formation of District Federations of Handloom Weavers and the appointment of the Director of Handlooms. Both the measures were undertaken in 1955-56; the first at the instance of the Registrar of Co-operative Societies and the second at the instance of the Government of India. The Registrar reported to this Government that there was not adequate co-ordination among the various authorities charged with the development of the industry at the district level. Here the Central Bank financed the weavers' co-operative societies, the Deputy Registrar in charge of the circle exercised supervision and control over those co-operatives and the Marketing Officer of the region procured goods produced by the co-operatives and supplied the technical know-how to some extent. But there was no permanent machinery which could integrate the work of all these authorities. The constitution of a body of advisers drawn from the interests concerned, *i.e.*, the Central Bank, the State Society, the Weavers' Societies, etc., meeting frequently and assisting the development of weavers' co-operative societies by discussing the many problems connected with the procurement of yarn, production and marketing of handloom cloth, supply of accessories, etc., seemed to the Registrar absolutely necessary. The scheme was also considered necessary by a conference of representatives of select weavers' co-operative societies, and the Government having approved the scheme, District Federations of Handloom Weavers were started in Madurai, Salem and Tirunelveli.[1]

[1] Report on the Working of Co-operative Societies for the year ending June 1956, pages 60–62.

Appointment of the Director of Handlooms.

The appointment of the Director of Handlooms was made under the following circumstances. In this State the work relating to the organization and development of the handloom industry is attended to by two departments, namely, the Co-operative Department and the Industries and Commerce Department. The former works for the development of the industry through the agency of co-operatives and the latter attends to the problems of weavers outside the co-operative fold. Since the All-India Handloom Board was of the view that the co-operative endeavour afforded the best method, the bulk of Government assistance was, as we have seen, canalized through the co-operatives. A special staff under the Registrar of Co-operative Societies was first sanctioned by the Government for the work of development schemes financed from the Cess Fund. In the Industries Department, the Director of Industries and Commerce was assisted by a Special Officer (Textiles).

This dual responsibility of the Co-operative and the Industries Departments for the development of the handloom industry was soon considered inadvisable. It was found that it was not conducive to expeditious work or co-ordinated action. Towards the end of 1955 the Government of India addressed this Government on the need for gearing up the administrative machinery in this State so as to achieve rapid progress in implementing the Cess Fund Schemes. They suggested that an officer of the status of a Joint Registrar of

[1] G.O. No. 682, Industries, Labour and Co-operation, dated 20th February 1956.
Report on the Working of Co-operative Societies for the year 1955, page 116.
Idem—for the year 1956, page 143.

Co-operative Societies or Joint Director of Industries and Commerce might be appointed to be in charge of the Cess Fund Schemes and that he might be empowered to deal directly with the State Government and the Central Government Handloom Organization. This Government, however, then felt that it was not necessary to go in for such an officer, that it was enough if the Registrar of Co-operative Societies and the Director of Industries and Commerce dealt jointly by consultation and discussion all matters relating to the industry and especially the Cess Fund Schemes. In order to secure this co-ordination of work of the two departments, they sanctioned the post of a Special Officer of the grade of a Deputy Collector in the Co-operative Department. But this arrangement failed to work well. The Special Officer, it was now felt, should have a status equal to that of a Head of Department. Eventually after some discussion, the Government created the post of the Director of Handlooms. He was to have the status of a Joint Registrar of Co-operative Societies. He was to attend to the rehabilitation of weavers both within and outside the co-operative fold. He was to be a Head of the Department and was to deal with the Government directly on all matters relating to handlooms outside the co-operative fold; and in regard to handlooms within the co-operative fold, he was to function as a Joint Registrar under the Registrar of Co-operative Societies [1].

Report of the Textile Enquiry Committee.

Several of the schemes mentioned above owe their inspiration to the report of the Textile Enquiry Committee. This Committee appointed in November 1952 by the Government of India under the chairmanship of Sri Nityananda Kanungo made a careful study of a number of questions relating to the handloom as well as mill industries and submitted a comprehensive report in 1954. It is no exaggeration to say that this report provoked a good deal of thinking and contributed not a little to influence the policies pursued for the development of the handloom industry. We may therefore give here fairly fully a summary of this report; and this summary is as folows:

The characteristic of the Indian Cotton Textile Mill Industry is its tendency towards vertical integration which is somewhat akin to the cotton textile industry in the United States of America and Japan. The two wars helped the mill industry in India to expand though much of the equipment of the industry is old and somewhat out of date and needs replacement. From being a considerable importer of cotton-textiles, India became during the Second World War and after, an important exporter. The powerloom industry in the country, i.e., the sector consisting of weaving establishments alone, as distinct from the composite mills consisting of spinning-*cum*-weaving establishments is, for the most part, a recent growth. The somewhat smaller powerloom unit is almost invariably a step in the evolution of the industry from a predominance of the handloom to one of the powerloom. In fact, the powerloom industry is a growth from the handloom industry, representing the attempt of the entrepreneur to get a higher return by increasing the productivity of the tool. The larger powerloom units often come under the provisions of the Factory Act and are sometimes subject to a statutory minimum wage.

There is still an enormous variety of handloom fabrics of distinctive designs and more than ordinary beauty and excellent workmanship produced in India. The counts woven are from the coarsest up to 120s or higher. From the almost rudimentary and primitive throw-shuttle looms and loin looms to the flyshuttle loom with dobby and jacquard, the range of equipment that one meets with in the handloom industry is also considerable. The most important aspect of the handloom industry that strikes the observer is the extremely low capital cost of the equipment. Generally, the handloom fabrics do not need much finishing (dyeing, bleaching or printing). There has been a considerable conversion of the old throw-shuttle looms and this change-over is going forward quite rapidly. There is a wide variety in the type of organization of the handloom industry. We have the independent handloom weaver, the handloom weaver working for a Mahajan on a commission basis, the handloom weaver working in a factory, and finally co-operative societies of handloom weavers. Madras State is the only State where the co-operatives have worked successfully. The dispersed nature of the handloom industry, the small financial resources of the handloom weaver and the precariousness of the market invest the financing agency of the handloom industry with a very considerable importance. The Committee is anxious to see the middlemen abolished as far as possible with a view to eliminating the exploitation of the primary producer. It must, however, state that the master-weaver has fulfilled and is fulfilling a necessary function with regard to the handloom industry; his work lends elasticity to the marketing organization of the industry. But it cannot be denied that because of the private enterprise character of this agency, at the first sign of trouble, the handloom weaver begins to be squeezed and ultimately to be rendered unemployed over stretches of time depending on the duration of the recession or other adverse economic climate. From this point of view it is very desirable that the handloom weavers should everywhere be organized into co-operative societies. These societies should keep the weavers

[1] G.O. No. 1233, Industries, Labour and Co-operation, dated 21st March 1956.

employed at a reasonable wage in good as well as bad times, and the weavers on their part should undertake to purchase their raw materials, dyes, etc., from the society.

There has not been much significant change in either the form or the extent of the various types of organizations in the handloom industry since the Fact Finding Committee reported in 1941. Temporarily during the war, however, the master-weaver got eliminated in many cases, as there was a near monopoly in the distribution of yarn given to State Co-operative organizations. Further, since 1953 when the All-India Handloom Board started assisting the co-operative organizations of States with share capital for primary societies and also giving rebates on cloth sold through co-operative or Government depots, the demand for the organization of weavers' co-operative societies has been steadily growing all over the country.

The sample survey shows that there were in India in 1953, a total of 2·06 million handlooms. Generally the handloom weaver is a whole-time weaver by occupation and has no agricultural holdings or other means of livelihood. Where the dobby and the jacquard have been adopted and the fly-shuttle has replaced the throw-shuttle, the number of workers for whom whole-time or near whole-time work can be provided by a handloom is reduced. In States like Madras, Bombay, Madhya Pradesh, Uttar Pradesh and West Bengal, the throw-shuttle has been very largely replaced by the fly-shuttle and the use of the dobby and of the jacquard is fairly common. Taking some typical centres of skilled handloom weaving in the southern region, it is found that, on an average, there is full-time employment provided to nearly 1·25 persons per handloom. At this rate the volume of employment provided by the handloom industry at present is of the order of 15 lakhs of workers expressed in terms of whole-time work for 200 days in a year on 1·2 million handlooms. The maximum volume of unemployment at present could be of the order of nearly 4 lakhs of workers assuming that 3·5 lakhs of looms are more or less inactive from out of the total of 15·5 lakhs of handlooms. It is, however, not possible to assess the actual volume of unemployment at the present moment, as there are no means of estimating how many of the 3·5 lakhs of idle looms are genuinely set up for the purpose of carrying on the profession of weaving.

The Committee feels that the reservation of the production of coloured sarees and fabrics with a check pattern for the handloom and domestic powerloom industries has definitely benefited these industries. By being able to produce and sell larger quantities of dhoties, the unit cost of production for handloom dhoties has come down and consequently

also the sale price of handloom dhoties. Incidentally, the somewhat higher price of the mill product and the somewhat lower present price of the handloom dhoti as compared to its price previously have restored the sentimental attachment to the handloom dhoti in many areas. It needs no emphasis that the finding of a market is the fundamental problem of the handloom industry, as it is, indeed, of all small-scale industries and even of large scale industries when conditions of a pronounced buyers market prevail.

Mill production bids fair to outstrip the Five-Year Plan target by a comfortable margin. It is only to be expected that, as a result of the purposeful execution of the First Five-Year Plan and of the prospective execution of the Second Five-Year Plan, there will be an increase in the per capita income as well as a rise in the standard of living. It would, therefore, be reasonable to expect a slight increase in the per capita consumption of cloth; and by 1960 it would not be too much to expect a consumption of 18 yards per head. With a population of 400 millions consuming 18 yards per head, the demand for cotton textiles by 1960 may be placed at 7,200 million yards for the Indian market, excluding, of course, unforeseen circumstances of drought, famine, etc. The position of the export market, however, is more difficult to predict. Since 1952 Japan has made a powerful bid for extending her exports and countries like the Netherlands, West Germany, Italy and Spain, have also entered the world's markets as exporters of cotton piece-goods. International events are taking shape in such a way that cordial and considerable trade relations with the U.S.S.R. and the People's Republic of China for all the producers cannot be ruled out for any length of time. While it is possible that the U.S.S.R. and countries like Czechoslovakia and Hungary may also emerge as exporters of cotton textiles. China would, for some time yet, probably be a considerable consumer of cotton textiles produced outside. The under-developed countries in South-East Asia, in Africa and in South America are potential large consumers of cotton textiles. There is a great deal of substance in the view that the future of the textile industry in the four principal textile-producing countries in the world, namely, U.S.A., U.K., India and Japan, requires a speedy development of the under-developed areas in South-East Asia and elsewhere. Technological advance is bringing into the market ever newer synthetic fibres which, by themselves and in admixture with the natural fibres, are powerful competitors when woven into cloth with cotton textiles. Ceylon, Burma and Indonesia have already taken steps whereby they expect a stimulation of the development of their cotton textile industry in a decentralized form. It is said that in a smaller measure this applies to Thailand. Considering all this it would seem safe to think in terms only of maintaining an annual export of 1,000 million yards without expecting much expansion. Indeed, if the demand for cotton textiles in the internal market increases at a more rapid rate than has been envisaged earlier, it may be difficult even to export 1,000 million yards.

Out of the annual export of 696·4 million yards in 1953, 62·8 million yards were handloom textiles. It would be unrealistic to expect that there would be any very considerable increase in the export of handloom goods unless the economic and technical efficiency of the handloom industry increases greatly in the near future. While, therefore, strenuous efforts are being made for the promotion of exports of handloom textiles, for obvious reasons the bulk of our exports will be now, and in the near future, cotton textiles manufactured by the mill industry. It is of great importance both for reasons of earning foreign exchange and for reasons of maintaining employment in the mill, and even more so, in the handloom industry, that every effort should be made to promote the exports upto a figure of 1,000 million yards a year.

We would earn a good deal more by exporting fine and superfine varieties than by exporting medium varieties. We would also earn a good deal more by exporting dyed, printed and finished goods rather than grey goods. In 1953 the organized cotton textile industry provided direct employment to about 750,000 workers. Powerloom units (both large and small) provided direct employment to about 50,000 workers. The handloom industry in the country provided employment to 15 lakhs of workers (in terms of whole-time workers) in the country. For a production of $3\frac{1}{2}$ times as large, the mill industry provides direct employment approximately to one-sixth as large a number of people as are engaged in the handloom industry (assuming that 2·5 lakhs of workers, including assistants are directly employed in both shifts on nearly 2 lakhs of looms). The employment potential in the handloom industry is, therefore, nearly 20 times what it is in the mill industry, yard for yard. Obviously the current production of handloom cloth can be turned out by the organized mill industry with about 70,000, or at most, about one lakh of workers. It is probable that each of these one lakh of workers will also earn a somewhat larger income than the handloom weaver to-day. But nearly 14 lakhs of workers would become unemployed if a number of mills is put up in order to produce the same quantity of cloth.

In the weaving section of the industry it is evident that the small unit can hold its own against the large unit. By dispersing the industry all the social and cultural evils of a concentrated large scale mechanical industry can be avoided. For ordinary fabrics the pure and simple handloom is a relatively inefficient tool of production. This would be particularly so in the case of the throw-shuttle loom. The low

income consumer cannot for any length of time go on paying a higher price for a production manufactured on a tool which could be made more efficient. Except for fabrics with an intricate body pattern, which is beyond the capacity of the jacquard today, there appears to be no variety of fabric which the handloom industry could produce in better quality or at a lower price, consistent with a reasonable wage being paid to the handloom weaver and his assistants, as compared to the mill industry or the powerloom industry. There appears to be, however, a small advantage in favour of the handloom industry in the case of fabrics where distinctive designs and a frequent interruption in the process of production necessitated by frequently changing weft patterns are dominant factors. Even in the case of weft patterns where the process is merely repetitive, the drop-box loom affords means of making such change with added advantage of more uniformity in the pattern produced. Variety dictating a smaller warp length is another instance in which the handloom industry has a small advantage. Coloured sarees are, therefore, an instance of a type of fabric for which the handloom or the powerloom unit is suited.

The reasons for the reservations such as are in operation today are that the small-scale industry must produce and have an assured market for a sizeable part of the ordinary wear of both men and women in the country. The extent and type of reservations may have to be reviewed from time to time in the light of changes in the dress habits of both men and women. Reservations are essential until such time as full working, *i.e.*, 300 days, is assured to the handloom and until the pattern of production by the handloom industry, the small-scale powerloom industry and the large-scale powerloom (including the mill) industry on technical grounds not feasible to aim at a demarcation of the spheres of production for the handloom, the small powerloom and the power-loow (including the mill) industry on technical grounds alone.

Against the small advantage possessed by the handlooms and the small powerloom industry in regard to specialised fabrics, the handicaps to which the handloom industry is subject are : (1) the low output per unit of time leading to either an increase in the unit cost of production of fabrics which compete with similar fabrics produced by the powerloom (and mill) industry, or, as is usually the case, a reduction below the subsistence level of the wage of the handloom weaver in order that the fabric might sell in competition with similar fabrics produced by the other sectors of the industry; (2) the doubtful availability in counts, quality and quantity of yarn and the high prices thereof; (3) the extra labour cost involved in the preparatory processes where hired labour is used and the larger wastage in preparatory processes; (4) difficulties over obtaining dyed yarn of good quality in reasonable quantities according to the counts required and at a reasonable price; (5) lack of facilities for finishing; (6) lack of marketing facilities and (7) difficulties of finance both in regard to working capital and in regard to the holding of stocks. The powerloom sector comprising the smaller units—say, upto 50 looms or so—is subject to all the handicaps mentioned above for the handloom industry, barring the speed of production. The last is in favour of the powerloom sector and the unit labour cost on the weaving operation alone would here be somewhat less. As against this the powerloom sector (excepting the small-scale domestic powerloom units) is subject to several of the factory laws and also stipulations of minimum wages, etc. Then there is also the very much higher capital expenditure and very much larger working capital which is required for the powerloom industry.

The main cause of conflict between the sectors is that, except for Government and statutory action, fabrics which may be manufactured by the three sectors cannot always be differentiated and that the markets for the products are competitive for reasons of price, except to a small extent in the matter of expensive specialities. It is essential that the handloom industry should be made technically more efficient by converting the handloom either into a semi-automatic loom or into a powerloom, as power becomes available in areas in which the handloom industry is widely prevalent. In our country the very large population and its considerable rate of annual increase provide a consumption potential which must give hope to the weaver and the weaving industry. From this angle the volume of production of cotton textiles has to go up and the unit cost of production has to be brought down consistent with an adequate wage being ensured to the weaver.

The 12 lakhs of handlooms working for 200 days in a year at 6 yards a day are producing 1,400 million yards of handloom cloth at present. The production of cloth is steadily going up and in a year or two, it may go up to 1,600 million yards. For this production at full employment of 300 days a year, nine lakhs of handlooms would be required. This would eliminate three lakhs from out of the existing 12 lakhs of active handlooms and would mean unemployment of 3·75 lakhs or roughly four lakhs of workers in terms of whole-time workers. By 1960 at a per capita consumption of 18 yards per head, the cotton textile requirements of the country would amount to 7,200 million yards. Allowing 1,000 million yards for export in 1954 there will be 5,600 million yards available for internal consumption. By 1960 an extra 1,600 million yards will be required to satisfy the internal demand. This extra production should be achieved through the decentralized form of the textile industry, the efficiency of which must be raised as high as possible. An extra 2·13 lakhs of improved handlooms or powerlooms working one shift a day and producing on an average 25 yards a day for 300 days a year will be required to manufacture the extra 1,600 million yards. This would mean that against the 3 lakhs of handlooms (employing 3·75 lakhs of workers) which are eliminated by raising the economic efficiency of the handloom industry merely by increasing the number of working days from 200 to 300, an extra 2·13 lakhs of improved handlooms or powerlooms could be introduced. These new looms might employ nearly 2·5 lakhs of workers; and therefore 1·25 lakhs of workers will be displaced in the course of 6 years by this substitution of 3 lakhs of handlooms with 2·13 lakhs of improved looms. The ultimate idea is that at the end of 15 to 20 years barring say, 50,000 handlooms of the throw-shuttle or fly-shuttle type manufacturing special fabrics with an intricate body design, the entire handloom sector will have been converted into the improved (semi-automatic) handloom or the decentralized powerloom industry.

On a rough basis it may be taken that 60,000 powerlooms and 1·5 lakhs of improved handlooms should replace the three lakhs of ordinary handlooms over the six-year period. The conversion would involve a capital cost of Rs. 12·06 crores, or Rs. 2 crores a year. An annual conversion of 20,000 handlooms into 10,000 powerlooms and of roughly 38,000 handlooms into 25,000 improved looms has to be planned.

It is felt that, as far as possible, preference should be given to co-operative institutions and their members for bringing about this conversion. If conversion through the co-operative organization does not take place at a fast enough pace, then there should be a larger resort to private enterprise in the form of joint stock companies. The ownership of the loom must, except in the case of existing Karkhanas (factories), vest under all circumstances in the weaver, whether the form of organization adopted is the co-operative or the joint stock company. In the case of existing Karkhanas, the conversion may be on the basis of the average number of looms working daily on 250 days in a year at the rate of two handlooms to one powerloom or three handlooms to two improved handlooms. The Karkhana is to be the last in priority for the purpose of conversion, preference being given to co-operative organizations and joint stock companies wherein the weavers have a share in the profits. In order to secure the necessary speed of conversion, the private sector should also be harnessed. Obviously the conversion in the case of the co-operative organization will have to be financed by loans from out of funds provided by the Government for the purpose. The plan of conversion envisages the conversion of the nine lakhs of handlooms that will be left into semi-automatic improved looms and powerlooms in the course of two or three further five-year periods.

The extension of the mill industry must be only on the spinning side, and for the next ten years or so there should be no extension of the weaving section. The 1,600 million yards of cloth required during the coming six years would require about 360 million pounds of yarn. For this extra proeducation of yarn, an extra spindlage of 1·75 millions will be required. These 1·75 million spindles could be provided by setting up 88 units of 20,000 spindles each or 35 units of 50,000 spindles each. The working capital required will be in the order of Rs. 22 crores when the entire spindlage is in position and working. The value of the yarn produced will be approximately Rs. 65 crores. Thus the putting up of the necessary spinning units and the conversion of 3 lakhs of handlooms into 2·13 lakhs of improved handlooms and powerlooms will together cost roughly Rs. 50 crores spread over six years.

There is no way by which yarn could be supplied to the handloom industry at the cost of production at spindle point for the composite mill. Obviously it is not possible to compel the mill industry, so long as the private sector in the industry has to exist to supply yarn at cost at spindle point. A scheme for an All-India pool of yarn in order to create a buffer stock cannot be worked out and operated because of the widely dispersed character of the industry and the great diversity of its requirements as regards counts, qualities, quantities and finish of yarn, grey, bleached, mercerised, dyed, etc. The existing arrangements of bulk purchase by the Central Co-operatives should, therefore, be continued and this can be reinforced by setting up a few co-operatively-owned spinning mills on the pattern of the mill recently started at Guntakal and the mill to be started in Tirunelveli.

It would be better to permit the setting up of small dye houses in suitable areas for catering to the needs of the handloom industry, than to compel the mills to produce adequate quantities of dyed yarn for the purpose. Experts should also be engaged by the Central Co-operative organizations to inspect and advise the dye houses and finishing plants which are set up in the handloom areas. Centralized warping, sizing, etc., will also be beneficial to the handloom industry; this may, however, for the time being, be left to organizations of weavers to tackle.

Co-operative organization is the best for the production and marketing of handloom goods. The All-India Handloom Board is justified in thinking that as much as possible of the

handloom industry must be brought within the co-operative fold at as rapid a pace as possible. It might be difficult to integrate the existing composite mills with the handloom industry; but the integration of the spinning mills with the handloom industry is desirable. Any expansion of the weaving part of the organized mill industry is not desirable. It is recommended that allocations of improved handlooms or powerlooms for purposes of conversion of existing handlooms should be freely allowed in such cases where the existing spinning mills agree to finance the conversion either from out of their own resources or with the help of loans from agencies such as the Industrial Finance Corporation and get cloth manufactured on the converted loom for sale by the mill. The looms would, of course, be initially the property of the mill concerned but should become the property of the weaver ultimately by the operation of a hire-purchase type of agreement between the mill and the weaver.

The assessment of the benefit which has accrued to the small-scale industry by the existing reservations has been difficult. It is, however, being conceded on all hands that the reservation of the coloured saree for the weaker sector certainly seems justified not only on technical grounds but also on the ground that it has kept the weaker sector alive even in the worst period of competition for this sector. The suggestion of equating mill and handloom prices by the levy of a heavy excise duty or cess on the mill sector is not feasible. The existing reservations in favour of handloom or improved powerloom must continue for the time being.

There should be no prohibition on handlooms from producing plain cloths like mulls, voiles, etc. The objective of the small sector ultimately attaining an efficiency comparable with the larger sector is very desirable. The principle of assisted sales with some flexibility should continue whenever the small sector is in genuine need of such assistance.

It is obvious that at least for the export market the manufacture of coarse and medium plain cloths like sheetings ought to be allowed on automatic looms in order to ensure both the higher quality that is possible on those looms and a reduction in costs to enable the Indian mills to compete the better with countries which produce plain cloths on automatic looms. Replacement of the plain looms with automatic looms must be permitted at the rate of about 5,000 looms a year so that one half of the existing loomage may be converted into automatic looms over a period of twenty years. A special agency will have to be set up for dealing with the planning and execution and the financing of the conversion of the handloom industry by stages into the improved handloom and powerloom industries.

Matters of design, etc., are such as have to be the subject of research on a regional basis. Technical and technological questions such as fibre and yarn strengths, techniques of dyeing and finishing, may be appropriately dealt with on a basis other than strictly local or regional. Research institutions in the States should be encouraged. Technically all sectors of the industry have to be improved so that needlessly strenuous labour may be avoided and reasonable incomes may be ensured. Some permanent organization should be set up for collecting and compiling statistics on a uniform basis. It would be necessary to undertake a registration of handlooms. No new handloom should be permitted to be set up.

There is need for an advisory committee on cotton textiles for undertaking the rationalized planning of the cotton textile industry. The All-India Handloom Board has done valuable spade work. On this body, however, it is essential to have people with extensive practical experience of organizing the handloom industry in the co-operative fold. One agency in each State must be made responsible for the handloom, improved handloom and domestic powerloom industry whether in the co-operative fold or outside it. The direction of affairs should be entrusted to one Minister and to one official departmental head, instead of being divided as at present in some States. Co-operation is the real salvation for the handloom industry[1].

Statistical Survey of Handloom Industry.

In the very year in which this Report of the Textile Enquiry Committee was published, an enquiry was undertaken in this State at the instance of the All-India Handloom Board for collecting statistics relating to the handloom industry. The Director of Statistics who conducted the enquiry by the method of sample survey has submitted a report in 1957. This report covers the Madras State as it existed in 1954–55, before it was re-organized and gives some interesting details which may be briefly presented thus.

The total number of handlooms in the State may be estimated at 521,598. Out of this number, 479,292 looms or 91·9 per cent are active looms and 42,306 looms or 8·1 per cent are idle looms, consisting of 6·3 per cent idle for the whole year and 1·8 per cent idle for part of the year. There are 27,622 throw-shuttle looms (5·3 per cent of the total), 493,806 fly-shuttle looms (94·6 per cent of the total), 118 semi-automatic looms and 52 improved types of looms. As to the classification of the looms, active as well as idle according to the type of yarn used, 464,365 (89.0 per cent of the total) looms are engaged in weaving cloth from cotton yarn; 16,250 (3·1 per cent of the total) looms are engaged in weaving cloth from art silk yarn, 12,224 (2·3 per cent of the total) looms are engaged in weaving cloth from silk yarn; 26,291 (5·0 per cent of the total) looms are engaged in weaving cloth from

[1] Report of the Textile Enquiry Committee, 1954, pages 49–73.

mixtures of any two yarns; 1,569 (0·4 per cent of the total) looms are engaged in weaving cloth from hand-spun cotton yarn; and 899 (0·2 per cent of the total) looms are engaged in weaving cloth from jute and other fibres. Among the idle looms 82 per cent are idle for the whole year and 18 per cent are idle for part of the year. The main reasons for the looms remaining idle are (1) the irregular supply of yarn, and (2) the poverty of the weavers.

From an analysis of the distribution of looms in each district it is found that 71 per cent of all looms are in the districts of Salem, Coimbatore, Malabar, Tirunelveli, Chingleput and North Arcot. Almost all the looms in each district weave cotton cloth. Out of the 424,784 active looms engaged in weaving cotton textiles, 94,157 looms or 22 per cent are in the Salem district; 44,487 looms or 11 per cent are in the Tirunelveli district; 44,764 looms or 10 per cent are in the Chingleput district; 41,676 looms or 10 per cent are in Malabar district and 32,678 looms or 8 per cent are in Coimbatore district. Out of the 11,948 active looms engaged in weaving silk-cloth, North Arcot accounts for 8,388 looms, Salem for 1,565 looms, Chingleput for 1,159 looms, Coimbatore for 716 looms and Tanjore for 120 looms. The important silk weaving centres are, Arni in the North Arcot district, Conjeevaram in the Chingleput district, Ponnampet in the Salem district, Kollegal in the Coimbatore district and Koranadu in the Tanjore district. Out of the 15,310 active looms engaged in weaving cloth from art silk yarn, the Salem district has 6,472 looms, the Coimbatore district has 3,311 looms, the Ramanathapuram district has 3,034 looms and the Madurai district has 2,460 looms. Out of the 24,893 active looms engaged in weaving cloth from mixture of cotton and art silk yarn, the Coimbatore district alone has 19,763 looms and the Salem district, which comes next, has 4,653 looms. And finally, out of the 1,458 active looms engaged in the weaving of cloth from handspun yarn, the Coimbatore district alone accounts for 1,331 looms, the chief centre for such weaving being Tiruppur.

The handloom weavers in the State can be classified under five categories: (1) weavers working independently who number 89,782 and constitute 18·46 per cent of the total number; (2) weavers working under master-weavers who number 248,165 and constitute 51·03 per cent; (3) weavers working under co-operative societies who number 69,949 and constitute 14·38 per cent; (4) weavers working in factories who number 29,554 and constitute 6·08 per cent and (5) hired weavers who number 48,885 and constitute 10·05 per cent. The independent weaver is found mainly in Salem and Malabar districts; in other districts he is disappearing. Weavers working under master-weavers constitute a large number; they are poor, indebted to their masters and dependent on their masters for the supply of yarn, and production and sale of cloth. The percentage of weavers who are members of the co-operative societies is highest in the Madurai district; which is 32·18 per cent. The Ramanathapuram district stands next with a percentage of 26·24 weavers in the co-operative fold.

The weavers are assisted in the preparatory processes such as winding, sizing, warping and beaming mostly by the members of their own family, and sometimes by paid assistants. The number of unpaid assistants is 347,743 and of paid assistants is 56,731.

The weavers can be classified into three groups, namely, (1) those solely occupied in weaving, (2) those mainly occupied in weaving and (3) those for whom weaving is a subsidiary occupation. Those in group (1) number 457,376, and form 94·05 per cent; those in group (2) number 27,236 and form 5·6 per cent; while those in group (3) number 1,723 and form 0·35 per cent. The subsidiary occupations of weavers for whom weaving is the main occupation are agriculture, teaching, cooly work, knitting fishermen's nets, running small shops, tea stalls, etc. The primary occupations of weavers for whom weaving is a subsidiary occupation are agriculture, shop-keeping, teaching and clerical work.

Since 1942, some 9,557 persons have taken to the weaving profession. The total number of dependents on the weavers is 1,144,759 and of dependents on assistants to weavers is 40,086. The number of weavers who have left the weaving profession since 1942 is 71,208. Compared with the estimated population of the State in 1954 (37,301,000) the number of persons dependent on the weaving industry for their livelihood is 2,075,654, or 5·6 per cent of the total estimated population.

The average monthly earning of an independent weaver is Rs. 26·9, of a weaver working under a master-weaver is Rs. 26·6, of a weaver working under the co-operative societies is Rs. 27·2, of a weaver working in a factory is Rs. 39·6 and of a hired weaver is Rs. 31·2. The last two classes earn more because they have continuous employment. It would therefore seem that the best type of organization for the handloom industry is the co-operative factory, since it ensures continuous employment and higher monthly wages.

Out of the total population of 484,335 weavers, 298,351 weavers or 61·33 per cent are indebted, the amount of indebtedness being of the order of Rs. 7·7 crores. Of these indebted weavers 152,061 are weavers working under master-weavers, 57,387 are independent weavers, 38,897 are weavers