

THE INDIAN COTTON TEXTILE INDUSTRY

SOME CRITICISMS ANSWERED

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BOMBAY

1947

A few weeks ago, Mr. Khandubhai K. Desai, M.L.A., Secretary, Textile Labour Association, Ahmedabad, published a pamphlet entitled "The Indian Textile Industry—War Period (1940 to 1946)" in which he has levelled serious charges against the cotton mill industry in general, and the Industry's Committee of the Textile Control Board in particular. In the following pages we have answered his criticisms to the best of our knowledge. The main object of our statement is not so much to criticise Mr. Desai as to lay before the public the correct account of what the industry has tried to do for the consumers of this country, on whose goodwill, we realise, depends the future of the Indian Cotton Textile Industry.

SOME CRITICISMS ANSWERED

OF late, the Indian cotton textile industry has come in for severe criticism. Some of it has been actuated by a desire to improve the present system of production and distribution of textiles ; such criticisms are welcome and it shall be our earnest endeavour to consider, and implement wherever possible, the suggestions of well-informed and constructive critics. But, unfortunately, most of the criticisms nowadays come from biased persons, who base their arguments on incorrect figures and imperfect study. The most glaring example of this type of criticism is the "Note" on "The Indian Textile Industry—War Period (1940 to 1946)" issued by Mr. Khandubhai K. Desai, M.L.A., Secretary, Textile Labour Association, Ahmedabad. Coming as it does from one who has been, and is still, closely and intimately connected with the textile industry, one would have expected a more balanced criticism of the industry, supported by adequate facts and figures. To our surprise, however, neither the "facts" mentioned nor the "figures" given by him are correct. This is not all. The pamphlet, to say the least, abounds in gross exaggerations and deliberate twisting of figures. It is a tissue of erroneous, misleading and mischievous statements, calculated to run down the industry.

Fall In Production Explained

2. Mr. Desai's target of attack is not confined to the industry alone but includes Government and the wholesale cloth merchants as well. Labour, however, is kept out of this target. Is it because Mr. Desai believes that labour has had nothing to do with the plight in which the consumer finds himself today? As anyone who knows anything about the textile industry will readily admit, the present fall in the mill production of cotton cloth is largely due to (a) stoppages of work by labour on the flimsiest grounds and its go-easy policy, and (b) the reduction in working hours from 54 to 48 per week from August 1946. These facts were confirmed by the Hon'ble Mr. C. Rajagopalachari, Member for Industries and Supplies, in the Central Assembly the other-day, when he admitted that

the reduction of hours of work had affected production adversely. He also mentioned that there was a loss in production of about 700 million yards a year and that strikes, absenteeism and riots had a large share in reduction of output. Yet, Mr. Desai throws the blame for the fall in production on the millowners. Mr. Desai states that, in spite of increased employment, the production of the textile industry has not increased. The following table shows the actual quantities of yarn and cloth produced by Indian mills since 1937-38 :—

Year			Yarn (In million lbs.)	Cloth (In million yards)
1937-38	...	...	1,160.7	4,084.3
1938-39	...	...	1,303.2	4,269.3
1939-40	...	...	1,233.7	4,012.5
1940-41	...	...	1,349.0	4,269.5
1941-42	...	...	1,577.2	4,493.6
1942-43	...	...	1,533.7	4,109.3
1943-44	...	...	1,680.5	4,870.7
1944-45	...	...	1,650.9	4,726.5
1945-46	...	...	1,614.8	4,675.6

3. It will be noted from the above table that, since 1939-40, production has been substantially higher than in pre-war years, except in 1942-43 when there was a setback. This was due to the disturbances in the country during that year and the closure of the Ahmedabad mills for over 3½ months. In 1944-45 and in 1945-46, there was a progressive fall in output, albeit to a small extent. This was because of stoppages of mills, owing to inadequate supplies of coal and strikes. In 1946-47, that is, the current year, the fall has been heavier and the production will be no more than 4,000 million yards of cloth, a loss of nearly 700 million yards. This drop must be attributed partly to disturbed political conditions in the country and partly to the fact that the hours of work have been reduced from 9 to 8 per shift since August, 1946.

4. The figures quoted by Mr. Desai in regard to labour employed in the industry appear to be incorrect. The actual number of workers employed in the day shift only in all mills

in India averaged 437,690 and 509,778 in 1938 and 1945, respectively. Perhaps, Mr. Desai has included in his figures an estimate of the number of workers employed in night shifts. Even then, his estimates do not square up with facts.* In 1938, in Bombay City and Ahmedabad there were on an average 48 and 64 mills, respectively, working night shift, employing about 47,524 and 35,325 workers. In 1945, 62 mills worked night shift in Bombay and 66 in Ahmedabad, the number of workers employed in these centres being 81,621 and 48,864, respectively.

5. The writer goes on to observe that "those in close touch with the industry are able to see that as a result of very wide margin of profits which the manufacturers have, in collusion with the Government, decided for themselves, has made them negligent, inefficient and indolent." The facts are, however, otherwise, as has already been explained above. Is the producer to be blamed for the loss in production on account of labour strikes and reduction in working hours? Is it not in the interest of the producers themselves to produce more, for, even according to Mr. Desai, more production means more profit, and after all they are keen on only "making money"? If, in spite of it, production has fallen, it stands to reason that such is not, and cannot be, of the producer's making and must be attributed to other factors beyond his control. It is common knowledge that, thanks to the substantial dearness allowance and higher wages, coupled with more leisure which it enjoys, labour in almost all industries has become easy-going.

Labour's Interests Not Sacrificed

6. Incidentally, Mr. Desai's charge that labour in the textile industry was not well paid sounds amusing to us. It is admitted on all hands that the worker employed in the cotton textile industry secured a scale of wages, dearness allowance and bonus which compare very favourably with that of his compeer in other occupations. For instance, at one time an average worker in the cotton mill received a maximum dearness allowance of Rs. 78, whereas the general middle-class employee got no more than Rs. 38 or Rs. 40. The Government of Bombay, it will be interesting to recall here, opposed the application of the Textile Labour Association, Ahmedabad, for the

* *Vide* Rege Committee's Report.

continuation of the dearness allowance at the then prevailing high rates on the ground that they had an adverse effect on the general economic condition of the Province.

Industry Not Owned By A Few

7. In the second paragraph of his pamphlet, Mr. Desai makes a statement to the effect that the entire textile industry in India is being controlled by 150 managing agents' firms and draws the conclusion that "it is only these 150 textile magnates who control, possess and exploit this vast industry in the country in their own personal interests." This is far from the truth. The total number of mills in the country today is 421 and the number of managing agency firms for these mills is as many as 357 and not 150 as mentioned by Mr. Desai. Of these 357 managing agencies, 314 have only one cotton mill each under their control, 30 firms have two mills each, seven firms three mills each, four firms four mills each and only two firms five mills each. Moreover, each managing agency firm does not consist of only one individual, to sustain the charge that only a handful of people control and possess the industry. The managing agency firms are either public or private limited companies or partnerships having a number of partners. The number of individuals controlling the industry is, therefore, much larger than is sought to be made out by Mr. Desai. The number of individuals possessing the industry is greater still, for 60 to 70 per cent. of the shares of the companies is held by a wide section of the public.

Mr. Desai's Greatest Injustice To Industry

8. The greatest injustice which Mr. Desai has done to millowners is his charge that they have exploited the masses for their (millowners') own personal ends. And in order to justify this erroneous statement, he has deliberately bulked figures relating to sale proceeds and gross profits of a number of cotton mills and presented the combined figures in such a way as to show that the industry was able to pile up colossal profits. We have particularly in mind the table presented by Mr. Desai on page 3 of his pamphlet. He has compared, in the said table, the figures relating to gross profits, agents' commission, value of products and value paid by consumers during the war period with those for 1938 and 1939 without any qualification whatsoever. Not only that, but to the value of products

he has added 50 per cent. more in order to arrive at the value paid by consumers to make allowance, according to him, for high prices ruling in the black markets. The assumption here is that (a) the entire production of Indian mills was made available to the Indian public during all the war years, and (b) that the whole of the production was paid for by the consumers at black market prices!! He, therefore, draws the conclusion that the consumer paid for his supply *per capita* Rs. 6-12-0 on an average annually in place of Rs. 1-12-0 for the pre-war year. This is a grossly inaccurate and mischievous statement in which he has deliberately overlooked many factors. First of all, he has taken the value of cloth paid by consumers during the pre-war years (1938-39) at a low level so that the corresponding figures for the war years may appear at a bloated level. In 1934-35 the average ex-mill cost per yard of Indian mill-made cloth was estimated by the 1936 Tariff Board at 2.41 annas per yard. In 1937 and 1938, this average price was definitely higher than in 1934-35. Even assuming that the average price was only 2.5 annas per yard of cloth, and 6 annas per lb. of yarn made available to handloom weavers, the value of cloth and yarn realised by mills in 1938-39 in respect of sales to the Indian consumer should, in our opinion, be no less than Rs. 75 crores, and not Rs. 60 crores as Mr. Desai works out, and the value paid by consumers on the basis of his calculations, Rs. 90 crores and not Rs. 72 crores. Secondly, he does not mention the fact that, throughout the war period, almost all the mills were working two shifts with some of them actually working three shifts. This meant an increase in production and with it the profit and the sale proceeds of the mills too. The increase in the sale proceeds was further accentuated by the sharp rise in cost of production. Moreover, in comparing the total profits of the industry in the war years with those for the pre-war years, one should not overlook the facts (a) that a large number of mills was actually working at a loss before the war and (b) that as many as 22 mills were not actually working before the war as against an average of only five remaining idle during the period of the war. Then again, the assumption of the writer that the entire production was taken up by Indian consumers and paid for by them is preposterous. What about the huge quantities of cloth that were taken up by Government for war purposes as also those that were exported? The Indian consumer did not pay for all these offtake

which formed a substantial portion of the Indian mill production, especially when prices of cotton manufactures were at about their highest levels. The following table gives an indication of the actual net mill-made cloth that was available for the civil consumer in India since 1937-38 :—

(In million yards)

Year April-March	Indian mill production	Total imports	Total exports by sea	Defence service purchases	Balance of mill- made cloth available for civil consumption
1937-38 ..	4,084	520	241	..	4,363
1938-39 ..	4,269	672	177	..	4,764
1939-40 ..	4,012	599	221	300	4,090
1940-41 ..	4,269	472	390	300	4,051
1941-42 ..	4,494	199	772	300	3,821
1942-43 ..	4,109	16	818	1,042	2,265
1943-44 ..	4,871	5	461	602	3,813
1944-45 ..	4,726	6	423	583	3,726
1945-46 ..	4,676	6	440	315	3,927

Industry Did Not Profiteer

9. Mr. Desai seems to have purposely taken the gross profits only for his study in order to influence public opinion with his charge of profiteering. But, to be fair to the industry, he ought to have taken the net profit and not the gross profit, because as everyone knows, Government took away a very large portion of it by way of taxation. In fact, if Government had not realised this revenue by way of taxation from the industry, we believe the ordinary consumer would have had to carry the financial burden of the war in some form or other. Be that as it may, actually, what had been left for the industry was, in fact, not much, considering the heavy wear and tear it suffered on account of working at full blast during almost all the war years and the present staggering cost of replacements and renewals. It is estimated that the replacement and renewal programme in respect of 50 per cent. of the industry alone (in the next five years) will cost Rs. 200 crores. The correct figures of net profits as compared with gross profits are given below.

(In crores of rupees)

Year				Gross profits	Net profits
1940	...	...	...	7	1.70
1941	...	...	...	28	6.11
1942	...	...	...	46	9.84
1943	...	...	...	109	21.22
1944	...	...	...	85	18.19
1945	...	...	...	61	13.03
1946	...	...	...	41	9.32
Total ...				372	79.42

If adjustments are made for taxation and depreciation, the net profits per year will work out at Rs. 11.33 crores as against Rs. 53.1 crores shown by Mr. Desai as gross profits. It may be borne in mind that the above average includes the period of 1941, 1942 and 1943, i.e., periods before the control and the period when the control was in the initial stage.

10. It is pertinent here to compare the average dividends paid by the textile industry with those by other industrial undertakings. The figures, which have been taken from *Capital Annual Supplement 1946*, are as shown below:

Year			Tea companies	Sugar companies	Jute mills	Cotton mills
			%	%	%	%
1939	...	...	14.60	10.16	9.77	10.50
1940	...	...	15.57	10.08	18.92	10.88
1941	...	...	18.79	11.58	18.99	14.44
1942	...	...	26.03	10.82	15.07	27.03
1943	...	...	25.39	13.91	12.72	26.82
1944	...	...	22.37	14.80	13.09	17.88

The figures for later years are not given in the table, but it is common knowledge that the dividends of cotton mills for 1945 and 1946 are invariably much lower than those for 1942, 1943 and 1944 which were the only years of high profits.

Are Indian Cloth Prices High?

11. Mr. Desai goes a step further and compares the prices of cloth in India with those of Britain and other countries and remarks that prices in those countries have not gone above 30 per cent. In other words, he tries to make out that the prices of cloth in India are higher than those in other countries. This is not borne out by facts. Prices of Indian cloth today are the cheapest in the world. The following comparative table gives the prices (ex-mill) of comparable qualities of cloth (i.e., cloth of the same counts of warp and weft, reed and pick) prevailing in the United Kingdom and India :

Description	Width in inches	Category or counts	Ex-mill price in U.K. Annas per yd.	Ex-mill price in India Annas per yd.	Percentage of Indian price to English price
1. Heavy sheeting	38	Coarse	10.58	6.75	63.78
2. Sheetting grey	36	Medium	8.68	6.67	76.19
3. Print cloth	38½	Medium	7.64	7.08	92.64
4. Lawn	40	Superfine	8.54	10.83	126.82
5. Grey shirting	31	Fine	5.62	5.25	92.28
6. Grey mull	45	Superfine	11.55	12.17	105.34
7. White mull	48	Fine	10.80	11.25	104.17

It will be seen from the above figures that the ex-mill ceiling prices per yard in India of qualities made from coarse and medium counts of yarn and even of qualities similar to item No. 5 manufactured from Indian cotton are 64 to 93 per cent. of the ex-mill ceiling prices prevailing in the United Kingdom. It is true that, in the case of fine and superfine qualities, the ex-mill ceiling prices per yard in India represent 104 to 127 per cent. of the ex-mill ceiling prices for the same qualities manufactured in the United Kingdom. The reasons for these higher prices in India are :

- (i) import duty of 2 annas per lb. paid by Indian mills for imported cotton required to be used in such types of cloth ; and
- (ii) substantially higher prices of cotton paid by Indian mills for Sudan and African types, as compared with the subsidised prices at which they have been released to the United Kingdom mills by the Cotton Board.

12. Mr. Desai, further observes, in paragraph 7 of his pamphlet, that "whereas the cloth prices have been deliberately permitted to soar so high in this country only in the interest of the vested interests and Government Exchequer, it has not gone above 30 per cent. in Britain, America, Canada or Australia which were also directly affected by war." This is far from actual facts. For purposes of comparison, we give below a statement showing the wholesale prices of textile goods in the United Kingdom in August 1939 and December 1946 :

Month	YARN				CLOTH			
	American cotton			Egyptian cotton 80s combed weft	32" Printed cloth	39" Shirt-ing	42" Jaco-nets	29½" Drill
	20s Ring	32s Twist	42s Weft					
August 1939	8.38	(Pence 9.30	per lb.) 10.41	16.06	1.69	(Pence 2.83	per yard) 3.65	5.85
December 1946 ..	30.17	30.57	33.03	55.45	6.49	8.48	10.20	17.00
Percentage increase over August 1939 ..	360.00	328.71	317.29	345.27	394.02	299.65	279.45	290.60

13. As against the above figures, the Indian position is set out in the following table :—

Month	YARN					CLOTH		
	20s	24s	32s	40s	60s Carded	43" Leopard	35" Shirt-ing	29½" Drill
August 1939	6.08	(Annas per 6.87	lb.) 8.00	9.17	12.83	8.17	(Annas per 8.42	lb.) 7.50
December 1946 ..	17.80	18.00	22.90	26.70	52.00	21.99	22.00	20.25
Percentage increase over August 1939 ..	192.76	169.89	186.25	191.17	305.30	169.21	161.28	170.00

14. It will be clear from the preceding comparative tables that the rise in the U.K. prices over the pre-war levels has been very much greater than the rise in the Indian prices.

Industry Not Responsible For Price Spiral

15. Mr. Desai takes the industry to task for the sudden flare-up in prices of cloth from 1942 onwards. This charge is, unfortunately, in keeping with the views of a section of the population, but as will be seen from this note, is hardly in consonance with the true facts of the situation. We refute the charge that the industry is in a large measure responsible for the disturbance in the economic equilibrium of the country and that the millowners were the spearhead of the rise in prices. A recapitulation of the circumstances in which prices of cotton manufactures rose will not be out of place here.

Before the outbreak of war, the industry was passing through a period of intense depression when it was trying to adopt measures to curtail production. The outbreak of war, however, came as a solace to the industry. Demand rose, at first haltingly, but after the Japanese entry into the war in 1941, it was at such a pace that it soon outstripped supply. The total Indian mill production which had fallen off by 260 million yards in 1939-40, as compared with the previous year, rose under the stimulus of war demand and touched the level of over 4,490 million yards in 1941-42. Political disturbances and strikes brought about a fall of roughly 460 million yards in the year ended March, 1943, when production was practically back at the 1939-40 level. In the meantime, imports dropped from an average of 600 million yards in the pre-war years to 16 million yards in 1942-43 due to the complete stoppage of supplies from Japan. Exports of Indian piecegoods which have been rising since 1938-39 touched a record level of 820 million yards (excluding re-exports) in 1942-43. Simultaneously, the requirements of the armed forces not only of this country but also of the Allied Nations which had to be accorded due priority were also rising and mounted to over 1,000 million yards, i.e., roughly a quarter of the total mill production in 1942-43, as against only 300 million yards in 1939-40. The

annual supply of piecegoods for civilian consumption amounted to no less than 6,400 million yards (including handloom production) during the last two pre-war years, and on the same basis of calculations, about 2,600 million yards or just 40 per cent. of normal requirements were available for civil consumption in 1942-43. This maladjustment of supply and demand and the expectation of a big rise in prices led to a large hoarding of cotton goods as in the case of other commodities. With the decline in the production of the handloom industry and the discouragement to khadi production, a "cloth famine" was inevitable, and coupled with the inability of mills to enter into commitments, dealers had their own way.

16. It is easy for anyone to criticise speculators. Speculation is not confined to any one particular country or to any particular section of the community. The impact of war demands on the normal economic life of the country had never been accurately foreseen and had, therefore, not been provided for, while the war demands had to be readily and promptly accorded their due priority. The result has been seen in the violent disturbance in the ordinary routine of this country and in the shortage of many of the necessities and needs of the Indian consumer. With inflationary forces at work, the consumer has been the victim of a vicious spiral of rising costs and prices. Government, in the early stages, was inactive and was inclined to defend its inaction by making out that there was no inflation and that the expansion of currency against sterling securities was in accordance with monetary principles and could not in any way affect the consumer's interests. Governments in other countries tried to check these inflationary tendencies by adopting a policy of subsidising. Is the industry, in view of the position it occupies in the national economy of the country, to be blamed if it had been carried by the current of inflation in spite of itself? Is the textile industry alone to be singled out? The fact is that the industry has shared, along with other industries and the Provincial Governments, certain advantages that fell to their lot, due to inflation.

What Control Has Achieved

17. Even then, did the industry allow things to lie as they were? In its own way, the industry did try to be helpful

to the consumer under the abnormal conditions created by the war and inflation. That it could not render greater assistance was due to the apathy of the Government. As early as November, 1941, the industry had put forward a scheme by which it was proposed that cloth should be supplied at nominal profits in shops managed by Government or mills. Sir A. Ramaswamy Mudaliar, the then Commerce Member, called a conference of Provincial Governments to discuss the scheme. Neither the Central Government nor the Provincial Governments came forward to adopt the above scheme for distribution in any form. Matters were allowed to drift and certain individual mills tried to check the rise in prices by opening their own shops where cloth was sold at limited margin of profits. In Bombay, for instance, the Millowners' Association opened fair price shops all over the city and tried to alleviate the sufferings of the public. But, within a few weeks, these shops became the paradise of profiteers. Long queues were formed in front of the shops and the goods which were purchased at low prices began to pass hands just near the shops at abnormal prices. These individual efforts at arresting the rising trend in prices were, however, doomed to fail, because of the lack of support from Provincial Governments. The situation further deteriorated and the millowners even tried to draw the attention of Government to the large quantities of illicit exports, but all their efforts at relieving the situation were of no avail. Prices began to rise by leaps and bounds till the middle of 1943 when the Cotton Cloth and Yarn (Control) Order was promulgated. Under the Control Order, adjustments of prices and checking were left in the hands of the industry and these were carried out in consultation and with the full approval of the Central Government. The Industry's Committee by adopting various measures—and these, it may be mentioned with pardonable pride, included stringent action against recalcitrant mills—and effecting price reductions has brought down the index figure of cloth prices which was 581 points in May, 1943 to 262 in December, 1946. Such a reduction is in striking contrast with the rise in prices of other commodities which has been experienced since 1943. Is this not a substantial achievement? Do not the members of the Committee deserve a word of thanks for the co-operation in helping Government to bring down the prices?

18. The gradual decline in the prices of cotton piecegoods during the period of control will be seen from the following table *:

	May-June 1943 wholesale prices	Ex-mill ceiling prices			Percentage reduction over pre-control
		August 1943	December 1945	December 1946	
		Rs. a. p.	Rs. a. p.	Rs. a. p.		Rs. a. p.
Bleached mulmul (20 yds.)	42 0 0	24 14 0	17 3 0	17 3 0	59.08
Grey longcloth (38 "	49 0 0	31 8 0	22 11 0	22 11 0	53.70
Grey leopard (38 "	42 10 0	25 5 6	16 5 0	16 5 0	61.73
Grey <i>dbuti</i> (10 "	12 8 0	7 12 9	5 8 6	5 8 6	56.00
Bld. longcloth (40 "	37 8 0	24 6 0	16 14 0	16 14 0	55.00
Coloured poplin (20 "	21 10 0	12 10 9	8 6 0	8 6 0	61.27
Bld. nakshi (8 "	11 0 0	6 7 3	4 13 9	4 13 9	55.68
Coloured <i>sari</i> (5 "	5 8 0	3 2 9	2 1 6	2 1 6	61.36
Grey drill (40 "	50 3 0	30 6 0	21 11 0	21 11 0	56.79
Sateen (22½ "	25 0 0	14 10 0	8 13 0	8 13 0	64.75

* *Commerce Annual Review*, 1946.

	June 1943	August 1943	Dec. 1945	July 1946
Index number of cotton manufactures (August 1939=100)	513	426	265	262
Cotton—Index number (August 1939=100)	261	238	244	299
Wage increase over April/May/June 1941—Percentage	81	102	113	115

Later figures are not yet available, but the prices of both cotton and the wage increase are definitely higher now than in July, 1946. The point to be noted from the above figures is that, whereas the prices of cotton and wage costs are substantially higher than in June, 1943, the prices of cotton manufactures are only about half of those prevailing in that month.

19. Even assuming for the sake of argument that the industry has been, in a large measure, responsible for the disturbance of the economic equilibrium of the country, why

is it then that the cost of living has gone on increasing, although, thanks to control, the prices of cloth have been nearly halved since May, 1943, when they were at their peak? Taking, for instance, the cost of living index number for Bombay, it is seen that for the month of December, 1946, it stands at 279—the highest level ever recorded—as against 227 for May, 1943, i.e., on the eve of the introduction of textile control, and 105 for August, 1939. Indeed, it is the rise in prices of other sectors of the country's economy such as wages and raw materials which now threaten to push up the prices of cotton textiles.

Industry Has Not Deprived Cotton Growers

20. The author of the pamphlet indicts the millowners with the charge of having deprived cotton growers of their rightful due. This is an unfair charge. No one realises better than the millowners that the support for their products depends upon the purchasing power of the farmer. There have been many instances where the industry has, of its own accord, supported the claims of cotton growers. During the war years, when the market for the short and medium staple cotton was lost one by one, the industry got the specification of the war orders changed in order to facilitate consumption of more Indian cotton. Mr. Desai levels charges against the millowners in such a way as to suggest that they were responsible for holding down the cotton prices under the control. Our reply to this charge is that the industry had no say in the control of cotton prices. The entire responsibility for that rests with the Government. The Government control on cotton came before the institution of control on cotton textiles and the setting up of the Textile Control Board. Is the industry to be blamed for any defects in Government's cotton policy and the consequent loss, if any, suffered by cotton growers? Is the grower of cotton really one of the most hard hit persons? The following extract from a statement made by Sir William Roberts, Chairman of the Punjab Chamber of Agriculture, at the first meeting of the Chamber held recently provides sufficient answer to these charges :

“ At the present moment, it is far more paying to grow non-food crops such as cotton rather than food grains.”

21. It is true that, in most cases, consumers have not been able to get cloth at controlled prices. Are the millowners to be blamed for this? This is fundamentally due to the defects in retail distribution over which the millowners have no control whatever. The industry has done everything possible within its power to impress upon Government the necessity of enforcing strict control and check over retail distribution.

22. A word may be said about handloom manufactures. Despite the fact that this source of production has been meeting the requirements of the public to the extent of about 30 per cent.—in certain parts of the country, South India, for instance, it is the principal source of supply—the prices of handloom products have been left practically uncontrolled and consumers have had to pay 400 or 500 times the pre-war prices. Yet, nothing has been said about it by Mr. Desai who claims to champion the cause of consumers.

23. In suggesting remedial measures, a naive attempt is made in the pamphlet by suggesting that mills should go coarser and adopt certain changes in their programme of manufacture. The suggestions are of doubtful use if the problem is approached from the point of view of practical difficulties. The proposal to spin coarse counts is impracticable for many mills which are equipped for the spinning of fine counts only. Owing to limited capacity in opening and carding these mills may be forced to close down their looms resulting in fall in output. It also overlooks the trend in the public taste which is manifestly for better and finer cloth. The suggestion to invest Provincial Governments with powers to control production hardly merits consideration when one looks at the record of such Governments in their efforts at distribution.

24. We have said enough to prove that Mr. Desai's pamphlet abounds in inaccuracies of facts and figures and gross exaggerations, deliberately put forward with the object of discrediting the millowners, in general, and the Industry's

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Committee of the Textile Control Board in particular. Those who have read Mr. Desai's Note would do well to study the situation in the light of the explanation given above. We leave the public to judge the matter on its own merit.

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