

TEXTILE COMMISSIONER'S ORGANISATION

STUDY TEAM REPORT

PART I

(COTTON, COTTON TEXTILES & TEXTILE MACHINERY MANUFACTURE)

F COMMERCIAL PUBLICITY, MINISTRY OF COMMERCE, N. DELHI

**REPORT OF THE
STUDY TEAM
ON THE
TEXTILE COMMISSIONER'S
ORGANISATION**

PART I

**COTTON, COTTON TEXTILES AND TEXTILE MACHINERY
MANUFACTURE**

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GOVERNMENT OF INDIA, NEW DELHI**

SERVANTS OF INDIA **REPORT OF THE**
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DIRECTORATE OF COMMERCIAL PUBLICITY,
MINISTRY OF COMMERCE, GOVERNMENT OF INDIA, NEW DELHI

K. K. SHAH, M.P.,
Chairman,
Study Team on the
Textile Commissioner's Organisation

New Delhi, the 30th April 1966

My dear Manubhai,

I have the honour to submit a first stage report on behalf of the study team appointed to go into the working of the Textile Commissioner's Organisation. You will recall that the study team was set up in May 1965. This first report deals essentially with the subject of cotton textiles, and covers the related subjects of cotton and textile machinery manufacture. We gave priority to these matters because the work of cotton textiles is at the core of the Textile Commissioner's task. In our second and final report we hope to cover the wool and art silk industries and also matters concerning organisation and personnel.

2. Our terms of reference were centered on the need to improve procedures. But since procedures flow out of policies, any worthwhile review must necessarily extend back to policies. And that is why a number of our recommendations relate to substantive points like industrial licensing and relaxation of controls rather than being confined to procedural issues only. I thought, I should specifically mention this point to forestall any impression being created of our having exceeded our terms of reference. The wide interpretation put by us on our work was confirmed when we were asked by the Commerce Ministry to review the various controls exercised by the Textile Commissioner in the background of a minute recorded by the late Prime Minister, Shri Lal Bahadur Shastri.

3. The field of study was a complex one, as you well know. The requirements and interests of the various sectors in the textile industry—mills, powerlooms and handlooms,—are different in many ways. The existing policy, which is the outcome of much thought and study reflected in several reports of the past, is essentially an attempt to balance the various conflicting interests through a delicate system combining controls on the one hand and incentives on the other. Any change aimed at simplification must, therefore, take the total picture into account so that the new system also reflects a balanced situation. A change at a single point without taking implications on other sides into account would obviously be a dangerous proceeding. This may sound like repeating the obvious, but I have done so in order to emphasise that our recommendations are, in a very real sense, an integrated set even though spread out into several chapters. What this means is that, for this very reason, they deserve integrated decisions. I believe that on reading the report you will agree with what I have in mind.

4. In the present context of thinking about relaxation of controls you may well find our recommendations in regard to industrial licensing and in regard to the liberalisation of regulations governing the acquisition and installation of powerlooms very relevant. But apart from this, I must report that I have been impressed by the extent of relaxation and liberalisation that we have been able to suggest through a systematic and clause by

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clause review of the various control orders operated by the Textile Commissioner. What this exercise proves, to my mind, is that even when some measure of control must continue, it is possible to reduce its rigours by a detailed study of the manner in which it is exercised. I am convinced that the sum total of what we have to say about relaxations of various kinds will provide a healthy stimulus to the textile industry at a particularly difficult time.

5. Our guiding approach was that the Textile Commissioner should progressively have less to do with controls and more with development. The mere reduction of his regulatory tasks, on the basis of our recommendations, will be a significant step towards this objective. But development requires a positive approach, and our recommendations about strengthening the technical wing of the Textile Commissioner's Organisation should be viewed in this light. I believe that much of the worth of our recommendations in regard to relaxing controls would be rendered meaningless unless relaxation were to be accompanied by a positive programme of strengthening development activities.

6. You will see from this report that we have relied heavily on the agency of administration in the states, which has hitherto not entered very much into the Textile Commissioner's work. We are convinced that there are severe limitations on what a central agency like the Textile Commissioner's Organisation can do particularly in the matter of developing small units. It is with this in mind that we have suggested effective decentralisation to the states in the sectors of powerlooms and non-licensed machinery manufacturing units.

7. It is my pleasant duty to record our sincere appreciation of the willing and expert help that we received from the head of the organisation, Shri R. Doraiswamy, and all his officers. We had the immense advantage of very able assistance from our Member-Secretary, Shri R. Parameswar.

Yours sincerely,

(Sd.) K. K. SHAH.

Shri Manubhai Shah,
Minister of Commerce,
Government of India,
New Delhi.

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