

REPORT
OF THE
KHADI MARKETING COMMITTEE



GOVERNMENT OF INDIA
(Ministry of Commerce & Industry)

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REPORT OF THE KHADI MARKETING COMMITTEE

CHAPTER I

INTRODUCTION

By Office Memoranda No. 20/10/60/KVI(VI), dated the 24th December, 1960 and the 27th January, 1961, the Government of India in the Ministry of Commerce and Industry appointed a Committee (hereafter referred to as the Khadi Marketing Committee) with the following personnel:—

Shri W. R. Natu, Textile Commissioner—CHAIRMAN.

Shri D. K. Malhotra, Joint Secretary, Planning Commission—MEMBER.

Shri Pranlal S. Kapadia, Member—Secretary, Khadi and Village Industries Commission—MEMBER.

Shri O. S. Krishnamurthy, Research Officer, Office of the Textile Commissioner—SECRETARY.

In view of the inability of Shri Kapadia to work on the Committee, Shri Purushotham Kanji, Hon. Director, Khadi and Village Industries Commission was nominated as a member with effect from the 5th October, 1961.

2. The terms of reference to the Committee were to examine all aspects of the marketing of khadi and handspun yarn and to recommend:—

(i) measures for increasing the sales of khadi and handspun yarn;

(ii) measures for widening the scope and increasing the quantum of purchase of khadi by the Government departments;

(iii) improvements which are considered necessary to ensure the production of khadi cloth of good standard quality;

(iv) the steps to be taken for the production of standard quality of handspun yarn which can be increasingly used by handloom weavers; and

(v) any other measures which would result in the greater utilisation of khadi and handspun yarn."

3. Since the time at the disposal of the Committee was limited, it was decided to make a quick appraisal of the position and problems on the basis of available material and visit a few important production and sales centres. The Committee decided that instead of drawing and issuing an elaborate questionnaire, it would be more useful to invite experienced workers in the field to meet the Committee for detailed discussion,

4. The Committee found that in certain matters in fields allied to its own, considerable work had previously been done by a number of other Committees and some useful material was available. The problems and programmes of the handspun yarn and khadi industry have been examined by several committees in recent years. The Textile Enquiry (Kanungo) Committee (1954) and the Village and Small Scale Industries (Second Five-Year Plan) Committee (known as the Karve Committee) (1955) throw light on the evolution and working of the common production programmes in the textile industry. The Ambar Charka Enquiry Committee (Khera Committee) (1956) and the Organisational Aspect of the Ambar Charka Programme (Zaman Committee) (1957) examined the potentialities of the Ambar Charka and the various aspects of the organisational structure for the implementation of the Ambar Charka programme respectively. The Khadi Evaluation Committee (known as Gyan Chand Committee) made a comprehensive assessment and evaluation of the progress achieved in the implementation of the khadi programme, including the Ambar programme, so far undertaken by the Khadi and Village Industries Commission in various parts of the country. Recently, the Khadi and Village Industries Commission have appointed a Committee under the Chairmanship of Shri Chaudhuri, to examine the possibility of providing protection to khadi industries through the reservation of spheres of production for the mill sector and the handloom sector which uses handspun yarn, import prohibition, levy of excises and octroi duties on mill made cloth, etc. and its report is about to be submitted shortly. We have made use of the information available in these reports and also the other material available in the Office of the Khadi and Village Industries Commission.

5. The members and staff of the Committee had the benefit of visiting several centres of khadi production and discussing various problems with the workers concerned. We visited the Prayog Samiti at Sabarmati, Ahmedabad, and had a discussion with Shri Krishnadas Gandhi, its Secretary. We also visited the production and other centres of the Tamil Nadu Sarvodaya Sangh and of the Madras State Khadi Board at Tiruppur, and acquainted ourselves with their activities and held discussions with Shri V. Ramachandran, Secretary, of the Sarvodaya Sangh, Tiruppur. The Secretary and the Technical and Costing Officers associated with the Committee visited a number of other khadi and handspun yarn production centres in different parts of the country.

6. Shri Vaikunthlal Mehta, Chairman, and other members of the Khadi and Village Industries Commission were kind enough to explain to us the various aspects of khadi and handspun yarn programmes undertaken under the auspices of the Commission and share with us their wide knowledge and experience. We also had the benefit of discussing the question of utilising handspun yarn

including Ambar yarn by the handloom weavers with the representatives of the handloom industry. The Industrial Adviser of Textile Production, the Honorary Industrial Adviser of Textile Designs and the Technical and Costing Officers of the Textile Commissioner and the All India Handloom Board favoured us with their expert opinion on many points. We are grateful to them as also to Shri Pranlal Kapadia and Dr. Sundaram, of the Khadi and Village Industries Commission. Our thanks are also due to the various institutions and State Boards for the assistance rendered.

7. The bulk of the work in connection with our assignment has fallen on the shoulders of Shri O. S. Krishnamurthy, our Secretary. He has worked assiduously on the collection of material and the drafting of our report for the last many months. We are glad to record our appreciation of his valuable services.

CHAPTER II

EVOLUTION OF POLICY

8. The Charka and the production of khadi opened out a new channel of gainful employment for a large section of people who would otherwise have remained unemployed or under-employed. Since independence Government have taken an active interest in furthering khadi production. In common with other small scale and village industries khadi has been given an important place in the Five-Year Plans because besides providing employment, it assures a broad and decentralised base to the national economy.

9. The All India Spinners' Association which was merged in the Sarva Seva Sangh had done valuable pioneering work in this field. The production and sale of khadi was laid down as the main object of the Association's First Five-Year Plan and 80 per cent. of the total production was proposed to be marketed. It also suggested the setting up of a Central Organisation in order to prepare and implement plans for the revival and development of khadi and village industries. The Government of India accordingly set up the All India Khadi and Village Industries Board in 1953. The Board was vested with powers to prepare and organise programmes for the production and development of khadi and village industries and to deal with all incidental matters. Since in practice it was found that the working of the Board was hampered by certain procedural and financial difficulties and with a view to removing them, the Khadi and Village Industries Commission was set up in 1957. The Government of India have thus assumed direct responsibility in recent years for initiating, assisting and financing the khadi programme as a part of the planned development of the country.

10. These steps led to a considerable expansion of the production and sale of khadi and in the employment of workers in hand spinning. The production of marketable khadi, which was 9.3 million yards in 1953-54 increased to 21.9 million yards in 1955-56, the last year of the First Plan Period. The number of workers employed in spinning, weaving and other allied activities also increased during the above period from 3.8 lakhs to 6.6 lakhs.

11. The Village and Small Scale Industries (Second Five-Year Plan) Committee was set up under the Chairmanship of Prof. D. G. Karve in June 1955 to prepare a scheme of allocation of resources for the development of the small and village industries as an integral part of the Second Five-Year Plan. The total additional requirement of yarn for handloom production was estimated at 375 million lbs. for the Second Plan Period ending 1960-61, on the basis of an additional annual requirement of 75 million lbs. It was estimated that the quantity of mill yarn made available for handlooms would amount to 150 million lbs,

in the first two years of the Second Plan Period, taking into account the spindleage in commission and the spindles licensed. It was however emphasised that any interim steps taken to meet urgent needs of yarn should be without prejudice to the prospects of decentralised spinning and weaving industry. The Committee recommended that spinning should be organised in small decentralised units and that spinning should be integrated with weaving. These units were expected to bring to the rural areas some of the economies and advantages which are enjoyed by composite mills in their own sphere. It was obvious that superior techniques had to be introduced in cotton spinning if this object was to be achieved. As a result of the experiments previously undertaken, improved types of spinning wheels had already been evolved and the All India Khadi and Village Industries Board had drawn up a plan for the production of the required quantity of yarn during the Second Plan Period through the Ambar Charka. As sufficient data in regard to the productivity of the Ambar Charka, the quality of yarn spun, and its acceptability to the handloom weaver were not available, the Karve Committee was unable to express any opinion as to its technical possibilities and recommended that further experiments should be carried out and their results made available to the Government.

12. The Ambar Charka Enquiry Committee (otherwise known as the Khera Committee) was appointed in March, 1956, to assess the technical and mechanical soundness of the Ambar Charka and appraise the findings of the experiments conducted. The Committee proceeded on the assumptions that the requirement of additional cloth in the period of the Second Plan had to be met through decentralised spinning and weaving and that ways had to be found for providing more employment. After reviewing the results of the experimental Ambar Charka programme, the Khera Committee reached the following conclusions :—

- (a) The different tools or machines comprising the Ambar Charka were capable of being worked ;
- (b) A normal adult could work the Ambar Charka for eight hours with appropriate intervals of rest and it could be worked for 300 days in the year ;
- (c) The Ambar Charka could give a production of six hanks on an average, from cotton to reeling. The productivity for spinning only would be about twelve hanks ;
- (d) The Ambar Charka was well suited to produce yarn between 18s and 24s.
- (e) Ambar yarn was fairly even and strong and well suited for handloom weaving ;

- (f) Ambar yarn was capable of producing types of cloth produced by mills ; and
- (g) The cost of 18s Ambar yarn would be Rs. 2-14-0 per lb. as against Rs. 1-9-6 per lb. which was the cost of comparable quality of mill yarn.

13. The Ambar Charka Committee also recommended the following measures :—

- (a) The continuance of experimentation with the Ambar Charka ;
- (b) The manufacture and distribution of 75,000 Ambar Charkas during the first year of the Second Five-Year Plan ;
- (c) The adoption of regional self-sufficiency, providing for increased consumption of Ambar cloth in local areas ;
- (d) The regulation of yarn production according to demand ;
- (e) The control of the quality of yarn ; and
- (f) The purchase of Ambar Charka cloth to the maximum possible extent to meet Government requirements.

In pursuance of these recommendations, the Ambar Charka programme was accepted by the Government.

14. The Industrial Policy Resolution of 1956 provided continued support to village and small scale industries by restricting the volume of production in certain selected large industries such as cotton textiles, differential taxation and direct subsidies. The aim of State Policy has been to ensure that the decentralised sector acquired sufficient vitality to be self-supporting and that its development is integrated with the development of large scale industry. In order to improve the competitive strength of the small producer attempts have been made to constantly improve the technique of production, the pace of improvement being so regulated as to minimise technological unemployment. It was intended that the role of subsidies, rebates on sales and sheltered markets should be progressively reduced and efforts directed more and more towards improving the productivity of the worker through more positive forms of assistance.

15. The Second Five-Year Plan made a substantially larger allocation of production to the decentralised sectors of the textile industry than to the organised mill industry. The annual total cloth requirement for the Second Five-Year Plan Period was estimated at 8,400 million yards. Since the total cloth production, including that from the decentralised sectors was estimated at 6,700 million yards at the end of the First Plan Period, the additional annual cloth requirements worked out at 1,700 million yards. These were

to be obtained from the different sectors, according to the textile policy announcement of 1956, as detailed below :—

Targets of Additional Production by 1960-61

	(Million yards)
Handloom industry-from mill yarn	700
Handloom industry—from Ambar yarn i.e., Ambar Khadi.	300
Introduction of 35,000 powerlooms in the handloom industry.	200
Introduction of 1,800 automatic looms in textile mills.	350
Production remaining unallocated	150
	1,700

16. Although the target allocated was 300 million yards out of Ambar yarn to be produced with the assistance of the All India Handloom Board, the Khadi Commission later decided to produce cloth out of Ambar yarn wholly or mixed with traditional yarn. There is therefore no distinction possible between pure Ambar khadi and traditional charka khadi and the figures of khadi production reflect the production of all types of khadi together. If cloth was produced wholly with Ambar yarn, its price would of course have been lower owing to the lower cost of Ambar yarn.

17. The Khadi and Village Industries Commission adopted a programme for the production of Ambar yarn and khadi in 1956-57 and fixed targets for cloth production for three subsequent years. No targets were prescribed for traditional khadi. The production of Ambar yarn and khadi under the Ambar programme is given below :—

				Yarn (million lbs.)	Cloth (million sq. yards)	
				Production.	Target.	Production.
1956-57	..	..	..	0.7	2.2	1.9
1957-58	..	..	..	2.5	15.0	11.1
1958-59	..	..	..	3.8	25.0	24.1
1959-60	..	..	..	3.5	....	25.7

It will be noticed that the production of khadi has fallen short of the targets. The production of Ambar yarn has been on the increase, but it too has fallen short of anticipations. The progress of the Ambar and Khadi programme, particularly since 1958-59, has been affected by the increasing difficulty encountered in recent years in the disposal of khadi. The accumulation of stocks with certain khadi institutions gave a set-back to the production of khadi.

18. The following table illustrates the position for the last few years :—

Varieties of Khadi Production

(Figures in Million Sq. yards)

		1956-57	1957-58	1958-59	1959-60
I. Cotton—					
(i) Made of Charka Yarn	..	26.4	28.3	33.8	31.9
(ii) Made of Charka Yarn and Ambar Yarn mixed.		1.9	11.1	24.1	25.7
(iii) Self-sufficiency*	..	13.0	17.7	10.0	9.6
(iv) Total	.. ..	41.3	57.1	67.9	67.2
II. Woollen	.. ..	1.6	2.8	3.0	2.9
III. Silk	.. ..	0.7	1.3	1.4	1.5
Total—I, II and III		43.6	61.2	72.3	71.6

19. The main purpose of the Ambar Charka was to raise the technical level of hand-spinning, thereby increasing productivity, add to the wages of the artisans and thus open a new chapter in the khadi programme. It was expected that traditional khadi would gradually lose its significance and Ambar would become the basis of future development. These expectations have not, however, come true and the traditional charka still provides the broad base of the khadi programme.

20. The objectives of the khadi programme in the Third Five-Year Plan remain broadly the same as in the previous plans. It is proposed that a common production programme should be adopted for the textile industry as a whole and the relative contributions of the small and large units therein should be laid down. The small units are to be assisted in improving their technical efficiency and artisans and craftsmen are to be organised on co-operative lines. The target envisaged in the Third Plan Period for the decentralised sector of the textile industry is 3,500 million yards out of a total target of 9,300 million yards of cloth. The break-up of the targets as between the different segments of the decentralised sector, handlooms, powerlooms and khadi, was not however laid down. The Khadi and Village Industries Commission have however prepared a programme for the production of, about 160 million yards of khadi by 1965-66, the last year of the Third Five-Year Plan Period.

* Production for self-consumption which is one of the primary objectives of the khadi programme since its inception.

CHAPTER III

PRODUCTION OF KHADI

21. The production of handspun yarn and cloth is essentially seasonal and is carried on for 6 to 8 months of the year, although in a few areas, it is in progress throughout the year. The hours of work in most centres are between 4 to 6 hours per day. The relatively shorter working season is due to the fact that most spinners work in the field when agricultural operations are in full swing.

22. The spinning of khadi yarn through the traditional charka requires considerable care at the hands of the spinners, if uniform quality of yarn of different counts is to be produced. Since there is no mechanical control on drafting of cotton strand into yarn, variation in the count of yarn occurs depending on the skill of the operator. With the introduction of Ambar Charka uniformity of yarn has improved to a considerable extent. The preliminary processes such as the preparation of rovings for spinning are also better controlled than in the traditional charka. The expansion of employment in spinning, whether through the traditional charka or the Ambar Charka, has affected the quality of the handspun yarn.

23. A large number of institutions, registered under the Societies Registration Act of 1860, have been established in the different centres with the object of popularising khadi spinning, supplying cotton of appropriate quality to the spinners, getting the yarn produced into cloth and marketing the cloth so produced. As in the case of spinners, the institutions register weavers to whom yarn of different counts is distributed monthly in accordance with the specific varieties of cloth that they produce. Pass books have been introduced to ensure proper accounting of the yarn supplied and the cloth woven. The spinners and weavers of khadi are remunerated by the institutions, partly in cloth and partly in cash. The artisans are thus required in many parts of the country to consume a part of what they produce, the quantum of such consumption varying from State to State and from institution to institution. Since the beginning of the khadi movement, payment of wages in cloth has generally varied from 10 and 25 per cent,

though since 1957-58, it has gone up to as high as 40 per cent. in some institutions. It is doubtful whether the artisans can use such a high proportion of their production for their own consumption and it is in reality a method of forcing them to market a proportion of the production themselves. The need for marketing cloth does not arise in the programme of 'Vastraswavalamban' viz. self-sufficiency production under which individual spins the yarn and gets the cloth required for his own use woven. The rest of the production is marketed and has been, until recently, described as commercial khadi.

24. The following tables show the trend of production of khadi and the proportionate composition of different types of khadi therein :—

Production of Khadi

		(In million square yards)				
		Traditional*	Ambar†	Total	Self-sufficiency	Grand total
1956-57	..	26.4	1.9	28.3	13.0	41.3
1957-58	..	28.3	11.1	39.4	17.7	57.1
1958-59	..	33.8	24.1	57.9	10.0	67.9
1959-60	..	31.9	25.7	57.6	9.6	67.2
1960-61	..	30.1	23.4	53.5	5.6	59.1

Different Types of Khadi Production

		(In Percentages)				
		1956-57	1957-58	1958-59	1959-60	1960-61
Traditional*	..	63.9	49.5	49.8	47.6	51.0
Ambar†	..	4.6	19.5	35.5	38.2	39.6
Total	..	68.5	69.0	85.3	85.8	90.6
Self-sufficiency	..	31.5	31.0	14.7	14.2	9.4
Grand Total	..	100.0	100.0	100.0	100.0	100.0

*Woven out of Charka yarn.

†Woven out of both Charka yarn and Ambar yarn.

25. The production of yarn and khadi by eight of the institutions is shown in the following table :—

Production of cotton yarn and cloth by major institutions (1960-61)

Institutions	Yarn (in million lbs.)			Cloth	
	Traditional	Ambar	Total	Production in million sq. yds.	% of total production
1. Khadi and Village Industries Commission, Kakinada.	0.65	0.29	0.94	3.43	5.8
2. Hyderabad Khadi Samiti.	0.72	0.09	0.81	2.47	4.2
3. Bihar Khadi Gramodyog Sangh, Muzaffarpur.	3.20	0.33	3.62	11.19	18.9
4. Punjab Khadi Gramodyog Sangh.	2.34	0.03	2.37	4.37	7.4
5. Rajasthan Khadi Sangh.	0.54	0.12	0.66	2.10	3.6
6. Shri Gandhi Ashram, Meerut.	2.43	0.34	2.77	7.65	12.9
7. Tamil Nad Sarvodaya Sangh.	NA	NA	NA	4.32*	7.3
8. Madras State Khadi and Village Industries Board.	NA	NA	NA	4.27*	7.2
			Total of above	39.80	67.3
			Total of all institutions	59.1	100.0

It will be noticed that the production of the above institutions accounts for 67.3 per cent. of the total production of khadi in 1960-61.

26. The varieties of khadi manufactured by the khadi institutions are many, covering shirting, coating, sarees, towels, dhoties, bed

NA :—not available.

*Relating to 1959-60.

sheets, curtains, handkerchiefs, etc. The Punjab, Rajasthan and U. P. specialise in the production of coarse varieties of cloth, usually between the count ranges of 8 to 14s and cloth with twisted yarn. The Khadi Commission has given considerable fillip to the production of dyed and printed varieties. It is estimated that one-fifth of the total production of khadi is now in processed form and facilities for dyeing and printing are available at many institutions. To promote sales, many institutions now sell ready made garments prepared from all varieties of khadi.

27. Though any cloth manufactured out of handspun yarn and woven on handlooms is known as khadi, the practice is to accept as "genuine" khadi only cloth certified by the Khadi Commission's Certification Committee. When the All India Spinners' Association was in charge of khadi production and sales, only khadi marketed through the institutions, production centres and sales centres certified by it was accepted as genuine khadi. Subsequently, the All India Khadi and Village Industries Board and later the All India Khadi and Village Industries Commission took over the function from the All India Spinners' Association and set up a certification committee with powers to issue certificates and fix prices of handspun yarn and khadi. The Certification Committee prescribes prices for different varieties of cloth at different stages in the marketing process. The Committee prescribes margins for the distribution of cotton, the purchase of yarn, distribution of yarn to the weavers, payment of artisans and other costs such as establishment charges. The price charts are prepared on region wise basis, taking into consideration local conditions. The overheads charged by the institutions vary from one variety of cloth to another taking into account the utility of the cloth and the market that it is likely to command. Sarees, Dhoties, plain cloth used for making Pyjamas, Kurtas, Shirts, etc. carry a smaller percentage of overheads than coatings, printed cloth etc., which are usually purchased by the richer members of the Community.

28. The institutions collect khadi from the production centres into their own *Vastragars* (godowns) and sell it wholesale to their own bhandars (stores) as well as to other certified bhandars which are engaged in retail trading. Certified Khadi bhandars sell only khadi and articles produced by village industries and handicrafts. They are not allowed by the terms of certification to sell other textile goods. The bhandars can purchase their stocks of goods only from certified producing centres. The prices of khadi as also the margin of trade discount etc. are fixed by the Certification Committee, which lays down the costs of management which the bhandars can add to the sale price. The Khadi Bhandars have thus a monopoly of certified khadi and since the channel of supplies, costs and prices are all controlled, *inter se* competition is practically eliminated.

29. The Khadi Commission extends financial assistance to the institutions through the provision of working capital interest free, for the purchase of cotton and production and sale of cloth and of a subsidy on production and sale, on certain terms and conditions. A rebate of 19 nP. per Rupee is allowed on retail sales of cotton khadi, *while the rebate allowed on silk and woollen varieties of khadi is 10 nP. per Rupee. It also gives technical guidance and expert advice in regard to the planning, layout, display and decoration of the bhandars, the training of salesman, budgeting of the bhandars etc.

30. The Khadi Commission is also running five emporia or Bhavans under its direct auspices at Bombay, New Delhi, Calcutta, Madras and Bangalore. These function as model centres where goods produced in different parts of the country are displayed and sold, catering to the diverse needs of the public. The five Bhavans between themselves registered sales of over a crore of Rupees annually. The Bhavans undertake processing, printing, embroidery, and manufacture of ready-made garments and act as supply centres for the smaller bhandars in the neighbouring areas. The Vastragars (godowns) attached to the bhavans supply goods to the wholesalers and make it possible for the small mofussil bhandars to offer a larger variety of goods on their counters. The Commission also runs sales bhandars along with its own production centres in Andhra Pradesh, Madhya Pradesh, Kashmir and West Bengal, where local conditions call for such initiative.

31. The Government of India has adopted the policy of encouraging the use of khadi in Government Offices and the Director-General of Supplies and Disposals of the Ministry of Works, Housing and Supply places indents on the Khadi Commission for the supply of khadi against the requirements of the different departments of Government. The supplies of khadi are arranged for by the Central Supply Section of the Khadi Commission against tenders accepted by the Director-General of Supplies and Disposals. The standard varieties supplied regularly number about twenty-five items. The supplies are produced by the production centres, in accordance with the standard specifications formulated by the Director-General of Supplies and Disposals (Inspection Wing), New Delhi, and they are inspected by the Government Inspection Staff at the place of delivery before acceptance. The Khadi Commission now places advance orders with the various production centres on the basis of the average supplies effected in the preceding years in order to ensure a regular flow of goods to meet Government demands. The purchases of khadi by the Government of India increased from Rs. 4.17 lakhs in 1953-54 to Rs. 107.12 lakhs in 1960-61.

*Increased to 20 nP, since 1st May 1962.

32. The following table gives the trend of sales during the last few years :—

(In Rs. crores)

Year	Sales to artisans	Sales through agents	Sales through bhandars and bhavans	Sales to State Governments	Sales to Central Government	Total Sales
1	2	3	4	5	6	7
1953-54 ..	....	....	1.26*	....	0.04	1.30
1954-55 ..	NA	0.35	2.68	NA	0.35	3.38
1955-56 ..	0.37	0.34	2.54	0.45	0.67	4.37
1956-57 ..	0.42	0.26	3.55	1.02	0.98	6.23
1957-58 ..	0.75	0.32	4.71	1.41	1.11	8.30
1958-59 ..	0.81	0.62	5.32	0.90	0.96	8.61
1959-60 ..	0.98	0.40	6.25	1.07	1.04	10.60†
1960-61 ..	1.39	0.61	8.52	1.37	1.07	14.07†

* Including sales through agents, to artisans and State Governments.

NA :—Not separately available.

† Including Rs. 0.86 crores and Rs. 1.11 crores in 1959-60 and 1960-61 respectively, for which details of sales are not available.

CHAPTER IV

ACCUMULATION OF STOCKS

33. The following table presents the data regarding the trend of production and sales of khadi of all categories and the stocks carried over from year to year. Similar data in regard to the production and consumption of yarn of different categories is not available :—

Production and sales of Khadi (all categories)

Quantity in million yds.
value in Rs. crores.

Year	Production*		Sales	Carry over Stocks	Accu- mulated Stocks
	Quantity	Value			
	m. yds.	Rs.			
1953-54	10.6	2.1	1.3	0.8	—
1954-55	17.4	3.3	3.4	-0.1	0.7
1955-56	23.1	4.7	4.3	0.4	1.1
1956-57	30.5	6.3	6.2	0.1	1.2
1957-58	43.5	8.9	8.3	0.6	1.8
1958-59	62.4	12.3	8.6	3.7	5.5
1959-60	62.0	13.0	10.6	2.4	7.9
1960-61	59.2	13.5	14.1	-0.6	7.3
Total	308.7	64.1	56.8		7.3

*Production is exclusive of that under the Vastraswa-alamban Scheme.

Although sales showed a rising trend throughout the year, the rise was more than offset by the simultaneous rise in production, with the result that stocks accumulated once presented an increasingly difficult problem of disposal. The total value of accumulated stocks by the end of 1960-61 was Rs. 7.3 crores representing nearly 36 million sq. yards at an average price of Rs. 2 per sq. yard.

34. Before the Ambar Charka programme was initiated in 1956-57, the position in respect of production, supply and carry over stocks was fairly normal. The khadi Institutions normally maintained stocks of yarn and cloth equivalent to sixteen weeks production. In the case of processed goods such as printed or dyed goods, stocks were equivalent to twenty-four weeks production. The level of stocks was not seriously affected in 1956-57, when the programme had been in operation for only three months, or even in 1957-58, when it had been in operation for one full year. During the year 1958-59, however, stocks began to mount steeply in spite of the simultaneous rise in sales. The stocks were principally of cotton khadi, since the production of silk or woollen khadi was relatively small. The stocks of yarn also increased and amounted to six months requirements by 1957-58. About 20 per cent. of the

accumulated stocks of yarn represented production by trainees and was of very poor quality. It was obvious that cloth woven therefrom would also be poor in quality and would prove difficult to market.

35. A comparison of the stocks of khadi with the stocks carried by the Textile Mills brings out the magnitude of the problem :—

Stocks of cloth with Khadi Institutions compared to stocks with the Composite Mills on the basis of monthly production

			Khadi stocks*	Mill cloth stocks†
March, 1957	..	..	9 weeks	7 weeks
March, 1958	..	..	10 "	7 "
March, 1959	..	..	22 "	7 "
March, 1960	..	..	29 "	4 "
March, 1961	..	..	26 "	4 "

The figures of stocks of khadi given above relate to the stocks with the production centres as well as with the bhandars, while the stocks of textile mills relate to the stocks held by the mills only, and do not include those held by the trade.

The mill industry is a highly organised industry, with a complex net-work of distribution outlets such as wholesalers, semi-wholesalers, retailers etc., and requires much larger stocks than the khadi industry. Even so, stocks equivalent to six weeks' production of cloth are considered adequate by the textile mills. In December 1957, when the textile mills had stocks of cloth, sold and unsold, representing nine weeks' production, the position was considered so alarming that the Joshi Committee was asked to enquire into the causes of the accumulation of stocks and to suggest remedial measures. The accumulation of stocks of khadi of nearly thirty weeks production by March 1960 had therefore to be considered a matter of serious concern.

36. The large accumulation of khadi stocks had been generally attributed to the following factors :—

(i) The organisation of production on the basis of providing employment to whoever was willing to spin cotton into yarn ;

(ii) The handspun yarn produced included sub-standard yarn produced by newly recruited spinners to the extent of 5 to 10 per cent. of the total and the cloth woven therefrom became unsaleable ;

*Relating to excess production over sales,

†As reported by mills.

(iii) The training and supervisory arrangements made in connection with the spinning of yarn on the Ambar Charka were inadequate and the workers engaged in the implementation of the Ambar Charka programme were not equal to the task. This resulted in a portion of the production of poor quality yarn and cloth ;

(iv) The consumers prefer to buy mill made cloth since it is cheaper than khadi ;

(v) The willingness to buy khadi even at a sacrifice has not kept pace with the increase in production.

37. The Khadi and Village Industries Commission adopted a number of measures to clear the accumulated stocks. The principal measures were as under :—

(i) The Khadi Commission provided financial assistance to institutions to the extent of Rs. 2·7 crores to dispose of their stocks of sub-standard cloth ;

(ii) Refresher courses were organised for the training of spinners so as to reduce the proportion of unsaleable yarn and khadi ;

(iii) Designs were supplied for the printing and processing of khadi so as to facilitate the marketing of slow-moving varieties ; and

(iv) The Government of India sanctioned a grant of Rs. 25 lakhs to the Commission to enable it to assist institutions to offset the losses incurred by them in selling sub-standard varieties of khadi at prices below their costs of production.

38. The above measures have had a salutary effect. The financial difficulties of the institutions were warded off to some extent by the financial assistance provided by the Khadi Commission. The reduction in the prices of different varieties of cloth and the adoption of improved processing and finishing, cleared the stocks of sub-standard varieties.

39. The statistical position cannot yet be considered to have improved substantially. Although sales rose from Rs. 8·61 crores in 1958-59 to Rs. 14·07 crores in 1960-61, production also went up simultaneously from Rs. 12·31 crores to Rs. 13·50 crores during the same period. The carry over stocks of khadi at the end of March 1961 is placed around Rs. 7·30 crores. It is however, believed that the proportion of sub-standard varieties in the stocks is now smaller than before. Since normal stocks are estimated at sixteen weeks production of unprocessed khadi, and twenty-four weeks production of processed khadi, the problem of accumulation cannot yet be considered to have been solved.

CHAPTER V

MEASURES FOR REFORM

40. We are required by our terms of reference to suggest measures for solving the problems faced by the khadi sector, particularly on the marketing side. Since the quality of hand-spun yarn and khadi and the costs of their production are the principal factors governing their marketing, the scope for improvement in their quality and reduction in their costs need to be explored. While short-term measures can be devised for relieving the sector of accumulation of stocks, the principal task would be to ensure that stocks did not accumulate to an embarrassingly high level in the long term. The future development of the khadi sector has to be planned in such a way that sales keep in step with production or that production is restricted to estimated sales. Since there is a limit beyond which consumers cannot be induced to buy, it is essential that estimates should be made in advance of the capacity of the market to absorb khadi in competition with handloom and mill products, taking into account the rebate in the price of khadi made possible because of the financial assistance of Government.

41. The voluntary workers in the khadi sector present, however, a different line of reasoning. The income offered by handspinning is the lowest relative to that offered by other agricultural occupations and a person takes to spinning only in the last resort. The Khadi movement cannot therefore, refuse employment in handspinning to whoever asks for it as otherwise, he would be left with no means of survival. If, as a result, more yarn is purchased by the Commission, more khadi produced than what is in demand in the market, and stocks accumulate, then it could not be helped and it was for Government to find a way in which these stocks could be sold. It was against canons of social justice to refuse employment to a person in need merely because it caused embarrassment to Government. During the last few years when the Commission had more stocks than it could sell, some of the certified institutions did reduce their production of khadi by refusing to accept sub-standard yarn, but thinking in the movement as a whole, was against this practice and the acceptance of all yarn offered was considered to be essential.

42. The views set out above represent two divergent lines of thought, each of which is based on a definite philosophy of life. The first line of thought approaches the problem from an economic stand-point which cannot be ignored at a time when we are short of resources and demands are pressing from all directions. The expansion of production of yarn and khadi cannot be achieved without an adequate organisation and a sufficient number of trained workers. If an attempt is made to achieve it within too

short a period, without the latter, the result will be a serious deterioration in the quality of production. The distribution of Ambar Charkhas during the last few years without adequate preparatory measures merely ended in a high proportion of them remaining idle throughout the year. There are obvious limits to the speed with which the Khadi Commission can expand its organisational machinery in the field and the funds which the Government could allocate for the payment of rebate are also limited. The other line of thought is that Government should assume the responsibility of offering work to whoever asks for it, at least at the low rate of wages which handspinning offers. Handspinning has the advantages that it can be taken up in any area and in any part of the country, irrespective of geographical and seasonal variations. It also offers a part time occupation which can be taken up and given up at will, and is particularly suited for women. While it is true that the Khadi Commission need not alone assume the responsibility for providing employment in rural areas, it is also true that nobody would approach the Khadi Commission for work if it was possible for him to obtain more remunerative employment in other occupations or industries in the areas concerned. In fact, as new occupations and industries crop up and employment becomes available therein, there is likely to be corresponding reduction in the number of persons taking to handspinning and approaching the Khadi Commission for assistance. In the meanwhile, the Khadi Commission was trying to give effect in concrete form to the fundamental right to work enshrined in the Constitution.

43. We have given considerable thought as to how we could reconcile the two views stated above and the twin objectives of providing employment and safeguarding khadi as a productive enterprise and have come to the conclusion that the Khadi Commission should reorientate its programme on the following lines :—

It should continue to offer through its various certified institutions, employment to all who approach it and purchase all yarn offered by them. While doing so, it should allot the traditional Charkhas to persons who are likely to turn out to be casual workers and the Ambar Charkhas to persons who are expected to take up handspinning as a more or less permanent occupation. Since the Ambar Charka is an expensive appliance and calls for considerable training in its use, it is necessary to be more circumspect in its distribution. The Commission should accept all yarn that might be offered to it for sale, whether traditional Charka yarn or Ambar Charka yarn, but it should make payment only in accordance with a schedule of prices, which provided adequate differentials for differences in quality. The yarn purchased should be graded and standardised according to whether it was traditional Charka yarn or Ambar yarn and the count group to which it

belonged. The Commission should utilise as much of the yarn as might be necessary for the production of the quantity of khadi that it considered it possible to sell in the market, allowing for normal pipeline stocks. The remaining yarn should then be released by the Commission for sale to the handlooms and powerloom sectors, which would then be free to use it along with mill yarn for the production of varieties of cloth other than khadi.

44. The effect of the above proposal would be to separate the programme for khadi production into two compartments viz., (a) an economic programme for khadi production, and (b) a relief programme for yarn production. The production of khadi would then be within the limits of marketability and no stocks need accumulate if the estimates of demand are made on a reasonable basis. The surplus Ambar yarn would be treated as the product of a programme undertaken to relieve distress amongst the unemployed rural workers and could be considered on a par with other relief measures undertaken by Government in times of calamity of distress.

45. It is obvious that it would not be possible to sell the surplus Ambar yarn in the market unless substantial inducements are provided to the weaver. Ambar yarn is not as strong as mill yarn and is ordinarily not popular with the handloom or powerloom weaver. There is, however, a serious shortage of mill yarn in the market and the weaver may be induced to substitute it for mill yarn in the production of certain sorts. It will, however, be necessary to grant a substantial rebate in the price of Ambar yarn in order to facilitate its sale. With the passage of time and an increase in the skill of the spinners in the use of the Ambar Charka, the quality of Ambar yarn might also improve and it might become possible for a larger quantity being utilised for the production of khadi, the quantity passed on to the relief programme being reduced to that extent.

46. The above proposals will call for a revision of the present production programme of the Khadi Commission. During the Third Plan period, the Khadi Commission aims at continuing to operate the 1½ lakhs of Ambar Charkas which were in operation during the Second Plan Period, to reactivate the other 1½ lakhs Ambar Charkas which have remained idle or only partially utilised and to instal 1½ lakhs new Ambar Charkas. The Commission has adopted two types of programme : a continuation programme and an expansion programme. Under the continuation programme, it has assumed that 3 lakhs Ambar Charkas would operate for 200 days in a year, producing 6 hanks of yarn per day per Charka. Under the expansion programme it has assumed that 1½ lakhs new Ambar Charkas would operate for 200 days in a year, producing 4 hanks of yarn per day per Charka. The traditional Charkas already in existence will of course continue to operate, but all new Charkas

introduced will be Ambar Charkas. The employment in the Khadi industry is assumed to go up from 17.2 lakhs at the end of the Second Plan period to 21 lakhs during the Third Plan. It is estimated that 4 hanks of yarn will produce about one yard of cloth and the average price of yarn is assumed at about Rs. 3.66 per lb and of cloth at about Rs. 2.00 per yard.

47. There has always been a wide gap between the target fixed by the Khadi Commission and the actual performance. The gap was present in the Second Plan period and is likely to persist in the beginning of the Third Plan period. The Khadi Commission has not yet revised its target for the Third Plan and the phasing of the programme for reactivation and expansion of Ambar Charka also has yet to be done. Looking at the progress so far made in the Ambar programme, it may not be possible to activate all the charkas at one stroke and it would be desirable to phase the programme so as to activate about 50,000 Ambar Charkas each year during the last three years of the Third Plan period. The phasing will facilitate the turnover of the cloth produced, avoid the accumulation of unsaleable stocks and reduce substantially the quantum of yarn to be marketed through the relief programme. On this basis, we feel that it might be safe to estimate the demand for khadi on the basis of an annual increase of 5 per cent. in the sales during 1960-61 and the stocks on the basis of 35 per cent. of production.

48. The targets which we would recommend on this basis compared with the targets indicated by the Khadi Commission in its Third Five-Year Plan are given below :—

Targets of Khadi production

(In millions yards)

					Khadi Commission	Our proposals Economic programme
1961-62	..	..	..	..	96.0*	96.0*
1962-63 (I half)	..	..	..	..	38.3	38.3
(II half)	..	..	..	..	41.4	38.4
1963-64	..	..	..	..	121.2	85.8
1964-65	..	..	..	..	130.6	95.3
1965-66	..	..	..	..	160.0	105.2

* Including surplus stocks of khadi estimated at 24 million yards carried at the end of 1960-61.

49. The supply and demand position for yarn would be as follows on the assumption that (a) the demand for yarn for khadi production will be based on our proposals which would constitute the economic programme, (b) the surplus yarn will be passed on for disposal under the relief programme, and (c) all stocks of yarn would be of Ambar yarn :—

Yarn				(In million lbs.)		
Year				Supply	Demand	Surplus (Col. 1-2)
				(1)	(2)	(3)
1961-62	..	..	..	22.9	22.9	....
1962-63 (I half)	..	..	..	12.0	12.0	....
	(II half)	..	..	13.3	12.1	1.2
1963-64	..	..	..	37.1	26.7	10.4
1964-65	..	..	..	40.0	29.5	10.5
1965-66	..	..	..	48.6	32.3	16.3

50. It will be noticed that there will be a surplus production of yarn of about 38.4 million lbs. which will have to be disposed of under the relief programme and sold to the handloom weaver for the production of other types of cloth. In view of the unwillingness of the handloom weaver to utilise Ambar yarn for reasons which are described at length later, it will not be possible to successfully market this yarn unless it is made available at a price substantially lower than the price of mill yarn. Ambar yarn besides, does not make the same appeal to the weaver on grounds of idealism which khadi makes to its consumers. Even with this appeal, a rebate has to be offered on the sale price of khadi if it is to be successfully marketed. It is obvious therefore that a much larger rebate will have to be offered on Ambar yarn, if the weaver is to be persuaded to use it. Till very recently the rebate paid on the sales of khadi was at the rate of 19 per cent. or 19 nP. per Rupee worth of sales, the total amount spent on this score being Rs. 2.6 crores in 1961-62. The rebate has since been increased to 20 per cent. with effect from 1st May 1962. We propose that the rebate on khadi may be kept at 20 per cent. or 20 nP. per rupee worth of sales and at the same time at least an average minimum rebate of 40 per cent. be paid on the sale of Ambar yarn in the relief programme, the actual rebate varying from count to count

and quality to quality. The expenditure on rebate will be as under :—

(Rs. in crores)

	On present basis	On our proposals		
		Cloth	Yarn	Cloth	Total
1961-62	3.64*	....	3.64*	3.64*
1962-63 (I half)	1.54	....	1.54	1.54
(II half)	1.66	0.18	1.54	1.72
1963-64	4.84	1.52	3.42	4.94
1964-65	5.22	1.53	3.82	5.35
1965-66	6.40	2.39	4.20	6.59
Total for Plan period	23.30	5.62	18.16	23.78

*10 %.

It may be stated, however, that the rebate of 40 per cent. will reduce the Ambar yarn price only to about the level of the ex-mill price of corresponding counts of mill yarn, as fixed by the Indian Cotton Mills Federation, plus the normal distribution charges involved until the retail stage. If supplies of Ambar yarn were available in adequate quantity at this price, a rebate of 40 per cent. may not provide any incentive to purchase Ambar yarn and a higher incentive may be called for. Since, however, there is a shortage of mill yarn in the market and yarn at the voluntary controlled prices is not available from the apex societies except in small quantities, it is believed that an incentive of 40 per cent. might prove adequate. This question, however, needs to be kept under constant review.

51. While the total expenditure on rebate would be slightly larger, there would be the advantage that there would be no accumulation of unsaleable stocks of khadi when accumulation reached embarrassing proportions. The additional expenditure incurred during the Third Plan period would be Rs. 48 lakhs. This much of expenditure would be necessary, if the objective of the khadi programme is kept in mind. It would widen the market for the sale of Ambar yarn and make it possible to reduce the rebate on yarn in accordance with the improvement in its quality and in the supply and demand position of mill yarn. There is also a possibility of a reduction in the quantity of yarn passed on to relief side of the programme, as the demand for khadi increases

following the various measures suggested in this behalf. The Committee recommends that a review of the production pattern of handspun yarn and khadi under the two programmes should be undertaken in the light of the new pattern of rebates now proposed, at the end of the Third Plan period.

52. We are of the view that the division of the production programme into these two compartments viz. the economic programme and the relief programme will be of long-term value and would place the khadi sector on a solvent basis. It would separate the commercial and humanitarian aspects of the Khadi movement and enable the Government and the public to assess the extent of the sacrifice involved and the losses to be borne. It is necessary to emphasise that the production of khadi has an economic justification, based on competitive costs, particularly in the sphere of local supply and demand and in the production of certain varieties. It can well have its own permanent place in the economy of the country within these spheres. The importance of the humanitarian aspect of khadi will gradually diminish in the years to come as more remunerative channels of employment open out to the rural population. The separation of these two aspects and an appreciation of their respective significance will rehabilitate the khadi movement on firm foundation and pave the way for its orderly development.

53. The problem of the marketing of yarn and khadi will have to be faced by both programmes and ways have to be found to resolve it. The principal directions in which efforts have to be made are two; firstly, reduction of cost and increase in output; and secondly, improvement in the machinery for marketing. We discuss each of these aspects in detail in the following paragraphs.

54. In order to explore the scope for technical improvements in the methods of production, processing, etc., and the extent to which reduction in costs could be brought about thereby, we requested the Textile Commissioner to depute his Technical and Costing Officers to visit some of the representative centres of Khadi production. The detailed findings of the Officers are presented in the annexures. We state below some of the principal measures that could be undertaken.

55. The technique of spinning by hand does not by itself place any serious limitations on the improvements in techniques or in the appliances employed. Since the Ambar programme has been undertaken, experiments have been constantly in progress to improve the efficiency and ease of operation of the entire equipment. As a result of these experiments, the Khadi Commission has recently cried a halt to the expansion of the number of the earlier models of Ambar Charka and has concentrated on the improved four spindle Ambar Charka and on the six spindle charka in various parts of the country.

56. The Ambar Charka consists of the charka proper, the carding unit viz., Dhunai modia and the unit for making the sliver viz. Belni. The Dhunai modia is intended to clean the cotton and the Belni to prepare a suitable roving for feeding the charkas. In spite of the passage of time, these accessories of the Ambar Charka have not yet reached a high degree of efficiency and further improvements are still necessary. The opinion has been expressed in certain quarters that the Dhunai modia should be modified or even discarded as it ruptures the fibres. The method of preparing slivers in the Belni is cumbersome, since the number of passages and the doublings are specified for each range of count, and the spinners have to be trained in their preparation. If the operation is stopped in between, the spinners are not in a position to find out, when they resume working, the extent to which the doublings and/or number of passages have been given to the material. The process therefore needs simplification. It also affects the uniformity of yarn spun from the slivers prepared on it. It is the general feeling that the working of the earlier models of the Ambar Charka and its accessories imposes too much strain on the worker and accounts to a very great extent for the poor response to the Ambar programme. It is necessary therefore to do all that is technologically possible to relieve the strain on the worker through means such as the introduction of gear wheels, ball bearings and similar devices.

57. The six spindle Ambar Charka which is now in the process of development is a considerable improvement over the four spindle charka. Of the six spindles, two spindles are utilised for making the necessary roving. The back roller is made up of two separate pieces rotating at different speeds so that the draft is introduced, assisting the preparation of the roving. The two spindles are larger in diameter (1- $\frac{3}{8}$ ") and the spindle speed is adjustable to requirements. There are two calendar rollers provided at the preparation section of the machine and these are driven by surface contact from the front top roller. In order to reduce the friction on the latter, it is driven separately through gears. This charka has two lifting cams on either side of the framing, ensuring a uniform lift throughout. The weightage of the top rollers is more uniform as it is effected through hooks attached to a horizontal bar, kept under the tension of springs.

58. The experimental work in progress relates to the following adjustments and modifications with a view to improve the six-spindle Charka :—

- (a) The bottom fluted rollers are mounted on wooden roller stands at present and no metallic bearing steps are provided. The introduction of bronze or other metal bearings will ensure the smooth running of these rollers and metal bearings will ensure the retention of the lubricant for a longer time, reducing wear and tear.

- (b) The front of the top rollers develops grooves on account of the yarn running at the same portion all time, causing unevenness and frequent breakages of yarn. A slight traverse motion for feeding the sliver might remedy this defect.
- (c) The spindles are kept in position by inserting them through slits on the wooden frame and are always under tension from the driving rope and are inclined towards the direction of this tension. Provision is made for the adjustment of the spindles by sliding the spindle carrier block, but this is not found sufficient to correct the defect. It is therefore proposed to introduce special spindles with inserts and fixing nuts so as to provide better working adjustments. This will however increase the cost of the Charka.
- (d) The ring bobbins are made out of folded paper and have varying diameters, weights and centres of gravity. This causes uneven tension and eccentric running. If standard wooden or paper cops are supplied, the defects can be remedied.
- (e) The Charka in its present form does both roving and spinning, resulting in breakages of yarn in both processes and impeding the speed and smoothness of operation. If roving is separately done, the six-spindle Charka can engage fully in spinning, increasing its productivity.

59. With regard to looms, weavers of khadi prefer pit looms with fly shuttles instead of frame looms because of their easier operation. The introduction of the frame loom with a five wheel take-up motion attachment will improve the quality of production and make it possible to weave cloth with more uniformity in picks. The weavers are, however, averse to the change because of the strain and fatigue involved in its operation. The introduction of ball bearings in the moving parts and improved mechanical devices with take-up motion may reduce the strain.

60. While experimenting with new improvements in appliances, it is necessary to keep in mind that they should be capable of being manufactured and repaired in the villages where they are to be used. The carpenters and smiths in the Saranjam Karyalayas and servicing stations need to be imparted training in repairs and manufacture of spare parts. The appliances used for carding, spinning and weaving should also be inspected by trained mechanics every quarter so as to maintain them in working order. The cost of repairs and spare parts should be met, if required, out of a fund built through a deduction from the wages of the artisans.

61. The principal item in the cost of production of yarn and khadi is cotton which accounts for 35-40 per cent. of the cost of

yarn and 20-25 per cent. of the cost of khadi. When we have to cater to the needs of a dispersed cottage industry depending largely on human skill, every effort should be made to see that raw material of appropriate quality is provided on the spot and at the least expense. If the individual worker is saddled with costly or inferior quality of raw material, he feels handicapped right from the beginning, and it affects the quality of his product.

62. In areas where cotton is grown, cotton purchases are made either by the institutions direct or through a central agency jointly constituted by some of them. Where cotton is not grown locally and has to be brought from outside, a large proportion of the required supply is purchased by the Khadi Commission on behalf of the institutions. The ultimate cost of cotton purchased by the institutions is in some cases as much as 15 per cent. higher than the prevailing price of cotton. It is contended, however, that the higher prices paid were because of the superior quality of cotton (first picking) purchased, which resulted in reduction in the percentage of waste and improvement in the quality of yarn thereby offsetting the disadvantage of higher prices. The Committee, however, feel that it would be of advantage if the institutions were required to make their purchases of cotton from the nearest cotton growing areas as far as possible, so that the cost of transport, overheads etc. may be reduced.

63. A reduction of cost can also be effected by purchasing kapas and ginning it instead of purchasing fully baled and pressed cotton as at present. It is estimated that the middle man carrying out the ginning operation receives about 10 per cent. of the cost of cotton as ginning charges. If kapas is purchased, the process of carding becomes easier and the cotton slivers formed are more uniform. If it is not possible to purchase kapas, cotton may be purchased in half pressed form as this facilitates the carding process.

64. The purchase of fully pressed bales, as at present, requires proper bale breaking, cleaning and carding before a uniform sliver can be obtained. The institutions do not have any facilities for these initial processes and they have to be performed manually. As a result, the yarn spun lacks uniformity and cleanliness and develops weak spots and other defects. It is necessary to explore whether mechanical means could be adopted for cleaning and carding the cotton so that a clean sliver could be supplied to the spinner.

65. In the operation of the Ambar Charka, the cleaning is left to the spinners and the waste allowed in cleaning is fixed, once for all and at a uniform rate irrespective of the types of cotton. As the spinner must keep up his output in order to earn his wages, he cannot exceed the waste allowance fixed. Cotton is therefore not

cleaned to the extent required and uneven and inferior quality of yarn and substandard varieties of cloth are produced. The resultant accumulation of inferior yarn and cloth recoils adversely on the institutions and the weavers. The feasibility of supplying the spinner of Ambar Charka with cleaned cotton needs therefore to be actively considered. The spinner would be able to make up for his loss in spinning wages by the increased out-put of yarn due to the saving of time and labour in cleaning and greatly concentrate on spinning. Alternatively, the actual wastage incurred by the Institutions and weavers may be ascertained and allowed.

66. While sorting cotton, it is desirable to keep the different varieties separately and indicate the counts to be spun from them clearly on the gunny bags. It is not ordinarily advisable to stock cotton for more than a year or two. In case cotton is kept in stock for longer period, the yarn spun out of it becomes grey and to that extent quality of yarn suffers.

67. The cost of raw material can also be reduced by the standardisation of mixing of cotton for specific count ranges of yarn. It is well recognised that suitable mixings of different types of cotton reduce costs and improve quality, provided it was done under expert technical guidance. We visited the Research Laboratory of the Khadi Prayog Samiti, Ahmedabad, which is engaged in research work on the use of different types of cotton. The research facilities available in the Ahmedabad Textile Industry Research Association, Bombay Textile Research Association and the South India Textile Research Association may also be utilised for this purpose.

68. The cotton consumed is charged at a fixed rate in the costing of yarn and khadi by the institutions. Since the actual purchase rates fluctuate, the difference between the actual value of the cotton purchased and the fixed rate at which it is charged is credited or debited to the Cotton Equalisation Fund. The fund has in fact been wiped off due to the higher price that have had to be paid for cotton and many institutions have incurred losses. It would be advisable to charge the cotton issued on an average cost basis, inclusive of the transport costs incurred. The cost of cotton is the major element in the cost of production and charging it on an actual basis will make for more realistic organisation of production.

69. The payment of spinning has remained constant over the years. The retention of the charka spinner in his vocation is as important as attracting him to spinning. The remuneration of the spinner is the lowest among the khadi workers, though it is the quality of his work that decides the quality and the value of the cloth woven. The charges paid to him therefore need careful and sympathetic review.

70. The usual process employed in local dye houses is to dye in Katcha colour as it is feared that the cost of employing modern dyeing and other processes would reduce the demand in the rural areas and affect the marketability of the cloth produced. Recently in a number of centres attempts are being made to provide facilities for bleaching, dyeing and printing but these have not been adequate. As the consumers are increasingly turning to dyed, processed and printed goods, it is necessary that khadi also should be made available in these forms at attractive prices. We understand that with the assistance of the All India Handloom Board, the State Co-operative Societies have established bleaching, dyeing, calendering and printing plants at various centres such as Sandila in U. P., Malegaon and Sholapur in Maharashtra, Erode in Madras, Yemmiganur in Andhra Pradesh, Nayattinkara in Kerala, etc. We recommend that the Khadi Commission should negotiate with the All India Handloom Board for the use of these facilities so that unnecessary expenses over freight, overheads, etc. may be reduced and the setting up of independent processing plants for khadi avoided.

71. The present differential between the prices of handspun yarn, mill yarn and cloth is brought out in the following table :—

				Yarn	
				Price per lb.	Excess over price of mill yarn
				Rs. nP.	Rs. nP.
Traditional	13s	..	..	3.32	1.52 (84 %).
Ambar	13s	..	..	3.11	1.31 (73 %).
Mill (retail)	13s	..	..	1.80 (Estimated).	....

				Khadi	
				Price per yard	Excess over price of mill cloth
				Rs. nP.	Rs. nP.
Traditional Khadi	13s × 13s	Reed/Pick	46/46	1.68	0.93 (124 %).
Ambar Khadi	13s × 13s	Reed/Pick	46/46 (estimated)	1.56	0.81 (108 %).

The price of Khadi is at present brought down to about Rs. 1.60 per yard with the rebate of 20 per cent. on the sale of khadi. With the rebates of 40 nP. per rupee worth of sales of Ambar yarn proposed by us, the cost of Ambar yarn would be brought down to Rs. 2.20 per lb.

72. With regard to the marketing of yarn, it is necessary to actively encourage its use by handlooms and powerlooms. The possibility of the increased use of hand-spun yarn, which will be principally Ambar yarn, will depend largely however on the opinion of the weaver as to whether it would affect the quality and durability of the cloth produced.

73. We have heard different views expressed by technical experts on this subject. There is one view that handspun traditional charka yarn will be more suitable for mixing with mill yarn as the consumer demands in handloom cloth, the handspun look, while cloth produced from Ambar yarn mixed with mill yarn would give it the appearance of mill cloth of poor quality. It is also stated that the quality of handspun yarn will normally be inferior in uniformity and strength to that of mill yarn of similar counts, and the mixing of handspun yarn and mill yarn would therefore adversely affect the quality of the cloth produced and its durability. The other view is that the durability of cloth does not depend so much on the tensile strength of yarn as on the number of interlacings per square inch and that if the number of interlacings was large enough, there was no reason why the cloth should not be strong. It is generally agreed, however, that if mixing has to be undertaken, the best course would be to utilise handspun yarn for weft and mill yarn for warp in handloom fabrics or to mix handspun yarn with doubled mill yarn. It is stated that even mills produce different types of yarn for warp and weft and since the strain which the warp yarn undergoes during the process of weaving is much more than that on the weft yarn, the former has to be stronger than the latter. Since handspun yarn, whether from the traditional charka or the Ambar charka, is soft yarn, it can be used for weft and the cloth can be quite strong, provided the warp was mill yarn.

74. We have also examined the question of utilisation of Ambar yarn by powerlooms. The Ahmedabad Textile Industry's Research Association has given its views in this connection as follows:—

“The given conditions and quality of Ambar yarn at its best have the following limitations:—

(i) The visual appearance grade of the best yarn produced in the Ambar Charka has not been better than grade ‘C’ or ‘D’ yarn as laid down by the A. S. T. M. standards;

(ii) Due to lack of cleaning, opening and absence of carding section, the yarn made in the Ambar Charka is full of slubs, tiny unopened tufts and foreign matter;

(iii) These defects in the yarn offer grave difficulties when worked on a powerloom or any fast loom.

For these various reasons, we cannot consider that Ambar yarn can be successfully used on powerlooms. It was also based on these basic defects of the Ambar yarn that in our development and research work in relationship to the Ambar Charka, we have not investigated the possibilities of using this yarn whether by

themselves or admixed with mill yarn in powerlooms. For the same reason, any surface chemical treatment is not going to facilitate passing of such yarn easily through the narrow heald eye and dents at the fast rate in powerlooms."

The technical opinion thus appears to rule out the use of handspun yarn on powerlooms for the present, but it is desirable that research should continue in this field with a view to discover suitable mixings and chemical treatments which would make its use possible.

75. We have given careful consideration to the views stated above. We have, however, come to the conclusion that the quantity of Ambar yarn that is likely to be available for sale, can be utilised at least in the handloom industry, provided appropriate steps are taken and a suitable machinery is evolved. The total quantity of mill yarn released for the use of the handloom and powerloom industry was 541 million lbs. in 1960 and 640 million lbs. in 1961. Despite the increase in availability in 1961 complaints were constantly received from the handloom weavers' organisations that they were unable to obtain their requirements of yarn in the open market and that prices of yarn of the required counts had gone up beyond the levels fixed under the voluntary price regulation scheme by the Indian Cotton Mills Federation. The maximum quantity of yarn required to be disposed of under the relief programme during the Third Plan Period would be only about 11 million lbs. annually which would amount to less than 2 per cent. of the total supply of mill yarn. If this yarn was made available at a price which was below the price of equivalent counts of mill yarn there should be not much difficulty in its sale. It is for this reason that we have suggested rebate of 40 per cent. on the basis of the present estimated costs of production.

76. The supply of yarn at a lower price through a rebate would not alone secure its sale. It will be necessary to build up a machinery for the purpose. Since the control over the production, distribution and prices of yarn is administered by the Textile Commissioner, who, in his capacity as Chairman, All India Handloom Board, is also responsible for looking after the problems of the handloom industry, it would be in the general interest if the problem of disposal of Ambar yarn is also entrusted to an agency under his control. It might be possible for him to facilitate the disposal of Ambar yarn in a variety of ways. It is understood that he has under consideration a scheme for the distribution of mill yarn to the handloom industry through the principal apex bodies and weavers' associations. In that case, he might be able to allocate Ambar yarn along with mill yarn in some agreed proportions to the bodies in question. It may also be possible for him to negotiate arrangements with selected handloom co-operative societies for the utilisation of this yarn for the production of particular sorts in which it may have a special advantage. It might further be possible for him through the Weavers' Service Centres under his control to devise new processes which will facilitate the use of Ambar yarn

without affecting the quality of the fabrics produced. We would therefore recommend that the Khadi Commission should negotiate suitable arrangements with the Textile Commissioner and Chairman of the All India Handloom Board for the disposal of surplus Ambar yarn produced under its relief programme.

77. The problems of the marketing of khadi are linked up with the costs of production of khadi and the machinery for its distribution and sale. The costs of production are made up to a large extent by the costs of producing yarn which would be reduced to a substantial extent if the measures recommended by us are put into operation. The costs will also be reduced because only the most suitable quality of Ambar yarn would be retained for the economic programme, the surplus yarn being passed on to the relief programme. They will be reduced further because the Khadi Commission would no longer have to carry burdensome stocks of yarn. With regard to the costs of weaving yarn into khadi, this is a much larger problem covering as it does, the entire handloom industry. The measures of reform required to be taken in that industry have already been dealt with in considerable detail in the report of the Working Group on the Handloom Industry published in 1959. We have no doubt that with the steps that the All India Handloom Board have taken and propose to take in the years to come to implement the recommendations of the Working Group, there will be a reduction in the costs of weaving and processing handloom cloth and khadi as well.

78. The principal step which needs to be taken in connection with the machinery for the distribution and sale of khadi is to promote sales in the areas surrounding the centres of production. The philosophy of the khadi movement has always been based on the idea that every one should himself produce the cloth that he needed for his use. This is reflected even to-day in the khadi produced under the self-sufficiency programme and also in the payment of wages to the spinners partly in the form of cash and partly in the form of cloth. As an extension of the same principle, as large a production of the khadi produced at an institution should be required to be sold in its neighbourhood. It has the advantage of reducing overhead and transport costs and requires the adaptation of the sorts produced to the tastes and demands of the consumers in the area. We understand that the Khadi Commission has already decided to adopt this principle in their expansion programme. In the basis proposed by us for future khadi programme, the distinction between expansion and continuance programme is likely to lose much of its significance. In our view the principle of Gram Ekai (integrated village development) should apply with equal force to each aspect of Khadi development and as large a proportion of production as possible should be marketed in the neighbourhood of the centres of production themselves.

79. The following table shows the extent of retail sales and sales outside the State of production for the last few years :—

(Rs. in Crores)

Period	Production	Retail Sales	Wholesale sales outside the States of production
(1)	(2)	(3)	(4)
1956-57	6.34	5.26	1.94
1957-58	8.94	7.19	2.78
1958-59	12.31	7.65	3.17
1959-60	13.02	9.56	3.02
1960-61	13.47	13.00	4.27

In general about 2/3 of the production is sold in retail within the State while 1/3 is exported to other States.

80. The proportion of sales within the State and of exports to other States varies from institution to institution. The table given below shows the position in regard to the principal institutions in the year 1960-61 :—

(Rs. in lakhs).

Institution	Production	Retail sales within the State of production	Wholesale sales outside the State of production	Total Sales	Col. 4 as percentage of Col. 2
(1)	(2)	(3)	(4)	(5)	(6)
1. Khadi and Village Industries Commission, Kakinada.	76.99*	38.08	47.94	86.02	62.27
2. Hyderabad Khadi Samiti, Hyderabad.	46.96*	16.22	35.02	51.24	70.52
3. Bihar Khadi Gramodyog Sangh, Musafarpur.	206.25*	180.36	42.26	222.62	20.49
4. Punjab Khadi Gramodyog Sangh, Adampur Douba.	69.20	57.89	18.26	76.15	26.39
5. Rajasthan Khadi Sangh.*	42.06	42.03	16.15	58.18	38.40
6. Shri Gandhi Ashram, Meerut.	143.56	172.48	27.82	200.30	19.38

* Estimated.

The proportion of sales outside the State is higher than 60 per cent. in the case of the institutions at Kakinada and Hyderabad. The total production of these two institutions amount to 21 per cent. of the total production of the six institutions and 9 per cent. of the total production of khadi in India. The sales outside the States vary from 19 to 26 per cent. in the case of three of the other Institutions and 38 per cent. in one.

81. We have enquired whether figures are also available in regard to the sales within the district in which the institutions are situated but were informed that such figures are not available. It has been stated however that the sales within the district are usually not less than 25 per cent. of the production, though in the case of the institution at Tirupur, sales of as high as about 50 per cent. of the production were effected in the district itself.

82. We cannot emphasise too strongly the need for reorientating the production and sales policy of the institutions so as to effect at least 40 per cent. of their sales within the district and about 80 per cent. of their sales within the State in which their production centres are situated. The maximum quantity of sales permitted to be exported to other States should not exceed 20 per cent. in any case. This would call for a careful study of the tastes and demands of the consumer within the district and within the States so as to be able to produce varieties which would be assured of offtake. It would reduce the size of the stocks to be maintained and the overhead and transport costs.

83. The machinery for distribution within the State consists of the various Khadi Bhandars working under the aegis of the Khadi Commission, the State Boards and the Institutions. We believe that when a large proportion of the sales are effected within the areas surrounding the production centres the burden of stocks on these Bhandars will be greatly reduced and the effectiveness of the Bhandars will increase substantially. Wherever conditions are favourable, there should, however, be no objection to opening additional Bhandars within the State and even within the city. We would even suggest that there should be no objection to the sale of certain sorts of khadi, such as furnishings, bed-spreads, towels and ready-made garments, etc., through the sales depots of handloom co-operative societies. The production of these sorts in any case goes to some extent beyond the self-sufficiency ideal, as these do not ordinarily enter into the minimum requirements of every individual. These are again the sorts in which khadi can hold its own in competition with handloom or mill goods. The consumer of these sorts is not usually a person who would deliberately go to a Khadi Bhandar and purchase his requirements. He is fastidious about textures, colours, patterns, etc., and would purchase his requirements so as to conform to the scheme of decoration which he may have

in mind for furnishing his house or flat. He may be willing to purchase khadi provided he was able to compare it on the counter with other similar materials and found that it was the most suitable from the point of view of his requirements. It was important, therefore, to enable him to do so by permitting these sorts of khadi to be sold, if not in every departmental store, at least in the sales depots of handloom co-operative organisations. If necessary, separate counters may be provided for the sale of khadi.

84. At present the Khadi Commission purchases khadi from its certified institutions, for supplies to Central Government against accepted tenders and also on behalf of the emporia that it runs departmentally. Recently the Commission has also considered the purchase of certain varieties of cloth which had accumulated with the institutions. We feel that it would be of advantage if the Khadi Commission purchased speciality varieties of khadi from the different institutions and sold them through its emporia in the principal cities. The purchase and sale of khadi through these emporia should be on a strictly commercial basis and the programme should yield a reasonable profit. It would require the Khadi Commission to purchase and stock such varieties as are in demand from the consumers and the institutions to produce such varieties as the Commission was prepared to buy. It would also restrict the quantity which the Commission would purchase to the level of probable sales and would put force the institutions to dispose off as large a quantity as possible within the State. We would also recommend that as in the States, the Khadi Commission should permit varieties such as furnishings, bed-spreads, towels, ready-made garments, etc. to be sold through the Handloom Houses opened by the All-India Handloom Fabrics Marketing Co-operative Society. The Handloom Houses also may be requested to provide a separate counter for the sale of khadi if required.

85. We think attempts should also be made to export selected varieties of khadi, for which there is likely to be a demand abroad. This will necessitate the processing of khadi to a much greater degree than is done at present for the home market. We see no objection to the calendering, mercerising, pre-shrinking, dyeing and printing of khadi even by the most up-to-date machinery, if it is possible thereby to promote its sale. Recently the Commission has made a beginning in this respect and has entrusted the work of export promotion to the Bombay Suburban District Village Industries Association. The S. T. C. is also developing a market abroad for handloom goods through the Handloom Export Organisation. There is considerable appreciation abroad of the feel, texture and traditional patterns of our country and this should be fully exploited by khadi which would have the added appeal of being handspun as well. The scope for co-ordinating the activities of both these bodies needs to be explored.

86. Besides the sale of khadi through normal trade channels, there is also room for its sale to meet the requirements of Government. The Khadi Commission and the institutions under its wing are supplying textile goods to the Central and State Governments at present of the value of Rs. 2 crores, out of total purchase by the Central Government of about Rs. 10 crores worth of textile items. We have examined the list of items purchased by Government from indentors other than the Khadi Commission with a view to see how far it would be possible for them to be replaced by khadi. We feel that there is scope for the sale of khadi to meet the demands of Government for pugree cloth, bed-sheets and dosuti to a much larger extent than is done at present. It should also be possible to meet to some extent the requirements of textile items of hospitals. We understand that the Director of Supplies and Disposals of the Government of India has already made considerable relaxations in the standard specifications laid down for the supply of cloth against Government requirements, in order to facilitate the use of khadi. The specifications laid down do not appear to be unduly rigorous and the institutions should make every effort to see that their supplies come up to the standard required, instead of asking for further relaxations.

87. While considerable effort has been made by the Khadi Commission to produce khadi so as to meet the requirements of Government, not much effort has so far been made to cater to the requirements of commercial houses and industrial units. The latter spend considerable amount on the liveries of their staff, furnishings of their offices, etc. The Khadi Commission should be assisted to secure larger portion of the orders for cotton textiles required by the State Governments, Public Corporations, Local Bodies and private Commercial and Industrial establishments.

88. We feel confident that the adoption of the measures suggested by us above would bring about a balance between the production of khadi and its sale. By diverting surplus Ambar yarn to the relief programme and by taking steps to improve the quality and reduce the cost of the yarn and khadi we would be making khadi more easily marketable. At the same time, by reorganising the distribution machinery and improving the sales outlets in different directions, we would be ensuring its rapid off-take. The result would be to place the khadi movement on an even keel and to invest khadi with the additional dignity of a product which was in demand on its own merits. It would no longer be sufficient to ask for special concessions from Government or to appeal to the consumer on grounds of ideology or moral considerations alone. While those who believe in khadi on ideological or moral grounds do not require to be appealed to, those who do not so believe are unlikely to respond to such appeals. The latter can only be won over by making available to them khadi of the sort and in the form that they need. An effort has therefore to be made to do this and there are indications

that the effort is likely to succeed in certain directions. We feel that the time has come when such efforts should be intensified and the khadi sector developed on a satisfactory commercial basis.

89. We have at the same time not ignored what khadi means to the unemployed in rural areas and the humanitarian outlook that the khadi worker has kept before himself. That aspect of the khadi movement has, however, to be considered along with other humanitarian activities of Government. The Government undertakes various measures for relieving distress and unemployment, such as the construction of roads, the sinking of wells and the building of public utility works. The offer of employment in spinning beyond the level required for normal commercial purposes should be undertaken on the same lines and judged by the same standards. The organisation of relief programme of Ambar yarn is therefore also recommended though on a different basis.

90. We would like to emphasise in conclusion the need for the establishment of a strong economic and statistical unit in the Office of the Khadi Commission which would collect periodically detailed statistical data from the various institutions in regard to the production, sale and pricing of khadi. The unit should prescribe detailed pro-forma for the submission of data, compile it on an All-India basis and analyse trends of development. It should conduct market research in regard to the supply and demand for different sorts in different States. It should also analyse the effects of the use of Ambar yarn of different qualities and counts on the quality of production of different sorts of khadi and their sale. The compilation of these statistics and their timely analysis will provide valuable guidance to the Khadi Commission in working out its policies.

W. R. NATU,
Chairman.

D. K. MALHOTRA,
Member.

PURUSHOTTAM KANJI,
Member.

O. S. KRISHNAMURTHY,
Secretary.

Bombay, dated the 30th May, 1962.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS.

(Figures in brackets are the No. of paragraphs in the Report.)

The Charka and the production of khadi opened out a new channel of gainful employment for a large section of people who would otherwise have remained unemployed or under-employed. (8).

2. The Government of India have assumed direct responsibility in recent years for initiating, assisting and financing the khadi programme as a part of the planned development of the country. These steps led to considerable expansion of the production and sale of khadi and of the employment of workers in hand spinning. (9-10)

3. The main purpose of the Ambar Charka was to raise the technical level of hand spinning, thereby increasing its productivity, adding to the wages of the artisans and thus opening out a new chapter in the khadi programme. Ambar was expected to become the basis of future development. These expectations have not, however, come true and the traditional charka still provides the main base of the khadi programme. (19).

4. The objectives of the khadi programme in the Third Five-Year Plan remain broadly the same as in the previous plans. The target envisaged in the Third Plan Period for the entire decentralised sector of the textile industry is 3,500 million yds. out of a total target of 9,300 million yds. of cloth. The Khadi and Village Industries Commission has however prepared a programme for the production of about 160 million yds. of khadi by 1965-66, the last year of the Third Plan Period (20)

5. Although sales of khadi showed a rising trend between 1953-54 and 1960-61, the rise was more than offset by the simultaneous rise in production with the result that stocks accumulated and presented difficult problem of disposal. (33)

6. The stocks were principally of cotton khadi, since the production of silk and woollen khadi was relatively small. (34)

7. The large accumulation of khadi stocks was attributed to the following factors :—

(i) the organisation of production on the basis of offering employment to whoever was willing to spin cotton into yarn ;

(ii) a part of the production of yarn was of sub-standard quality, produced by newly recruited spinners and the cloth woven therefrom therefore became unsaleable ;

(iii) inadequate training and supervisory arrangements in connection with the spinning of yarn on the Ambar Charka ;

(iv) the consumer preference for cheaper mill cloth ; and

(v) the willingness to buy khadi even at a sacrifice has not kept pace with the increase in production. (36).

8. The Khadi Commission adopted various measures to clear the accumulated stocks. These were the provision of financial assistance to the institutions for the disposal of stocks of sub-standard cloth, the reduction in the prices of different varieties of cloth, and the adoption of improved processing and finishing techniques. (37)

9. The carry over stocks of khadi at the end of 1960-61 amounted to Rs. 7.3 crores, representing twenty-six weeks production. Since normal stocks are estimated at sixteen weeks production of unprocessed khadi and twenty-four weeks production of processed khadi, the problem of accumulation cannot yet be considered to have been solved. (39)

10. There are two views current at present with regard to the development of khadi. The first regards the problem as an economic one and would restrict production to the level of estimated sales. The second regards the problem as a humanitarian one and would expect Government to assume the responsibility for offering work in spinning to whoever asks for it. (42)

11. The Committee considers that the programme should be separated into (a) an economic programme for khadi production and (b) a relief programme for yarn production. (44)

12. Under the economic programme, the possible sales of khadi and the requirements of pipe-line stocks should be estimated and the production of khadi restricted to this quantity. For producing this quantity of khadi, the necessary quantity of traditional charka yarn and Ambar yarn should be used. (43)

13. The yarn remaining surplus after meeting the requirements of khadi producers should be taken over by the relief programme and released for sale to the handloom and powerloom sectors for use along with mill yarn for the production of cloth other than khadi. (43)

14. The programme for utilising idle Ambar Charkas simultaneously should be phased so as to activate about 50,000 Ambar Charkas each year, during the last three years of the Third Plan period. The phasing will facilitate the turnover of the cloth produced, avoid the accumulation of unsaleable stocks and reduce the quantum of yarn to be marketed through the relief programme. (47)

15. The Committee has estimated the demand for khadi on the basis of an annual increase of 5 per cent. in the sales and a stock requirement of 35 per cent. of production, at 105 m. yards in 1965-66, the last year of the Third Plan. (48)

16. The Committee estimates that about 38.4 m. lbs. of yarn will be surplus to the requirements of khadi production during the balance of the Third Plan Period, which will have to be disposed of under the relief programme. (50)

17. Since Ambar yarn is not as strong as mill yarn and is not ordinarily popular with the handloom or powerloom weavers, it would not be possible to dispose of the surplus Ambar yarn unless substantial inducements are provided to the weaver. (45)

18. The Committee recommends that at least an average minimum rebate of 40 per cent. be paid on the sale of Ambar yarn under the relief programme, the actual rebate varying from count to count and quality to quality, the rebate on khadi would remain at 20 per cent. (50)

19. The additional expenditure on account of the above rebate during the Third Plan Period is estimated at Rs. 48 lakhs. As regards the expenditure, there would be the advantage that there would be no accumulation of unsaleable stocks of khadi. (51)

20. The production pattern of handspun yarn and khadi under the two programmes and the rates of rebates granted should be kept under constant review. (50-51)

21. The principal directions in which efforts have to be made to resolve the problem of marketing of yarn and khadi under the two programmes are two, viz. (i) reduction of cost and increase in output, and (ii) improvement in the machinery for marketing. (53)

22. The technique of spinning by hand does not by itself place any serious limitations on the improvements in techniques or in the use of appliances. Experiments have been constantly in progress to improve the efficiency and ease the operation of the entire equipment. (55)

23. It is the general feeling that the working of the Ambar Charka and its accessories, imposes excessive strain on the spinner and affects the response to the Ambar programme. It is, therefore, necessary to improve the equipment through labour-saving devices. (56)

24. While experimenting with new improvements in appliances, it is necessary to ensure that they would be capable of being manufactured and repaired in the villages where they are used. Necessary training should be imparted to the carpenters and smiths in the Saranjam Karyalayas and servicing stations. (60)

25. The principal item in the cost of production of yarn and khadi is cotton. Every effort should be made to see that cotton of suitable quality is made available to the spinners at the lowest cost. (61)

26. The cost of cotton purchased by some of the major institutions is much higher than the prevailing price of cotton. Institutions should, therefore, be encouraged to make their purchases in the nearest cotton growing areas. (62)

27. A reduction of cost can also be effected by purchasing kapas and ginning it, instead of purchasing fully baled and pressed cotton as at present. Where necessary, cotton may also be purchased in half-pressed form as this facilitates the carding process. (63)

28. It is necessary to explore whether mechanical means could be adopted for cleaning and carding the cotton, so that a clean sliver could be supplied to the spinner. (64).

29. Standardisation of mixings of cotton for specific count ranges of yarn will reduce the cost of raw material. The research facilities available in the ATIRA, BTRA and SITRA may be utilised for this purpose besides those available at the Research Laboratory of the Khadi Prayog Samithi, Ahmedabad. (67)

30. It would be advisable to charge for the cotton issued, on the basis of average cost inclusive of transport costs. This will make for more realistic organisation of production. (68)

31. The wages made for spinning have remained constant over the years, and need sympathetic review. (69)

32. In view of the growing preference for dyed, processed and printed goods, the Khadi Commission should negotiate with the All India Handloom Board for the use of the bleaching, dyeing, calendering and printing facilities established for the handloom industry. This would avoid unnecessary expenses over freight, overheads, etc. and the setting up of independent processing plants for khadi. (70)

33. If mixing of yarn has to be undertaken, it is agreed that handspun yarn should be used for weft and mill yarn for warp or to mix handspun yarn with doubled mill yarn. (73)

34. The use of handspun yarn by powerlooms can be popularised if suitable mixings and chemical treatments are developed. (74)

35. The Committee recommends that the Khadi Commission should negotiate suitable arrangements with the Textile Commissioner and Chairman, All India Handloom Board, for the disposal

of surplus Ambar yarn produced under the relief programme. It may be possible to allocate Ambar yarn along with mill yarn in some agreed proportions as part of a scheme for the distribution of yarn to the handloom industry through apex bodies and weavers' associations. It may be possible to arrange for selected co-operative societies to utilise Ambar yarn for the production of particular sorts in which it may have a special advantage. (76)

36. The problems of the marketing of khadi are linked up with the costs of production of khadi and the machinery for its distribution and sale. The costs of production are made up to a large extent by the costs of producing yarn which would be reduced to a substantial extent if the measures recommended are put into operation. (77)

37. The costs of weaving yarn into cloth will be reduced if the measures recommended by the Working Group on the Handloom Industry (1959) are implemented. (77)

38. The production and sales policy of the institutions producing khadi should be re-oriented so as to effect at least 40 per cent. of the sales within the district and about 80 per cent. within the State in which the production centres are situated. The maximum quantity of production permitted to be exported to other States should not ordinarily exceed 20 per cent. This would call for a careful study of the tastes and demands of the consumer within the district and within the State so as to be able to produce the varieties which would have an assured off-take. (82)

39. Wherever conditions are favourable, additional bhandars for the sale of khadi may be opened within the State and even within the city. (83)

40. The Khadi Commission may purchase special varieties of khadi from different institutions for sale outside the State of production and sell them through its emporia in the principal cities. The purchase and sale of khadi through these emporia should be on a strictly commercial basis and the programme should yield a reasonable profit. (84)

41. The sale of certain sorts of khadi such as furnishings, bed spreads, towels, ready-made garments, etc. may also be organised through the sales depots of handloom co-operative societies within the district and the State of production and through handloom houses opened by the All India Handloom Fabrics Marketing Co-operative Society outside the State of production, and if necessary, separate counters may be provided for the sale of khadi. (83-84)

42. There is considerable appreciation abroad of the feel, texture and traditional patterns of our country and this should be fully

exploited by khadi which would have the added appeal of being hand-spun as well. The scope for co-ordinating the activities of export promotion undertaken by the Bombay Suburban District Village Industries Association and S. T. C. needs to be explored. (85)

43. There is room for increased use of khadi for meeting the requirements of Government, particularly in items such as pugree cloth, bed sheets and dosuti. Khadi can also be utilised to meet the requirements of hospitals. Every effort should be made however to see that the supplies of khadi come up to the standards required and requests for special relaxations should be avoided as far as possible. (86)

44. The Khadi Commission should secure the co-operation of commercial houses and industrial units in utilising khadi to meet as large a proportion of their requirements as possible. (87)

45. A strong economic and statistical unit should be established in the Office of the Khadi Commission for collecting periodically detailed statistical data from the various institutions in regard to production, sale and pricing of khadi. The compilation of the statistics and their timely analysis will provide valuable guidance to the Khadi Commission in working out its policies. (90)

ANNEXURE I

TECHNICAL REPORT

The following is a summary of the reports of the Officers of the Textile Commissioner on the technical aspects of the production of handspun yarn and khadi. The names of the Officers and the centres visited by them are given below :—

Officers Associated,	Centres visited.
Shri S. L. Parajia, Assistant Director.	Rajasthan—Dausa, Chomu, Malikpur.
Shri R. N. Khanna, Inspector	Punjab—Panipet. Uttar Pradesh—Meerut.
Shri D. N. Nandy, Assistant Director.	West Bengal—Ranaghat and Shantipur.
Shri K. K. Domnic, Assistant Director.	Andhra Pradesh—Hyderabad, Mettapalli and Shalibanda.
Shri R. Jagannathan, Assistant Director.	Madras—Tirupur.
Shri R. K. Iyer, Assistant Director.	Mysore—Ankola.

Charka and accessories

All zonal institutions have saranjam Karyalayas or workshops which manufacture locally all the parts of charka except certain metal parts which are obtained from Ahmedabad or Bombay. The zonal institutions and charka service centres employ service men who undertake house to house repairs and replacement of parts. For major repairs charkas are to be taken to the saranjam. The workers in these workshops have been given training. A training course for Ambar mistries is being conducted by the institutions so that mistries should be able to manufacture and assemble and service the sets effectively and also give the benefit of their knowledge to others in the trade.

2. The Ambar Charka consists of the charka proper, Dhunai modia (carding unit) and Belni (slivering unit). Dhunai modia and Belni are intended to clean the cotton and prepare a suitable roving for feeding the charka. Much improvements in the working of these accessories are desired. Dhunai modia ruptures the fibres and Belni affects the quality, particularly the uniformity of yarn spun from slivers prepared on it. The preparation of sliver in the Belni is complicated and a time consuming operation. By changing the passages and doublings it is possible to spin any count in the Ambar Charka whose draft however can be varied between 4 and 8 only. As such, any errors in the preparation of sliver will definitely reflect in the yarn spun on the charka.

3. The front and back rollers and driving shaft are fitted with stepped pulleys for effecting increase or decrease in the drafting capacity. By this way a draft change from 4 to 8 can be done. Though this is helpful for adjustment in the draft to obtain the desired count of yarn, this is often confusing to the ordinary spinners. It is possible that the rope will be running on the wrong pulley thereby causing wide variations in the resultant count. This defect can be eliminated by supplying only standard pulleys instead of stepped pulleys. In this case one charka will be able to give only one draft and the variation in the count minimised.

4. Weighting of the top rollers and centering of spindles are adjustable by screws. In many cases this is found to vary according to the handling of the spinners. With the existing arrangement, this solely depends on the spinners. Therefore, apart from making spinners realise the importance of proper adjustments, a periodical check on the charkas only can be thought of for solving the problem partially.

5. Lappets are fixed. The thread guides are bent and out of centering in most of the cases. This is due to the poor quality of thread guides and spinners handling this without much ease while taking out the bobbins and also while cleaning the charkas. This can be remedied by using good quality of thread guides with provision for forward and back movements.

6. Bobbins are made by spinners and these vary in size. Further, proper grip is not maintained. This results in uneven tension on the yarn. Some of the wooden bobbins tried give better results. If standard wooden or paper tubes are supplied, the defect can be rectified.

7. Diameter of rings supplied are not of uniform size due to their purchases made from different sources. This problem can be solved by laying down specific standards.

8. The workers feel that there is heavy strain in working the Belni and Ambar Charkas. To a very great extent, the lack of proper response is due to this. Introduction of the Belni and Ambar Charka with all gear wheels instead of wooden pulleys has to be undertaken without any delay.

9. The six spindle Ambar Charka which was in an experimental stage at the time of visit is an improved charka over the four spindle one. Of the six spindles, four spindles are utilised for making the necessary roving. The back roller is made up of two separate pieces, and are rotating at different speeds. The effect is a lesser draft (6) at this section of the charka to suit the preparation of roving. Moreover these two spindles are larger in diameters (1.5") and the spindles speed is kept to suit its requirements. There are two wooden calender rollers provided at the

preparation section of the machine and these are driven by surface contact from the front top roller. As this will cause too much friction on the front top roller it is advisable to drive it separately through gears. This charka has two lifting cams on either side of the frame ensuring a uniform lift throughout. The weighting of the top rollers are also more uniform as the weighting is effected through hooks attached to a horizontal bar kept under the tension of springs.

10. Some adjustments or modifications suggested below might seem to improve the charka :—

(i) The bottom fluted rollers are mounted on wooden roller stands. No metallic bearing steps are provided. The introduction of bronze or other metallic bearings will ensure smooth running of these rollers. Metal bearings will also retain the lubricant for a longer time than wooden bearings and wearing out will be lessened ;

(ii) The front top rollers develop grooves on account of the yarn running at the same portion thus causing unevenness and frequent breakages of yarn. If provision could be made for a slight traverse motion for feeding the sliver this defect could be overcome ;

(iii) The spindle is kept in position by inserting it through slits cut on the wooden frame. The spindles are always under tension from the driving rope and are inclined towards the direction of this tension. Though provision is made for adjustment of the spindles by sliding the spindle carrier block this is not sufficient. It is felt that special spindles with inserts and fixing nuts can be introduced for better working and adjustments. This will however necessarily increase the cost of each charka ;

(iv) The ring bobbins are made out of folded paper and this is often having varying diameters, lengths, weights and centre of gravity. This causes uneven tension and eccentric running. If standard wooden or paper cops are supplied, this problem can be solved ;

(v) If preparation of roving is separately done allowing the six spindle charka to engage fully in spinning, the productivity of the apparatus will go up substantially. In the present method of working the charka, when operated does both the roving and spinning resulting in breakages in either and consequently impeding the speed and smoothness of operation of the unit.

11. *Looms*.—The looms generally used are of pit loom type with fly shuttles. Warp is generally prepared in the form of "ball warp". The maximum length of one warp is thus restricted to 30/40 yards. The warp is sized in sheet form. There are no take up motions for cloth or warp let off motions. Introduction of frame loom with fly shuttles and five wheel take up motion attachment will ensure that the cloth woven will be of uniformity in picks.

12. Check patterns are worked by changing the shuttles by hand working on single shuttle slay. There already exists change shuttle slays or drop box for working more than one shuttle on handlooms which can be introduced for easy working.

13. The present warping style i.e. vertical warper is disadvantageous to maintain parallel warp yarns on beams for the looms working. It has been found that the warp entangles or slips or is over-twisted causing strain on ends and thereby more breakages. Hence in practice, the weavers wind their warps broader at start and gradually taper to shorter width than the cloth width. This causes selvage strain and cutting effect in reeds resulting bad selvage and widening of reed dents at edges which spoils the reeds as well.

14. Those defects can easily be overcome if working of the sectional horizontal hand warping machine with lea making arrangement which has a marking and measuring motion and winding on weavers beams with flanges of sufficient even width is introduced. This will help for taking longer warps with leas at regular intervals as desired and keep the weavers beams quite clean and in order.

15. The implements used in carding, spinning and weaving should be inspected by trained staff every three or four months and repaired and put into working order, if found defective.

16. *Availability of cotton.*—The count range of khadi is between 20s and 30s approximately. Lower counts upto 20s or 22s are spun on traditional charka and counts beyond on Ambar Charka. Some of the middle counts are spun by both the Charkas. For spinning counts upto 8s Deshi type of cotton is used. For the middle counts upto 22 or 24s, Jayadhar, Jarilla or Wardha types of cotton are used. For still higher counts finer cotton like Surti and Karungann are consumed. Usually khadi centres are in or near the cotton growing areas.

17. Complaints were made about the supply of poor quality of cotton to the institutions who desired that raw cotton should be thoroughly examined before purchase and efforts made to maintain the standard quality. It would be advantageous if purchases of cotton are made in bulk by the institutions to ensure uniformity in quality and also to avail of any likely advantages in prices.

18. *Preliminary Processing.*—As a primary process, the cotton in loose state is spread on the ground and beaten with a stick to shed its impurities and condensed into a sort of lap form. The beating is likely to be injurious to the fibre and will create more fluff. The carding process shows that this has actually happened to cotton. When cotton is given such treatment the possibility of accounting actual waste is not possible and vary considerably. So also improvement of quality in subsequent stages cannot be effected,

19. *Carding*.—The carding is carried out by the age old method known as Dhunai. The cotton is loosened by beating a string under tension and the cotton becomes clean. This cotton is held on a spindle and rolled into a sliver with the help of two wooden planks. There are no technical methods involved in these processes except that the cotton is converted into a convenient form to further process it into yarn. The following tests show the variation in hank sliver :—

Sliver of Navsari Cotton		Sliver of Jarilla Cotton	
Weight in grains of 6" sliver	Hank sliver	Weight in grains of 6" sliver	Hank sliver
9	0.154	13	0.107
8	0.174	12	0.116
10	0.139	15	0.093
7	0.198	14	0.099
9	0.154	14	0.099
8	0.174	12	0.116

With such variations it is impossible to have any control on the count to be produced finally.

20. *Spinning*.—The yarn received back from spinners are sorted out into different counts. In sorting out the counts, the staff who are entrusted with this work, depend mainly on the visual judgement. The following table shows the relative count after having tested :—

Count as judged visually	Weight in grains of 120 yds	Actual count	Strength in lbs. of 1lea
6s	139	7.2	50
10s	98	10.2	30
12s	72	13.9	25
14s	57	17.5	18
18s	59	16.4	36
22s	42	23.8	27
24s	38	26.3	22
26s	33	30.3	18

From the above table it is evident that the yarn of a particular count is devoid of any physical properties attributable to that count. The yarn does not possess any strength to be classified under any standards. 'Turns per inch' which is a highly developed technique in modern manufacture does not appear to carry any importance in the production of handspun yarn, making it widely variable in every inch. Under the strain of these physical properties it is but natural that the fabric manufactured out of such yarn should also not have any balanced properties and cannot withstand wear and tear.

21. On Ambar Charka production is more but the quality cannot be considered to have improved much. In Meerut, the quality of Ambar yarn and cloth was worse than that of traditional yarn and cloth. In some places Ambar yarn was quite good. It may be that the training imparted has not had the desired results. In traditional charka, quality is much more dependent on the spinner and is of intermittent type. In respect of strength Ambar yarn is 70-100 per cent. as against 60-70 per cent. of traditional yarn when both are compared to mill yarn.

22. Once the quality of yarn is ensured, that quality will be reflected in cloth and sales thereof. The poor texture of cloth is due to uneven yarn of poor strength.

23. It is desirable to sort out sub-standard yarn and use it in the production of heavy chaddars, towels etc.

24. *Dyeing, finishing and printing.*—Some of the centres are reported to experience greatest difficulty in regard to the supply of colour and dyes to them. They make the purchase of dyes in the open market and pay high rates depending on the market conditions. The dyeing and bleaching equipment though sufficient for their requirements, the quality of bleaching and dyeing does not appear to be satisfactory. The finishing method adopted by the centres is too primitive and will necessarily damage the fabrics and further reduce the strength of the cloth. Better finishing for the cloth can be obtained in the processing department by the introduction of suitable number of kiers for scouring and bleaching of yarn and cloth. Introduction of calendering machines will improve the appearance of the finished cloth and thereby its marketability.

25. It is highly necessary to have well qualified dyers in the processing units. Since the yarn itself has certain inherent weak qualities such as uneven twist and thickness it is all the more necessary for the dyer to have thorough knowledge of the performance of dyes with such types of yarn. So also it is essential for these units to be provided with good scientific equipments such as a pan balance, a very scale, thermometer, rubber gloves for workers

etc. These provisions under a qualified dyer will improve the quality of dyeing and bleaching and make the cloth look more attractive.

26. Difficulties are also experienced in printing cloth with the latest designs. In supplying blocks with more and more upto date designs and at cheaper rates the services of the Weavers' Service Centres of the All India Handloom Board may be made available to khadi centres also.

27. In certain areas, there is good demand for screen printing or roller printing of cloth with latest designs, and the lack of such printing facilities results in bleached cloth being sent to Bombay for such printing. If the institutions or central production units are provided with a roller printing unit or a screen printing unit and with properly trained staff to run them, it will be of great help to the institutions to meet the market demands for such printed cloth at cheaper rates. The setting up of a zonal research cell attached to the main production centres of each Zone may be worth consideration to bring about improvements in processing standards.

28. Keeping the indigenous character of production there should be no hesitancy to adopt modern methods of processing which will improve the overall appearance of the fabric to make it highly presentable to the consumer at reasonable prices.

ANNEXURE II

ECONOMIC AND COSTING REPORT

The following is a Summary of the Reports of the Officers of the Textile Commissioner on the economics and costing of handspun yarn and khadi. The names of the Officers and the Centres visited are given below :—

Officers Associated	Centres Visited
Shri R. H. S. Iyer, Cost Accountant.	Rajasthan : Dousa, Chomu. Punjab : Panipet. Uttar Pradesh : Meerut.
Shri K. P. Sharma, Cost Accountant.	West Bengal : Ranaghat and Shantipur. Andhra Pradesh : Hyderabad. Madras : Tirupur.

The Organisation behind khadi production, namely, the Khadi Commission and its various branches, the zonal institutions with a few certified institutions under each of them, along with a number of production centres/villages, has been sufficiently deep and extensive, ensuring close contact with villagers. Khadi programme is meant to provide work for unemployed and/or under employed in villages. The zonal institutions, though "isolated islands" on the face of the country, are the main springs of activity. They inspire, promote, organise and service the production centres through certified institutions under them, each having a few villages/production centres. These institutions plan out production programme. The certified institutions might be co-operative units. These institutions supply cotton and get yarn spun for wages; supply yarn to weavers and get cloth for wages; they send the cloth to the zonal institution for bleaching and/or dyeing before sale. Thus these institutions are primarily responsible for planning production and organization of productive effort and for selling of finished products. The role played by these institutions is highly responsible and essential for such a decentralised khadi activity.

Current Position

Khadi meant primarily "self-sufficiency khadi" i.e. khadi made out of locally grown cotton to meet one's own needs. The production of this khadi has dwindled in general and has been stopped in Rajasthan. The production and sales of khadi has considerably increased and diversified over a period of years due to extensive khadi programme. The introduction of Ambar Charka was meant to intensify the khadi production but the full success of the Ambar programme is yet to be established. The accumulation of stocks last year was a threat to the industry and the Commission had to purchase off a good part of these stocks. In spite of so many

sales Bhandaras, the attraction to khadi, except for its social values, is far more remote due to its low quantity production as also the price differential between khadi and non-khadi material. Supplies to Government departments are executed with care and are done by paying higher wages as in Meerut. But still 15-20 per cent. of such supplies are to be supplied at a discount for want of quality or specification requirements.

Pattern of production and Economics of working

The khadi worker in the village is a mere production man and hence the key for economy and lower costs rests with these institutions who plan and organise production in the area. As there is no profit motive behind khadi programmes any reduction in costs will mean higher sales and in the long run higher returns for khadi workers. Proper organisation of production in right quantities will necessarily result in quality goods and at the most economical prices, making allowance for uncontrollable or inevitable factors in production.

Standardisation of production of count (of yarn) and cloth in an area ideally suited to the conditions there *vis-a-vis* the national requirements, will mean economy. Upto 8s count, Bengal Deshi cotton is used. Upto 16s count, Wardha or equivalent cotton is common; for higher counts, Surti Cotton is used. Primarily khadi yarn has to be spun out of local cotton. The advantages are that kapas or loose cotton could be purchased in bulk and in season and directly too. The process of carding is easier and cotton sliver formed will be better and uniform. Purchase of fully pressed bales, as at present, require proper bale-breaking, cleaning and nice carding before a good and uniform sliver could be had. The institutions do not have any amenities to do all the above processes which are done manually. To some extent, non-uniform yarn, with dark spots etc. is the result. It was seen that, in general, carding is done by other members of the family and the spinning proper by the head of the family. It is worthwhile to see, in the interest of quality yarn, how far the institutions could adopt mechanical means to cleanse and card the cotton and supply a nice sliver to the family on which all the members of the family could work. Spinners' remuneration per month is the least and such mechanically processing of cotton will result in lower carding cost and at the same time enable payment of higher rate of wages to the spinners. The adoption of standardised mixing of cotton, as in Mills, for a certain count ranges under expert guidance will also reduce cotton cost. In Rajasthan, they have a central organisation through which cotton is purchased, strictly on commercial basis. Wardha and Surti Cotton is purchased and brought over a long distance. Similarly production centres in Bihar and Bengal have to fetch their cotton over a long distance. It is also to be examined how far the requisite cotton crop could be grown in the village or area itself.

The productivity of the Ambar Charka to the traditional is said to be 1 : 3. In spite of training facilities offered, much is desired in practice of the mechanics, of the Ambar Charka. Of the four spindles on this charkha, two produce sliver, two yarn and the same rotary motion is used for winding the spun yarn. Much time is said to be lost in mending the charka, for the machine is to be stopped when one or the other of the three processes fail or goes out of order. At Meerut it was seen the quality of Ambar yarn and khadi was very much poorer than traditional khadi. It was reported that a good number of Ambar Charkas have been returned and it is felt that Ambar Charkhas are not also being utilised in full. The organisers have now switched on to intensive Ambar programme rather than extensive one. Supplying of good sliver through mechanical processes to the spinners will help them to work all the 4 spindles for yarn and to some extent ease the working but increase productivity. Until and unless the Ambar Charkha ensures higher productivity, the lower spinning rates for yarn spun of Ambar Charkha will be a deterrent for extensive use of Ambar Charkha.

The waste percentage of cotton upto yarn stage varies from centre to centre, for similar counts and appears to be quite arbitrary. A closer control over this waste percentage on actual basis will show the quality of cotton purchased and will provide future guidance.

Each khadi producing area in the country has its own specialities viz. Rajasthan Razi, Madras Dhoti etc. etc. It is also reported that much transportation costs are incurred in moving khadi goods from producing zone to sales centres. It is worthwhile to explore possibilities of synchronising and localising the production and sales to the extent possible. Further it is to be seen how far training facilities will enable production of the cloth sorts hitherto transported from outside khadi centre viz. Madras Dhories in Bombay zone. A proper sales analysis in the zone has to precede the planning of production in the area.

Quality yarn is the pre-requisite for good cloth. Once supply of good and uniform yarn is ensured, cloth which will take better finish and colour will emerge. Once the khadi production has gone above its "self-sufficiency" motive, it is in the interest of khadi and khadi workers to ensure quality yarn and cloth—even if it meant adoption of mechanical means to the extent that displaced labour could be absorbed in spinning or weaving proper. Consequently more persons will be employed in spinning and weaving resulting in higher productive capacity.

Such increased capacity with conditions of working ensuring production of quality goods, will enable the khadi institutions to cater to the Government needs to a still greater extent and with much lesser rejection. They may go in for bigger orders from Military department.

Cost of production

At present costs are computed as per rates in the schedule proposed by the zonal institution and approved by the Certification Committee located in Lucknow.

In the rate schedule, cotton has been priced at an old rate and is different from actuals. Amounts due to differential rates for cotton were held in Cotton Equalisation Fund which has been wiped off due to increase in cotton prices and many institutions have incurred losses ranging Rs. 1-2 lakhs. It would be advisable to charge cotton to production centres at average cost basis so that the prices may reflect actuals and further enable comparison with other centres.

Complaints were made in certain areas, that the quality of cotton purchased by the Commission and issued to the institutions were not of the required quality. Besides the ultimate cost of cotton supplied to the institutions was considerably high and in some cases as much as 15 per cent. higher than the actual purchase price of cotton, as a result of heavy overhead expenses and transport charges incurred both by the Commission and State Boards.

Spinners are said to be engaged in this work so long as it is sufficiently remunerative and as soon as some other occupation is available to them and if it happens to be more remunerative the spinner is stated to be only too willing to change to other occupations. This sort of attitude will continue to remain in labour so long as the wages, be it of spinning or weaving is not adequate enough to tempt him to remain in the work. For this khadi work will have to be viewed from a commercial point of view. Labour supply will have to be kept up if increased production of good quality is desired. Besides, from labour intent upon taking khadi work as a spare time employment and that too at irregular timings, better quality in workmanship is difficult to attain.

The spinning charge for a count has remained same for long. Retention of a spinner (khadi) in his work is as much necessary as attracting him to his job. Over a period of years, his efficiency at work would have definitely improved and will have to be rewarded. The remuneration of spinners is the least of all khadi workers, though the quality of his work decides the yarn and the cloth woven of it.

Further, the count of the yarn spun is decided by the eye and some yarn testing will help to ensure fair deal and help to promote production of better yarn.

The rates charged for washing/dyeing would also require to be checked up with actuals.

The overheads incurred at the production centre are negligible. The implements for work are supplied free or on long term loan. The servicing of these implements are borne by the institutions. All other expenses are incurred at the Institution. All expenses incurred by the Institution like salaries, stores, transport etc. etc. may form at the most 10-15 per cent. of sales/cost. It is felt there is scope for reducing the margin for establishment from its present ceiling of 20 per cent. by close analysis and control of expenditure. Pricing cotton at actuals will increase cost and overhead on the higher cost will be more. Further, lower margin could be offset by increased production and sales of khadi under cheaper yet improved conditions of working, as explained above.

ANNEXURE III-A

Production and Sale of Khadi

(in Rs. lakhs)

State	1956-57			1958-59			1960-61		
	Production	Retail sales	Wholesales outside State	Production	Retail sales	Wholesales outside State	Production	Retail sales	Wholesales outside State
1. Andhra ..	68.30	45.85	26.77	166.61	65.17	40.71	141.69	93.23	55.03
2. Assam ..	1.50	1.49	0.87	5.00	4.27	2.00	2.13	3.21	0.21
3. Bihar ..	73.39	67.62	17.65	150.11	59.97	22.80	221.99	178.98	45.17
4. Bombay ..	14.97	97.33	7.41	43.31	129.01	22.26	23.33	121.17	1.06
5. Jammu and Kashmir ..	12.37	0.58	11.22	17.66	1.16	18.63	21.26	5.14	23.04
6. Kerala ..	5.95	7.84	1.61	11.23	10.28	0.18	27.92	23.46	3.13
7. Madhya Pradesh ..	4.78	4.04	N.A.	13.36	27.72	1.22	18.22	43.79	1.75
8. Madras ..	125.95	51.52	16.36	180.54	83.05	43.60	193.94	144.37	40.79
9. Mysore ..	20.41	16.68	1.49	50.55	57.62	7.55	54.46	45.53	11.63
10. Orissa ..	5.84	1.95	0.35	11.21	2.09	0.36	10.15	3.74	....
11. Punjab ..	63.20	29.57	15.66	178.26	66.72	37.68	198.18	150.50	97.17
12. Rajasthan ..	52.30	18.72	39.04	109.83	45.26	33.98	99.93	91.59	43.98
13. Uttar Pradesh ..	165.89	133.75	32.90	245.97	153.09	49.77	267.59	305.84	68.74
14. West Bengal ..	17.04	14.64	16.17	41.19	24.97	28.08	47.84	52.93	25.38
15. Delhi ..	2.17	33.94	6.32	6.54	34.82	8.20	18.50	36.65	9.60
Total ..	634.37	525.52	193.82	1231.37	765.20	317.02	1347.13	1300.13	426.68

Note.—Figures are exclusive of sales to Central Government against accepted tenders. Stock figures for all the individual States are not available.

N. A.—Not available.

ANNEXURE III-B

Year-wise position of Stocks of Khadi from 1956-57 to 1960-61

(Value Rs. in lakhs)

Name of the Institution	1956-57	1957-58	1958-59	1959-60	1960-61
<i>Andhra.</i>					
1. Hyderabad Khadi Samiti, Hyderabad	8.84	17.87	25.60	39.04	47.53
2. Zonal Office, Kakinada (Khadi and Village Industries Commission).	14.45	20.31	44.48	70.63	68.92
Andhra ..	23.29	38.18	70.08	109.67	116.45
<i>Bihar.</i>					
3. Bihar Khadi Gramodyog Sangh, Musaffarpur* ..	41.36	65.96	116.90	148.44	160.60
<i>Madhya Pradesh.</i>					
4. Madhya Bharat Khadi Sangh, Gwalior	5.59	6.50	8.67	6.07	6.79
<i>Mysore.</i>					
5. Dharwar District Khadi Gramodyog Sangh, Hubli* ..	0.61	2.26	3.66	6.88	7.08
6. Belgaum District Khadi Gramodyog Sangh, Gulthosur.	1.58	2.13	1.85	2.25	1.62
7. Karnatak Gram Seva Sangh, Raichur* ..	2.04	3.43	3.80	5.70	3.92
Mysore ..	4.23	7.82	9.31	14.83	12.62

ANNEXURE III-B—contd.

Name of the Institution	1956-57	1957-58	1958-59	1959-60	1960-61
<i>Punjab.</i>					
8. Khadi Ashram, Panipat	8.89	16.52	20.42	19.94	21.64
9. Punjab Khadi Gramodyog Sangh, Adampur Doaba ..	12.95	22.43	31.98	39.47	20.89
Punjab ..	21.84	38.95	52.40	59.41	42.53
<i>Rajasthan.</i>					
10. Rajasthan Khadi Sangh, Chomu*	10.96	18.44	38.14	43.94	26.72
11. Rajasthan Khadi Vikas Mandal Govindgarh, Malikpur*	1.70	3.00	5.20	6.20	5.40
12. Kendriya Sarvodaya Sahakari Sangh, Jaipur* ..	1.00	2.50	3.00	4.00	2.20
Rajasthan ..	18.66	23.94	46.34	54.14	34.32
<i>Uttar Pradesh.</i>					
13. Shri Gandhi Ashram, Meerut	75.10	74.78	130.96	1130.73	118.85
<i>West Bengal.</i>					
14. Abhoy Ashram, Calcutta .. .. .	.....	.....	9.23	10.80	4.74
Grand Total ..	185.07	256.13	443.89	534.09	496.90

* Value in respect of closing stock is estimated.

Note.—Since the stock figures are in respect of certain institutions only, the coverage is limited.

ANNEXURE III-C

Sales to the Central Government

Items	Unit	Average annual sales by the mills	Sales of khadi by the Khadi Commission (1960-61)
Purgoo Cloth	Yds. '000	862	1,663
Dosuti	"	173	3,114
Cloth Dungri	"	18	98
Cloth Mazri	"	1,873	67
Long Cloth	"	215	72
Drill	"	2,149	2
Bed Sheets	No. '000	176	30
Dhoties	"	10	38
Sarees	"	1	Nil.
Towels .. ..	"	....	71
Turkish Towels .. ..	"	....	0.8
Duster .. ..	"	....	190

Source:—Director of Supplies (Textiles).