

THE INDIAN COTTON TEXTILE INDUSTRY

(Its Past, Present, and Future)
(With which is Incorporated the 1937 Annual)

By
M. P. GANDHI

Extract from the Foreword by—

Sir PURSHOTAMDAS THAKURDAS, Kt., C.I.E., M.B.E.

“There are several lessons to be drawn from the development of this industry, and Mr. M. P. Gandhi's present volume, to my mind, fills a real need. * * * *”

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As is evident from the bibliography, the author of the present work has done laborious research into the subject, and thrown a flood of light on the vicissitudes of the Industry in the past, by his having access to several not easily accessible literature and documents. He has also made several useful suggestions for the amelioration of the cotton industry of the present time. I congratulate him for writing such an excellent monograph on the subject and hope that those interested in this industry will find it a really useful publication."

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* * * * *

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FOREWORD

By

Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.

The Textile Industry in India dates from time immemorial, and the romance of this industry can always be read with great interest and considerable instruction by many. There are several lessons to be drawn from the development of this industry in India, and Mr. M. P. Gandhi's present volume, to my mind, fills a real need.

The Textile Industry, as an indigenous handicraft industry reached its zenith centuries back in India. At one time, the textile manufactures of India were a fashion and luxury even in Europe. That the Industrial Revolution was bound to alter the character of this industry goes without saying, but due to political circumstances principally, the geographical centre of the cotton industry was shifted afar, and the age-old handicraft industry came to a pathetic and almost violent and untimely end. Instead, therefore, of a gradual transition to the Machine Era, we have in India a gap after 1760, which threatened to be permanent. But the genius of the people slowly and steadily adapted itself to the new conditions, and the foundations of the existing cotton textile industry in India were laid in the Western Presidency.

The story of the fortunes and vicissitudes of this industry, reborn as it seemed, is intermingled with politics. Lancashire, the new home of the industry, from the start, remained hostile and apprehensive of the industry in India, and pulled the political strings to monopolise for herself the Indian market. This comparatively short-sighted attitude was based upon the fallacious notion that the permanent interests of England were opposed to those of India, an attitude which, admittedly, has not disappeared even to-day. This had three-fold effects. Economically, by keeping down India industrially, the purchasing power of the masses was restricted, and, so, automatically, also the market for Lancashire goods in India. Secondly, the retarding of industrial growth in India had a stimulating effect on the growth of industries in non-Empire countries, competition from which, in course of time, grew to be so effective that England was forced to protect herself by Imperial Preference Tariffs from being literally ousted

from the Empire markets. This retribution was all the more tragic as, according to the liberal traditions in which the Lancashire industry grew up, power to compete was considered to be the only *raison d'être* of even the existence of an industry. Thirdly, this attitude led to much political discontent and distrust of British rule in India, and eventually burst out in boycott of Lancashire goods as a political weapon.

Keen controversy and much heart-burning surrounds several of the acts of omission and commission in the handling of this industry by the Government of India which was not quite a free agent and had to take instructions from Whitehall influenced as the latter was by Lancashire. But it is refreshing to note, from some records of British members of the Governor-General's Executive Council, that at certain critical periods, they stood up for the Indian Textile Industry in a manner which must be the admiration of Indians for all time.

To-day, in a world harassed by exchange restrictions and tariff barriers of all kinds, the full development and expansion of the Textile Industry promises to be the best solution of the marketing problem of the cotton-grower of India, who finds several of his previous markets being shut out for some reason or other. I am not an advocate of economic isolation, but India cannot overlook the dangers of too much economic dependence.

Mr. Gandhi may not claim to have dealt with the question exhaustively in all its varied aspects, but there is little doubt that a study of the Textile Industry, as he has brought it out, would be useful to the country at large. As to the constructive work to be done in this direction in the future, I consider helpful suggestions to be invaluable, and I feel that every publication which aims at drawing attention to the defects which existed till now, and to the undoubted possibilities of the industry in the future, should be welcomed by the Indian public. I have every confidence that Mr. M. P. Gandhi's contribution in the pages which follow will be useful in this direction.

“ Suneeta,”

Ridge Road,
Bombay, 17th May, 1937,

Purshotamdas Thakurdas,

AUTHOR'S PREFACE

It was in 1930 that I published my monograph on the Indian Cotton Textile Industry—its Past, Present and Future. It was written by me in the year 1924 at the Benares Hindu University (where I was then a post-graduate student pursuing my studies for the M. A. Degree in Political Economy and Political Philosophy), for submission in competition for the Ashburner prize of the Bombay University, which was awarded to me in 1925.

Having a few copies in stock and finding that there was a keen demand for it, I have now decided to publish it again, and in doing so, I have taken the opportunity of *thoroughly* revising it, and of bringing it *completely up-to-date*. In the earlier portion of the text, I have made some additions also, based on the recent discoveries in Mohenjodaro in Sind.

In this monograph I have attempted to present a faithful picture of the history as well as the economics of the Industry at its various stages commencing from the remote Vedic period upto the present time, and have come to the conclusion that the Indian Cotton Textile Industry—the biggest industry in India, manned, controlled and financed largely by the nationals of the country, deserves adequate protection and help at the hands of the Government who have given it protection in a halting and spasmodic manner during the last few years. I cannot help feeling that if the industry were given a *liberal* measure of protection for a few years and put in a position whereby it would be able to meet competition from cloth manufactured in Japan as well as Lancashire, it would be possible for it within a brief period to develop its efficiency to a stage which would do away with the necessity of imposition of heavy import duties on foreign piecegoods. The Indian Cotton mill industry, with the assistance of the Handloom industry, would easily be able to meet almost entirely the demand of cloth in this country, and there is no reason why India which produces such large quantities of raw cotton should have to depend upon other countries for the supply of piecegoods, manufactured in certain cases, from her own cotton, for her own requirements. Any unbiassed observer would be able to see that the Government of India have never taken a thoroughly nationalist outlook in regard to the establishment and consolidation of the Indian Cotton Textile Industry and have always been hesitating in taking suitable action, being afraid as to what reactions their policy in relation to the tariff duties would produce in the minds of Lancashire. Due to such weakness in the attitude of the Government of India, who are

the custodians of the interests of this country, towards this indigenous industry, Lancashire has been encouraged to become more and more bold and has been pressing for adoption of preferential measures which would enable her to retain an important position in the supply of cloth to this country, to the detriment of the home industry, and other competitors in the Indian market. With the expansion of the mill production as also the handloom production under the impetus of the spirit of *Swadeshi*, and the efforts made by the Village Industries Association, established under the auspices of the Indian National Congress, and under the leadership of Mahatma Gandhi, it is hardly necessary for India to depend upon foreign countries for the supply of her requirements of piecegoods, to any large extent, as diversified kinds of cloth needed by the people can be produced inside the country. I wish that even at this late stage, the Government of India may be persuaded to look at this question of protection to the Indian Cotton Textile Industry, with which the fortunes of a large number of people in this country are closely bound, from an entirely nationalistic point of view, and that they may be induced to take bold measures for assisting the industry to overcome competition from other countries, at the earliest date. I also feel that it is equally essential for the indigenous industry to increase its efficiency and put its own house in order, so that it may be able to get rid of her dependence on Governmental help to meet competition from foreign countries, at as early a date as possible.

Encouraged by the very welcome response that my Annuals on the Indian Sugar Industry have received from the public during the last three years, I have felt that it would perhaps be equally useful if I published an Annual surveying the condition of the Indian Cotton Textile Industry, from year to year. There is no one source at present from where authoritative and up-to-date information pertaining to the Indian Cotton Textile Industry could be had, and I thought that it would be handy for all interested in the industry, if any such publication would be available annually. In the hope of supplying a keenly felt want of the general public, interested in the Cotton Textile Industry, I have decided to make this publication an annual one. I cherish the hope that Members of the legislatures, both Central and Provincial, students and professors of the various Universities, and the general public including investors interested in studying the development and progress of this industry, will find it an useful and indispensable book of reference—at once authoritative and up-to-date, portraying in a clear perspective the present position of the industry. The 1938 edition of the Indian Cotton Textile Industry will therefore not contain any discussion on the earlier period of the Cotton Textile

Industry, as the present monograph does. It will only trace the vicitudes of the industry during the last few years and review the position of the industry during the current year. This annual survey will also comprise a detailed discussion on the course of the mill industry as also of the Handloom weaving and Hand-spinning industry during the year, will refer to imports and exports, cultivation, improvement, etc. of raw cotton, the general policy of the State in relation to the industry, and will contain relevant information about the state of the industry in other countries of the World.

In order to enable one to have a bird's eye view of the industry without going through the large number of pages of reading matter, I have appended a few tables at the beginning of the book under the heading "The Cotton Textile Industry at a Glance" which gives in a nutshell relevant statistical information, authoritative and up-to-date, in regard to the Indian Cotton Textile Industry. I hope this will be found interesting and helpful by a large number of readers.

I have also given for ready reference by investors, a table on pages 71-74, showing the dividends paid by a few of the well-known mills during the last few years.

In the Appendix, I have also given a complete list of the Cotton Mills in India along with the names of Managing Agents etc. in the hope that it will be found useful by a large number of persons connected with the industry.

To facilitate the work of general readers, I have placed at the beginning of the book detailed contents, and at the end, a carefully compiled copious index, and for the students at some of the Universities in India where this book is recommended for study for the Degree and Post-Graduate classes, I have also given a brief, select, and up-to-date Bibliography. From my personal experience as an examiner for some years for the Commerce Degree courses of the Lucknow and Allahabad Universities, and of the Diploma course of the Commercial Examinations conducted by the Indian Merchants' Chamber of Bombay, I have felt that the need of a good Bibliography on a prescribed subject of study for students is indeed very great, particularly as a student is easily induced to refer to a publication in original if its correct name and title is handy, and if he is assured that it is likely to contain some suitable or commendable or relevant material on the subject engaging his attention. I also feel that it is very essential, in order to impart a scientific training of the mind, to

encourage the desire in a student to refer for himself to authoritative publications on a subject whenever possible, rather than rely, which he often does, on casual information purveyed in stray reading matter, which at times is incorrect, and even misleading.

I am thankful to Mr. R. D. Mihra, publicity officer of the Indian Central Cotton Committee, Bombay, who has been good enough to furnish me a lot of material on the chapter on cultivation of cotton and has indeed also been good enough to revise that chapter.

I am very grateful to Sir Purshotamdas Thakurdas for having been good enough to write a foreword to this publication in the midst of his multifarious engagements and particularly on the eve of his departure for London to attend the Conference to be held there in June 1937 for the revision of the Indo-British Trade Agreement.

The publication of this monograph has been delayed due to the late conclusion of the Indo-Japanese Agreement, and to my desire to pass under review the terms of this Agreement.

I hope to be able to publish the next Indian Cotton Textile Industry Annual by February-March, 1938.

I shall feel grateful if readers will send me suggestions indicating the directions in which the next Indian Cotton Textile Industry Annual, to be published in 1938, could be made more useful.

I also wish to thank the management of the National City Bank of New York, Calcutta, for allowing me in my spare time to study, write and publish books and articles on subjects of current economic and general importance in which I have interested myself. I have felt encouraged in the pursuit of this hobby which I have developed in recent years, due to my belief that the publication of such articles and books of topical interest, besides giving me food for thought and helping me in keeping myself well posted on current economic questions, has met with some appreciation—judging from appreciative forewords to my publications, and favourable reviews in important journals—from the readers, and to my hope that such publications will be of some help in crystallising public opinion on complex questions of considerable importance to the country. I shall feel amply rewarded if this hope is fulfilled even to a small extent.

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Dated 31st May, 1937.

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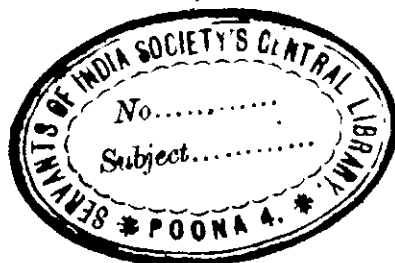
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BY

M. P. GANDHI

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Siemens (India) Ltd.	3rd Cover Page Page
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The Indian Cotton Textile Industry

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By M. P. GANDHI

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Kilburn & Co., Ltd. ..	Before "List of Cotton Mills"
Charles, Walker & Co., Ltd. (Beta Belting) ..	Before <i>Index</i>

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Indian Soft Coke Cess Committee	Before Last Cover Page
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Ahmedabad Manufacturing & Calico Printing Co., Ltd. ..	After "The Cotton Indus- try at Glance"

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Kesoram Cotton Mills Ltd. . .	Middle of Index
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 Electrical & Fans	
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Asea Electric Ltd.	Before Index
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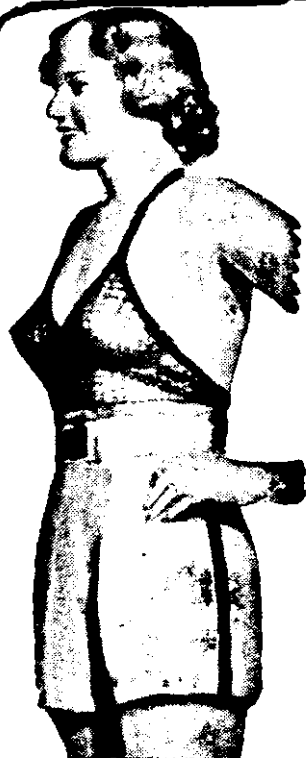
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Jewell Export Filter Co.	After List of Advertisers (Serial)
Weighing Scale	
W. & T. Avery Ltd. (Yarn Scale)	End of Bibli- ography
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"The Cotton Industry at a Glance"

TABLE NO. 1.

Progress of Cotton Mills in British India and Indian States. (Bombay Millowners' Statement—August 1936.)

Year ending 31st August	Number of Mills	Number of Spindles installed	Number of Looms installed	Average No. of hands employed	Approximate quantity of cotton consumed (bales of 392 lbs)
(Figures in thousands)					
1932	339	9,506	1,86	4,03	2,911
1933	344	9,581	1,89	4,00	2,837
1934	352	9,613	1,94	3,85	2,704
1935	365	9,685	1,99	4,15	3,123
1936	379*	9,857	2,00	4,18	3,110

*Does not include the figures of 47 mills in course of erection.

TABLE NO. 2.

Indian Cotton Crop Forecast

Season	Area in thousands of acres	Estimated Yield in thousands of bales of 400 lbs each
1932—33	22,483	4,657
1933—34	24,137	5,108
1934—35	23,972	4,857
1935—36	25,999	5,933
1936—37	25,219	6,307

TABLE NO. 3.

Statement of American & Egyptian Estimated Cotton Crops (000's omitted)

Season	* American		** Egyptian	
	Acreage (harvested)	Bales equivalent (500 lbs weight)	Acreage in Feddans (1 Fed.= 1.038 acres)	Kantras (Kantra= 99.049 lbs)
1931—32	38,704	17,096	1,683	6,563
1932—33	35,891	13,002	1,094	5,050
1933—34	29,383	13,047	1,804	8,438
1934—35	26,866	9,637	1,732	7,540
1935—36	27,335	10,638	1,669	8,100

*Figures from the New York Cotton Exchange Cotton Year Book.

**Figures from Todd's "Cotton Statistics."

COTTON INDUSTRY AT A GLANCE

TABLE NO. 4.

Imports of Raw Cotton into India.

Year	From U. S. A.		From Egypt		From Kenya		Total	
	Quan- tity	Value in 000's	Quan- tity	Value in 000's	Quan- tity	Value in 000's	Quan- tity	Value in 000's
	Tons	Rs.	Tons	Rs.	Tons	Rs.	Tons	Rs.
1932-33	45,791	38,458	6,447	6,625	20,694	17,766	84,758	72,573
1933-34	8,126	6,398	6,068	5,331	24,188	20,226	42,896	35,570
1934-35	1,638	1,601	16,911	15,479	32,725	27,658	60,564	52,838
1935-36	10,437	9,083	15,484	14,094	36,631	31,295	76,559	67,425
1936-37	927	824	18,660	18,501	35,925	30,618	64,988	58,468

TABLE NO. 5.

Exports of Indian Raw Cotton to other countries.

Year	U. K.		Japan		Total	
	Quantity	Value in 000's	Quantity	Value in 000's	Quantity	Value in 000's
	Tons	Rs.	Tons	Rs.	Tons	Rs.
1932-33	29,434	16,084	193,686	1,11,231	364,852	2,03,721
1933-34	61,037	33,741	197,414	1,13,761	503,720	2,75,274
1934-35	61,955	34,193	366,891	2,15,320	623,276	3,49,536
1935-36	81,454	45,147	314,187	1,79,431	606,536	3,37,703
1936-37	107,246	63,135	433,232	2,54,122	762,142	4,44,104

TABLE NO. 6.

Yearly Mill Consumption of Cotton in India by varieties.

[All figures in 000's of bales]
of 400 lb. each

Year ending	Indian	American	Egy- ptian	Sundries	Total
31st July, 1932	2,296	190	63	151	2,700
" " 1933	2,268	135	35	197	2,635
" " 1934	2,229	40	42	203	2,514
" " 1935	2,559	67	64	240	2,930
" " 1936	2,617	70	54	271	3,012

TABLE NO. 7.

Consumption of Indian Cotton in the various Provinces of British India and Indian States.

(Based on returns made under the Indian Cotton Cess Act).

(Figures in bales of 400 lbs.)

	1931-32	1932-33	1933-34	1934-35	1935-36
BRITISH INDIA					
Bombay Island	660,632	570,501	530,352	604,618	666,409
Ahmedabad	326,710	335,640	353,090	378,458	304,665
Bombay Presidency	1,187,254	1,104,738	1,078,344	1,201,300	1,177,273
Madras Presidency	235,929	289,430	273,852	296,330	339,499
United Provinces	249,673	265,538	269,542	289,061	307,493
C. P. & Berar	116,186	118,517	108,298	121,300	122,900
Bengal	96,458	107,376	102,960	105,989	99,774
Punjab & Delhi	82,060	83,852	71,835	78,137	87,832
Rest of British India	29,302	31,736	33,011	36,661	41,090
Total of British India	1,996,857	2,006,187	1,937,842	2,128,787	2,175,861
Total of Indian States	344,855	372,828	352,088	424,653	433,517
Total for India	2,341,712	2,379,015	2,289,930	2,553,440	2,609,378

TABLE NO. 8.

Imports of Cotton twist and yarn into India.

(000's omitted)

Year	U. K.		Japan		Total	
	Quantity lbs.	Value Rs.	Quantity lbs.	Value Rs.	Quantity lbs.	Value Rs.
1932-33	13,357	13,180	18,149	16,071	45,103	37,882
1933-34	9,952	9,578	11,684	9,567	32,055	25,750
1934-35	9,792	10,050	11,339	11,595	34,022	30,986
1935-36	9,767	9,745	21,307	17,921	44,570	37,119
1936-37	7,662	7,887	15,830	13,742	28,520	25,487

TABLE NO. 9.

Imports of Cotton Manufactures into India.

(000's omitted)

YEAR	U.K.		JAPAN		TOTAL	
	Quantity Yds.	Value Rs.	Quantity Yds.	Value Rs.	Quantity Yds.	Value Rs.
1932-33	597,119	1,20,965	579,735	78,539	1,225,279	2,12,591
1933-34	425,833	87,465	349,041	44,313	795,763	1,34,917
1934-35	552,394	1,11,440	373,774	51,958	943,714	1,69,289
1935-36	482,676	90,055	495,738	63,526	946,729	1,57,796
1936-37	334,165	73,078	416,957	55,796	763,996	1,33,672

TABLE NO. 10.

Exports of Cotton Twist & Yarn, and Cotton piecegoods from India.*(000's omitted)*

Year	Twist and Yarn		Piecegoods	
	Quantity lbs.	Value Rs.	Quantity yds.	Value Rs.
1932—33	15,108	7,865	66,442	20,861
1933—34	16,388	8,172	56,461	16,630
1934—35	12,789	6,272	57,693	17,670
1935—36	9,668	4,694	71,250	20,295
1936—37	12,157	5,862	101,636	26,328

TABLE NO. 11.

Quantity of Yarn spun in Indian Mills.*(ooo's omitted)*

Year	British India lbs.	Indian States lbs	Total lbs
1932—33	885,772	130,650	1,016,422
1933—34	796,712	124,349	921,061
1934—35	852,577	148,179	1,000,756
1935—36	903,249	155,048	1,058,297
1936 (April-December.)	668,479	121,793	790,272

TABLE NO. 12.

Quantity of Woven goods manufactured by Indian Mills.*(000's omitted)*

Year	British India yds.	Indian States yds.	Total yds.
1932—33	2,784,870	385,029	3,169,899
1933—34	2,552,986	392,066	2,945,052
1934—35	2,914,362	482,745	3,397,107
1935—36	3,037,776	533,083	3,570,859
1936 (April-December.)	2,238,882	412,660	2,651,542

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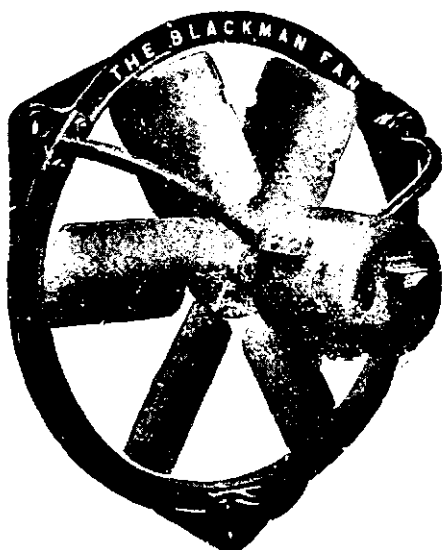
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TABLE NO. 13.

Consumption per capita of Cotton piecegoods and handloom products in India.

Year	Net imports	Net available Mill production	Estimated Handloom production	Net available for consumption	Per Capita consumption yds.
	(All figures in crores of yards)				
1931—32	76	288	150	514	14.28
1932—33	120	311	170	601	16.70
1933—34	77	289	144	510	14.17
1934—35	97	334	146	577	15.60
1935—36	97	350	166	613	16.57

TABLE NO. 14.

Protective Duties realised from imports of Cotton Yarn and Piecegoods in India.*(000's omitted)*

Year	Cotton yarn and thread	Cotton fabrics of British manufacture	Cotton fabrics not of British manufacture
	Rs.	Rs.	Rs.
1931—32	37,22	1,80,16	1,90,72
1932—33	54,87	3,00,49	3,52,16
1933—34	40,17	2,10,42	2,50,44
1934—35	32,58	2,87,26	2,58,38
1935—36	40,83	2,24,69	3,30,24
1936—37	24,46	1,67,48	2,94,64

TABLE NO. 15.

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

All counts.	Date	Tariff Rates.
From 10th March, 1894 to 26th Decr. 1894		Free
„ 27th Decr., 1894 to 2nd Feby., 1896	... 5	p.c. <i>ad valorem</i> .
„ 3rd Feby., 1896 to 28th Feby., 1922		Free
„ 1st March, 1922 to 21st Septr., 1927	... 5	p.c. <i>ad valorem</i> .
„ 22nd Septr., 1927 to 29th Septr., 1931	... 5	p.c. <i>ad valorem</i> or 1½ as. per lb. whichever is higher.

*An excise duty was imposed on cotton piecegoods woven in Indian mills at the rate of 3½ per cent. *ad valorem* from 1896. This excise duty was suspended in December, 1925, and abolished in 1926.

„ 30th Sept., 1931 to 30th April, 1934 ...	6¼ p.c. <i>ad valorem</i> or 1⅞ as. per lb. whichever is higher.
--	---

From 1st May, 1934:—

Counts upto 50s—

(i) British Manufacture:—	... 5 p.c. <i>ad valorem</i> or 1¼ as. per lb. whichever is higher.
(ii) Not of British Manufacture:—	... 6¼ p.c. <i>ad valorem</i> or 1⅞ as. per lb. whichever is higher.

Counts above 50s.

(i) British Manufacture:—	... 5 p.c. <i>ad valorem</i>
(ii) Not of British Manufacture:—	... 6¼ p.c. <i>ad valorem</i>

COTTON PIECEGOODS.

Date.	Tariff Rates.
From 10th March to 26th December, 1894	Free
„ 27th December, 1894 to 2nd February, 1896	5 p.c. <i>ad valorem</i>
„ 3rd Feby., 1896 to 6th March, 1917 ...	3½ p.c. „ „
„ 7th March, 1917 to 28th Feby., 1921 ...	7½ p.c. „ „
„ 1st March, 1921 to 28th Feby., 1930 ...	11 p.c. „ „
„ 1st March, 1930 to 3rd April, 1930 ...	15 p.c. „ „

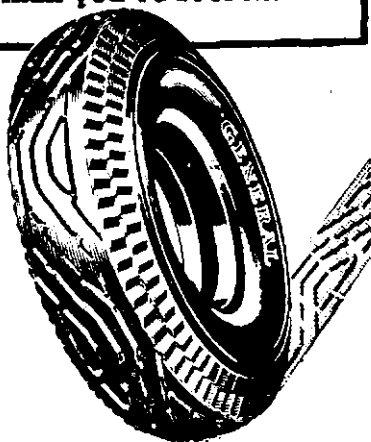
Changed classification. (From 4th April, 1930):

DATE	PLAIN GREY				OTHERS	
	British		Foreign		British	Foreign
	<i>Ad valorem</i> %	As. per lb.	<i>Ad valorem</i> %	As. per lb.	<i>Ad valorem</i> %	<i>Ad valorem</i> %
	(whichever is higher)		(whichever is higher)			
4th April 1930	15	or 3½	20	or 3½	15	20
1st March 1931	20	or 3½	25	or 3½	20	25
30th Sept. 1931	25	or 4½	31½	or 4½	25	31½
30th Augt 1932	25	or 4½	50	or 5½	25	50
7th June 1933	25	or 4½	75	or 6½	25	75
8th July 1934	25	or 4½	50	or 5½	25	50
1st May 1934	25	or 4½	50	or 5½	25	50

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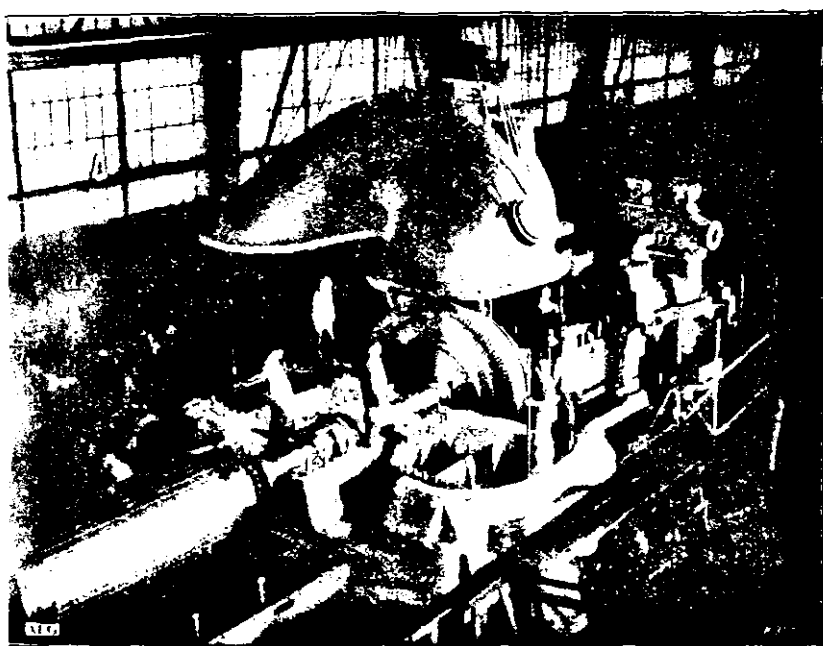
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*Government of India Notification:—No. 341-T(10|36 dated 25th June, 1936.

Cotton fabrics, not otherwise specified, containing more than 90 per cent. of Cotton:—

(i) grey piecegoods (excluding bordered grey chaddars, dhuties, saris and scarves):—

Of British Manufacture	...	20	p.c. <i>ad valorem</i> or 3½ as. per lb. whichever is higher.
------------------------	-----	----	---

Not of British Manufacture	...	50	p.c. <i>ad valorem</i> or 5¼ as. per lb. whichever is higher.
----------------------------	-----	----	---

(ii) Cotton piecegoods and fabrics not otherwise specified:—

Of British manufacture	...	20	p.c. <i>ad valorem</i> .
Not of British manufacture	...	50	p.c. „ „

*In accordance with the recommendations of the Special Tariff Board Report, 1936.

*Government of India Finance Department Notification:—
Dated 27th March, 1937.

(1) "In exercise of the power conferred by section 19 of the Sea Customs Act, 1878 (VIII of 1878), the Governor General in Council is pleased to prohibit the bringing into British India by Sea or by land of goods liable to duty under item No. 49 (1) (b) of the First Schedule to the Indian Tariff Act, 1934 (XXXII of 1934)", and

(2) In exercise of the powers conferred by sub-section (1) of section 4 of the Indian Tariff Act, 1934 (XXXII of 1934), the Governor General in Council is pleased to increase the duty chargeable under the First Schedule to the said Act on the articles specified in the annexed table to the extent set forth therein.

Article, with number of entry in the First Schedule under which chargeable.	Present rate of duty chargeable under the Indian Tariff Act. (up to the 27th March 1937).	Increased rate of duty
1	2	3
49(1) Fabrics, not otherwise specified, containing more than 90 per cent. of artificial silk—		
(b) not of British manufacture.	50 per cent <i>ad valorem</i> or 4 annas per sq. yard, whichever is higher.	50 per cent <i>ad valorem</i> or 5 annas per sq. yard, whichever is higher.
49(2) Fabrics, not otherwise specified, containing not more than 10 per cent. silk but more than 10 per cent. and not more than 90 per cent. artificial silk.		
(a) containing 50 per cent. or more cotton—		
(ii) not of British manufacture.	50 per cent <i>ad valorem</i> or $3\frac{1}{4}$ annas per sq. yard whichever is higher.	50 per cent <i>ad valorem</i> or 4 annas per sq. yard, whichever is higher.
(b) containing no cotton or containing less than 50 per cent. cotton—		
(ii) not of British manufacture.	50 per cent <i>ad valorem</i> or 4 annas per sq. yard, whichever is higher.	50 per cent <i>ad valorem</i> or 5 annas per sq. yard, whichever is higher.

The first notification prohibits the import into India of fents made of artificial silk or artificial silk mixtures, while the second raises the level of duties payable on perfect artificial silk piecegoods and on artificial silk mixture goods imported from foreign countries. The effect of these notifications is that, henceforward, artificial silk square yard fents will pay import duty as artificial silk piecegoods. The

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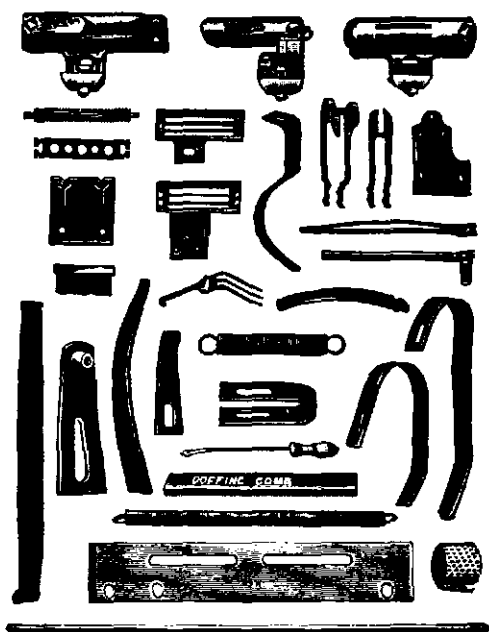
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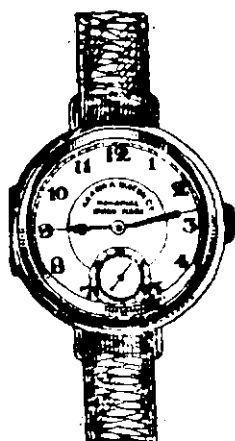
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new rates of duty on foreign artificial silk piecegoods will be As. 5 per square yard on piecegoods containing more than 50 per cent. artificial silk, and As. 4 per square yard on mixtures containing less than 50 per cent. artificial silk as against As. 4 and As. 3¼ per square yard respectively at present.

By notification No. 30—Customs, dated the 1st May, 1937, the Government of India, in the Finance Department, prohibited the bringing into British India of imports of fents liable to duty under item 49 (1) (a) of the first schedule, which were manufactured in Japan and were shipped after 1st April, 1937, unless they are covered by a certificate issued by or on behalf of the Department of Commerce and Industry, Japan, authorising export to India.

For various other tables, refer to the following pages.

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THE Indian Cotton Textile Industry

Early History

It is undoubted that the birth-place of the cotton industry (as also of the sugar industry) ¹ of the world is India, but there is a diversity of opinion as to exactly when the industry began. Indeed, tradition has it that it was even in a flourishing condition when the Rig Veda was written. This is based on certain passages in the Rig Veda which are interpreted as referring to cotton manufactures, but several researchers do not so interpret the passages, and, according to them, cotton manufactures must have commenced in India after the Rig Veda was written. It is not intended here to go deeper into this question. As is well known, the age of the Rig Veda itself is not a very solved problem—various ages being assigned to it from 4000 B.C. as late as 1200 B.C., ² but accepting even the most recent date for it, 1200 B.C., and accepting even the view that the cotton industry in India is later than the Vedas, the authentic account of the industry mentioned in the later Sanskrit records show that the industry did not exist in 800 B.C. The Mahabharata, Ramayana and the Puranas are full of references to the cotton goods. Mr. F. W. Thomas has said that "The earliest mention of cotton appears to be in the Asvalayana Smṛiti Sūtra (say 800 B.C.) where the material is contrasted with silk and hemp, as that of which was made the sacred thread of the Brahmins." ³ The Periplus ⁴ observes that cotton thread and cloth were repeatedly mentioned in the laws of Manu (800 B.C.). Five centuries before the Christian Era, cotton was exported from India, ⁵

1. For the Indian Sugar Industry—*vide* Mr. M. P. Gandhi's "The Indian Sugar Industry"—Its past, present and future, 1934; The Indian Sugar Industry Annual, 1935 and 1936. Also See Mr. M. P. Gandhi's "How to Compete with Foreign Cloth", 1931.

2. Cambridge History of India, Vol. I, page 110 and following pages.

3. The Commercial Products of India—Sir George Watt—page 570.

4. The Periplus of the Erythraean Sea—Schoff's Edition.

5. J. R. A. S., Vol. XVII (1860), page 347—J. A. Mann's article "On the Cotton Trade of India".

for in the reign of Amasia (569—625 B.C.) cotton was known in Egypt, where it is not probable, any was then grown.⁶ During the Buddhistic period the export of Indian cotton fabrics was of world-wide importance.⁷ Herodotus, writing about 450 B.C., stated that cotton was the customary wear of the Indians, and added that "certain wild trees there bear wool instead of fruits, that in beauty and quality excels that of sheep; and the Indians make their clothing from these trees."⁸ This is evidently nothing else than cotton. The subsequent writings of Europeans and Asiatics bear testimony to the same fact. Coming to a later period, we find that at the time of Chandragupta Maurya (321—297 B.C.) the manufacture of cotton had reached a very high skill of excellence. Kautilaya's Arthashastra, written some-time in the Second Century B.C., mentions that the cotton fabrics of the Western parts are excellent.⁹ At the time of Alexander's invasion of India, upwards of 2,200 years ago, the dress of Indians is described as consisting largely of calicoes, pure and white, or adorned with figures. Strabo, writing in the beginning of the Christian Era, mentions on the authority of Nearchus: "Our flowered cottons, and the various beautiful dyes with which the cloths were figured." Even admitting that the Indian trade in cotton began so late as the fifth century B.C. (it must be earlier), we cannot conclude that the Indians did not know the arts of spinning and weaving long before they traded in it with other people. The earliest records of the history of the people fringing upon the shores of the Southern Asiatic Seas, show that the cotton weaving industry was in a fairly advanced stage. Prof. H. H. Wilson even observed that the Hindus were a manufacturing people three thousand years ago, as were most people who felt the need of clothing, etc. But the claim to antiquity of the Indian cotton industry goes deeper still, since the manufactured goods of India were known and used by the most civilized people of antiquity. "The primitive Aryan women of prehistoric times"¹⁰ observes Mr. H. G. Wells, "span and wove and embroidered." In an erudite contribution to the Journal of the Royal Asiatic Society on "The Cotton Industry of India" J. A. Mann has stated, "India is

6. In "The Commercial Products of India" page 572, Sir George Watt quotes Yates (Text, Antiq. 1843, 334-54) in support of the above statement: "Cotton was not grown in Egypt proper during ancient times". According to Yates, cotton was first cultivated in Egypt in 13th or 14th century, and in support of the opinion he mentions the fact that the Arab physician Abdullah, who visited Egypt in 1200 A.D. and published a list of the plants he saw there, makes no mention of cotton.

7. See Dr. Radhakumud Mukerjee's "History of Ancient Shipping".

8. Herodotus, Book III, page 106. Also *vide* "Ancient India" by J. W. M'crindale, 1901.

9. R. Samasastry's Translation of "Kautilya's Arthashastra". Chap. 32.

10. The Outline of History—H. G. Wells, page 85.

according to our knowledge the accredited birth-place of the cotton manufactures....." 11

Recent Discoveries in Sind

An account of the recent archaeological discoveries in Sind furnishes authentic proof of the highly civilised state of India over 5000 years ago and of the flourishing condition of several arts. (*vide* Mohenjo-Daro and the Indus Civilization, Edited by Sir John Marshall 1930). In the preface he states:—

“One thing that stands out clear and unmistakable both at Mohenjo-Daro and Harappa, is that the civilization hitherto revealed at these two places is not an incipient civilization, but one already age-old and stereo-typed on Indian soil, with many millennia of human endeavour behind it.

“Thus India must henceforth be recognised, along with Persia, Mesopotamia and Egypt as one of the most important areas where the civilizing processes of society were initiated and developed.”

We also find it stated on good authority that “5000 years ago, Mohenjo-Daro was a flourishing City” (*vide* page 2, *ibid*).

In the chapter on “Other Antiquities in Art” in the same book, we find the following:—

“That spinning was common in the houses of Mohenjo-Daro is evident from the finding of numerous spindle-whorls in the house; and that it was practised by the well-to-do and poor alike is indicated by the fact that the whorls are made of the more expensive faience as well as of the cheaper pottery and shell. For warmer textiles, wool was used; for lighter ones, cotton. 12

“Of cotton, a few minute scraps found adhering to the side of a silver vase have been subjected to an exhaustive examination by Messrs. A. N. Gulati, M.Sc., and A. J. Turner M.A., B.Sc., of the Indian Central Cotton Committee, Technological Laboratory.”

11. J. R. A. S., Vol. XVII. (1860) page 347.

12. Whether flax was also in use we do not know, but *prima facie*, it is unlikely that both flax and cotton would have been cultivated simultaneously, albeit flax was already well-known in Mesopotamia and Egypt. Herodotus writing above 445 B.C. and describing the cotton plant, implies that it was peculiar to India (iii) 106; Elsewhere. (i) 193 and (ii) 37, 81, he states specifically that the Babylonians wore dresses of linen or wool and the Egyptians the same.

We also find on page 194 of this book, a reference to Cotton cloth. It is stated "Two silver vases, one somewhat larger than the other and closed with the lid of the same material. Both the vases were originally wrapped in cotton cloth. Several vases of silver and copper containing jewellery and other objects were also found."

"These ornaments throw useful light on the fashions in personal decoration in vogue among the early inhabitants of Mohenjo-Daro and on account of their high quality of workmanship, are among the excellent examples of the gold-smith's art as practised in the third millennium B. C.

Referring to cotton textiles, it must be observed here that the scientific value of the discovery at Mohenjo-Daro in Sind is greatly enhanced by the remnants of the cloth in which the vases were wrapped, as they establish the use of cotton textiles at Mohenjo-Daro about 3000 B. C. (*vide* Antiquities Journal, vol. viii, p. 62, and plates 1 and 13).

In regard to weaving and the excellence of its state, we find it reported on p. 468:—

"Spindle whorls are found in such numbers at Mohenjo-Daro that the art of weaving must have been practised extensively; we know for a certainty that cotton was one of the materials used for this purpose."

After the Christian Era

The history of the cotton industry up to the 15th century A.D. is more or less unknown to this day. There is no single treatise dealing with the subject. We are thus left to collect what little information we may, from the scattered accounts of travellers and the scanty classical literature of the period.

The first definite mention of cloth as an article of trade occurs in the valuable record of ancient Indian commerce "The Periplus of the Erythrean sea."¹³ (60 A.D.)

From this record, it appears that the raw cotton as well as the cotton manufactures of India were conveyed by Arabs and Greeks from "Patiala, Ariake, Barygaza¹⁴ and Masalia (the modern

13. The Periplus of the Erythrean Sea. Translated by Wilfred H. Schoff, Secretary of the Commercial Museum, Philadelphia—1912. About the author of the Periplus, it is best to admit, nothing is known. About the date of the Periplus, the nearest single year that suggests itself is 60 A.D.

14. This is the modern Broach (21°-42'N.; 72°-34' E). The Greek name is from the Prakrit Bharukacha, supposed to be a corruption of Bhrigukachha, 'the plain of Bhrigu', who was a local hero.

Masulipatam), up the Red Sea to Aduli; they also carried the superior muslins of Bengal, called by the Greeks, "Gangitiki." The muslins of Dacca, the most delicate of the fabrics of India, an ancient test of which was for the piece to be drawn through a finger ring, were known to the Greeks under the name "Gangitiki," which is suggestive of their origin from the banks of the Ganges.¹⁵ Arrian¹⁶ in about 150 A.D.¹⁷ wrote: "The Indians wore linen (?) garments, the substance whereof they were made growing upon trees; and it is indeed flax, or rather something much whiter and finer than flax. They wear shirts of the same which reach down to the middle of their legs, and veils which cover their head and a great part of their shoulders." The Romans also used Indian cotton clothes. *Ventus Textiles* or *Nebula* were the names under which they knew these clothes. These clothes are mentioned in the list of goods charged with duties in Justinian's (529 A.D.) Digest of the Laws. Thus by the beginning of the Christian Era, we have a fairly vivid glimpse of India as a cotton-growing as well as cotton-manufacturing country. And it may safely be concluded, observes "The Imperial Gazetteer of India"¹⁸ that the arts of cotton spinning and weaving were in a high state of proficiency two thousand years ago.

Pliny, who wrote his "Natural History"¹⁹ in 73 A.D., i.e., at a date later than the *Periplus*, says that there was "No year in which India did not drain the Roman Empire of a hundred million Sesterces," which is equivalent to 15 million rupees. It is thus clear that our exports must have been much larger than imports, and that textile manufactures of all sorts must have formed a bulk of these. Pliny also refers to muslins and Indian calicoes, and describes them as 'of superior excellence.' This shows the advanced stage of the industry at the beginning of the first century A.D.

Unhappily, no writer can be found who effectually bridges over the gap between the period of the "Natural History" and that of the physicians who wrote in the 7th to 10th centuries. There is no information of the state of the cotton industry till the 9th century. Renaudot, a French writer, in his translation of the journal of an Arab (Sulaiman) who visited India in the 9th century A.D., states that in Calicut "Garments are made in so extraordinary a manner that no-

15. The Imperial Gazetteer of India, Vol. III, Chap. IV, page 195, and The "Periplus" Schoff's Edition.

16. Arrian's "History of India" translated by Rooke, 1814, page 213.

17. Dr. Watt assigns this date to "The Indika of Arrian". See *The Commercial Products of India*, page 571.

18. The Imperial Gazetteer of India, Vol. III, page 195.

19. Pliny's "Natural History" XII, 18.

where else are the like to be seen. They are for the most part round and woven to that degree of fineness that they may be drawn through a ring of middling size." ²⁰

Ibn Khurdadba, an Arab geographer of the 10th century A.D. mentions Rahmi (according to Elliot, this is some place near Dacca, as the place producing cotton cloths and aloewood. ²¹ A Chinese traveller, Chao-Ju-Kua, in the beginning of the 13th century has recorded that Ping-Kalo (Bengala) "produced superior double-edged sword-blades, cotton and other cloth." ²²

Marco Polo, the first Christian traveller ²³ (who travelled through a large portion of Asia in 1290 A.D.), refers to the production and manufacture of cotton in Gujarat, Cambay, Telingana, Malabar, Bengal, etc. Speaking of Gujarat, he says: "The cotton trees are of great size growing six paces high and attain an age of twenty years, but, he adds, when of that age the cotton is only used to quilt or stuff beds." Referring to Masulipatam, he says that "they produce the finest and most beautiful cottons to be found in any part of the world." Speaking of Bengal, he says that "the people grew cotton in which they drove a great trade." ²⁴ George Phillips ²⁵ in an instructive article on "Mahuan's Account of the Kingdom of Bengal" shows advance of the industry in the 15th century, from what Mahuan, the Chinese traveller, wrote in his account. "Five or six kinds of fine cotton fabrics were manufactured, one of which called Pi-chih was of very soft texture, 3 feet wide and 56 feet long. Another ginger-yellow fabric called Man-Cheti was also produced, which was 4 feet wide and 50 feet long, etc."

We will see in the next chapter, the state of the industry under the Moguls.

The Trade, Manufacture and Quality of Cotton Fabrics of Ancient Times

It was for many hundreds of years and down to only two hundred years ago that India remained the home of cotton manufactures and supplied cotton and cotton goods to her people at home and her numerous customers abroad. Dr. Watt has observed: "It would

20. Sir George Watt's *Commercial Products of India*, page 572. Renaudot's *Ancient Accounts of India and China* by Muhammadan travellers has been translated in English in 1733.

21. Elliot's *History of India* (edited by Prof. J. Dawson) Vol. I, pp. 13, 14.

22. J. R. A. S. 1806, page 495. An article on Chao-Ju-Kua's ethnography, etc., by F. Hirth, Ph.D.

23. *The Indian Empire* by Sir W. W. Hunter, Chap. XX, page 701.

24. Yule's *Marco Polo*, Vol. II, page 115.

25. J. R. A. S. (1895) "Mahuan's Account of the Kingdom of Bengal" by George Philip, pp. 529-533.

not be far from correct to describe cotton as the central feature of the world's modern commerce. Certainly no more remarkable example of a sudden development exists in the history of economic products than is the case with cotton. The enormous importance of the textile to-day, in the agricultural, commercial, industrial and social life of the world, renders it difficult to believe that, but little more than two hundred years ago, cotton was practically unknown to the civilized nations of the West." 26 Thus, while Europe was in primitive darkness, India was in comparative light—while the Europeans were submerged in barbarism, ignorance and a state of wilderness, and wandered in the clothes of Adam and Eve, it was India that for thousands of years clad not only itself, in its celebrated cotton products, but also supplied the European nations of the time with its surplus produce. 27 Clive Day has observed in his "History of Commerce" as follows:— "The manufacture of cotton goods was neglected in Europe until the eighteenth century and at the beginning of our national existence much of the supply of raw cotton still came from the ancient seat of the cotton industry in Asia." 28 We must also observe here that, in all centuries before the nineteenth, the production of raw material was as much a practical monopoly of India as the manufacture of finished cotton goods.

Spinning and weaving were, of course, both done by hand. Yet even the best of her cloths were made by simple, unlettered people with the aid of only a few crude tools, in their own small cottages. The incredibly simple methods of the Indian weaver stand no comparison to the elaborate mechanical devices of modern times. And yet, said Baines 29 in 1835, that the Indians have, in all ages, maintained an unapproached and almost incredible perfection in their fabrics of cotton—*some of their muslins might be thought the work of fairies, or insects rather than that of men.* Considering the disadvantages of their primitive mode of manufacture, it is really a matter of genuine admiration that our ancestors should have arrived at such an exceedingly high pitch of proficiency in the delicacy of the fabrics manufactured by them. 30 Muslins were among the earliest articles of India's shipping trade and the muslins manufactured by our ancestors particularly at

26. The Commercial Products of India—Sir George Watt, page 570.

27. The Trade of Ancient India—as in fact of all early communities—must have been a trade in luxuries. Ancient India was entirely self-sufficient and exported articles of which she had a surplus. See Prof. K. T. Shah's "Trade, Tariffs, and Transport in India", p.p. 1—27.

28. A History of Commerce by Clive Day, Ph.D., page 519.

29. Baines : The History of Cotton Manufactures, page 56.

30. Vide Baines, who observes "In spite of the raw material not being brought to its highest state of cultivation, despite crude machinery, and little

Dacca, and which were known under such names as "Textile Breezes," "Running Water," and "Evening Dew," are still unsurpassed in fineness by either hand or machine-woven fabrics.

Extent, Nature and Status of the Industry

That the industry was widespread can be seen from the fact that almost every household prepared cloth, at least sufficient for the needs of the family. The industry was exclusively a cottage industry, and the members of the family all helped in the preparation of cloth. Craftsmanship did not hold an inferior status, and was supposed to be under the special protection of the kings.³¹ While hand-loom industry must have been a full time occupation, the spinning industry must have afforded an excellent by-employment in ancient times, to a large number of men and women. It is, however, rather difficult to bring oneself to believe that this industry, which reached such a high pitch of excellence, could really be the occupation of leisure moments only. The best artisans must have been whole-time workers, who spent their whole life on this one industry and earned their living from it. To use the modern phraseology of economics, there was no exploitation of labour by capital since "setting up for oneself" was but the normal occurrence for the artisan of those days.

division of labour, the products were fabrics of exquisite delicacy, unrivalled by any other nation, even those best skilled in the mechanic arts, and he ascribes their excellence to the "remarkable fine sense of touch and the patience and gentleness of the Hindus".

31. History of Aryan Rule, E. B. Havell, pp. 76, 81.



The Industry under the Moguls

It is evident from the last chapter that India provided clothing not only for her own population (which was large) but also exported a large quantity outside. The Indian cotton cloths show that the art was at such a pitch of perfection (this is evidenced by numerous travellers, European, Asiatic and others, who speak of the Indian textiles in the highest terms) that we may say with Baker, "It presupposes long centuries of apprenticeship and practice."¹

The Industry under the Moguls up to the Advent of the E. I. Company

The information about the state of cotton industry, like that of almost all the other industries, during the Muhammadan period is very meagre. Any consistent, connected account of the industry, gathered together in one place is only conspicuous by its absence. (The Muhammadan period up to the advent of the Moguls was a period of constant wars, sieges, and plunders which devastated the whole region.) The artisans could not have led an undisturbed life because the country never enjoyed uninterrupted peace for any length of time. Under such unsettled conditions of life and the constant disturbance which would make continuity of profession improbable, if not impossible, we cannot believe that the industry could have flourished, at least it could not have received any impetus and advanced further. The Hon'ble Pandit Madan Mohan Malaviya observes:—

"The waves of conquest which commenced from the eleventh century, no doubt, greatly hampered Indian industrialists and industries for some time. But the establishment of the Moghul Empire and the safety and security of the reign of Akbar seem to have fully revived Indian industries and handicrafts."²

1. See Baker, "Calico Printing in India"; (Introduction).

2. Report of the Indian Industrial Commission, Note by the Hon. Pandit Madan Mohan Malaviya, Page 296.

He then quotes Bernier's glowing description of the capital in the reign of Shah Jahan, "The incredible quantity of manufactured goods embroideries, tufts of gold turbans, etc.," and Tavernier's description of the manufactured goods and the marvellous peacock-throne, in testimony of the revival of Indian industries. Akbar himself was patron of these industries, to which we will refer later. For knowing the state of industry in the Mogul period, we have Mr. Moreland's two excellent monographs on "India at the death of Akbar" and "from Akbar to Aurangzeb." Mr. Moreland has drawn upon all the available sources of information—*e.g.*, Ain-I-Akbari, the numerous Persian chronicles, and description of foreign visitors like Monserrate Sir Thomas Roe, Edward Terry, Peter Munday, Manucci, Bernier Tavernier and others—with the exception of vernacular literature. A word as to Mr. Moreland's plan will not be out of place. Mr. Moreland evinces a keen desire, all through his books, to take as unfavourable a view of Mogul India and as favourable a view of the present time, as possible. Due to his keen desire of making out a case against Mogul India and proving the superiority of the British Rule, Mr. Moreland has drawn several incorrect conclusions and therefore, we ought to accept his conclusions with reserve. But making allowance for this partisan attitude, which appreciably depreciates the value of such a monumental piece of research work, Mr. Moreland's account is admirable, and worth our attention.

Discussing the cotton manufactures, Mr. Moreland observes that the masses of Bengal at this period (1600 A.D.) wore either jute or cotton, and the province was densely populated, that its clothing must represent a substantial proportion of the entire textile consumption of the country. "Even if we conclude," says Moreland,³ "that Bengal wore sackcloth, the fact remains that cotton-weaving was by far the most extensive industry in India, and I think it is fair to say that the aggregate production was one of the great facts of the industrial world of the year 1600." Pyrdard stated that "every one from the Cape of Good Hope to China, man and woman, is clothed from head to foot in the products of Indian looms."⁴ Mr. Moreland tries to discount this remark by pointing out that the people who regarded clothing as a pure necessity of life were extremely few and that their clothing was very scanty, being usually limited to a loincloth, but even he has to concede: "We may then restate Pyrdard's picturesque and exaggerated account by saying that Indian looms had a practical monopoly of the home market for clothes, and in addition had three principal export markets, Arabia and beyond, Burma, and the Eastern islands, beside-

3. Moreland's "India at the death of Akbar", page 179.

4. Moreland's "India at the death of Akbar", page 170.

minor outlets in various other parts of Asia and on the East Coast of Africa." It is correct to say that almost every one wore cloth produced in the country.

Other Cotton Manufactures

In addition to cloth, certain miscellaneous goods were also manufactured from cotton. These were cotton carpets (this industry was fostered by Akbar particularly at Agra and Lahore), ropes, shawls or bed-tapes, and Mr. Moreland agrees to say that the aggregate outturn was doubtless substantial, but regrets there are no means of estimating the amount. "The details go to show," observes Mr. Moreland, "that the cotton industry was at this period much the most important handicraft in India."

The Centres and Extent of Cotton Industry

"On the Coast of Coromandel and in the province of Bengal, it is difficult to find a village in which every man, woman and child is not employed in making a piece of cloth. At present much of the greatest part of the provinces are employed in the single manufacture. The progress of the linen (cotton) manufacture includes no less than a description of the lives of half the inhabitants of Hindustan."⁵ Mr. Baines remarked in 1835 on the strength of this and other testimony, that the cotton manufacture in India was not carried on in a few large towns or districts; it was universal. The growth of cotton was nearly as general as the growth of foodstuff. The production carried on to meet the great demand of cloth at home and abroad was diffused throughout the country. There were centres which had specialized in the production of some classes of goods.⁶ The facilities of transport led to the concentration of industries in particular areas either on the coast or along the inland waterways. Wherever a European penetrated inland, he found cloth being produced along his route, and it is reasonable to conclude that all towns and most large villages produced the bulk of the cloth worn in the locality. The following supplied the foreign market:—Bengal, The Coromandel Coast, Cambay which drew goods from Ahmedabad, Pattan, Baroda, Broach, Surat, etc.; and the Indus plain which was supplied from Lahore, Multan, Sukkur, and other towns which were inhabited by a large community of weavers. For purposes of export, Ahmedabad, Surat, Masulipatam, Hijli in Bengal, Sripur near Dacca, being near the sea, were well situated, and Patna was advantageously situated because of her position on the greatest river high-way of India.

5. Orme in "Historical Fragments of the Mogul Empire", page 413 quoted by Baines, page 65.

6. Moreland's "India at the death of Akbar", page 182.

Bengal was famous for her muslins. We have already referred to the Periplus which speaks of the "Gangetic," the finest of the sort. "The manufactures of Dacca," on the authority of Vertomannus, "were exported to Turkey, Syria, Arabia, Ethiopia and Persia." Varthema⁸ also mentions that "Mecca imported a very large quantity of cotton and silken stuffs from Bengal." The Bengal cotton industry had always a place of pride in the manufacture of cotton, as is evidenced by the writings of several travellers. Master Caesa Frederick, a merchant of Venice, visited the East-Indies about the year 1563, Master Thomas Hickocke translated the narrative from the original Italian. Here is his account⁹ of the kingdom of Orissa and the river Ganges: ".....Orissa was a faire kingdom and trustie..... Every yeare in the port of Orissa were laden five and twentie or thirtie ships great and small, with ryce and diverse sort of fine white bumbaste cloth."

Causes of the Excellence of the Manufactures

The world-famous Dacca muslins were produced not only in Dacca but in Quasimbazaar, and other places in its vicinity, like Sonargaon which produced the best and finest cotton cloth. The climate of Dacca and its environs is specially suited to the manufacture of cotton because of its humidity, its comparatively low temperature, medium rainfall, etc.¹⁰ Again, we must also note that inherited skill has as much to do as environment for the success of the cotton industry. There is no doubt that the system of indissoluble hereditary bondage of a family to a single means of livelihood had much to do with the perfection of the method employed.¹¹

James Mill explains the unequalled skill of the Indian weaver thus:—

"It is a sedentary occupation, and thus in harmony with his predominant inclinations. It requires patience, of which he has an inexhaustible fund. It requires little bodily exertion of which he is always exceedingly sparing, and the finer the production, the more slender the force which he is called upon to apply. But this is not all. The weak and delicate frame of the Hindu is accompanied

7. Vertomannus (1503) as quoted in Taylor's Topography and Statistics of Dacca, page 188.

8. The Travels of Ludovico di Varthema, page 151.

9. Bengal in the Sixteenth Century. J. N. Das Gupta, page 702.

10. Taylor's Cotton Manufacture, pp. 2 and 3.

11. Decennial Moral and Material Progress Report, 1882—91 page 310.

with an acuteness of external sense, particularly of touch, which is altogether unrivalled, and the flexibility of his fingers is equally remarkable. The hand of the Hindu, therefore, constitutes an organ adapted to the finest operations of the loom, in a degree which is almost or altogether peculiar to himself.¹²

Baines holds a similar opinion:—

“It is then a physical organization in the natives, admirably suited to the processes of spinning and weaving; to the possession of the raw material in the greatest abundance: to the possession also of the most brilliant dyes for staining and printing the cloth; to a climate which renders the colours lively and durable; and to the hereditary practice by particular castes, classes and families, both of the manual operations and chemical processes required in the manufacture; it is to these causes, with very little aid from science and in almost barbarous state of the mechanical arts, that India owes her long supremacy in the manufacture of cotton.”¹³

Some thought that the superiority of the Indian manufactures was due to the very simplicity and crudeness of the process.

The Coromandel Coast was most famous for chintz or printed calico, which it exported to Pegu, Malacca and other countries. The Coromandel Coast in general, and Masulipatam in particular, were the most famous centres of manufacture of chintz. Marco Polo, the first Christian traveller, speaking in the 13th century, observed that Masulipatam produced the finest and most beautiful cottons to be found in any part of the world.¹⁴ Masulipatam supplied the cloth to the Imperial Household.” Bernier mentions that the Masulipatam chintz used to line the walls of the Imperial Durbar Hall, and as the spectators were gazing at a parterre in a garden. The chintzes from these parts, by their delectable designs and ravishing beauty, enchanted fashionable customers in every country. The Coromandel Coast had other centres of cotton manufacture also, *e.g.*, Vizagapatam, Arcot, Madras, Nellore, Tinnevely, Tuticorin, which made both ordinary and beautiful cloth. The Madras handkerchiefs were much liked by the English people in England.

12. Mill's History of India, Vol. II, page 8.

13. Baines' "History of Cotton Manufactures of Great Britain", page 75.

14. Marco Polo's Travels, Book III, Chapter 21.

The other cotton-manufacturing localities had no material like muslin or chintz to offer: but they exported in great quantities cloths of the plain type. Very fine cotton fabrics both white and coloured (the cotton cloths to be dyed red, blue or black were taken uncoloured to Agra and Ahmedabad¹⁵), were exported from Khandesh, *via* Surat and Ahmedabad.¹⁶ Ahmedabad and Benares were the notable centres for the manufacture of cotton cloth worked in gold and silver, and they exported this to all parts of India and the world outside.¹⁷ Cambay made cheap cloth which it supplied to Arabia, Pegu and Malacca.

Varthema says that Gujarat supplied "All Persia, Tartary, Turkey, Syria, Barbary, Arabia, Ethiopia" and some other places, "with silk and cotton stuffs."¹⁸ Mr. Moreland remarks that Mr. Varthema's book bears signs of loose writing, but he agrees to say that it is fairly certain that substantial quantities of cotton goods went out of India to many of the countries named by him.

Tavernier observes:—

"White cotton cloths came to Renonsari (near Surat) and Broach, where they have the means of bleaching them in large fields, on account of the quantity of lemons growing in the neighbourhood. The cloths are 21 cubits long when crude, but only 20 cubits long when bleached. There are both narrow and broad kinds. The broad are $1\frac{1}{2}$ cubits wide and the piece is 20 cubits long."¹⁹

Baroche is said to have exported largely the calicoes, muslins and other goods both plain and figured with flowers, made in the provinces of which it was the part, and in the interior of the more remote provinces of India. Surat was famous for its coloured chintzes and piece-goods, but the Baroche muslins were inferior to those of Bengal and Madras, as were the printed chintzes of Gujarat to those of the Coromandel Coast.²⁰

The verdict of Tavernier, that competent judge of artistic things, is worth quoting. He says, "Some cloths are so fine that you can scarcely feel them in your hand, and that they were woven from the

15. The Periplus, page 179.

16. Storia II. 429—quoted by Prof. Jadu Nath Sarkar.

17. Storia II, 83 and 425—quoted by Prof. Jadu Nath Sarkar.

18. Moreland's "India at the Death of Akbar", page 172.

19. Tavernier's Account, quoted in the Periplus, page 179.

20. J. A. Mann's Article in J. R. A. S., Vol. XVII. page 348 (1860).

thread of such extraordinary delicacy that a single pound of cotton was spun from it into a length of 250 miles." ²¹ Though the manner in which this wonderful delicacy of texture was wrought is surprising it is not astonishing that the natives of India should have excelled in the manufacture. In such a climate, the delicacy and fineness of the garment must necessarily have been of first consideration, and when we regard how greedily fabrics eminently combining these qualities must have been sought after by the wealthy nobles of India, not fallen India of modern times, but the India of poetry and romance, of splendour and glory, every stimulus to excellence in this direction must have been afforded by the luxurious mode of living, and their vanity. Utility and economy were the characteristics of the energetic and thrifty European, but to the Asiatic no expenditure of labour or material was too great that could add in the slightest to his wishes in this respect. Tavernier also states that "When a man puts it (the cloth) on, his skin appears as plainly as if he was quite naked." Of the latter quality, some amusing stories are also told:—

- (1) "The Emperor Aurangzeb (so runs one of the stories) was once angry with his daughter for showing her skin through her clothes; whereupon the young princess remonstrated in her justification that she had seven Jamahs (suits) on." ²²
- (2) In Nawab Alliverdy Khan's time a weaver was chastised and turned out of the city of Dacca for his neglect in not preventing his cow from eating up a piece of Abrooan, which he had spread and carelessly left on the grass. The very poetic name Shubnam—"Evening dew" (as the particular type of muslin was called)—suggests that the fabric could be scarcely distinguished from the dew on the grass, when spread over a bleaching field. ²³

With such rude implements as they possessed, the Hindu women almost rivalled the fabled skill of Archnes' spinning.

An incredible amount of patience and skill were required in this industry. One way of testing the fineness of the fabric, often described by Mediaeval and earlier travellers, was to pass a whole

²¹. Tavernier's Vol. I, page 811 and following.

²². Quoted from *Modern Review*, January 1924. Article, by P. T. Thomas, also quoted by P. K. Dutta.

²³. From a paper read before the Manchester Municipal School of Technological and Textile Society.

piece (of cloth) twenty yards long and one yard wide through an ordinary finger ring. The best test, however, was by the weight in proportion to size and number of threads. In the halcyon days of the Dacca industry, a piece of muslin 15 yards long by 1 yard wide could be made so fine as to weigh only 900 grains, or a little over 1-10 of a pound. In 1840, a piece of the same dimensions could not be made finer than 1,600 grains and was valued about a hundred and fifty rupees. A piece of this muslin 10 yards long and 1 yard wide could not be woven in less than five months, and the work could only be carried out in the rainy season when the moisture in the air would prevent the thread from breaking.

Tavernier in admiration of the fine cloth manufactured in India (and which rightly deserved these seemingly extravagant phrases like "Textile breezes," "Evening dew," etc., already referred to,) tells us of a Persian ambassador who took for his sovereign, on returning home, "a cocoanut of the size of an ostrich's egg, enriched with precious stones, and when it was opened, a turban was drawn from it 60 cubits (30 yards) in length, and of a muslin so fine that you would scarcely know that you had it in your hand."

These pieces of cloth which are spoken of in eloquent terms by the foreign travellers and which won the admiration of the customers, are, unhappily for us, relics of a by-gone age.

In the world of to-day where monetary cheapness is the primary consideration, articles of the above description can only adorn quiet corners in museums. Expert opinion is still at one, however, that the Indian muslins and chintzes still remain unsurpassed in their beauty, in spite of the advent of the modern machine in contrast to the distaff and spindle on which this beautiful cloth was prepared. In delicacy of texture, in purity and fastness of colour, in grace of design, Indian cottons may still hold their own against the machine-made products of the world.



Industrial Organization

It will be useful and instructive to direct our attention to the conditions of economic organization of the cotton industry in its early days. At the outset, we may observe that the caste system, though it was a predominant factor in both the social and economic life of the country, was not the sole economic factor in industry. There were separate castes for carrying on different professions. The country, before the advent of the British, was a self-contained, self-supporting economic unit, and weaving was confined to the castes set apart for it. When the villages were self-supporting, the wants of the people were limited in number, and there was not much inland transport and no export trade. The bad state of the transport in the Mogul period, combined with the uncertainty of the goods reaching their destination did not permit the export, or inland transport over long distances of articles of low price and heavy bulk. Thus only rare objects of small bulk and great value which could bear a stiff rate of transport charges and yet leave a wide margin of profit, could be carried to remote places¹ or exported. But as articles produced by these weavers began to acquire a reputation, the demand for cloth increased and thus many castes took to spinning and weaving and made it their profession. These castes, though they maintained their separate entity, became members of a guild, which came to regulate the industry. Monopolies of professions were done away with and other classes began to take to weaving freely, and they made up the guilds of the town. The two types of economic institutions most generally met with are the *domestic industry* and the *institution of guilds* which originated in the country during the early ages. In the former, the workers are confined to small groups. Each group pro-

1. On the average, the cost of carrying 100 lbs. to a distance of 100 miles in Northern and Western India ranged between half and three-quarters of a rupee, exclusive of anything required for payment of armed guards and inland customs duties. See Moreland's "From Akbar to Aurangzeb", pages 150-152.

duces and consumes for itself. Consequently, there is little exchange of commodity and no proper market.

Moreover, there is little division of labour in this system, but the craftsmen and their dependents working for themselves cause a fusion of labour which may be regarded as the truest form of co-operative production—not the self-seeking form that such production has assumed in modern communities to-day. The emergence of the guild system marks an epoch in the economic history of the country. Ahmedabad, Benares, Dacca, Surat and other towns owe their rise as polytechnic centres to these guilds. Each trade had its guild representing many castes, but the business of the guild was carried on by the two chiefs—called *Sheths* and a *Gumastah* or clerk.² In some prominent places there was a *Nagar-Seth* who looked after the general administration of the trade.

In the Guild System, all the workers of an art or craft, are associated by a guild in which they are pledged to support and protect each other. Here they turn out goods as required by themselves and their neighbours or what they can readily sell in the local market. Membership of the guild was hereditary, and new-comers were admitted on payment of an entrance fee. The guilds were particular to see that no unqualified person entered the guild. The hours of labour and the work to be performed by the members, etc., were regulated by these guilds, like the trade unions in the Western countries. Unlike the trade unions which spend their funds mainly for supporting their members, when thrown out of employment, the funds of these guilds, obtained from fines levied for infringement of their rules and from entrance fees, were utilised for charitable purposes. The efficiency of the organization will be apparent from the laws relating to apprenticeship. There was a system of indenture under which the apprentice and the master were bound to each other, for a fixed period. The master was competent to make him (the apprentice) do the work strictly related to the craft but could not exploit his labour. Likewise, the apprentice was also obliged not to leave the master before serving his full term, even if he attained proficiency before expiry of the stipulated period. The master was to treat him like a son, and the pupil is recommended to be humble.³ We can see that a sacred and spiritual relation normally obtained between the master craftsman and his apprentices—relations which were the direct outcome of the peculiar educational system and their environments. To these whole

2. R. K. Mookerji's "Local Government in Ancient India", and "Bombay Gazetteer", Vol. IV.

3. Radha Kumud Mookerji's "Local Government in Ancient India", pp. 57, 95

Some relations and the peculiar educational system is to be traced the signal success admitted by all, friends and foes, to have been achieved by the handicraftsmen of Ancient and Mediaeval India, which enabled her to command the markets of the East and West, for over 2,000 years, and secured to her a universally recognised pre-eminence in manufacture and exports.

The essence of the whole scheme, however, is that the young craftsman is brought up and educated in the actual workshop of his master, where is life itself, besides plant and tools, because the workshop is part of a home which relieves its dull monotony and the pupil is placed in touch with life, its culture, its difficulties, etc., necessary to art as technique itself.⁴

A word as to the internal conditions. It is not infrequently supposed, that there was little or no division of labour in India. It is true that in the earlier stages of economic life, like the family or the domestic system, there was not so much scope for division of labour. But with the widening of the markets, conditions changed. The different processes of cloth-making became very much specialized, and this led to a progressive division of labour in centres like Masulipattam, Dacca, Ahmedabad and Benares. Mr. Moreland⁵ refers to an observation recorded by Thevenot as showing that towards the middle of the seventeenth century, specialization in industrial processes also had begun to make its appearance in some localities. Taylor gives a description of the complex process involved in the Dacca industry. With the multiplication of processes, labour had to be intensely specialised, for which there was a vast demand. There was almost a territorial division of labour: witness the special Bengal muslins, Coromandel chintz, Ahmedabad gold and silver embroidered cloth. This intensive form of division of labour and a localization of industries, combined with the hereditary choice of a profession forced due to the caste-system, brought about the "specialized skill, the secret of Hindu pre-eminence in arts," as Orme observed long ago.

Relation of Capital and Labour

The next question is the relation of Capital and Labour. Production in the earlier stages was on a small scale: it took place either at the customer's house or in a small workshop or shed near his own dwelling, and there was no intermediary between producer and customer. The producer worked on the customer's material, or if he bought his own material, he had not only labour but com-

4. Dr. A. K. Coomarswamy's "Indian Craftsman".

5. Moreland's "India at the Death of Akbar", page 158.

modity to sell, and he dealt with a small neighbouring circle of patrons. The producer thus was in direct touch with his small market. Probably he had an apprentice or two whom he paid wages. So the problem and complexities of capital and labour never arose. This system was in vogue even in centres like Dacca, where small weavers having three or four looms, employed a couple of apprentices and journey-men, i.e., men paid by the day and not like the apprentice, bound for a long period of indenture.⁶ But as the market for these goods widened, this simple system crumbled to the dust. The craftsman who so far combined in himself the functions of a buyer of raw materials, an employer of labour, a seller of goods and a skilled workman who prepared the finer sides of the job in collaboration with his apprentices and journey-men, found it impossible to cope with the new situation and widening of the markets. Greater specialization became necessary and greater capital was indispensable to meet the new demand. Thus in the competition the hitherto independent craftsman succumbed, lost his independence and there sprang up various kinds of commercial middlemen or merchant-princes, who supplied the capital and acted as intermediaries between the actual makers in the workshops and the final purchasers in the country and abroad. The craftsman was thus reduced to the position of a wage earner, but was still working in his home. This system, called the Domestic Industry System organised for the supply of distant markets, is an intermediate or a transition stage between the guild system with its independent handicraftsman and the factory with its mass of congregated work-people.⁷

The Mahajan was like a commission agent and an export merchant, but not like the English 'clothiers' who are a class of entrepreneurs who control the whole process of production. The Indian Mahajan was not an entrepreneur in the sense that an English clothier was. He was a capitalist, and, in some sense, he was an employer. In spite of several defects, the Mahajan was the person who financed industry and trade. But as yet there was not ushered that stage, I mean, the factory stage, in which the workmen were huddled together in factories where the owners and controllers of capital not only find the market, but organise and regulate the actual processes of manufacture. Commerce, on a large scale, beyond the

6. "The Economic Organisation of England" by W. J. Ashley, page 38.

7. "The Economic Organisation of England" by W. J. Ashley, p. 93. Also see Unwin, in Daniel's "Cotton Industry", page XX, where he says, that this system of Domestic Manufacture under the control of capitalist clothiers "represents a phase of industrial development historically intermediate between the handicraft system of the Mediaeval City and the factory system of the 19th century".

units of the country, was carried on by what may be styled merchant-princes, who had the title Maha-Vadda-Byavahari.⁸

The principal institutions referred to above were not the only ones then existent. We occasionally come across the Workshop organisation. Here the head of the guild, or a Mahajan as he is termed, has assumed the role of an industrial organiser, who collects the craftsmen from their scattered homes and locates them in a workshop where he furnishes the raw materials, the work implements, etc. The division of labour was thus attained, time and trouble economized, and the cost of production reduced. The division of labour consisted in the artisans specializing in particular kinds of work.

Patronage to the Industry

The State also had palace-workshops or *Karkhanas*. Bernier described in 1666 what he saw in the palace at Delhi in the following terms:—

“Large halls are seen in many places called *Karkhanas* or workshop for the artisans. In one hall embroiderers are employed, superintended by a master; in another you see goldsmiths, in a third, painters.....in a fifth, tailors, etc., in a sixth, manufacturers of silk brocades and fine muslins.”⁹

The nobles had to present the rarest products, both natural and manufactured from their provinces, to the Emperor. It was in fact considered a breach of etiquette to go to the Emperor empty-handed, i.e., without *Nazrana*. The nobles, therefore, employed the best artisans to manufacture articles worth presenting. Thus, though they maintained no *Karkhanas* in imitation of the Emperor, they caused articles to be manufactured by advancing money and material to the craftsmen. Mr. Moreland believed that it was possible that private workshops may have been in existence in case of some handicrafts, though the authorities say nothing about them. Thus the nobles encouraged the arts and crafts in their own provinces. The foreign traders, however, were the chief cause of the expansion of our products. They also followed the universal mediaeval system of giving *Dadan* or advances like the indigenous Mahajans. In one sense every weaver worked for himself, in another he was in the power of the capitalist who advanced the funds required to buy materials and support him while at work. The system of advances by merchants is too well

8. Dr. Radha Kumud Mookerji's "Local Government in Ancient India", p. 52

9. The *Modern Review* for February, 1924, from an article by P. T. Thomas,

known to require further illustration. The historiographer of Akbar's days observes that "for the weavers it is probable that advent of the Dutch and English buyers were beneficial."¹⁰ They maintained unbroken the thread of economic unity, by giving employment to artisans. They also gave advances to the weavers, and to do this business employed middlemen who knew the language of the weavers. These middlemen called *Dalals* frequently robbed the company and exploited the artisans. The company employed the *Gumastahs* for helping them in the work of giving advances to handicraftsmen against the promised supply of goods. Owing to the poverty of the artisan such advances had become the order of the day. Thus the company also kept up the Mogul System of exploitation of labour. The weavers were always complaining that the agents abused their authority and forced them to accept non-remunerative wages. Prof. Hamilton says that:—

"There was in this system room for the company and its agents to force the weavers to accept advances and then compel them to surrender their cloths at unduly low prices, while there was equally the real danger that in the absence of strict supervision the company should suffer losses by making advances for which it got nothing in return and having to accept goods of inferior quality."¹¹

James Mill vividly describes the oppressive methods used by the *Gumastahs* towards the poor artisans whose goods were undervalued and prices fixed at 30 or 40 per cent. below the ruling market rates.

The weavers in India have always been poor, and this fact is sadly true even in the palmy days of the cotton manufacture. The weavers then, as now, hardly possessed any capital and had therefore no other course but to accept advances of money to enable them to obtain their raw material and subsist until the completion of their work.

Bernier observes:—

"The grandees pay for a work of art considerably under its value. Nothing but sheer necessity or blows from a cudgel keeps him employed; he never can become rich and he feels it no trifling matter if he has the means of satisfying the cravings of hunger and of covering his body with the coarsest garment."

Thevenot was told about the same period of the state of arts in Delhi that the artisan in the middle of the seventeenth century was working mainly for the benefit of merchants and middlemen.

10. Moreland's "From Akbar to Aurangzeb", pp. 192-193.

11. "Trade Relations between England and India", pp. 73, 75.

Condition of Manufacturers


As far as the family or household system of manufacture was concerned, the Indian weaver, whether working on his own account or the moneylender's, certainly utilised the labour of the members of the family, just like the other artisans, *viz.*, the oil-presser, in whose case his wife managed the bullocks, like the tailor, in whose case his wife also sewed when there was hard work in the family. The boys sometimes arranged the thread by means of wooden handles and thus helped the father in weaving. Unless extremely necessary, outside labour was not employed. The wages paid varied according to the nature of the work. Those who prepared thread for the loom were paid $1\frac{1}{2}$ to 2 annas per day and weavers of flowered muslins were paid 4 annas a day. They were fed by the employer at mid-day. When we consider the low state of the wages we must also remember that the purchasing power of money was then much greater than to-day; provisions, etc., were cheap and there were not many articles of luxury to indulge in.

We have seen above that the usual type of industrial organisation during the Mogul Period was that of a large number of individual units working independently, producing articles for their own production and for a small neighbouring circle of patrons. On the widening of the markets, he was unable to cope with the situation. As a consequence, commercial middlemen sprang up who advanced money and acted as intermediaries between the actual makers in the workshop and final purchasers here and abroad. The *Karkhana* system of production obtained, as we have seen, under the protection of the court of the powerful nobles. This system was an interesting anticipation of a later stage of production, because under it the artisan worked on the materials supplied and had only the producer's interest of wages in the work.

We will now review the East India Company's foreign trade policy with relation to Indian manufactures in general and its effect on the cotton industry in particular.

**Estimated *per capita* Consumption
of
Cotton Piecegoods in India***
(1935-36)

Net Indian Mills' Production	....	3,500	million yds.
Estimated Indian Handloom Production	....	1,660	.. ..
Net imports of Cotton Piece- goods in India	....	970	.. ..
Net quantity of Cotton Piece- goods available for consump- tion in India	....	6,130	.. ..
Estimated <i>per capita</i> consump- tion of Cotton Piecegoods in India	....	16.57	yds.



E. I. Company & the Cotton Industry (up to 1757)

The merchants of Europe were lured by the trade and prosperity of India. The establishment of English factories in India is due to the discovery of the English merchants that the products of India, especially calicoes, silk and saltpetre, were very profitable articles of merchandise and to their strong desire to carry them to Europe.¹ The essentially commercial character of the English originally brought the English in touch with our indigenous industries. As the historian Murray puts it:—

“Its fabrics, the most beautiful that human art had anywhere produced, were sought by merchants at the expense of the greatest toils and dangers.”

The Company's voyages, which began in 1601 A.D., were fruitful, and the average rate of profit on the fifth voyage seems to have been 100 per cent.²

The English merchants stepped into the breach caused by the decay of the Mogul power, and helped to maintain the continuity of industrial life by giving employment to artisans. They were also instrumental in bringing about a close correlation between the different parts of the country by maintaining subordinate factories, each of which had its local branches supervising production in the area round it.

The English established factories (these were not manufactories) in quick succession, and an Imperial Farman (Firman) was obtained for factories in the Moghul dominion. The chief factories established by the Company were at the following places:—Cutch,

1. The Majority Report of the Industrial Commission makes a grievous mistake when it says (Report para 2) that the role of the E. I. Company was to exchange as far as possible the manufactured goods of England for the products of India. This is a perversion of fact against which Pandit Malaviya has objected in his Note, (See page 297).

2. “East India Trade in the Seventeenth Century” by Dr. Khan, page 3.

Cambay, Ahmedabad, Broach, Surat, Calicut, Cochin, Masulipattan, Hughly, Agra, Dacca and at many other places. The meaning of the word Factory calls for an explanation. In India, a factory was simply that which would be considered a house of agency for the sale and purchase of goods on commission.³ Among the chief articles of export from India were calicoes, indigo, cotton, saltpetre, spices, raw silk, etc. The amount of calicoes exported in 1620 seems to have been 50,000 pieces rated at 7s. a piece and sold at 20s. a piece.⁴ We exported highly diversified goods and as the nomenclature employed in the trade was extraordinarily large, it would be superfluous to enumerate them here. It would be enough to classify the goods as calicoes, muslins, and fancy goods. The distinction between calicoes and muslins is one of degrees only, the muslins being thinner in texture and lighter in weight than the calicoes.

The invoices of longcloth work out to somewhere about 2 rupees for the standard length, so that the English annual demand of over 100,000 pieces represents payments to our weavers of somewhere about 2 lakhs of rupees. If we add to this the value of the Dutch export (in 1639 it was 60,000 pieces), the value of the trade comes to 3 lakhs. The weavers' profits must needs have been substantial. The weaving industry within reach of the sea-board was organized, or it may be correct to say, had developed, observes Mr. Moreland,⁵ to serve the specific purpose of providing cloth for particular Asiatic markets, and buyers of Europe had to adapt themselves to the existing practice of giving advances, to which we have referred previously.

At the beginning of the 17th century, raw cotton was in some demand in England and the neighbouring countries, partly for use in preparing candle-wicks and partly for manufacture of some cloth known as fustians. A regular trade in yarn developed. By 1622, factories were buying suitable weft for fustians. Gujrat exported nearly 500 bales in 1628. In 1630, when the purchases in Gujrat were at their maximum, local weavers feared that their industry would suffer through the export of the raw material and a regular boycott was organised in Broach, the English being called upon to choose between buying cloth and yarn. There was a depression in the demand for 30 years. It was in 1658 that the demand returned to its former limit of 500 bales. Valuing a bale of 160 lbs. at 50 rupees (as Mr. Moreland conjectures), this export may be valued about 25,000 rupees.

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3. See Milburn's "Oriental Commerce", X to XV, Introduction.
 4. Saintsbury's "Court Minutes", Vol. VI to X, Part I.
 5. See Moreland's "From Akbar to Aurangzeb".

After 1675, the progress of the E. I. Company was unusually rapid. The policy was also encouraging. In a Dispatch dated March, 1668, the Directors, speaking of Bombay, say:—

“Encourage the Natives and invite them to come thither. We would also have you to put the Natives upon making of such calicoes as they are capable of, although they shall be coarse at first, that in time they may attain to the making of them better, and lest they want cotton for that purpose we would have you to procure the bringing of it, out of the country, or the conveying of it to them by sea.”⁶

For encouraging the manufacture of sail-cloth and increasing the tonnage, the Directors sent two hemp-dressers, one or two spinners and weavers “that may put them into a way of making such hempen sail-cloth as this kingdom is supplied with from France.”⁷ Not content sending patterns only, the Directors sent workmen from England. As early as 1668, the Directors had sent “Soldiers and their wives; also an Artificer as per list.” What was of signal importance was the fact that some English weavers were dispatched to teach the Indians the mysteries of their craft,—a step bitterly resented by the weavers in India and out of season and a capital case was made out of it against the continuance to the E. I. Company of the monopoly of trade.—The Company was in fact regarded as the betrayer of the Nation and a cause of “untold ruin.” In 1677 the Directors wrote to say:—

“We approve of the encouragement you have given to our dyers and weavers, and note your desire for sending out a throwster and a throwsting mill.”

Dyers and throwsters were sent to Bengal. This deliberate fostering of Indian manufactures culminated in the inevitable result of arousing widespread opposition among the weavers, the manufacturers and the gentry in England. Our calicoes and silk competed with the English goods there, and the demands of the Directors were not confined to raw silk. The main cause responsible for the prohibition of Indian manufactures was the Directors' keen desire for calicoes and wrought silk. They fostered the industry by every means within their power, and often went to lengths not justified according to the notions then prevalent among the people. The Company's gravest mistake consisted in dispatching throwsters and weavers to India which roused

⁶ M. S. Letter Book-Note.

⁷ Records of Fort St. George, Dispatches from England, 1680—82, pages 21—24.

very bitter opposition. The lynx-eyed Directors availed themselves of every opportunity for pointing out the draw-backs in the system in the Indian factories and tried their utmost to remove them.

It was in 1668 that the Company made up its mind to develop the calico industry on a huge scale in Bombay which was then a fishing village, handed over by Charles II in the same year. There are several Dispatches referring to encouragement of the calico industry, as the commodity was in great request in England. The export of calicos rose rapidly. In 1677 Papillon reckoned them at 150,000 pounds worth. Col. Berch described the increasing Indian import of calico, as follows:—

“One commodity more ruins us and that is calico. You encourage thereby trade with the Heathens, who work for a penny a day, and destroy Christians. As ill-weeds grow apace, so these manufactured goods from India met with such a kind reception that from the greatest gallants to the meanest cook-maids nothing was thought fit to adorn their persons as the Fabrick from India.”⁸

This roused great opposition in England.

Development of the Outcry Against Indian Goods in England

A loud outcry was made in England as early as 1675 by the clothiers against the admission of E. I. Company's commodities which, it was maintained, were ruining “our ancient woollen manufactures.” The sending of bullion to make payment gave cause of opposition to the Company's opponents. To such an extreme did they go that it was asserted by a writer:—

“The trade carried away large quantities of money, which is not only the sinews of war but the medium of trade. For money in a body politic is as blood in the Body Natural, giving life to every part.”

The Company's importation of commodities which competed with those of England precipitated matters. The Company, to escape the criticism and attack, tried to increase the sale of its woollen goods in the East, but the prohibitively high price rendered it impossible for the poorer classes to use the broad-cloth exported from England.

As a factor remarked in 1605, the Indians could make three suits of cloths for the price of one yard of English cloth. There were few

8. From reasons humbly offered for the Passing of the Bill, etc., by T. S. Brit. Museum, 1697, pages 8—10.

buyers. After 1680, the Indian trade grew with alarming rapidity, and again the Indian goods were brought to a high state of perfection by the eminently patronizing policy of the Company. This policy as observed before, aimed at the utilization of Indian talent for the purpose of developing the industries for which the Indian artisans were fitted. It was to this end that the Company gathered together workers from all parts of India, and encouraged them in their industry by all means in their power. As we have already noted, money was also lent to the workmen who were treated with indulgence. This benevolent policy was pursued till to the end of the 17th century. But it was this policy that was responsible for the loud outcry in England and this led to the prohibition of our manufactures.

Treatment of Indian Manufactures in Europe

The Indian goods were in great demand from 1690 onwards. The Directors were urging their factors to send as many Indian goods as possible⁹ as everything of India was in great demand at that time. Calicoes maintained their ascendancy during the period preceding the prohibition in 1700. It was the perfect workmanship of the Indian goods and their comparative cheapness that rendered them a formidable rival to the English goods. By 1699, the English weavers and the bullionists had organized a systematic opposition to the importation of Indian calicoes and silks. The demand also had gone very high. During the years 1697 to 1702, no less than £1,053,725-0-5¼d. worth of calicoes was exported to England. Most of the other nations of Europe had put heavy duties on Indian goods. To this we will refer shortly.

Reasons for Prohibition of Indian Manufactures

The development of a national industry was in their (English) opinion, a sufficient reason for prohibiting all manufactures and the notion that it should be unworthy of a Christian to enrich the heathen at the expense of the English was always prominent and glaring in the eyes of the bullionist. A writer asserted that:—

“We have already and are now inciting the Indians and Chinese that are a numerous and Laborious People and can do and live without Fire or Clothing, and with a trivial expense for food.”

and declared:—

“It is impolittick and utterly destructive of our own manufactures.”¹⁰

9. Dr. Davenant's Accounts laid before the House of Commons, January, 1713

10. Quoted from Dr. Khan's "East India Trade in the Nineteenth Century".

There are several other writers who denounced the East India trade on this ground.

The Benefit from the E. I. Company's Policy

It is not very probable that the Indian cotton-manufacturers profited very much from the habit of the Directors¹¹ of sending artificers from England and the pattern of goods. Some of the artificers in fact had to be recalled to England because they did not work well and began to work on their own account. Whereas in the technique of spinning and weaving, the Indian artisans were far in advance of their brethren in England as well as the rest of the world. As for the patterns, this system was also discontinued and we find the Directors remarking that the Indian artisans should be allowed to work their own fancies, "which is preferable to the patterns we can send from here." In 1683, Directors wrote to Bombay:—

"Let your weavers take out such flowers, most convenient and agreeable to their own fancies which will take better here than any strict imitation of which is made in Europe."

Still, the policy of the Company to foster industries in India gave its opponents a capital argument for attack. We have already enumerated some of the grounds on which the Company was attacked. There were others also, of importance, *viz.* :—

"It was the English that first put the Indians on that great excess they now are, of throwing, dyeing and weaving, when both they and the Indian could not do less than laugh in their sleeves at the Act that prevents throwing and dyeing. It was the English that sent over the artists of all these trades and patterns that might suit the European humour."

There are numerous pamphlets, broadsides and tracts that reiterate the same complaint with great vehemence. The wear of India-wrought silk stuffs and calicoes had become so universal in England at this time and the complaint thereof so loud that it was then thought proper to remedy the aggravating evil. The grievance was brought to the forefront by the rows kicked up by the weavers and, consequently, a statute was passed enacting that from Michaelmas 1701, all wrought silks, Bengals, and stuffs mixed with silk or herba, of the manufacture of Persia, China or the East Indies, and also all calicoes—printed, painted

11. See "English Winding Sheet for the East India Manufactures".

dyed or stained there—should be locked up in warehouses appointed by the Commissioners of the Customs, till re-exported, so as none of the said goods should be worn or used, in either apparel, or furniture, in England on forfeiture thereof and also fine of £200 penalty on the person having, or selling any of them. In 1721, again, the use of printed Indian calicoes, both in apparel and household furniture, “was become so universal as to be a great detriment and obstruction to the woollen and silk manufacturers of the kingdom.” An act of Parliament was in consequence passed, to preserve and encourage the woollen and silk manufacturers, etc., which absolutely prohibited the wear thereof, (calicoes) under the penalty of £5 for each offence on the wearer and of £20 on the seller. The famous historian Lecky says:—

“At the end of the seventeenth century great quantities of cheap and graceful Indian calicoes, muslins and chintzs were imported into England, and they found such favour that the woollen and silk manufacturers were seriously alarmed. Acts of Parliament were accordingly passed in 1700 and 1721 absolutely prohibiting with a very few specified exceptions, the employment of printed or dyed calicoes in England, either in dress or in furniture, and the use of any printed or dyed goods, of which cotton formed any part.”¹²

In 1708, Daniel Defoe¹³ wrote in his weekly Review:—

“The general fancie of the people runs upon East India goods to that degree that the chintzs and painted calicoes before only made use of for carpets, quilts, etc., and to clothe children and ordinary people, *become now the dress of our ladies, and such is the power of mode as we saw persons of quality dressed in Indian carpets, which but a few years before their chambermaids would have thought too ordinary for them; the chintz was advanced from being upon their floors to their backs, from foot cloth to the petticoat, and even the Queen herself at this time was pleased to appear in China silks and calico. Nor was this all, it crept into our houses, our closets, and bed chambers, curtains, cushions, chairs and beds themselves were nothing but calicoes or Indian stuffs, and in short, almost everything that used to be made of wool or silk, relating either to the dress of our women or the*

12. Lecky's History of England in the Eighteenth Century.

13. Quoted by Baine's "History of British Cotton Manufacture", page 79.

furniture of our houses, was supplied by the Indian trade. Above half of the woollen manufactures were entirely lost, half of the people scattered and ruined, and all this by the intercourse of the East India Trade.' (Italics ours.)

Defoe's complaint was of a few years earlier than 1708, for, as is well known, the prohibition of Indian goods had taken place in 1700 by Acts 11 and 12 of William III, Cap. 10. As even the penalty of £200 on the wearer or seller of Indian silks and painted calicoes could not prevent the use of Indian goods, other Acts were passed at a later date, i.e., in 1721 and 1770. The "evil" of the consumption of Indian manufactures did not disappear by 1728, and other countries of Europe made similar efforts to penalise the import and use of Indian fabrics. Another writer in "A Plan of English Commerce" published in 1728 says:—

'The calicoes are sent from the Indies, by land into Turkey, by land and inland seas into Muscovy and Tartary, and about by long sea into Europe and America, till in general they are become a grievance, and almost all the European nations but the Dutch restrain and prohibit them.' (Quoted by Baines, p. 80).

Baines further says:—

"Not more than a century ago, cotton fabrics of India were so beautiful and cheap that nearly all the Governments of Europe thought it necessary to prohibit or load them with heavy duties, to protect their own manufactures."

And he adds:—

"What could not be achieved by Legislation in Europe, was brought about by the exercise of political power in India."

From after a few years after the passing of Aurangzeb, till the days of Warren Hastings and Madhoji Rao Scindia, there was great internal turmoil and many foreign invasions. The whole country was in a state of political ferment. The very foundations of Society were tottering, not so much in consequence of the dynamic evolution of new ideas but as a result of the rapid shifting of political power and the death-bed agonies of a moribund Empire. The history of the period after the death of Aurangzeb till the establishment of British power is a confused tangle of internal rebellions, civil wars and foreign

invasions, in the midst of which the people dragged out their miserable existence in a state of suspended animation. The conditions during this period were such that no man having the energy to rob his neighbour thought it worth his while to turn to industrial occupations as a means of livelihood. Besides, it was the very perfection of the Mogul Imperial organization which made its break, when it did come after the death of Aurangzeb, intolerable. Had the break-up of the Mogul Empire been immediately substituted by the Empire of the Rajputs, Marathas, or, for the matter of that, even the English, who were slowly coming into prominence then, the damage to the trade and industry would not have been so great as it did. As it was, while internally production had to be automatically and voluntarily restricted to the lowest possible limits because the producer had no guarantee of any surplus being of real benefit to himself, externally, the rivalries of the Arabs with the Europeans and of the Europeans *inter se*, made the entire trade of the country hopelessly demoralised.¹⁴

14. See Prof. K. T. Shah's *Trade, Tariffs and Transport in India*, pp. 48-49.

Some Interesting Facts about the **Indian Cotton Textile Industry**

- The total number of Cotton Mills in India is **about 400**
- The total amount of Capital invested in the Indian Cotton Textile Industry is **about Rs. 40 Crores**
- The total number of Spindles at work in the Industry is **about 9 Lakhs**
- The total number of Looms at work in the Industry is **about 2 Lakhs**
- The average number of workers employed in the Industry daily is **about 4 Lakhs**
- The quantity of Indian Cotton consumed by the Industry annually is **about 26 Lakhs of Bales**
- The total production of Raw Cotton in India is estimated annually at **about 57 Lakhs of Bales**



Cotton Industry under British Rule

Transit duties, tolls, customs duties and such other taxes on trade formed a part of the revenue system of the eighteenth century. The E. I. Company, however, gradually acquired various commercial privileges from the rulers of the different parts of India. The Company obtained a *firman* by the Great Charter of 1717 from the Emperor Farrukshyar by which its trade was exempted from duties. The servants of the Company claimed as private traders the same exemption and began to indulge in the inland trade without the payment of customs, transit duties, etc., to which the Indian merchants were liable. The reason why the Moghul kings accorded to foreigners such favourable treatment appears to be their desire to encourage trade. But when they found that the interests of the country were sacrificed, they took prompt remedial measures. Aurangzeb's dealing with the Company is an instance in point. But later, after the break-up of the Moghul Empire, the commercial privileges, even if prejudicial to the country, were considered as inviolable and sacrosanct rights by the Company, and its servants tried to reserve them exclusively for themselves even against native merchants.¹ The evils of this have been fully described by Hastings and Verelest. When this forcible assertion of the right became intolerable, Mir Kasim, in a moment of noble indignation and high-minded patriotism, took the wise and the only possible step of abolishing the transit duties altogether and put the English and Indian merchants on a footing of equality. Eventually, he was deposed, and it was stipulated in the Treaty with the new Nawab that transit duties should be levied on all except the English merchants.

The inland customs of this period were vexatious because of their multiplicity, oppressive because of the frequency and uncertainty of the exactions, discouraging to commerce and depressing to industry.

1. Cf. Trevelyan's Report, pp. 1—159; also Select Committee's (1773) 3rd Report, p.314; also Select Committee's (1783) 9th Report, p. 24.

In spite of the revision of the Customs in 1771, complaint after complaint was still made against their oppressive way of collection.² In 1783, the Directors advised the Government to frame a system not so much by the desire of increasing customs as of promoting the internal commerce. This shows that trade and manufactures were in a depressed state.

The whole inland trade of Bengal was disorganised. The methods by which they secured the manufactures were also very oppressive. J. H. Kelman has observed:—

“In order to have large supplies from which to select, the control of entire markets was secured and artisans were forbidden to sell any part of their wares till the Company's officers had made their choice. Great injury was done to Indian industries and craftsmanship.”³

In his “Consideration of Indian Affairs,” William Bolts describes the trade oppression which Professor Muir pronounces as “substantially true.”⁴ He says:—

“Inconceivable hardship... have been practised towards the manufacturers..... who are monopolised as slaves. Various are the methods..... such as by fine and flogging. The number of weavers has decreased. The servants of the Company did not stop here to wipe out the industries..... They levied high taxes on the spinning wheels while the duty-free goods were forced upon the dealers to sell in the market.” (Also see Dutt, Vol. I, p. 34).

Under such a system of monopoly and coercion, manufactures declined. Dutt observes:—

“A deliberate endeavour was now made to use the political power obtained by the Company to discourage the manufactures of Bengal in order to promote those of England. Manufacture of raw articles was encouraged.”

The Select Committee remarked:—

“This letter contains a perfect plan of policy, both of compulsion and encouragement, which must in a very considerable degree operate destructively to the manufacture.”

2. Bengal Customs Report, 1782, pp. 102—104.

3. “Labour in India,” J. H. Kelman, 1920.

3. “The Making of British India”, Muir, p. 89.

Its effect must be to change the whole face of the industrial country, in order to render it a field for the produce of crude materials subservient to the manufactures of Great Britain."

The Indian Industrial Commission observed truly:—

"The effects of this traditional policy continued for some time after the Company had ceased to be a trading body, and even after....."

Mr. Dutt has correctly remarked:—

"This continued to be the settled policy of England towards India for fifty years and more; and it was openly avowed before the House of Commons and vigorously pursued till 1833 and later; and that it effectually stamped out many of the national industries of India for the benefit of English manufactures."

Sea Customs and Inland Customs

The Inland customs system was revised in 1810. Regulation IX provided that articles of too small bulk should be exempt from taxation. But still 566 articles were liable to duties. The amount realised hardly compensated the expenses of collection and the inconvenience and obstruction to the industry. (*Cf.* Trevelyan's Report, p. 62). Many articles of home production paid double or treble duty, and they inevitably tended to restrict themselves to local needs. Trevelyan observes:—

"If it were desired to restrict the productive powers of Indian industry to the greatest possible extent, could any such scheme be devised more effectual than this?"⁵

In the pre-British period, a duty of 2½ per cent. was levied on all goods passing through the sea-ports of Bengal. It was from the debris of the Mogul system that the Company evolved and built up its tariff system. The same duty was kept by the Company when it assumed sovereignty. In 1802, certain foreign articles having paid the import duty were declared free from any other duty. This encouraged imports; and while the Indian products were subject to town duty, transit duty, this change worked to their detriment. By Regulation 11 of 1811, British vessels were given preference by imposing heavier duties on foreign vessels. Our trade was thus restricted.

5. Trevelyan's Report, p. 5.

Name of Articles	IMPORTS FROM U. K.		IMPORTS FROM FOREIGN COUNTRIES	
	Duty if in British bottoms	Duty if in foreign bottoms	Duty if in British bottoms	Duty if in foreign bottoms
XYZ	24% or free	Not possible due to Navigation laws	5%	10%

By Regulation IV of 1815, certain articles of Great Britain like woollens, etc., were exempted from duty on importation, to the detriment of our manufactures. By Regulation XII of 1817, the inter-Provincial trade in British goods was made free while Indian goods had to pay duties.⁶ Our manufactures being heavily taxed were placed in a clearly disadvantageous position with the free or lightly taxed machine-made foreign goods, and the effects of this on our industries were disastrous. It was in 1823 that the transit and sea-import duty for Indian goods was reduced from 7½ per cent to 2½ per cent. The relief, such as it was, came too late to do any service to the Indian industry which was already depressed. Besides, it was given when the English industry had become too strong to be hurt by a 5 per cent. or 10 per cent. difference.

The question of the inland duty was never paid any serious attention to, till 1825. The nature and operation of the inland duties became one of the subjects of close enquiry by the Select Committee from 1830 to 1832. By 1844, the inland duties had all been abolished and a uniform schedule of import and export duties introduced in all the Presidencies, and from 1844, India came to be regarded as a single economic country with a common external tariff.⁷

The period from 1794 to 1824 was one of high duties on imports from India in Great Britain. The English commercial policy of the period was characterised by protective and prohibitive measures against Indian goods. Besides, a new feature appeared in the fiscal policy. An increasing reliance was placed upon a policy of export bounties to stimulate foreign trade. Parliament, with a view to protect the home industries, prevented the export of machinery or sending abroad of skilled workmen.⁸

6. See Bastable's Public Finance, p 555. "To allow foreign goods duty free while native ones are heavily taxed would at once reduce and divert the normal course of industry."

7. The values, according to which *ad valorem* duty was levied were not equal and uniform till 1860 at all the ports.

8. Cf. Hamiton's Trade Relations between England and India, pp. 161-180.

These measures greatly reduced the market for Indian goods. In 1793, the Court of Directors had put themselves under three obligations:—

- (1) Increasing importation of raw materials.
- (2) Increasing exportation of British goods to India.
- (3) No interference with British manufacturers in their trade.

As is well known, every possible effort was made by the Company to push the sale of British goods here.

H. H. Wilson summarised the controversy over the question of renewing the Charter of the Company as follows:—

“The exigencies of the commerce of Great Britain probably weighed more.....than the arguments.....of either party. Excluded from the Continent by the decrees of Napoleon, the merchants and manufacturers were labouring under alarming difficulties, the country was menaced by severe distress; unless some new vent for the issue of its products could be discovered, some new hopes could be held out to animate the drooping energies of manufacture and trade. To this great necessity the interests of a single corporation (company) were bound to yield.”⁹

Consequently, the vitally important commercial interests of the country as a whole triumphed over the vested interests of the monopoly, which was abolished in 1813, with regard to India.¹⁰

It is true that the interested and monopolistic restrictions of the Company were removed. But this change was not of a philanthropic nature as it was claimed.

With the abolition of the Company's monopoly, it ushered in a new era in English commercial activity. The Company's Charter was, however, renewed. With regard to the effects of this change, Clive Day very truly says:—

“So long as the trade with this country (India) was controlled by the E. I. Company it remained small.....The nineteenth century opened with the Indian trade still but

9. Wilson's History of India, Vol. I; also Dutt's, Vol. I, page 266.

10. Sec. 53, George III-C, 155.

a small item in England's total. In 1813, however, the trade was at last thrown open and the effect was immediately manifest; in the first year of the new policy, private merchants exported more than did the Company, and soon they had developed the trade to an extent undreamt of by the monopolists. India proved to be just the country which English merchants were seeking as a market for the expansion of cotton manufactures. In the eighteenth century, protection was demanded in England against the competition of Indian textiles, but soon the tables were turned and manufacturers in India complained that they were being ruined by the importation of English cotton goods. About 1850, British India took more cotton manufactures than any other country and nearly one-sixth of the total exports of this most important commodity of England."¹¹

The cry for free trade with India never meant reciprocity of trade. The so-called Free Trade was only a misnomer. It was, in fact, a Preference Policy for the British goods. The inquiry at the time of the renewal of the Charter in 1813 is replete with questions as to the capacity of India to absorb British goods; there is not one question in which one can scent the desire of improving Indian manufactures.

Wilson (Vol. I, p. 538) thus summarises Mr. Tierney's speech in Parliament at the time of discussion of the renewal of the Company's Charter on 2nd June, 1813:—

“Among the arguments in favour of the benefits that were to accrue to the people of India from a free trade, he had never heard it proposed to allow *one* manufacture of India to be freely imported into Great Britain. They said to them ‘Leave off weaving, supply us with raw materials, and we will weave for you.’ It was rather too much to talk of philanthropy of it. Instead of calling themselves its friends. they should profess themselves enemies. What more could they do than advise the endeavour to crush all Indian manufactures?”¹²

11. A History of Commerce—Clive Day, Ph. D.,—pp. 360-361 Cf. The History of the European Commerce with India, Macpherson, page 396, where he discusses the probable consequences of the East India Trade being thrown open.

12. H. H. Wilson, History of India, Vol. I, p. 538.

Warren Hastings, Thomas Graham and other important witnesses examined by the Select Committee were against the policy of Free Trade in India.¹³

Sir Robert Brown, who appeared as a witness before the Lords' Committee, was examined as follows:—

“Q.—Do you know what is the *ad valorem* duty imposed on piece-goods at the sales of the Company?”

“A.—They are divided into three classes: the first is the article of the muslins, which pays on importation 10 per cent and £27-6-8 per cent. for home consumption; the second is the article of calicoes, which pays £3-6-8 per cent. on importation and £68-6-8 per cent. for home consumption; the third comes under denomination of Prohibited Goods which pay merely a duty of £3-6-8 on importation and are not allowed to be used in this country.”

Thus on the theories prevalent in the nineteenth century, the Indian cotton industry was “deliberately throttled,” observes Sir William Digby. British manufactures were forced upon us and our manufactures were shut out. Thus the tariff policy actually practised, prevented, by its preferential treatment to British industries, the growth and development of the Indian cotton industry for which numerous possibilities and natural and hereditary advantages existed, *viz.*, easy access and abundance of raw materials, cheap labour, an extensive market, hereditary skill, and the commercial aptitude of the people.

It might be argued that India benefited by the cheap goods of Britain. But this was a disadvantage inasmuch as it rendered the articles of domestic production still less able to compete with foreign articles in our own market and further depressed our industry.

In 1831, a petition signed by 117 people of Calcutta for reduction of duty of 10 per cent. paid by Indian manufactured cottons in England (while the English manufactures paid only 2½ per cent. duty), legitimate as it certainly was, was not granted. In this unequal contest, Indian industries lost ground. But it may be argued that England was not the only market for India, and that their own extensive land was a sufficient market. A glance at Trevelyan's Report (from which we have quoted elsewhere) will show the nature of the injustice done by inland duties, etc.

13. Even the Select Committee assumed that Free Trade was a philanthropic measure calculated to raise the natives of India in the scale of nations and to civilize them.—!! The idea !!

Lord Ellenborough in 1835 pointed out the evils of the system:—

“ While the cotton manufactures of England are imported into India on payment of a duty of $2\frac{1}{2}$ per cent. the cotton manufactures of India are subjected to a duty on the raw material of 5 per cent. to a further duty on yarn of $7\frac{1}{2}$ per cent. and, finally, to another duty of $2\frac{1}{2}$ per cent. if the cloth should be dyed after the Rowanna has been taken out for it as white cloth. Thus altogether the cotton goods of India may pay $17\frac{1}{2}$ per cent.”

Even in the rules governing drawbacks, British goods were favoured when re-exported from India. Such goods paid one-third duty leviable on Indian goods.

Hamilton puts forward the argument that in 1814-15 the British cotton goods competed successfully with the Indian produce in Java market, notwithstanding an import duty of 15 per cent. on the former. But Hamilton is altogether oblivious of the fact that Indian goods were handicapped by transit duties, amounting in all to 20 per cent. *ad valorem*.

Mr. Martin observed in his evidence before the Select Committee of 1840:—

“ We have, during the period of a quarter of a century, compelled the Indian territories to receive our manufactures; our woollens duty free, our cottons at $2\frac{1}{2}$ per cent. while we have continued to levy almost prohibitory duties or duties varying from 10 to 20, 30, 50, 500 and 1,000 per cent upon articles, the produce of our territories. Therefore the cry that has taken place for free trade with India has been a free trade from this country, not a free trade between India and this country.....”

The economic policy of these days was, frankly speaking, the policy of plantation.¹⁴ No heed was paid to nurturing indigenous industries, but all attention was concentrated on pushing English manufactures, and on efforts for growing raw cotton in India for British looms. Nothing could have been more destructive to commerce than the arbitrary kind of legislation that the duty on Indian foreign trade was to be doubled when carried on British ships and quadrupled when on foreign ships.

14. Cf. Ranade's Essays.

The State of Industry during the Period of the Company

The greatest harm which the system of taxing the trade of foreign nations with India did in those days was to restrict considerably the foreign market for Indian produce which, at this juncture, required a strong stimulus by an increasing market, as her home market was not available to her due to the policy of the English. In the words of Crèvecoeur the result has been that her trade in foreign ships with non-favoured countries had entirely ceased and India had been deprived of several valuable branches of commerce.

In 1848, the duties on goods imported or exported in British or foreign ships were equalised, and the inter-provincial or port-to-port trade was absolutely free (Act VI of 1848). In 1850, the last relic of the Navigation Laws was struck off and the coasting trade of India was thrown open to all nations. In 1847, cotton was exempted from export duty. The restriction of Navigation Laws and the system of charging a double duty on foreign ships were finally abandoned when they ceased to be necessary for the purposes which originally commended them. *By 1840, India was reduced from a manufacturing to an agricultural country.*

The vicissitudes through which the industry had passed as well as the manner in which handloom-weaving was conducted can best be learnt from the information supplied by the writers during the period.

Dr. Francis Buchanan, a medical officer of the Company, who was appointed in 1800 to travel in Southern India and in 1807 in Northern India, to make enquiries into the condition of the people and their manufactures, has described the industry. He writes to say:—

“In the district of Dinajpur in Bengal, cotton spinning and weaving prevailed throughout the provinces and occupied the leisure hours of all the women of higher rank and of the greater part of the farmers’ wives.....The coarse yarns are spun on a small miserable wheel turned by the hand.....A capital of 11 rupees and 10 annas is required for the weavers’ business, to which must be added a month’s subsistence. The man and his wife wrap, wind and weave two pieces, and he has seven rupees profit. A person hired to weave can make 3 pieces and he is allowed 2 annas in the rupee of their value, *i.e.*, $2\frac{1}{4}$ rupees (4s. 6d.) per month. The finest goods cost two rupees for a piece of weaving.”

Sir Henry Cotton said in 1890:—

“In 1787, the export of Dacca muslins to England amounted

to 30 lacs of rupees: in 1817, it had ceased altogether. The arts of spinning and weaving have now become extinct."

We have already quoted Orme who says "much the greatest part of the whole provinces are employed in this single manufacture."

The general observation of Dr. Buchanan on the condition of Indian industries during the early years of the 19th century is this:—

"What threatened however the sources of the income of the people, was the *declining state* of their manufactures."

Mr. Dutt remarks truly:—

"It will appear from the facts stated that large portions of our population were engaged in various industries down to the first decade of the 19th century and that weaving was still the national industry of the people. Millions of women eked out their family income by their earnings from spinning and weaving."

Export of Indian Cotton Manufactures during the 19th Century

India had a large export trade in cottons from the 18th to the first 15 years of the nineteenth century. Milburn wrote (*Oriental Commerce*, 1813):—

India exports large quantities of cotton fabrics which are famous for great durability, permanence of the whiteness, delicacy of texture, purity and fastness of colours, grace of design, and, above all, for their cheapness. But this did not last long. In 1815, India after clothing her vast population, exported to England cottons worth £1,300,000."

But as a result of the commercial policy of England, our exports to England were fast decreasing after 1815 and imports from England were rapidly increasing, for reasons fully discussed above.

The following tables will fully illustrate the changes:—

<i>Export from England mainly to India.</i>			<i>Imports from India to U. K.</i>	
Yr.		£	Yr.	Bales.
1794	...	156	1800	.. 2,630
1801	..	212,000	1801	... 6,341

<i>Export from England mainly to India.</i>			<i>Imports from India to U. K.</i>	
Yr.	£.		Yr.	Bales.
1810	.. 74,695		1810	.. 1,167
1813	.. 108,824		1813	.. 557
1827	.. 296,177		1827	.. 541
1849	... 2,222,089		1849	... £690,584

(Compiled from R. C. Dutt's works).

<i>Cotton piece-goods from Britain to India.</i>		<i>Cotton piece-goods from India to Britain.</i>	
Yr.	Yds.	Yr.	Pieces.
1814	... 818,208	1814	.. 1,266,608
1821	... 19,138,726	1821	... 534,495
1828	.. 42,822,077	1828	... 422,504
1835	... 51,777,277	1835	.. 306,086

(From the Evidence of G. G. De H. Larpent before the Select Committee, 1840).

Here is a statement showing the value of the imports of cotton manufactures from England to India in 1814 and 1828:—

	1814	1828	<i>Increase.</i>
British cotton manufactures	.. £109,480	£1,621,560	£1,512,080
British cotton twist	.. £7	£ 388,388	£ 388,381

There was a rapid fall in the exports of Indian cotton goods to the different countries of the world as a result of the sea-customs policy discussed before.

EXPORT TO FOREIGN COUNTRIES.

<i>America.</i>		<i>Denmark.</i>		<i>Portugal.</i>		<i>Arabian and Persian Gulfs.</i>	
Yr.	Bales.	Yr.	Bales.	Yr.	Bales.	Yr.	Bales.
1801	... 13,633	1800	... 1,457	1799	... 9,714	1810—20	.. between 4 & 7,000
1829	... 258	1820	... 150	1825	1,000	1825	... 2,000

After 1813, the Company's trade passed into the hands of private traders. During 16 years the private trade was thrice as great as the Company's, which stood at £1,882,718. Under the new arrangement, the process of extinction of Indian industries went on. In 1813, Calcutta exported to London two million sterling of cotton goods and in 1830, Calcutta imported two million sterling of cotton goods from England. The British fiscal policy was so framed that it discouraged our manufactures, and India was faced in the early part of the 19th

century with 'an industrial depression hardly to be paralleled in the history of commerce.'

When the duty of only 2½ per cent. was levied on British goods, let us see the duties which were imposed on our goods in England.

		DUTIES ON INDIAN GOODS IN ENGLAND.		
		1812.	1824.	1832.
		% <i>ad. val.</i>	% <i>ad. val.</i>	% <i>ad. val.</i>
Muslins	.. ..	27.1|3	37½	10
Calicoes	.. ..	71.2|3	67½	10
Other cotton manufactures		27.1|3	50	20

The figures quoted above will show that, by 1849 India's export trade in cotton goods had witnessed a most marked decrease. In the first four years of 19th century, 15,000 bales were annually shipped to the United Kingdom from Calcutta. The figure fell down rapidly in 1813. After 1820, we notice the manufacture and export of her cotton piece-goods declining steadily, and her import swelling to three times its export trade. The increase in imports coupled with the decrease in our exports was due to the advance of the power-loom and protection by a high tariff wall against our goods, while theirs were admitted with a small nominal duty.

Within less than 75 years (1757 to 1822) India was reduced from the position of a manufacturing country to that of a supplier of raw materials. Let us trace the causes of this decline.

Causes of the Decline of our Cotton Manufactures

It is too complex to summarise in brief the way in which the decline of the Indian cotton industry was brought about, but the following causes, among others, may be assigned as the most responsible for the decay:—

(1) The invention of the power-loom and other mechanical appliances which led to the cheapening of English goods, was the primary cause of the restriction of the importation of our goods in England. The industrial revolution which brought about a transformation in the methods of production was first achieved by England and its adverse effects were felt by other countries. The handicraft

(For an account of the specific duty chargeable in England on cotton manufactures, showing the alterations of duty, which have taken place since the year till 1832 see Appendix V. of "Affairs of the E. I. Company," Vol. II. Part 2, Commercial—printed on 16-5-1832, pp. 592-607.)

industry was destroyed by the cheap English goods. Indian cotton fabrics were the cheapest in the European market before the introduction of machinery,¹⁵ but after the inventions of Watt, Cartwright, Compton, Hargreaves and others in the latter part of the 18th century, England produced cheaper articles and then came the invasion, slow but sure, of the home market by cheaper machine-made goods.

(2) In spite of the higher cost of production, Indian goods could be profitably sold in England at a price lower by 50 to 60 per cent. than English goods, but the restrictions which England as well as other European countries placed upon Indian goods by duties as heavy as 75 per cent. or 80 per cent.¹⁶ and not content even with that, by absolute prohibitions, led to the immediate destruction of Indian manufactures whose only foreign market for surplus goods was England.

(3) The loss of the English market alone was not capable of bringing about such drastic results, but the loss of the local market due to the systematic policy of the British Government to extend the sale and consumption of British manufactured goods through every possible way, *e.g.*, reduction or remission of import duties, reduction or removal of export duty on Indian raw cotton with a view to ensure a cheap supply of the raw material and consequently cheap production of English cotton goods to compete with Indian goods, the manifold burden of inland duties on home manufactures in India (extracts from Sevelyan's Report¹⁷ already quoted and also given below will bear

15. India is the original seat of cotton manufactures, and so long as the industry depended on hand processes, Lancashire was quite unable to compete with the age-long traditional skill of the Indian hand-workers. ... Machinery changed all that and England became an exporter of muslins, shicoes, etc., to India.—"Industrial Efficiency", by Dr. A. Shadwell, 1906, p. 63.

16. Wilson observes in Vol. 1, page 355, footnote :—

"It was stated in evidence that Indian goods could be sold for a profit at a price from fifty to sixty per cent. lower than those fabricated in England. It consequently became necessary to protect the latter by duties of 70 or 80 per cent. on their value, or by positive prohibition. Had not such prohibitory duties and decrees existed, the mills of Paisley and of Manchester would have been stopped at the outset and could scarcely have been set in motion, even by power of steam. They were created by the sacrifice of Indian manufacture. Had India been independent, should have retaliated. This act of self-defence was not permitted her. She was at the mercy of the stranger. British goods were forced upon her without paying any duty and the foreign manufacturer employed the arm of political injustice to keep down and ultimately strangle a competitor with whom he could not have contended on equal terms."

17. In reality under the native system the goods were subject to duty in proportion as they were carried, which was paid by instalments as they proceeded. The English took the whole duty at once and furnished the merchant with a Rowannah (free pass) after paying the standard which was fixed not on the average of the native system but "aggregate of all the tolls levied on all goods proceeding to the greatest distances" Thus the duty was immensely increased under the name of consolidation. Mr. Shore refers

testimony to the oppressive nature of the tax and the depression caused on the industry), the hostile attitude of the Government to our manufactures, and above all the system of bounties and other like measures for British manufactures to encourage their exportation,¹⁸ brought about the decline completely. It is also truly claimed that the industrial revolution was made possible by the capital obtained from India, but whatever it was, it must be admitted that the industrial revolution¹⁹ was a potent cause of the industrial decline, accelerated by the causes mentioned above.

(4) The treatment given by the Company to the manufacturers²⁰ in India even surpassed the evil of the high tariff wall. The Company, by its charter was to send certain goods worth a certain amount, fixed from time to time by the Directors. The Company's servant entered into willing or unwilling contracts with the weavers (*at prices fixed by the Company*). These contracts were made binding upon the family of the workman (we have referred to this before). Thus harassed, eventually many weavers abandoned their ancestral profession and took to cultivation of cotton.

(5) The tendency to agriculture was fostered by the policy of England, which regarded India as a colony to which England could send her manufactures in return for her raw materials. Facilities were given for the cultivation and export of cotton of good quality. Mr. Dutt summarises this policy briefly but in a telling manner as follows:—

to the house-searches, and the right of search. The effect of this was to discourage all on a large scale..... "Only remove the incubus", observes Shore, "and the tables will be turned". The Indian Industries were so much crippled as would not spring into birth again.—From Shore's Review of Trevelyan's Report.

18. In 1781, Parliament passed a law sanctioning bounties on the exportation of British printed cottons, *viz.* :—

Under value of 5 <i>d.</i> per yard (before Printing)	... 4 <i>d.</i> per yd.
Value 5 <i>d.</i> under 6 <i>d.</i> " " "	1 <i>d.</i> " " "
Value 6 <i>d.</i> under 8 <i>d.</i> " " "	1½ <i>d.</i> " (T. O.)

These bounties were continued for more than thirty years before they were repealed. Raw materials, like wool, which could be used as the basis of English industries were kept in the country by duties or prohibitions on export. *Other measures now inconceivable were designed to stimulate certain industries. An Englishman could be buried only in a wooden shroud; a Scotchman only in Scotch linen. English ships must carry English sails.*

19. See Cunningham's "The Growth of English Industry and Commerce", Part II, page 613; also Brook Adams's "The Law of Civilization and Decay", pp. 259-261, and also Digby's "Prosperous British India", pp. 30-31;—"England's industrial supremacy owes its origin to the vast hoards of Bengal and the Karnatic being made available for us (English)".

20. In the prosecution of the object of the Company of having a complete monopoly of the piece-goods trade at reduced or prescribed prices, punishment to weavers was carried to such a height as to induce several weavers to quit the profession. (From Mr. Ricard's reply to the query of the Board of Control of the E. I. Company).

“ The production of raw material in India for British industries and the consumption of British manufactures in India were the twofold objects of the early commercial policy of England during the eighteenth and the early years of the nineteenth century.”

In 1860, this policy was advocated by the Cotton Supply Association of Manchester:—

“ The true policy of the Government is primarily to legislate so as to drain the raw cotton out of the country and create a demand for our manufactured goods in lieu of those now manufactured in India.”

This policy of favouring cotton cultivation had the desired effect of turning the weavers into agriculturists cultivating cotton.

(6) The revolution in the means of transport made the carrying of a large trade in these bulky goods over long distances possible and eliminated the item of the cost and risk of transport, and this was responsible for the inundation of foreign goods. Besides, the railways in India facilitated cheap export of raw cotton for their needs.

These, then, were some of the potent political and economic causes which combined to strangulate our centuries-old national industry from which millions eked out their living. In 1858, the exports of raw cotton went up to £4,301,768, and export of cotton goods fell to £817,103, while the imports of cotton goods rose to £5,626,618.

From 1849 to 1858

The import duty in India in 1853 was between 3½ to 5 per cent. *ad valorem*, but was double in case of foreign goods. In England in 1853, our cotton goods had to pay 5 per cent. and cotton yarn 3½ per cent.

The following table of our imports and exports is significant:—

	Imports of cotton goods from all countries.	Export of raw cotton.	Export of cotton goods, twist & yarn.
	£	£	£
1849	2,222,089	1,775,309	690,584
1855	5,403,244	2,428,764	817,103
1859	4,782,698	4,301,768	809,183

Our imports were more than doubled within a brief span of 10 years and export of raw cotton became nearly 2½ times as great.

America sent little cotton during the Civil War, and eventually our export rose to the abnormal figure of 36 millions in 1864. England's policy of commercial colonization and capitalistic exploitation²¹ (by the latter was meant the development of the resources of India by the employment of European capital, skill, etc., with the assistance of Indian labour for the purpose of using them in the manufactures in the West)—the Select Committee's commendation of the policy of improvement and cultivation of cotton in 1848 is an apt illustration of this—brought about extinction of home industries. Writing about the natural consequence of this policy pursued for over a century, Mr. Dutt observes:—"Long before 1858 when the E. I. Company's rule ended, India had ceased to be a great manufacturing country."

We will now turn to the cotton mill industry.

²¹ See Dr. N. J. Shah's "Tariff History of India", pp. 124—128. He has elaborately discussed this in these and following pages.



The Cotton Mill Industry (Up to Pre-War Times)

Several British merchants found out that they could save the weight of carrying raw cotton to England and bringing it transformed goods to India, if they could set up power-looms on the spot. Even after accounting for the higher cost of erection of machinery, which would have to be obtained from England, and for the 'inefficient' Indian labour, it could be shown by statistics that India can manufacture goods by machinery at a cost of 20 per cent. less than Great Britain can sell British manufactures in the Bombay market." (Mann, "The Cotton Trade of Great Britain," p. 74).

As early as 1818, the first cotton mill was established with English Capital at Fort Gloster near Calcutta. It was called the Bowreah Cotton Mills Company, Limited, and it got its charter as a cotton mill, a coffee plantation and a rum distillery. But the real development of the mill industry begins with the floating of the Bombay Spinning and Weaving Mill in 1851 which commenced its work in February, 1856, under the management of a Parsi, Mr. Gvasji Manabhoy Davar, who like the late Mr. J. N. Tata, was a bold enterpriser. About the same time, a cotton mill on a small scale was started at Broach by a European named Mr. Landen.¹ The foundation of the textile industry at Ahmedabad, which is exclusively Indian, was laid by the Ahmedabad Spinning and Weaving Mill in 1859, under the management of Mr. Ranchhodlal Chhotalal, C.I.E. The steady success, despite the difficulties of management, and a supply of skilled labour of the pioneering attempts, attracted more capital and more enterprises.² There were some other causes also which con-

1. "Shells from the Sands of Bombay being My Recollections and Reminiscences", 1860-1875, by Sir D. E. Wacha. He further says, "It is the mill which bears the name of Broach Cotton Mills which in years gone by was managed by Messrs. Greaves, Cotton & Co."

2. The early success of the industry can be realised from the fact that the Bombay Spinning and Weaving Company paid its first dividend of Rs. 600 per share, and the second half-yearly of Rs. 400: so that the shareholders

tributed greatly to the rise of this industry, viz., the peace and security after 1858, the feeling of the people that there were no rival trader like the E. I. Company till 1833, the conciliation of the people by the proclaimed favourable attitude of the Government, viz.—“It is our earnest desire to stimulate the peaceful industry of India”—in the Proclamation from the Queen whose name was cherished with affection and esteem by the Indians. The progress in the cotton mills has been very rapid in recent years. By the year 1860, six more had opened and attracted to the island (Bombay) a considerable population. So rapid was the extension of this and allied industries that a journal was even moved to remark on July 7th in 1860; “Whatever may be the state of the other parts of India, it is manifest that Bombay feel neither anxiety nor apprehension regarding the future of the Empire.” The year 1855-56 marks a turning point in the Indian cotton industry for it was in this year that the first cotton mill commenced working (it was established in 1851). A fuller idea of the growth of the mill—the spindles and looms employed, the employment to people, and the capital spent can be had from the following table:—

PROGRESS OF THE COTTON SPINNING AND WEAVING
INDUSTRY OF INDIA SINCE 1851.

Yr.	No. of Mills.	Cap. (in lakhs.)	Spindles (in thous.)	Looms (in thous.)	Employees (in thous.)	Consumption of cotton (in thous. cwts.)
1851 ...	1	5	29	Nil	5	No record.
1866 ...	13	No record	309	34	7.7	„
1876 ...	47	„	1,100	91	No. record	„
1877 ...	51	„	1,244	103	„	„
1880 ...	56	„	1,461	135	„	„

(The above table is prepared mainly from the Reports of the Bombay Millowners' Association).

The Indian cotton industry dates as far back as 1851, but complete statistics are available only after 1879-80. The following statement shows quinquennial averages from the year 1879-80. The figures in bracket represent the variations for each period, taking the average of the quinquennium from 1879-80 to 1880-84 as 100. Sterling capital has been converted into rupees at the average rate of exchange for the period.

received Rs. 1,000 as interest on a nominal share of Rs. 5,000. “Life of the Late R. B. Ranchhodlal Chhotalal, C.I.E.” by B. D. Badshah. “Times of India” Press Bombay. Again the shares of the Bombay Spinning and Weaving Mills were at 58% premium in 1850. Mann’s “History of British Cotton Trade”, London: 1860, pp. 17.

3. “The Rise of Bombay - A Retrospect”, by S. M. Edwardes, 10 s. Refer to this book for further description of the growth of mill industry in Bombay.

4. Compiled from the “Financial and Commercial Statistics of British India

Yrs.	No. of Mills at work.	Nominal Cap. (in lakhs of Rs.)	Persons employed.	Looms.	Spindles.
1879-80 to 1883-84 ...	63 (100)	657.6 (100)	51. (100)	14.5 (100)	1,610.6 (100)
1884-85 to 1888-89 ...	93 (148)	887.9 (135)	75.7 (148)	18.2 (126)	2,296.8 (143)
1889-90 to 1893-94 ..	127 (202)	1161.1 (177)	116.1 (228)	25.3 (175)	3,263.8 (203)
1894-95 to 1898-99 ...	156 (248)	1419.5 (216)	150. (204)	36.6 (253)	4,046.1 (251)
1899-00 to 1903-04 .	195 (310)	1687.9 (257)	171.6 (336)	42. (90)	5,000.9 (310)
1904-05 ...	203 (322)	1757.5 (297)	196.4 (385)	47.3 (327)	5,195.4 (322)
1905-06 ...	204 (324)	1719.7 (262)	212.7 (417)	52.3 (361)	5,293.8 (328)

N.B.—Number of persons, looms and spindles is given in thousands. These figures include the mills in Indian States.

There were at the end of 1905-6, in British India and Indian States, 204 cotton mills containing 52,300 looms and 3,293,800 spindles, giving employment on an average to 212,700 persons every day. These 104 were exclusively spinning mills, 8 were exclusively weaving mills, and in the rest (92) both spinning and weaving were carried on.

Location of the Mills

The Bombay Presidency had 10 per cent. of the mills (Bombay alone having 41 per cent. of the total), 61 per cent. of the spindles and 77 per cent. of the looms. In the Indian States and French territories there were 19 mills, with 3,731 looms and 289,618 spindles. Bengal had 10 mills, all near Calcutta. The Industrial Commission in their Report observe:—

“ Though the first Indian cotton mill was opened in Calcutta and other attempts have been made to establish a cotton industry there, these, with few exceptions, have been far from successful. No doubt, Calcutta is more favourably situated than Bombay in respect of fuel, but this deficiency is to some extent supplemented by water-power. Bombay is certainly at an advantage in respect of the cotton tracts, although much of the cotton consumed by it reaches it from places as distant as those from which Calcutta draws its supplies. The harbour of Bombay opens directly on the sea and affords greater advantages.”

We have sketched the development of the mill industry in India to the year 1905-06. We must admit that the industry had made strides. Our mills consumed over 18 lakhs of bales of raw cotton

(of 392 lbs.), which amounts to nearly 60 per cent. of the total raw produce of India. We produced about 68 crores lbs. of yarn (of which 53 crores lbs. are of Nos. 1 to 25, and 4 crores of Nos. above 25). The comparative figures of produced of yarn from 1896-7 are given later. We produced woven goods weighing 16.3 crores of lbs., which comes to about 56 crores of yards. Below is a table showing the rapid progress of the mill industry from 1905-06 to 1913-14, the pre-war year, in which we produced 64 crores lbs. of yarn, and woven goods weighing 25.6 crores lbs.

THE COTTON MILL INDUSTRY FROM 1905-06 TO 1913-14.

	1905-6	1909-10	1912-13	1913-14
No. of Mills ...	207	223	241	239
Capital employed ..	Rs. 1,55,967	1,87,873	2,07,678	2,04,014
(So far as known) ...	£1,067,245	200,000	200,000	200,000
No. of Looms ...	52,281	74,757	85,576	90,268
No. of Spindles ...	5,293,834	5,780,124	6,100,632	6,208,758
No. of Persons employed	212,720	214,149	242,199	244,002

(Compiled from the Statistical Abstracts of British India, Nos. 48 and 54).

We will now review briefly the fiscal policy from 1860 to 1895, the year in which the "Cotton Duties Controversy" closed its bearings and effect upon the growth of the cotton industry, the several impediments like the closing of the Mint, the Exchange problem which retarded the growth of the industry, several movements like the Swadeshi movement, the cultivation of cotton which facilitated its progress, the Government's attitude towards the furtherance and the fostering of this indigenous industry in India, the opposition and the row created by the English merchants in England and the degree to which it met with success, the imposition of the excise and how it affected the growth of the spinning and weaving mills, the factory legislation, the import and export of cotton and cotton goods, in short, the vicissitudes through which the industry passed during the 60 years from 1855 to the pre-war year 1913-14.

The first steam-power factory in Bombay was started in 1855. By 1873, the number of factories in Bombay alone increased to 28, and the value of the exported cotton piece-goods in 1875 rose from £1,883,094 to £2,126,806.⁶ The importation of heavier and coarser kind of cotton goods practically stopped, while on the other hand Indian cotton products found a ready sale in Russia, America and China.

6. Statistical Abstract relating to British India from 1870-71 to 1879-80.

The value of our exports to Russia in 1874 was £92,006, and in 1875 it was £300,782.

While Bombay was taking such rapid strides in her manufacturing career, Bengal did not lag far behind. There were about 15 mills in Bengal during the same decade. The importation of machinery was fast increasing. In 1870, India imported from England machinery of the value of £300,000 while the value of the same imported in 1875 was £1,185,943.

Considerable apprehension was felt in England,¹⁷ which had so long the exclusive privilege of our market, when the Moral and Material Progress Report of India of 1872-73 announced the existence of 18 cotton factories in the midst of the cotton-growing regions of India (the Bombay Presidency), and added that the weekly consumption of cotton was 1,500 bales, or 6.5 per cent. of the average cotton crop of India, with probability of increasing. It was also remarked that spinning was done in the vicinity of Bombay. The most important effect, however, of the report on the growth of the cotton industry in India was the rise of the spirit of rivalry among Lancashire manufacturers who were afraid of losing their market in India where they exported about one-fourth of their total annual export. They therefore started a strong agitation. Their immediate object was twofold: first, they wanted to have the Indian market free from any import duty for their goods, whether the duty was for revenue or protection; secondly, they intended to apply the Factory Law of Britain to India, in order to deprive their competitors, some of whom were English capitalists, (we have seen that the first mill in India in 1818 was started by English capitalists) of any 'undue' privilege or advantage over them. In October 1874, Alexander Redgrave, Inspector of Factories, referring to the rapid growth of factories in India, concluded:—

"It is clear therefore that this, a progressive industry.....may we not hope that the native workers of India may be spared the ordeal which our cotton operatives went through, and that they may be permitted to enjoy the blessings of moderate labour, of ample time for rest and meals, and of protection to children of tender age?"

The Tariffs

In 1858, the import duties stood at 3½ per cent. *ad valorem* upon cotton twist and yarns, 5 per cent. on cotton piece-goods from Britain,

¹⁷ On August 7, 1874, an article appeared in the *London Times* from its London correspondent who gave a highly-coloured description of the rise of steam-power factories in India near Calcutta, and remarked that the ghauts, wharves, jetties, ware-houses and embankments were fast making the left bank of the Hooghly at Calcutta another Liverpool.

and 10 per cent. on foreign articles. In 1859, all differential tariffs were abolished.⁸ In 1860, there was a uniform duty of 10 per cent *ad valorem*. In 1861, Mr. Samuel Laing, the Finance Member reduced the duty on cotton twist and yarn to 5 per cent. as 10 per cent was thought to give protection. In 1862, he further reduced it to 3½ per cent. and the duty on cotton and other manufactures to the pre-Mutiny rate of 5 per cent. In 1864, a new Tariff Act was passed which placed the import duties generally at 7½ per cent. on manufactured goods and raw materials, at 5 per cent. on piece-goods and 3½ per cent. on twist. The alterations in 1871 were not material. The year 1861 marks the beginning of the policy of the Government of India by which they identified themselves with the interests of the English cotton industry as against Indian.⁹ There was hardly any point in reducing the duty, save the following among others, which the Finance Member showed:—

....“ (1) the duty injuriously affected the interests of British manufacturers and commerce.... (4) the determination of the fiscal policy of India depended upon England thus a tax in India injurious in operation to British interests has not the slightest chance of being tolerated.... (7) and lastly, I confess that in the present state of things in Lancashire (trade depression owing to the Civil war), I should be very unwilling to postpone for a single day any benefit they may get from reduction.”¹⁰

The Cotton Duties Controversy

The period from 1874 to 1896 was a period of acute controversy on the cotton duties on imports. The Manchester Chamber of Commerce addressed a memorial to the Secretary of State in 1874 pointing out the injurious effects of the duties and urging their total and immediate repeal. The Government, in response, appointed a Tariff Committee. The Committee proved that there was no competition between the Indian and English cotton industries, the former produced coarse fabrics and the latter finer fabrics, and that the English trade did not suffer. They rejected the alternative proposal of removing the duty on excise goods only, and of an excise duty on the products of Indian mills. It will also be remembered that the proposal for an excise duty on cotton cloth manufactured in India was pronounced as unnecessary for various reasons by Laing (1861-62 Fin Stat.)¹¹

8. See "Our Fiscal Policy", by Prof. C. N. Vakil, page 5.

9. Financial Statement, Mr. Laing, 1862-63.

10. For fuller reference, see pp. 56 H. C. of 1876, pp. 38-39.

11. "Free trade does not mean that there shall be no taxes, but that taxes shall be levied solely with a view to revenue and not partly for revenue and

The Government, after mature consideration, reduced the duty from $7\frac{1}{2}$ per cent. to 5 per cent. and made no alteration in cotton duties which stood at 5 per cent. for goods and $3\frac{1}{2}$ per cent. for yarn. The Government, apprehensive of any complaint against their action from Manchester as one of 'total disregard,' imposed a 5 per cent. duty on the import of long stapled cotton which the mills might be tempted to import from Egypt and America for making finer qualities of goods in competition with Manchester. This duty was imposed to prevent the Indian mills from competing at an advantage in the production of the finer goods. The measure was a sop to Manchester in order to silence any forthcoming agitation from that quarter but Manchester was not so easily pacified.¹² Besides, the Government of India had repeatedly emphasised that the import duties in India had never been imposed with the object of protecting Indian manufactures, but solely for revenue, and that the imports were of higher quality of goods, that in spite of the competition in the coarse goods and the cotton import duty, the import of foreign goods had immensely increased and was steadily growing (see table below) and also that the Indian cotton industry had not progressed because of the protection obtained.

Value of Cotton Goods imported into India.

	£		£		£
1856 ...	4,948,005	1859 ...	8,088,927	1864 ...	10,416,662
1868 ...	17,698,267	1870 ...	16,271,216	1874 ...	17,784,625

In 1874, Lord Salisbury was the Secretary of State. He dictated a policy of removing at as early a period as the state of finances permitted the subject of this dangerous contention. Salisbury had long telegraphic communication with the Viceroy and notwithstanding Lord Northbrook's cabling to him that the Bill had already passed, the Secretary of State raised objection disapproving the new import duty on raw cotton and reiterated his demand for the abolition of taxes on political grounds. He added:—"The abolition should be gradual. The entire removal of the duty should however not be deferred for an indefinite period but provision should be made for it within a fixed term of years." The Viceroy pleaded:—

... for protection. That every customs duty on an imported article should have a corresponding excise duty on similar article produced at home, has therefore become an axiom, and it only admits of one exception, where the amount of import duty is so moderate, that it does not seriously affect trade, while it makes it obviously inexpedient to establish an excise machinery for the sake of levying a trifling duty." He was also convinced that cotton goods constituted such an honourable exception.

¹² There was unanimous protest among both the European and Indian commercial interests in India against the duty on raw produce, saying it was a deliberate attempt to check our progress. See the pages of the *Times of India*, 1875.

“The import duties are in practice not protective, and the removal of the import duty upon cotton manufactures is not consistent with those (Indian) interests.”

Eventually, the Secretary of State had his way, when Northbrook resigned the Viceroyalty of India. Lord Lytton filled his place, and as he was a free trader favouring abolition of cotton duties, Lord Salisbury had a smooth sailing. He laid down the principle in a despatch to the Viceroy—a view from which three of the members¹³ of his Council dissented. This is a convincing proof that the policy of the Government of India is decided and dictated from Whitehall. The Government of India has been ever since a ‘Government by Mandate.’ The appointment in 1877 of Sir John Strachey with whom absolute free trade was a ‘life-long conviction’ made matters smoother still. It will be seen that the new Viceroy, and the Finance Member, Strachey,¹⁴ vied with one another in hastening the abolition of the cotton duties. Lord Lytton could not abolish the import duties in view of the bad state of finance in 1877. The House of Commons passed the following Resolution:—

“That in the opinion of this House the duties now levied upon cotton manufactures imported into India, being protective in their nature, are contrary to sound commercial policy and ought to be repealed without delay as soon as the financial condition of India will permit.”

Lord Salisbury insisted that, if it is not possible to give effect to this resolution in the coming year, they (Government of India), should at once proceed with the repeal of the duty of 5 per cent. on foreign raw cotton imported, and the exemption from the import duties of lower qualities of cotton manufactures upon which the present tax is incontestably protective....¹⁵ In 1878, effect was given to this direction and import duty on raw cotton abolished. The coarse goods exempted from duty were: (1) Grey cotton piece-goods including T-cloths under 18 reed, jeans, domestics, sheetings and drills which

13. They were Sir F. Halliday, Sir B. H. Ellis and Sir E. Perry. They maintained that in place of the total abolition of the cotton duties, the policy ought to be that “the duties should be withdrawn ‘only as far as they are actually protective’ and hereafter to such extent, and to such extent only, as they may become protective.”

14. Sir John Strachey in his Financial Statement, 1877-78, observed among other things: “The interests of Manchester at which foolish people sneer are the interests not only of the great and intelligent population engaged directly in the trade of cotton but millions of Englishmen.” I am ashamed to say that while I hope that I feel as strongly as any man the duties which lower India there is no higher duty in my estimation than that which I owe to my country (England).

15. H. of C. P. 241, 1870, pp. 5-7.

contained no yarn of a higher number than 30s; (2) yarns of the qualities known as Mule No. 32, Water No. 20, and lower numbers.

This was only the thin end of the wedge. This concession did not satisfy the Manchester interests, it only whetted their desire. They demanded that all goods made from yarns finer than 30s. and all yarns up to 26s. Water and 42s. Mule must be exempted. A Tariff Commission was appointed to investigate the bearing of the objection and make recommendations. In accordance with their recommendations all cotton goods containing no yarn finer than 30s. were exempted, and the original limits for yarn retained by a *Gazette* Notification on March 15th, 1879.¹⁶ There was still some doubt that our coarse goods had some shadow of protection. The total abolition of duties was impossible just now because the estimated loss of revenue was £200,000.¹⁷ Lord Lytton overruled his Council and passed this measure.¹⁸ Gladstone's observation in the House of Commons with regard to the circumstances of 1879 is both interesting and instructive.¹⁹ It was abundantly clear that whenever the interests of India clashed with those of England, the former were, of course, to be sacrificed and that the Viceroy was helpless to protect them. Sir John Strachey had written down the principle dictated by the Secretary of State in his Financial Statement (1878-79):—

“That no duty should exist which affords protection to Native industry, and as a corollary, that no duty should be applied to any article which can be produced at Home, without an equivalent duty of excise on the Home production. . . . that the policy desired by Her Majesty's Government was to abolish all import duties instead of countervailing them by excise duties, because it would be

16. P. 241, H. of C. 1879, pp. 15-29.

17. The Government of India accepted the loss notwithstanding a deficit, the Afghan War, the Diversion of the Famine Insurance Fund for other purposes, fall in exchange, and the aftermath of the terrible famine of 1877, and a probable war with the King of Burma.

18. Hon. W. Stokes, A. R. Thompson, and Sir J. Arbuthnot, recorded their minute of dissent. The last said, *inter alia*, in his minute. . . . The Indian newspapers proclaim in every bazaar that the repeal was made solely in the interest of Manchester, and for the benefit of the Conservative party who are, it is alleged, anxious to obtain the Lancashire vote at the coming election. Of course, the people of India will be wrong; they always must be wrong when they impute selfish motives to the ruling race.” Dutt says: “The keen satire of the last sentence is not excelled by anything I have ever read in official literature.” R. C. Dutt, Vol. I, page 413.

19. “With regard to the remission of the import duties, there seems to be something directly repugnant in the way it has been done in the time of India's distress by the Government of a party which has done all in its power to retain every prospective duty in this country. . . . What an invidious, almost odious, picture of inequality to exhibit to the millions of India!” Hansard, Vol. 146, June 12, 1879.

impossible to excise the product of handlooms and the production in the Native States...."

By the exemption of 1879, the trade in the exempted goods increased; in the taxed goods, it decreased and resulted in a loss of revenue to the tune of £200,000. Sir John Strachey said truly "Cotton duties are, in my opinion, virtually dead." All consideration of the exigencies of Indian finances were scattered to the winds, and the partial remission of cotton duties was given away as a sop to Lancashire. Encouraged by this victory, the Lancashire agitation gathered strength and they clamoured for total abolition of duties. A debate took place in the Commons on 4th April, 1879, and the following resolution was passed:—

"That the Indian import duties on cotton goods, being unjust alike to the Indian consumer and the English producer, ought to be abolished and the House accepts the recent reduction in these duties as a step towards their total abolition to which His Majesty's Government are pledged."

The year 1882 was calculated to yield a surplus of 3 million pounds. The Government pounced upon this long-awaited opportunity as it occurred for the thorough-going Reform to which they were pledged and as a result the import duties on cotton goods and also import duties were abolished.

The Hon. Mr. Inglis during the Council discussion said:—

"The effect would be much the same as that produced in a child unable to swim, who was thrown suddenly into water and left to sink or swim as best he might. It was hoped these children might learn to swim, but the fact was many of these would sink in the process. (P. 181. H. of C. 1882, p. 105).

Free trade completely triumphed. Manchester alleged that the duties were protective, but no one, including Lord Salisbury, had been able to prove a large extent of direct and actual competition between these goods.²⁰ The Indian cotton industry developed not because of protection, but in spite of it.

20. Manchester alleged that the British trade in coarse goods was displaced because of the protection. Lord Northbrooke had challenged this and pointed out that the growth of manufactures in India was largely due to natural advantages. Dislodged from one branch, Manchester flew to another and raised a cry of indirect protection and the prospective development of the industry in the branch of fine goods, due to the protective duties. It was, however, clear to every unbiassed and fair-minded person that the imported cotton goods were not of the same kind as locally produced. They both catered for different markets. The whole agitation of Lancashire was from selfish motives.

From 1882 to 1894 India was a complete free-trading country. It will be seen that after the abolition of the cotton duties, the import trade in cotton goods did not increase as it ought to have more rapidly than it did before.

IMPORTS OF COTTON MANUFACTURES (in millions of pounds.)

Years in which duties were levied.		Free Trade Period.	
	£		£
1871-72	.. 19.04	1883-84	... 25.11
1877-78	.. 21.70	1888-89	... 31.50
1882-83	.. 24.80	1893-94	... 32.36
Rise in first decade	41 p.c.	Rise in second decade	33 p.c.
"	" £7 millions.	"	" £7 millions.

This is a positive proof of the fact that our cotton industry progressed (*see* Table below) because of some natural advantages, like proximity of market, saving of freight, good supply of labour, etc., and not due to the protection which the 5 per cent. duty was supposed to have given to it.

GROWTH IN THE MILL INDUSTRY FROM 1877-78 TO 1892-93.

Year.	No. of Mills.	No. of Spindles at work	No. of looms at work.	Export of cotton cloth.	Export of Yarn, etc.
				Rs.	Rs.
1877-78	... 58	1,289,706	10,533	4,42,351	70,038
1882-83	... 62	1,654,103	15,116	7,30,730	18,47,633
1887-88	... 97	2,375,739	18,810	11,15,928	41,12,001
1892-93	... 130	3,378,303	26,317	12,74,569	68,26,008

The following table will show the comparative growth of imports and exports in cotton goods from 1880-81 to 1891-92. ²¹

Cotton Goods.	Imports.			Exports.		
	1880-81.	1885-86.	1891-92.	1880-81.	1885-86.	1891-92.
Twist and yarn (in thousands of pounds)	15,877	45,915	59,404	26,901	78,242	161,253
Piece-goods (in thousands of yards)	1,776,507	1,743,378	1,882,385	30,385	51,528	73,351

As a result of Free Trade, the imports of twist and yarn during the decade increased only by 1 per cent., the imports of piece-goods by about 6 per cent. while the exports in twist and yarn increased to nearly 600 per cent. and piece-goods to 241 per cent.

The Tariffs from 1894

In 1894, when the fall in the sterling value of the rupee rendered fresh taxation necessary, the idea of a general import duty was revived, the rate being, until 1916, 5 per cent. *ad valorem*. The Secretary of State arrived at the decision of exemption of cotton duties²¹ but the Government of India were by no means out of the wood as far as finances were concerned. In his dispatch of 31st May, 1894, the Secretary of State had laid down instructions to the effect that if duty on cotton manufactures be necessary, they ought to be so imposed as to deprive them of their protective character. Sir James Westland, the Finance Member, after a detailed investigation came to the following conclusion:—

(1) Of the manufactures of India 94 per cent. is outside the range of competition with Manchester, being the coarse quality of goods (24s and under) which Manchester cannot pretend to supply as cheaply as India.

(2) Bulk of Manchester's trade consists of piece-goods of about 30s and in yarns somewhat finer.

(3) Of goods of count 26 and over, India cannot produce under difficulties and small quantities and to the extent to which it does, it is in direct but obviously somewhat unequal competition with Manchester.

Imports from United Kingdom to India.

	Million Rs.
Yarns	2'6
Piecegoods	22'0
	<hr/>
Million Rs.	24'6

Mill Manufactures in India.

	Million Rs.
Piecegoods Exported	... 6
Consumed in India	... 3'4
Yarns excluding those woven into piecegoods	... 6'0
Consumed mostly by hand looms	... 4'6
	<hr/>
Million Rs.	14'6

If by 5 per cent duty, India's trade would have been trebled (just now its competing trade was worth 8.6 lacs rupees).....besides this was an extravagant imagination..... it would have taken from Manchester no more than 17 lacs rupees worth of trade out of its present total of 24 crores rupees.

21. The decision was arrived at in opposition to both the Governor-General-in-Council and the unanimous vote of his own (Secretary of State) Council. Deep and universal feelings of regret were expressed throughout the country and the impression was gaining ground that India was being sacrificed to the exigencies of party politics.

The Secretary of State was not convinced that there was not even a shadow of protection in the duties²² proposed by the Finance Member. In December, 1894, a 5 per cent. *ad valorem* duty was imposed upon imported cotton goods and yarn, while an excise duty of 5 per cent. was imposed upon all yarns of 20s and above, spun in power mills in British India.

Sir Pherozechah Mehta remarked on the passing of the Bill:—

“The principle and policy underlying the Bill are that the infant industries of India shall be strangled in their birth, if there is the remotest suspicion of their competing with English Manufactures.”

This excise was an unjustifiable burden. 20 per cent. of the mill products were made subject to taxation. Hamilton²³ has observed:—

“The excise duty was rather in the nature of a sacrifice to principle than a measure demanded for the purpose of removing a practical evil.”

It was mischievous and suicidal since it burdened an important industry deserving encouragement, at the instigation and for the benefit of the rival.

Two influential deputations waited upon the Secretary of State in 1895, on 25th February and 27th May,²⁴ for the reduction in the duties. The Government passed a Bill in 1896, by an official majority in the teeth of non-official opposition.²⁵ The provisions were:—

22. The Finance Member proposed a duty of 5% on cotton goods, 3½% on all cotton yarns above 24s, and on excise duty of 3¼% on all machine-made yarns by local mills of count above 24. In spite of the Finance Member's convincing evidence, the Secretary of State was not convinced and suggested the excise and duty on goods to be both 5%, as then there would be no protection to local manufactures. He was also not satisfied as to whether 24 counts was the right line at which duty should begin. He fixed the limit at 20s in place of 24s. The Finance Member issued a Bill accordingly, but he cleared his position on the subject thus:—“I would not be dealing straightforwardly if I pretended that the measure was recommended by the Government of India.....No Government would impose a duty upon an industry so deserving of any fostering care which it can bestow”.

23. “Trade Relations between England and India,” p.251

24. The two deputations complained chiefly against the probable elements of indirect protection due to the tendency of coarser goods of India which, being low-priced would divert the course of consumption from the finer to the coarser, and they alleged that the tax levied on yarn afterwards woven into cloth was lighter than that levied upon the finished article (this latter had some foundation but not such as to create any alarm). Certain Scotch merchants complained that they had to pay 5% duty on yarn of low counts exported to Burmah, while the same from Bombay were free of duty.

25. The Millowners' Association, various European chambers of commerce and other public bodies had suggested an alternative plan of exempting yarns of 20s and under as well as goods made from such yarns, and levying excise on value of finished goods made from yarns, above 20s. Even this was more than Lancashire could claim, especially as we had to pay tax on mill-stores also. The Viceroy regretfully said, “It is not in our hands to accept the suggestion.”

(1) Imposition of direct countervailing excise duty upon the cotton piece-goods woven in the mills in India at the same rate as the import duty on piece-goods, *i.e.*, $3\frac{1}{2}$ per cent.

(2) All yarns either imported or manufactured in India were made free.

(3) The rate of the cotton import duty was lowered from $5\frac{1}{2}$ to $3\frac{1}{2}$ per cent. One of the effects of this legislation was to result in a taxation of $51\frac{1}{2}$ lakhs of Rupees (or 37 per cent.) to Manchester goods, and an increase of 11 lakhs to our goods (or 300 per cent.) which were consumed mainly by the poor classes, for letting Manchester experiment to cater for our market.

It can easily be seen that the legislation of 1896 stands unapproached by any of its predecessors of 1879, 1882, 1894, in its subordination, disregard, and relegation to the background of Indian interests.

Mr. R. C. Dutt has remarked:—

“The Act of 1896, imposed an excise duty on all cotton goods. It taxed the coarse Indian fabrics with which Manchester never competed.²⁶ It raised the price of the poor man's clothing in India without the pretext of relieving the poor man of Lancashire.”

As an instance of fiscal injustice, the Act of 1896 stands unparalleled in any civilized country of modern times.

Apart from the question as to whether the excise duty checked the Indian cotton industry it certainly established at once a wrong principle and a bad precedent, for it was solely in the interests of British Manufactures. It has been made quite clear that the tariff measures were passed often against the reasons and convictions of the Government of India and invariably always against the strong and indignant protest of the enlightened Indian and European public in India. The Government of India had to accept such decisions owing to their constitutional subordination to the Parliament.

There was no other appreciable change in tariffs (except the silver tax in 1910-11) affecting the cotton industry till 1916.

26. If Lancashire could pretend to produce coarse goods as cheaply as India, the abolition of cotton duties from 1882 to 1894 had afforded an opportunity to her, which was not utilised. See “Factory Legislation in India” by Dr. Rajani Kanta Das, Ph. D. He has elaborately discussed this in his book.

Labour Legislation

Not content with the favourable tariff legislation, the English manufacturers wanted to extend the British Factory Law to India, on grounds of humanity. Pointing out the necessity of regulating labour Lord Shaftesbury observed in 1875:—

“There is also a commercial view to this question. We must bear in mind that India has raw material and cheap labour; if we allow the manufacturers there to work their operatives to work for 16 or 17 hours and put them under no restrictions, we are giving them a very unfair advantage over the manufactures of our own country, and we might be undersold in Manchester itself by manufactured goods imported from the East.” (Great Britain, Parlia. Debates, 1875, 226: 2111).

In 1889, a deputation waited upon the Secretary of State for India. The arguments were that the British had a real grievance against Indian mill operatives working 80 hours a week, that mills were being built on a colossal scale in India, that the export of raw cotton yarn was increasing, etc.

We must admit that the Legislations of 1881, 1891 and 1911, must certainly have ameliorated the condition of the mill operatives, by regulating child labour, female labour, and reducing the number of hours of work, etc., but still the fact is prominent that this was brought out by motives of jealousy and fear of competition.

There was a strong feeling and agitation in India²⁷ against the proposed legislation in 1881 and 1891 which was a device of the British manufacturers against the Indian millowners to retard the growth of the cotton industry in which millions of rupees were invested. After a great deal of controversy, the Acts of 1881, 1891 and 1911 were passed. The Factory Acts of 1881 and 1891 did, of necessity, bring about some depression to the industry.

Other Influences

The history of the cotton industry from 1892 to 1900 is an eventful one.

The high price of raw cotton from 1892 onward seriously reduced the profits of the manufacturers and there were no two consecutive years in which they were working under normal conditions.

²⁷ This is quite clear from the protests of the various commercial bodies, like the Bombay Millowners' Association, the Madras Chamber of Commerce, and of members who made strong speeches in the Legislative Council, to show that this was a measure prompted by jealousy of the British manufacturers, etc.

The Indian Industrial Commission (page 73) has truly observed:—

“The closing of the Indian mints in 1893 to the free coinage of silver, together with the industrial development in recent years of Japan, which now not only supplies its own needs but is a keen competitor with India in the China yarn market have to some extent retarded the rapidity with which the Bombay yarn industry was previously expanding.”

In 1896, the shadow of the famine fell over the industry and the outbreak of plague in the Bombay City caused an exodus of the inhabitants which for the time almost stopped the working of the mills. Since then the industry suffered an acute crisis, the culmination of which may be seen in the reduction of the output of yarn from 514 million lbs. in 1899-1900 to 353 million lbs. in 1900-01.

Mr. O'Connor's Review of the Trade of India in 1899-00 describes in detail the causes:—

“The truth is many...mills were established in the interests of those who financed them, their remuneration being a commission on each pound of yarn spun, without referenc to its sale at a profit. The inducement to excessive production is manifest. A second reason.... lay in the exclusive attention given to China.... market. The Agents had no interest to seek out a market locally. It was easy to ship yarn and have done with it; if the yarn did not sell with a profit, so much the worse for shareholders. With Japanese competition and a constantly increasing supply from India, the prices of yarn fell, while stocks accumulated, and prices could not rise till stocks had been materially reduced. At the same time the rise in the price of raw cotton in India has seriously affected the spinner, who had made no arrangement for purchasing before the rise began. A further reason lay in the attention given to the depreciation of the rupee as a source of profit.”

Let us now observe the circumstances which brought about the crisis in 1905.

There was a great boom in cloth prices which led the producers to entertain great expectations and hopes about the weaving industry. The rage for extension of weaving began fast and furious.

A glance at the tables on page 54 and 55 will show that there was an increase of over 55 per cent. in loom-power, and an increase of only 15 per cent. in production of cloth. Export was stationary (*see* table below) and consumption inadequate due to heavy imports from Lancashire.

<i>Output of cloth (in millions of lbs.)</i>			<i>Exports (in millions of yards)</i>		
<i>Year</i>			<i>Year</i>	<i>Grey Cloth</i>	<i>Coloured</i>
1905-6	163		1907	42.2	34.2
1906-7	159		1908	39.4	34.3
1908-9	184.1		1909	43.5	34.1

Thus, there was a virtual overproduction²⁸ accompanied by crisis and depression, its concomitants. The contraction of our yarn market in China and the Straits were responsible for the depression of the spinning industry. In the following years, there was a shrinkage partly due to the unprecedented rise of the raw material. In 1911-12, the imports of raw cotton from America and Egypt increased greatly, (exceeding 8 per cent. of the total mill consumption), due to the vast abundance and relatively cheap supplies. This indicated the improved spinning efficiency and a demand for finer staples.

The year 1911-12 which witnessed the fall in the price of raw cotton was of bad omen for our spinners. Later on, the fall in the price of the raw material synchronised with improved conditions in China, and evoked an exceptional demand but almost immediately after heavy contracts had been made for shipment, the revolution in China, and evoked an exceptional demand, but almost immediately of an internal demand. The output was estimated to be about 75 per cent. of the maximum of which the industry was capable.

A glance at any statistics showing progress of production and export of yarn will clearly show that there is a steady increase. Till 1905 there was a steady decrease in imports of yarn for hand-loom. We produced higher counts of yarn here. The increase in imported yarn in 1905 was due to the increasing demand of finer counts and decrease of import in longstapled cotton. The table shows the quality of yarn produced.

They will also show that during the 15 years from 1900, we have made a fairly rapid advance in production of grey goods. (In 1897-8,

²⁸. We do not mean to say by 'overproduction' that we supplied cloth more than necessary for the Indian consumers. Far from it. Such an implication, especially in view of the fact that 26 crores of rupees worth of goods were annually imported, would be absurd. The only meaning is that we produced more than what we could sell with profit at the prevailing prices. There would have been no overproduction if we could cut down the prices but this was impossible in view of the high price of raw cotton which had also its share in the depression.

about 91 per cent. of goods were unbleached and grey, and in 1913-14 only 40 per cent. were such—this points to an improving situation in spite of several difficulties, referred to above, like plague, famine, the 1905 overproduction crisis, the high price of raw cotton after 1907, the effects of the excise, and the silver tax, (which we will consider shortly). We have already noted the prominent causes of depression, *viz.*, overproduction due to the mill agents' remuneration being a commission on each pound of yarn produced irrespective as to whether the outturn was sold at a profit or otherwise, and the exclusive attention to the foreign market. Referring to the system in most of the Bombay mills of remunerating agents not on profit but by commission upon outturn, the *Cyclopaedia of India* writes:—

“ The internal management demands a radical reform and needs to be purged of the many corrupt practices which are a reproach to their morality. Simultaneously, the burdens and system of commission on the production, at the rate of one quarter anna per lb. urgently demands replacement by a fair and reasonable rate of remuneration.”²⁹

The export of piece-goods was comparatively insignificant and shows no rise. The imports are steadily rising which points to the fact that Indian mills could not supplant Lancashire ones, that the coarser quality of goods formed only a part of the demand of the population.

It was thus clear that in order to oust the foreign manufactures, the mills had to go on producing finer goods, if necessary, by importing long-stapled cotton and by improving their old-fashioned methods of dyeing, bleaching, mercerising, finishing and making them up-to-date.

The foreign demand, *e.g.*, of China, of our goods is always precarious and unstable. Therefore in our interest, we ought to develop the home-market. The action of the excise duty which leaves the yarn untaxed but affects the weaving industry, may have been partly responsible for this neglect of developing the home market.

Sir Mannohandas Ramji³⁰ dispelled the belief that the development of home-market was impossible in view of foreign imports, thus:—

29. The *Cyclopaedia of India*, II, p. 27; pp. 261-272 give a good account of the industry.

30. See his speech in the Annual Report of the Bombay Millowners' Association.

.....“ The development of the home-market should ever be an ideal placed before us. Because the country does not manufacture variety of goods at present, it does not follow that it will not be able in time to come to manufacture them. The working of the mill industry in this country shows how the production of certain goods considered impossible before, is now going on apace. Similarly, the mills, if afforded proper scope for development, will be producing finer varieties of piece-goods.”

The Silver Tax in 1910-11

The Chairman of the Bombay Millowners' Association said that the silver tax had transferred the yarn trade from Bombay to Japan. If it be true, it corroborates the anticipation of the Hon'ble Sir Vithaldas Thakersey who made the following observation on the probable effect of the tax on the cotton mill industry in the supreme Legislative Council:—

.....“ The new duty amounts to 17 per cent. as against 5 per cent. *ad valorem*, under the old Act. The Indian exporters to China receive the prices of their goods in silver which has afterwards to be converted into Gold Standard rupees. We export between 5 to 6 lakhs bales of yarn every year and the value is about 10 crores of rupees (see appendix I). The duty now imposed will reduce the number of rupees which the Indian spinner will get owing to the depreciation of silver. The Chinese manufacturer will benefit to that extent as their manufacturing charges will not be appreciably affected and in this unequal competition our export trade to that country will be adversely affected.”

We have also seen that the depreciation in our industry was due to overproduction here and contraction of our markets in China due to Japanese competition.³¹

31. Formerly Japan was amongst one of our best customers, and in 1888-89 she took from us more than 23 million lbs. of yarn. Now she takes none; but on the contrary, she has been taking large quantities of raw cotton (in 1911-12, half of our export of raw cotton went to Japan), thereby raising the price of our raw material, while lowering the price of our finished products in the Chinese market. We shipped to Japan over 25 lakhs cwts. of raw cotton in 1901-02 and 36 lakhs cwts. in 1911-12. The value of raw cotton shipped there in 1903-04 was over 34 lakhs and 96 lakhs in 1912-13. Besides the Japanese had a protected home-market which made dumping for her easy, and goods were carried at a ridiculously low freight by the subsidised companies.

It is very remarkable indeed that in 1913-14 India with over 64 lakhs spindles employing 2½ lakhs of persons turned only 62 crores lbs. of yarn, while Japan with 21 lakhs spindles, 9,200 hands turned out 50 crores lbs. of yarn. See the Textile number of *The Times*, London, p. 24.

A relative position of our industry in the world is given in footnote. ³²

Besides this, there were other difficulties which confronted the Indian mill-owners. Let us take up the Excise Duty, on which we will make a few observations here.

The Excise Duty (upto 1913-14)

The duty of 3½ per cent to be paid by 'every mill in British India, upon all goods produced in such mill' has undoubtedly served as a check on the growth of the cotton industry. An ordinary mill with a capital of a few lakhs of rupees pays excise on production, irrespective of whether it makes a large profit, or small, or even works at a loss. The amount of the excise duty realised from the cotton mills is given below in lakhs of rupees.

1896-07	11.23	1905-6	27.06	8910-11	42.26	1912-13	56.17
1900-01	12.16	1909-10	40.06	1911-12	48.79	1913-14	54.39

Some persons argue that there has been a fairly good increase in mills all along and that the Excise has not hindered their progress. It is not true to say so. It is quite certain that the progress would have been more rapid, without this duty. Mr. M. P. DeWebb has said truly:—

"Nobody in India, be he European or Indian, regards it (the Excise) otherwise than an altogether unnecessary and indefensible sop to Lancashire. Apart from political considerations, these Indian excise duties form one of the most extraordinary monuments to British Economic ECCENTRICITY (capitals ours) that the whole of the tariff controversy affords. Whilst on the one hand, the free traders of England are never tired of asserting that the protectionist policy of foreign nations can only handicap those nations and that Great Britain with the healthy free trade principles is absolutely unassailable by such devices, the free trade cotton spinners and weavers of Lancashire take very good care that India does not impose even 3½ per cent. for revenue purposes on their products without an accompanying excise duty." ³³

32. Japan's Cotton Industry has a dramatic rise. It can be said to have begun in 1891. During 1889, they imported from us 62,000 bales of yarn, and in 1899, only 250. By 1913, they were competing with ominous success with us in the Chinese market. In 1904, India had 204 mills which looking to its length and breadth, are nothing in comparison with 2,077 mills in Great Britain and 1,201 in U. S. A. In 1914 we had 54 lakhs spindles, U. K. had 55 crores, and the world's total was 14½ crores of spindles.

33. Quoted in the Bombay Millowners' Association Report for 1907.

From the standpoint of the consumer, very severe criticism was directed against the reduction in favour of cotton duties from 5 per cent. to $3\frac{1}{2}$ per cent. in 1896, on the ground that the effect of the legislation would be to relieve the richer classes who were consumers of the finer fabrics and impose new taxation on the poorer classes whose requirements were met by the Indian mills. Of late years, there has been one more legitimate grievance for opposition due to the severe competition which Indian mills have to face in China as well as in India from the Japanese industry. We have also shown that it is claimed that the enhancement of the silver duty has materially affected the position of the Indian spinner in the Chinese market.

In addition to the handicap due to excise duty, the like of which is levied no where in the world, the Indian millowners labour under certain disadvantages. The cotton industry can neither be helped by State, by Tariffs, by Subsidies, as the free trade Government of England has done to stimulate the production of cotton in Sudan for Lancashire. But even if it could do, it is not certain that the Indian industrialists would be able to benefit therefrom. The late Mr. Gokhale truly said:—

“If the Government of India or the Secretary of State had the power to grant protection in the present circumstances, I am not sure that it would be employed in the best interests of the country.”

For even if we exclude British manufactures, we cannot exclude British manufacturers from taking advantage of the protection.

Disadvantage of Labour, etc.

The cost of initial equipment in the case of an Indian mill which has to import its machinery from outside is about $2\frac{1}{2}$ times³⁴ as great as in England, and the working expenses consequent on the scarcity of skilled labour and on the necessity of importing stores required in the production of cloth, were certainly higher here. Coal is being produced in India in requisite quantities, but the high freight from the colliery to the mills makes the coal supply also dear.* Besides the Indian labourer, though reputed to be cheap, is not efficient. Mr. S. M. Johnson went to the length of saying that the efficiency of the mill-hand in India and in England is in the ratio of 1: 6 and proves his statement by comparing an example of a Lancashire mill-hand

34. Cf. G. M. Broughton's "Labour in Indian Industries," 1924, p. 23.

* Reduction of freights on coal was being urged by various Chambers of Commerce on Government repeatedly. Nothing however was done in that direction by the Government.

who can turn out 460 lbs. of coarse cloth per week, when an Indian can turn out 70 lbs. and a handloom weaver 50.³⁵ S. J. Chapman has similar observations:—

“The labour cost of production in Indian mills.....was in 1888 far higher even for the coarser counts than the labour cost in Lancashire.....The Indian operative possesses less endurance, less persistency, and less power of continuous application—all classes of labour are constantly changing in Indian mills. The number of operatives required to manage a given quantity of machinery is....now at least 3 times greater. It is the advantage of position³⁶ alone which has enabled the native industry to oust foreign yarn except a few, the bulk of which are coloured.”³⁷

It has been an axiom with our millowners that the Indian labourer prefers long hours with less discipline, to shorter hours with strict discipline. Besides, some employers complain of scarcity of labour, but this is only apparent and the potential supply of labour is almost unlimited.³⁸ It is not intended here to find out the causes of the inefficiency, migratory character, etc., of the labour. Suffice it to say that the want of cheap and skilled labour as well as cheap capital did give a set-back to the development of our industry.

35. See his paper read before the Industrial Conference, 1905.

36. “If only our raw material were taken away from us, our industry would also go away in a twinkling” (S. M. Johnson),

37. Work and Wages—S. J. Chapman, Part I, p. 151.

38. Indian Economics—Prof. V. G. Kale, pp. 80-84.



Cultivation of Cotton in India

BY a general consensus of opinion, India is regarded as the birth-place of cotton growing. The story of the origin of cotton growing, however, is lost in the dimness of India's hoary past. Nevertheless, down through the centuries, cotton and cotton goods have figured prominently in India's external and internal economy. Even to-day she occupies no mean place among the cotton growing countries of the world. She ranks second in the world, and first in the British Empire.* The following table will show her production as compared with the United States, the largest producer of cotton.

PRODUCTION OF COTTON †

Year	AREA (In 000 acres)			PRODUCTION (In 000 bales of 400 lbs.)		
	India	U.S.A.	Egypt	India	U.S.A.	Egypt
1933-34	24,137	29,383	1,873	5,108	16,309	2,123
1934-35	24,023	26,866	1,798	4,858	12,046	1,871
1935-36	23,138	27,335	1,732	5,728	13,297	2,113

It will be seen at a glance from this table that the output of cotton per acre in India is much lower than in U. S. A. or Egypt. Whereas the area under cotton in India represents more than 75 per cent. of that in U.S.A., yet the Indian output was only about 31 per cent. in 1933-34, and 40 per cent. in 1934-35, 45 per cent in 1935-36, as compared with American production, after reducing the production figures to uniform bale weights of 400 lbs. In the United States and Egypt, the yield of lint cotton per acre is some 200 and 400 lbs. respectively and in India it is less than 100 lbs. The same is also the case with quality. The coarse short-stapled Indian cottons stand no comparison with the fine long-stapled American ones. Yet, in the past, India produced cotton of a very superior order from which the yarns for the manufacture of *muslins* and similar other fine cloths were spun. How and when India ceased to cultivate those fine species of cotton has been indicated briefly elsewhere. It is indeed a tragedy that India which at one time was the home of a very superior variety of cotton should now produce a quality inferior to that of many other countries.

* The Indian crop of cotton constitutes nearly one-fifth of the total output of cotton, and next to rice and wheat, cotton occupies the third position amongst Indian produce.

† The world production of cotton in 1936-37 is estimated at 30,200,000 bales of 478 lbs. nett, as compared with 26,500,000 bales in 1935-36.

‡ Vide, Tables in "Cotton Textile Industry at a glance."

Early Attempts at Improvement.

When the East India Company first came to this country, they found Indian cotton in the same state of degradation as now. It, however, redounds to the credit of the East India Company that between 1788 and 1850 they made persistent efforts to promote the improvement of Indian cotton. Writing about this in 1861 a writer (Cassel in "Cotton in Bombay Presidency") pointed out:

"During this period the hope that India might ultimately replace the United States as the source of cotton supply has vaguely existed in Great Britain, rising into eagerness in moments of distress, and sinking into indifference on the return of abundance. For upwards of half a century Indian cotton has occupied the unsatisfactory position of a mere *pis-aller* for the American growth, reluctantly purchased when the latter has been dear and instantly abandoned when it has become cheap."

To promote the improvement of cultivation and to increase the output of Indian cotton, botanists and American planters were appointed specially. The principal objective of the Company in doing this was to introduce and naturalise exotic cottons such as Bourbons, New Orleans and Egyptian varieties. The experimental cultivation with American seed was made as early as 1828, model farms were established in numerous places, attention was paid to indigenous varieties, and cultivators were encouraged to adopt foreign crops. Mr. Mercer, the head of the American planters after trying a series of experiments in different parts under different climatic and soil conditions gave the following verdict:

"The experimental farms were only a useless expense to the Government; the American system was not adapted to India, the natives of India were, from their knowledge of the climate, and the capabilities of the soil, able to cultivate more efficiently and much more economically than any European."

Stimulus to Cotton Export.

The Government dissatisfied with these results appointed a Select Committee in 1848, which held out no better hopes. The export of Indian cotton received an immense stimulus during the American Civil War when the close blockade produced a cotton famine in Lancashire, and threw the spinners back on India for their supply of the raw material. The early "sixties of the nineteenth century" came as a providential help to the endeavour of England to extend and improve the qualitative and quantitative cultivation of cotton in India in order to feed the English Spinning and Weaving Industry. The Indian export trade of cotton experienced several vicissitudes. The extraordinary variation in export from 1859 to 1877 is instructive. It

proved that the apprehensions of the Select Committee of 1848 to capture a fair proportion of trade to supply raw material to Lancashire turned out true. England had to obtain her raw material from the country which supplied cheapest and best, and America produced the best for Lancashire. American cotton replaced the Indian cotton. During the years 1890 to 1900 there was a great decline in our export trade in raw cotton. It recovered some ground in the first decade of the twentieth century, but the second decade was one of fluctuating trends for it. Recent trends in our export trade in raw cotton are shown in the following table:—

Exports of Indian Cotton.

	In thousand of bales of 400 lbs.
1909-14 (Av.)	2,407
1914-19 (Av.)	2,190
1919-24 (Av.)	2,917
1925-26	4,173
1926-27	3,188
1927-28	2,686
1928-29	3,712
1929-30	4,070
1930-31	3,926
1931-32	2,369
1932-33	2,063
1933-34	2,729
1934-35	3,490
1935-36	3,396

The importance of cotton in India's export trade will be evident from the fact that it ranks first in our export list. The following table would give an idea of the value and importance of raw cotton in the perspective of our total export trade in all commodities:—

India's Export Trade†

	Raw Cotton*	All Commodities
	(In lacs of rupees)	(In lacs of rupees)
1930-31	46,73	220,49
1931-32	23,78	155,89
1932-33	20,70	132,27
1933-34	27,91	147,25
1934-35	35,45	151,67
1935-36	34,47	160,52

*The value of Raw Cotton exports for these years includes cotton waste also.

†Review of the Trade of India, 1935-36 (p.p. 69).

Of the total quantity of cotton exported from India, Japan alone takes over 50 per cent. The following table illustrates Japan's share of our cotton exports in the perspective of that of the British Empire and all foreign countries (including Japan) :—

<i>Year</i>	<i>British Empire</i>	<i>Japan only.</i>	<i>All Foreign Countries</i>
	(In thousands of bales of 400 lbs).		
1909-14 (Av.)	152	1,012	2,255
1914-19 (Av.)	233	1,373	1,957
1919-24 (Av.)	165	1,540	2,752
1929-30	277	1,640	3,793
1930-31	287	1,686	3,639
1931-32	171	1,080	2,198
1932-33	170	1,085	1,893
1933-34	345	1,022	2,384
1934-35	353	2,055	3,137
1935-36	456	1,759	2,929

The fall in exports during 1931-32 and 1932-33 was mainly due to reduced orders from the Far East where the comparatively high parity of Indian cotton for a time made American of better value especially to Japan. In 1933-34 the position improved in spite of the obstruction caused by the Japanese boycott of Indian cotton. Since January, 1934, however, trade agreements entered into with both Japan and the United Kingdom have resulted in larger buying of Indian cotton by both these countries.

Two of the greatest impediments in the way of the expansion of the market for Indian cotton abroad are its comparative inferiority in comparison with the long-stapled Americans and Egyptians, and trade barriers imposed in various countries of the world in recent years. The import duty in Italy is a serious handicap to short-stapled low priced Indian cotton. The customs duty on raw cotton in Australia is almost prohibitive. The Nanking Government have recently raised the import duty on cotton in China by 40 per cent. In European countries like Germany again there are the exchange restrictions which are discouraging factors to Indian export. It is, however, satisfactory to note in this connection that the Indian Central Cotton Committee is trying its best to widen the sphere of its activities and get into touch with the consumers of Indian cotton all over the world and see that the handicaps against Indian cotton in all parts of the world are removed far as possible.

Indian Central Cotton Committee.

Since its inception in 1921 the Indian Central Cotton Committee* has been rendering signal services to the cause of cotton cultivation in India. Briefly speaking, its chief functions are (i) to advise the Central and Local Governments on all questions on cotton referred to it, and to suggest suitable measures for the improvement and development of the industry, (ii) to finance and to direct research work on the problems connected with the improvement of Indian cotton including investigations into the relationship between the cotton plant and its environment, the diseases and pests of cotton, and the lint qualities of the existing as well as newly evolved types, (iii) to finance schemes intended to bring into general agricultural practice the results of economic importance obtained from research, and (iv) to finance schemes, wherever possible, for extension of long and medium staple cottons of improved variety and their marketing. The funds of the Indian Central Cotton Committee are derived from a cess of 2 annas on every bale of Indian cotton exported from India or consumed in mills in provinces in India.

By the enactment and enforcement of various legislations such as the Cotton Transport Act, the Cotton Ginning and Pressing Factories Act, the Indian Central Cotton Committee has endeavoured to maintain the standards of quality of cotton grown, to prevent adulteration with inferior types and to discourage the various malpractices which at present occur in a certain number of ginning and pressing factories. All these measures have prevented great economic loss to the whole country—most of which fell heavily on the grower. The Committee has also succeeded in preventing growers from being defrauded when marketing their produce, by urging on the Government of Bombay to pass the Bombay Weights and Measures Act, by

* The Indian Central Cotton Committee was constituted by the Government of India in March 1921 by their Resolution No. 404-22 (Department of Revenue and Agriculture) to encourage the growth of improved varieties, to extend the area of cultivation and to stimulate and assist in every possible way the production, marketing and manufacture of Indian Cotton. The Committee has now been in existence for over 16 years and during this period, by combining scientific research with practical progress, it has been responsible for valuable work in all these directions.

The Cotton Cess Act was passed in 1923 to provide funds for the Committee's work. The cess is levied at the rate of two annas per bale of 400 pounds avoirdupois or six pies per 100 pounds of unbaled cotton. During the first three years it was collected at double these rates. It is levied on all cotton exported from India whether by sea or land and on all cotton consumed by the mills in British India, which are required to furnish monthly returns to the Collectors of the districts, except in Bombay Presidency where they are furnished to the Collector of Customs, Bombay.

which weights and measures have been standardised for cotton transactions in various places. The Committee realised early that for the benefit of the cultivators it was necessary to have regulated open markets for cotton in the country, and their efforts in this direction have been crowned with success by the establishment of such markets in Khandesh, Central Provinces, Hyderabad, Indore, Dhar, Baroda, Sangli, and Tirupur. The Committee is also endeavouring its best to find out ways and means for providing the cotton grower with cheap finance, and at the same time easing the burden of his indebtedness. Jointly with the Imperial Council of Agricultural Research, the Committee is at present financing an enquiry (costing Rs. 5,22,200) into the cost of growing cotton, sugarcane and their rotation crops in the principal cotton and sugarcane tracts of India. The Committee has also directed its efforts towards the ensuring of greater accuracy in cotton statistics. But above all, the Committee has conducted various scientific enquiries and practical researches on the improvement of Indian cotton by the judicious hybridization of existing strains, by the naturalisation of imported ones, by the eradication of undesirable ones, and the rooting out of cotton diseases, particularly the prevention of Boll-weevil by the fumigation of American cotton before entry at Bombay, which incidentally is the only port from which American cotton can be imported.* Most promising results have so far been obtained from these scientific tests, and the Committee has all along been carrying on persistent propaganda to advise the grower on suitable varieties of cotton and to show him how it will give him a better monetary return than short-staple cotton. Technological research essential to securing authoritative valuation of spinning qualities of

*In spite of repeated requests from cotton mills in Bengal the Calcutta Port Commissioners and the Government of Bengal have not favoured the idea of providing fumigation arrangements at the Port of Calcutta. The main objections of the Government are that all cotton from America comes to Calcutta via. the Port of Bombay where adequate arrangements are already in existence for fumigation of American cotton; that in the event of providing fumigation arrangements at Calcutta there is no guarantee that sufficient quantities of cotton would be imported direct at that port; that the cost of fumigation would be prohibitive at the Calcutta port; and above all, there is the danger of cotton crop of Bengal, or for the matter of that, India, being affected by the American pest, the Boll-Weevil, if fumigation of American cotton is not carried out at the Calcutta port as suggested by some of the commercial organisations on the ground that the pest may not survive the long-distance travel from America to the port of Calcutta. In view of the necessity of development of the Cotton Textile Industry in Bengal and in the Up-Country centres, it is very essential that Fumigation arrangements should be provided at the Port of Calcutta for enabling the Cotton mills to import long-staple cotton from America direct at Calcutta port and thus remove the handicap to the cotton industry in Bengal, which has been calculated by the Tariff Board to work out to 3.86 pies per lb. of cloth.

cotton and to carrying out fundamental researches on the physical and chemical properties of cotton fibres is carried out at the Technological Laboratory of the Committee at Matunga. Simultaneously, the Committee is sparing no means to popularise the use of improved varieties of Indian cotton both here and abroad, and for this purpose it has been working in co-operation with the Empire Cotton Growing Corporation, the British Cotton Industry Research Association, the Lancashire Indian Cotton Committee and similar other bodies. The last named body "is doing everything in its power to encourage greater use of Indian cotton in Great Britain."

Long-staple Cotton in India.

We have already referred to the successful efforts of the Indian Central Cotton Committee for the judicious selection, the hybridization and naturalisation of exotic cottons. Stapled cotton of almost equal to middling American and in some case, superior, is now being grown in India in Madras, Sind, Punjab, C. P., Gujerat and Dharwar, and in the first five provinces the prospects of long-stapled cotton are decidedly favourable. It is now recognised by the Government experts and others that the cultivation in India of exotic types of long-stapled cotton must be confined to the irrigated districts. In this respect, the Lloyd Barrage Canals in Sind have opened up unlimited possibilities for the development of cotton cultivation on the Indus Right Bank areas. During the decade prior to the opening of the Lloyd Barrage Canals, the annual area under cotton cultivation in Sind averaged slightly over 3,00,000 acres with an average outturn of approximately 100,000 bales. Now, as a result of irrigation, the area has been increased to approximately 7,50,000 acres. Four main classes of cotton are now being dealt with, viz., (i) Sind Deshi, (ii) Punjab Americans, (iii) Imported Americans and (iv) Imported Egyptians. "Among each of these four main classes, the Department of Agriculture, Sind, has by botanical selection, evolved improved strains which, on account of better yield, higher ginning percentage, or superior quality, are suitable for extension in general cultivation in the different cotton growing tracts of the Barrage areas." It has been shown by a comparison of the average yield of cotton per acre with that of rice and jowar, taking the former at the reasonable estimate of 10 maunds, that the financial returns of cotton to the growers are nearly twice those of either rice or jowar under the present conditions of market and price.

While long-staple cotton can also be produced in a few non-irrigated areas, it has been proved that, with the exception of Tennessee cotton in Madras and Broach cotton in Gujerat, it is economically un-sound. India has some peculiar advantages over other cotton

growing regions—due to her fertile soil, excellent climate, a large agricultural population, not devoid of intelligence as is sometimes assumed, and a great network of railways. There is no doubt that, as a result of the new irrigated areas brought under cotton cultivation, the existing supply will be doubled in no time. Increased supply of improved varieties of cotton will ultimately enable India to do away with the import of raw cotton from abroad, which at present is increasing as can be seen from the following table:

Imports of Foreign Raw Cotton.

Year	Quantity in 000s of bales of 400 lbs.	Values in 000s of Rs.
1933-34	240	35,570
1934-35	339	52,838
1935-36	429	67,453

It will be seen from the table that the import of foreign raw cotton in India has been on the up-grade in recent years. It has been repeatedly urged by the manufacturers in India that sufficient cotton of long-staple should be made available in this country and that the future prosperity of the industry depends very largely on whether or not the supply of improved cotton is forthcoming. Indian mills, specially after the War, are spinning higher counts than 30's and require for this purpose long-stapled cotton, and it appears that Bombay's salvation lies in taking to spinning finer counts from long-stapled cotton. The following table gives details of (i) consumption of all kinds of cotton and of Indian cotton and (ii) receipts of Indian cotton and of foreign cotton at Indian mills during the five crop years ended 31st August, 1935:—

Cotton Consumption and Receipts at Indian Mills.

(In thousands of Bales of 400 lbs.)

	1930-31	1931-32	1932-33	1933-34	1934-35
<i>Consumption—</i>					
All Kinds	2,580	2,853	2,780	2,650	3,061
Indian Cotton	2,269	2,346	2,361	2,336	2,612
<i>Receipts—</i>					
Indian Cotton	1,973	1,951	2,065	2,166	2,254
Foreign Cotton					
Americans	...	...	84	30	64
Egyptians	...	...	36	57	123
East Africans	...	...	184	191	212
Others	...	...	26	19	33
Total Foreign	...	273	461	330	432
Total Receipts	...	2,246	2,412	2,395	2,463
					2,686

It may be stated here that, of the 1,059,000 bales of foreign cotton received in India during the three seasons from 1st September, 1932 to 31st August, 1935, more than 50 per cent. was East Africans of which Ahmedabad mills took about half, the Bombay mills about a quarter, and the remainder was taken up by up-country mills. Egyptians represented about 20 per cent. of which Ahmedabad and Bombay each took about 40 per cent. and the rest of India about 12 per cent. Americans were third in importance with 17 per cent., of which Bombay mills took over 75 per cent., Ahmedabad about 8 per cent. and the rest of India, the balance. Other foreign cotton represented only 7 per cent. of which Ahmedabad took 18 per cent., Bombay over 60 per cent. and the rest of India 17 per cent.

Consumption of Indian Cotton by the Mills

The following table illustrates the percentages of Indian Mills' consumption of Indian raw cotton to total crop during the years 1930-31 to 1934-35:—

Year	Actual Quantity Consumed* (In 100 bales of 400 lbs.)	Percentage to Total Crop.
1930-31	2,269	33.6
1931-32	2,346	50.1
1932-33	2,361	39.5
1933-34	2,336	36.7
1934-35	2,612	40.7

With the production of better grade cotton, we feel that it will only be a question of time when Indian Mills will cease to have supply of raw cotton from abroad. The production of improved varieties of raw cotton is already on the up-grade, as will be evident from the table below giving the estimated production of the past five seasons' Indian crops classified according to length of staple:—

	<i>Indian Cotton Crop</i> (In 1000 bales of 400 lbs.)				
	1930-31	1931-32	1932-33	1933-34	1934-35
Total	5,226	4,007	4,657	5,108	4,858
Long staple over 1 inch.	12	8	11	24	51
Medium staple					
$\frac{7}{8}$ to 1 inch.	1,213	1,298	1,336	1,341	1,204
Short staple below					
$\frac{7}{8}$ inch.	4,001	2,701	3,310	3,743	3,603

*Based on the returns made under the Indian Cotton Cess Act, 1923, by Mills in British India, and on Voluntary Returns from or Yarn Production figures of Mills in Indian States. *Vide* Appendix D. Statistical Bulletin No. 5 (1934-35) of the Indian Central Cotton Committee.

Pointing out that the Indian Central Cotton Committee estimated the annual requirements of the Indian mills in short staple cotton below $\frac{7}{8}$ th inch. at about 1,100,000 bales, the Special Tariff Board in its Report (1936) observes that "this leaves a very large quantity of short staple available for expansion of the Indian spinning industry in counts of yarn up to 16s. warp or 20s. weft, pending which the Indian cotton growers must find outlets overseas for the great bulk of their short staple crop. Much of the medium and long staple cotton grown in India cannot be used for spinning yarns of finer counts. Of last season's crop of 1,142,000 bales medium staple, the Indian Central Committee estimated that about 550,000 bales were capable of spinning 24s. to 30s. warp, 427,000 bales 20s. to 24s. warp and 165,000 bales 16s. to 20s. warp only. About half the quantity, therefore, of medium staple ($\frac{7}{8}$ th inch. to 1 inch.) grown in India is suitable for spinning 24s. warp and above, and a small part of this is exported. Of the remaining half suitable for spinning 16s. to 24s. warp, the bulk is Punjab-American 4F, the takings of which by Indian mills are limited partly on account of high transport charges. Of the long staple cotton (over 1 inch.) only two superior strains of Punjab American and Sind American are available in commercial quantities. They are suitable for spinning 30s. warp or 40s. weft, and, if grown on experimental farms up to 45s. warp counts. Last year's forecast of these varieties was 51,000 bales and there are prospects of an increase in the area under this cotton in Sind resulting in the production of about 100,000 bales in the near future. Of the last season's commercial crop of 63,000 bales, 55,000 bales were taken by Indian mills and the rest exported. The Indian Central Cotton Committee indicates that the growing of high quality cottons having a staple of $1\frac{1}{8}$ inch or even $1\frac{1}{4}$ inch and capable of spinning up to 60s. warp is a practical proposition on certain areas in Sind."

As already stated, it is only a matter of time when India can do away with her supply of raw cotton from abroad. In the words of the late Sir Vithaldas Thackersey, the long-stapled cotton plentifully and successfully grown will revolutionise the whole cotton industry. It may be said that Europe may outbid us for this cotton, but who would doubt the capability of a country growing its long-stapled cotton and having a home-consuming market at its doors to hold its own against any outside competition?



The Handloom Industry

The Handloom Industry of India is as old as Indian civilisation itself and it is noteworthy that it has survived even the onslaughts of Western civilisation with its attendant machinery and mass production, during all these years. Ever since the dawn of civilization, India produced enough of cloth not only to clad her teeming millions, but also to supply the same to the outer world too. Down to the 18th century she was the supplier of cloth not only to Europe, but also to most parts of the civilized world. And the cloth that India supplied was all the production of hand-spinning and hand-weaving. Though turned out by the hand, these cloths revealed such excellence of workmanship that some of them were thought of as "work of fairies or insects rather than that of men." (1).

Taking into consideration the disadvantages of the primitive mode of manufacture as followed by the simple and unlettered people who turned out the cloths with the aid of only a few crude tools in their small cottages, it is really a matter of great admiration that our ancestors should have arrived at such an exceedingly high state of proficiency in the delicacy of the fabrics manufactured by them. Muslins were among the earliest articles of Indian export trade and in spite of the great mechanical advancement made in the cotton industry, the muslins manufactured by the weavers at Dacca which were known by such names as "Running Water," "Evening Dew" and "Textile Breeze" still remain unsurpassed in fineness.

The Decline of its Importance

The Indian handloom industry occupied an important place in world's cotton industry till so late as the beginning of the last century. The decline of the handloom industry in India followed to a certain extent, the introduction of machine-made goods during the eighteenth

(1) Baines', History of Cotton Manufactures, 1835.

and the nineteenth centuries, and more, the impediments placed in the way of its development by the systematic policy of the British Government to extend the sale and consumption of British manufactured goods in India by every possible way, e.g. reduction or remission of import duties, imposition of inland duties on Indian manufactures in India, levy of prohibitive duties in England on exports of Indian goods, etc. In this connection, it may be mentioned that some of the methods employed by the foreign rulers of this country for destroying hand-weaving in India do not reflect any credit on them. Some of these were very torturous, indeed, inhuman. Take for example, the instance of the cutting of the thumbs of the weavers mentioned in a statement of William Bolts quoted in R. C. Dutt's "Economic History of India" and also referred to by Sir Darcy Lindsay in the course of his speech on the Cotton Textile (Protection) Bill in the Indian Legislative Assembly on March 30, 1930. Bolt's statement runs as follows:

"And the winders of raw silk called Nagodas have been treated with such injustice, that instances have been known of their cutting off their thumbs to prevent their being forced to wind silk."

Bemoaning India's helplessness in this matter, the great historian H. H. Wilson observed:—

"It is a melancholy instance of the wrong done to India by the country on which she has become dependent. It was stated in evidence (before the Parliamentary Committee of 1808-1813) that the cotton and silk goods of India up to the period could be sold for a profit in the British market at a price from 50 to 60 per cent. lower than those fabricated in England. It consequently became necessary to protect the latter by duties of 70 to 80 per cent. on their value or by positive prohibition. Had this not been the case, had not such prohibitive duties and decrees existed, the mills of Paisley and Manchester would have been stopped at their outset and could scarcely have been set in motion even by the power of the steam. *They were created by the sacrifice of Indian manufacture.* Had India been independent, she would have retaliated, would have imposed prohibitive duties on British goods and would have thus preserved her own productive industry from annihilation. *This act of self-defence was not permitted her, she was at the mercy of the stranger, British goods were forced on her without paying any duty, and the foreign manufacturer employed the arm of political injustice to keep down and ultimately strangle a competitor with whom he could not have contended on equal terms.*"—(Italics Ours.)

Continuance of the Industry

Leaving past history with but a brief reference, we may now turn to the later years of the 19th century and examine the position of the Indian handloom weaving industry from this period up to the year 1909, till when it is known to have produced a larger quantity of cloth than the cotton mills of India. Since the last quarter of the nineteenth century an erroneous impression appears to have existed in the minds of the people that this industry which had a glorious past is of no importance to-day,—that it is in a moribund state. Prof. C. N. Vakil appears to be dangerously near a similar error when he observed in his carefully compiled history of "Our Fiscal policy:"

"It is well-known that by this time (1882) this (handloom) industry had ceased to be of any importance."

Although statistics of cloth production in the country for 1882 are not available to indicate the extent of the production of the handloom industry, adequate information is available for the years after 1896. During the years 1896-97 to 1900-01 the handlooms consumed about 220 million lbs. of yarn, when the mills consumed only 90 million lbs. of yarn per annum. Thus it will be seen that the handlooms consumed nearly $2\frac{1}{2}$ times as much yarn as the mills consumed for the production of cloth. Between 1901 and 1905, the handlooms consumed about double the quantity of yarn consumed by the mills. This should be an eye-opener to those who talk disparagingly of the handloom industry either from hearsay evidence or from prejudice.

Present Position of the Industry

In 1909, the handlooms produced 1,116 million yards of cloth as compared with 824 million yards produced by the Indian Cotton Mills. Since then the production of cloth by the handlooms has been smaller in varying degrees than that of the mills. It was after the year 1909 that the quantity of yarn consumed by the mills exceeded that of the handlooms. After 1915-16 there was an actual decrease in the consumption of yarn by handlooms, the average annual consumption between the years 1916-17 and 1920-21 being about 200 million lbs., when the average annual consumption by the mills went up to about 330 million lbs. But during the post-war period, the hand-loom industry again recovered the lost ground. The average yarn consumption per annum by the hand-looms during the quinquennium 1920-21 to 1924-25 was about 300 million lbs., as compared with 270 million lbs. during the quinquennium 1911-12 to 1915-16 and 220 million lbs. during the quinquennium 1916-17 to 1920-21.

In the years between 1924-25 and 1929-30, the handloom industry made further progress, and the quantity of cloth produced on the handlooms was on the increase. During the year 1929-30 the handlooms consumed 351 million lbs. of mill yarn and produced 1,404 million yards of cloth, as compared with 2,418 million yards of cloth produced by the mills. In the year ended March 31, 1936 the total handloom production of cotton piecegoods in India was estimated at 1,660 million yards as against 3,500 million yards produced in Indian mills. The following table shows the estimated numbers of handlooms and quantities of yarn consumed and cloth produced during the year ended March 31, 1935.*

(Quantities in million lbs.)

PROVINCE	HANDLOOM		YARN CONSUMED Cotton	CLOTH CONSUMED Others	CLOTH
	Total	Making Cotton Goods			
Madras	318,434	258,558	78.8	.....	315
Bengal	.....	.....	48.2	.....	...
Bombay	.....	110,183	50.2	3.2	235
U. P.	.....	161,913	49.5	6.4	291
B. & O.	.....	180,000	31.1	.....	...
Punjab	256,602	241,602	60.1	4.0	401
Delhi	1,554	781	.2	.....	0.7
N. W. Frontier	.....	10,000	1.0	.....	9
Burma	.....	500,000	15.6	.....	40
C. P.	.....	73,338	15.5	.....	...
Assam	.....	421,367	4.3	.....	22
Total	.....	1,957,742	354.5	.....	...

The position of the handloom industry can further be studied in the perspective of the consumption of imported and mill-made piecegoods in India. The following table gives the figures of the net imports of piecegoods and the net production of both Mill-made and Handloom piecegoods along with the *per capita* consumption of piecegoods in India, since the year 1905—1906.

* *Vide*, Special Tariff Board Report (1936) on Cotton Textile Industry, page 104.

*Imports, Mill Production and Handloom Production
of Cotton Piecegoods in India, along with Per Capita
Consumption**

Year	Net Imports	Net available Mill Production	Handloom Production	Net availabl for Con- sumption	Per Capita Consumption (Yds)
(Quantity in crores of yards)					
1905-06	239	61	108	408	13.60
1906-07	226	63	115	404	13.03
1907-08	247	74	111	432	13.94
1908-09	194	74	112	380	12.26
1909-10	214	87	90	391	12.61
1910-11	224	94	91	409	13.19
1911-12	237	106	104	447	13.97
1912-13	295	113	104	512	16.00
1913-14	313	108	107	528	16.50
1914-15	241	107	118	466	14.56
1915-16	211	133	105	449	14.03
1916-17	183	132	82	397	12.41
1917-18	147	142	81	370	11.56
1918-19	101	130	105	336	10.50
1919-20	99	144	56	299	9.34
1920-21	145	143	115	403	12.59
1921-22	102	157	119	378	11.81
1922-23	152	156	134	442	13.40
1923-24	142	154	101	397	12.03
1924-25	177	179	126	482	14.61
1925-26	153	179	116	448	13.18
1926-27	176	206	133	515	15.15
1927-28	194	219	131	544	16.00
1928-29	191	174	108	473	13.52
1929-30	190	229	140	559	15.97
1930-31	87	246	139	472	13.49
1931-32	76	288	150	514	14.28
1932-33	120	311	170	601	16.70
1933-34	77	289	144	510	14.17
1934-35	97	334	146	577	15.60
1935-36	97	350	166	613	16.57

It will be seen from this table that out of the total consumption of 613 crore yards of cotton piecegoods in India in 1935-36, about

* *Vide*, Review of the Trade of India 1935-36, page 28.

57 per cent is supplied by indigenous mill-production, 27 per cent. by handloom production and 16 per cent. is represented by imported piecegoods.

It is thus more than evident from the statistics given above that the handloom industry has not gone out of existence as is erroneously supposed in certain quarters through ignorance or prejudice or want of enquiry, that it still supplies about 25 per cent. of the total requirements of the cloth in the country and that it is responsible for about 40 per cent. of the total cloth produced in India. Though the production is obviously less than that of the mills, it must be admitted that next to agriculture, handweaving is still the largest and most widespread industry throughout India. Emphasising the importance of the industry, the Tariff Board in 1932 observed that it provides:

“An occupation for the agriculturist in the season when agricultural work is slack and enables him to use his time which he would otherwise waste in producing goods of a certain—even though limited—value. The industry is spread all over the country.”

Number of Handlooms & Handloom Weavers in India

It may be safely presumed that besides those who are primarily agriculturists and who weave at only certain times of the year when they are free from work at the fields, there are in India at least 20 lakhs of persons who are employed in weaving cloth in their handlooms. As pointed out by successive Tariff Boards, due to lack of proper statistics, it is extremely difficult to estimate the *exact* number of handlooms engaged in weaving in India, but calculated on the following basis it will be found that the total number is by no means less than 2,649,927. We find from the table given above that the estimated number of total handlooms in the ten provinces of India in the year ended March 31, 1935 was 1,957,742. If we add to the same the figures for Bengal and Hyderabad as estimated by the Tariff Board in 1932 and for the other States as given in the Census of 1921, then the result will be as follows:

Bengal	...	...	...	200,000
Hyderabad State	...	...	...	140,000
Ajmer-Merwara	...	...	...	1,587
Baroda	...	...	...	10,857
Rajputana	...	...	...	89,741
Other States	...	...	...	250,000
Total of 10 Indian Provinces	...	...	...	1,957,742
			Total	2,649,927

Products of the Handlooms

The principal classes of fabrics woven in the handlooms include dhotis, saris, long cloth, twills, shirtings, turban cloths, rumals, bed sheets, towels, handkerchiefs, lungis, suitings and durries. For the purpose of weaving his fabrics the hand-loom weaver uses three different kinds of yarn, home-spun, mill-spun and imported. It is difficult to estimate the quantity of home-spun yarn consumed by the handlooms (2). But more or less accurate figures of all other Indian and foreign supplies of cotton yarn for hand-loom weaving are available and they are summarised in the Table below:—

*Estimated Balances of Cotton Yarn Available for
Consumption in Handloom Weaving
in 1934-35*

(In thousands of lbs.)

<i>Provinces.</i>	<i>Foreign.</i>	<i>Indian.</i>	<i>Total.</i>
Madras	8,527	70,255	78,782
Bengal	8,320	39,900	48,220
Bombay	7,877	35,143	43,020
U. P.	1,864	41,576	43,440
Bihar & Orissa	670	30,592	31,262
Punjab	1,194	22,941	24,135
Delhi & N. W. F.	...	...	...
Burma	2,159	15,147	17,306
C. P. & Berar	1,140	14,291	15,431
Ajmer-Marwar	71	5,205	5,276
Assam	604	3,433	4,037
Sind & Baluchistan	322	3,800	4,122
British India	32,748	282,283	315,031

(2) With reference to the production of home spun yarn the Tariff Board in 1932 observed: "Mr. Arno Pearse quotes an estimate of fifty million spinning wheels each producing 48 lbs. of yarn annually. This is certainly an over-estimate and Mr. M. P. Gandhi in his book "How to Compete with Foreign Cloth" reduces the estimate of spinning wheels to five millions and the annual output of each to 25 lbs. of yarn. The All-India Spinners' Association has attempted to organise the hand-spinning and weaving industries throughout the country. The latest published report is for the period ending December 31, 1931. In this report which deals with the work of fifteen months, we find that 20,000 spinners produced just under six million lbs. of yarn. At this rate the annual output of each spinner will be about 24 lbs. We have also seen a report of the progress of hand-spinning in the Mysore State in which we find that in 1930-31, 1,800 spinners produced nearly 37,000 lbs. of yarn. We, therefore, conclude that the maximum production of a spinning wheel in a year may be fixed at 25 lbs. of yarn"—Tariff Board Report on Cotton Textile Industry, 1932, Page 158.

<i>States.</i>	<i>Foreign</i>	<i>Indian</i>	<i>Total</i>
Hyderabad	522	13,524	14,046
Central India	29	9,177	9,206
Mysore	548	4,323	4,871
Total	1,099	27,024	28,123
Grand Total	33,847	309,307	343,154

Of the yarn imported into India during the year ended 31st March 1936, 22 per cent. came from the United Kingdom, 48 per cent. from Japan and 30 per cent. from China. It will be seen from the figures given in the Table above that three-fourths of the available imports of foreign yarn were consumed in the Presidencies of Madras, Bengal and Bombay, Madras having the pride of place in this respect. The Government of Madras pointed out to the special Tariff Board (1935) that the handloom weavers absorb practically the whole of the cotton yarn imported into the Presidency, which consist mainly of 31s. to 40s., 51s. to 60s. and 61s. to 100s. while the absorption of Indian mill yarn by the handloom weaving industry is mostly of counts upto and including 40s.

The great bulk of the yarn available for the handloom weavers, however, come from the Indian mills. Of the 343.2 million lbs. of yarn available for hand-loom weaving in India, only 34 million are imported from abroad. Even in Madras which imports the largest quantity of imported yarn it represents only 10.7 per cent. of the total supply.

*The Tariff on Yarn**

An issue that was particularly enquired into by the Special Tariff Board on the Cotton Textile Industry in 1935 was how far the handloom industry in this country is handicapped by the tariff on yarns. In this connection, the Government of the Central Provinces pointed out that only 7 per cent. of the yarn imported into that area was from the United Kingdom and consisted of counts of 52s. 62s. and 80s. The additional duty imposed on imports of yarn, it was pointed out, has had an adverse effect on the handloom industry in the Central Provinces since the manufacture of fine saris depended upon British yarn for its existence. The Director of Industries, Bombay, suggested that yarn of counts over 60s. should be allowed to be imported at as low a rate of duty as possible, but the duty should be sufficient to prevent this yarn from competing with and taking place of Indian yarn of 60s. and lower counts. The Director of Industries, Punjab, stated that the handloom industry needed cheaper yarn both

* For changes in Customs Tariff on yarn from 1894, *vide*, Table No. 15, "Indian Cotton Textile Industry at a glance."

above and below 50s., that the yarns imported from the United Kingdom were of finer counts, mostly 50s. and above, and that on the whole they did not enter into direct competition with the yarns produced by the spinning mills in the Punjab. While the interests of the handloom weaver in that province required that prices of yarn, especially of higher counts, should not be increased, the Director mentioned that fine cotton yarns of over 70s. counts were disproportionately heavily priced, as a result of which the use of fine cotton yarn was giving place to cheap Japanese spun silk; if the prices of fine cotton yarns were reduced, their use by the handloom weaving industry would increase. (3)

Handloom vs. Power-loom.

It has already been pointed out that the belief that handloom weaving is a small moribund industry inevitably doomed to be entirely crushed by the power-loom is absolutely erroneous and has no foundation in fact. The handloom weaving industry has certain advantages over the power-loom factories, viz., smallness of capital for the outlay, cheapness of labour, its suitability to village-life, proximity of market, the facility of working in one's cottage and for one's self, the facility of taking up and leaving off the work at any time, the help from the family (not in the limited sense of the English usage) *i.e.*, from the householders, the absence of manifold disadvantages of working in mills under factory conditions being exposed to risks, accidents, vices etc. and other evils of industrialism, the absence of the disintegrating influence of the family life, the patronage of noblemen for fancy products in which the individual artist's skill can be appreciated etc. etc.

There are several others also which have kept the industry surviving till to-day. Sir Alfred Chatterton observes:

"That the Indian handloom weaver though hardpressed still survives the competition of the power-loom indicates a surprising degree of tenacity on the part of the people of this country (India) to maintain their primitive methods and hereditary occupations in the face of militant western commercialism." (Industrial Evolution in India, p. 105).

The handlooms are capable of producing goods of remarkable fineness and feel. The handwoven cloth should not, therefore, as it does at present, try to compete with mill-made cloth. As Sir George Watts appropriately points out:

"The safety of the hand-loom weaver lies in the goods of his manufacture being of a fancy or special nature meeting local markets known to him rather than irregular commercial articles intended for large markets."

(3) Special Tariff Board Report (1936) page 107.

The handloom weaver ought to produce goods which cannot be made by the power-loom such as those compounded in an intricate fashion or made in a very complicated pattern or the demand of which is irregular and unsuitable, *e.g.*, special Saris and Lungis of a particular size, shape, colour etc., so that the mill-owner would not think it worth his while to enter into competition with him.

During the Special Tariff Board enquiry of 1935 it was pointed out that in some cases there was competition between the mill-made and the handloom products, but this competition, it is well to remember, was more due to the then existing level of duties on yarn and to the abnormal conditions created by the general world depression than to any deliberate policy of the mills to hit the hand-loom industry. Indeed some years ago, the Bombay Millowners Association made it clear that the products of the power-looms did not compete with the products of the handlooms. It is further re-assuring to be told by the Bombay Millowners Association that far from the mill-owners of India being antagonistic to the development of the hand-loom industry, they are unreservedly in favour of its encouragement and improvement, providing as it does, now that the Chinese market for the export of their yarn has been lost, practically the only market left to them in which they can dispose of the surplus yarn spun by them and not required for the manufacture of fabrics in their power looms. The written statement of the Bombay Millowners Association before the Fiscal Commission also shows their sympathetic attitude towards the hand-loom industry. They observed:

“The Committee are strongly in favour of the maintenance of the Cotton Hand-loom Industry.

“The Industry in question enables the agricultural population of India to supplement their resources and, properly organised, handlooms can be made to compete profitably with the product of the power-looms in certain styles of cloth.”

The millowners further aver that it will be suicidal on their part to identify themselves with a policy which would be likely to harm or hamper in any way the progress of an industry which purchases from them annually about 300 million pounds of yarn. On the direct question as to whether there is any competition between the mill products and handloom products, the views of Mr. R. D. Bell, a former Director of Industries, Bombay, will be read with approbation and interest:—

“The mill industry and the handloom industry are not really antagonistic to one another. A great part of the output of

the handloom is composed of specialised types of cloth which are not suitable as regards quantity or quality, for mass production. The amount of direct competition between the mills and the handlooms is at present very restricted."

"The handlooms provide an enormous market for mill-spun yarns. Probably the greatest improvement in the handloom industry has been the provision of ample quantities of mill-spun yarns of all counts and of regular twist and strength in substitution for the irregular and usually coarse hand-spun yarns of former days."

In this connection may be quoted the views of Dr. Radha Kamal Mookerjee as embodied in his "Foundations of Indian Economics" wherein he observes that the notion of the competition between handloom and hand-weaving is wrong for the following reasons:—

"The handloom does not compete with the mill, it supplements it in the following ways:—(1) It produces special kinds of goods which cannot be woven in the mills. (2) It utilizes yarn which cannot at present be used on the power looms. (3) It will consume the surplus stock of Indian Spinning Mills which need not be sent out of the country. (4) Being mainly a village industry it supplies the local demand and at the same time gives employment to capitalists, weavers and other workmen. (5) Lastly, it will supply the long-felt want of an honest field for work and livelihood for educated Indians."

Improvement of Handloom Industry.

Having established that the handloom does not compete with our mill industry, we shall now review the attempts made in the direction of making improvements in the handlooms, and consider the various changes in their organisation, method etc., that may be necessary for maintaining and strengthening their position in the economics of cloth production in this country. We will turn firstly to fly-shuttle looms.

Fly-shuttle looms are recognised to be from 50 to 100 per cent. more effective than ordinary handlooms. But our weavers have been averse in the past to taking kindly to the fly-shuttle looms for reasons of higher price and shyness of handling newer types. That only coarse yarn which will not snap readily can be used for the warp on the fly-shuttle loom is an old exploded belief, and Mr. Chatterton says that fine counts can be warped easily. The bulk of the yarn used

in the Salem factory is between 60 and 100 counts and warp in even higher counts can be done. Mr. Chatterton says:—

“If the fly-shuttle hand-loom is to be largely used in making finer classes of native goods, the improvement that should be sought for is not so much in increasing the rate of picking, which is already quite fast enough but in improving the details of holding and the working of the slay, so that the operation of weaving subjects the comparative delicate threads to the minimum of strain.”

Mr. Chatterton found that the daily average outturn of hand-loom has only in one instance exceeded 30 picks per minute, and in weaving fine cloth 20 to 25 picks per minute may be considered very good work. Mr. Churchill of Ahmednagar was able to make 60 picks a minute at Ahmednagar, and this is an extraordinarily good result.

There has also been an increased production of between 25 to 40 per cent. as a result of the introduction of improved fly-shuttle looms.* The fly-shuttle looms have come to be largely used in the Tamil districts. In the Hyderabad district, the number of fly-shuttle looms is 84,392 while there are only 31,042 other looms. Nearly two-thirds of the hand-loom in Bengal are with fly-shuttle. Increased use of fly-shuttle looms is visible in almost all provinces and this is a proof of the fact that their efficiency is being recognised and appreciated by the weavers. If the fly-shuttle hand-loom and its accessories were made available at a little lower price, and if they were kept within easy reach of the weavers, I believe it will come into more general use.

If the hand-loom industry is to hold its own and regain any ground that it may have lost in recent years, it is necessary to keep down costs. The want of organisation and the hosts of middlemen who in the retailing of yarn and sale of cloth make huge profits make the hand-loom cloth dearer than the mill-made ones. Besides, the primitive method of the hand-weaver is also responsible for this. This general introduction of the fly-shuttle alone should increase the profit by at least 30 per cent. The individual weaver suffers because he is carrying on a complex series of operations without recognition of the advantages of sub-division of labour. To improve the lot of the weavers, they ought to be induced to accept outside assistance, which can be effectively rendered by the establishment of hand-loom weaving factories, co-operative societies, and kindred means, whereby they would be freed from the clutches of the money-lenders, and thus be

* Industrial Evolution in India—Alfred Chatterton, page 238.

able to dispose of his products through better marketing organisations in a profitable manner.

Besides these, the following methods of improvements in the industry may be tried: (a) Active encouragement for the starting of large hand-loom factories by the Government who have so far kept an attitude of *laissez faire*. (b) Establishment of Technical Institutions. (c) Demonstration Stations, etc. (d) Propaganda, Central Buying Agency, Sale Rooms, etc. (e) Organising of Exhibitions where their goods can be displayed. (f) Propaganda for popularising hand-loom products and for bringing to the notice of the people the lasting qualities of hand-made cloth. (g) Reduction of transportation charges. (h) Abolition of duties by Municipalities in big towns on hand-woven cloth in order to encourage its use. (i) Imposition of adequate protective duty on imports of foreign cloth. And (j) Elimination of competition with mill-made products by prohibiting mills from manufacturing certain kinds of cloth, which are the speciality of hand-looms.

In this connection, it is also gratifying to note that, of late, the Government of India and the Provincial Governments are taking increasing interest in the welfare of the Handloom industry in India. In 1934, the Government of India announced their decision to spend about Rs. 5 lakhs every year for five years for the purpose of improving the handloom industry in India. At the Seventh Industries Conference held at New Delhi in October 1935, the Hon'ble Sir Frank Noyce stated that a sum of Rs. 5,76,000 was allotted to the Provincial Governments for expenditure on approved schemes during the seventeen months from November, 1934 to March, 1936. Apart from this, the various provincial governments had also spent about 10 lakhs of rupees during 1934-35 on various schemes for the development of the Handloom industry in their respective provinces. It was announced that the grant from the Central Government for 1936-37 would be equivalent to the grants of 1935-36 with an addition of 20 per cent. in each case. This meant that the grants for 1936-37 to the provinces would amount to Rs. 4,66,000 leaving with the Government of India a sum just under Rs. 34,000 for other purposes. At the Eighth Industries Conference held in December, 1936, it was decided to grant the same amount for the year 1937-38 as for 1936-37, with the addition of five grants of Rs. 4,000 each to Bihar, C.P., Assam, Sind and Orissa to enable them to instal finishing plants. A sum of Rs. 5,000 was also granted to N.W.F.P. from the reserve to meet a portion of the cost of installing a calendaring machine. Among the various schemes which are now being actively pursued in the various provinces are (1) Central depots for the supply of yarn to weavers; (2) Peripatetic demonstrations

among village weavers showing improved methods and introducing new designs and improved appliances; (3) Marketing systems for the sale of handloom products; (4) Provision of Sale depots, Sale Agents, Exhibitions, Publicity and Co-operative Societies etc. etc. It is, however, necessary that the Government should spend increasing amounts on schemes for the development of the Handloom industry in view of its importance in the national economy of India, offering employment to no less than 2.5 millions of workers* in the country.

Prospects of Handloom Industry.

In an age in which mechanical inventions are the prime factor in economic progress, it is difficult to realise that in certain lines, hand-made goods are unsurpassed in excellence by the products of modern machinery. Apart from all questions of design, quality and variety, there is admittedly something in the very feel of hand-woven cloth, which makes an appeal to the public in all countries. The Indian handloom industry has always demonstrated this superiority over power looms, but popular recognition has been slow and difficult as the poverty of the average Indian compels him to make the smallness of initial cost the paramount consideration of all his purchases. The decline of the handloom industry is also due to the fact that the machine-made goods have a semblance of cheapness and the public are thereby irresistibly drawn towards them. The handloom products are not necessarily and usually more expensive than machine-made goods, especially if the lasting qualities etc. are considered, in spite of the cheapness claimed by the latter due to large scale production and use of their machinery. Even though the price of hand-loom cloth is in the initial stages a little higher than mill-made cloth, the people should encourage hand-loom weaving by purchasing such cloth, in appreciation of the fact that the only way in which the poor millions of this country can be helped, is by providing work for them when they are idle and that this can be done by engaging their services in a supplemental industry like hand-spinning and weaving. The development of the hand-loom weaving industry will, in turn, also encourage other industries in the villages, e.g., spinning, dyeing, ginning, carding etc. Besides, the fact cannot be ignored that it would not be possible for the agriculturists except when they are in the lowest extremity, to go in search of work outside, and the only method of bringing about an amelioration in the condition seems to be to place some work within their reach in their villages. This can only be done by giving the necessary impetus to the development of small-scale industries, like hand-weaving and handspinning. Even Dr. A. L. Bowley and

* *Vide*, Census Report 1931.

Mr. D. H. Robertson observed in their report on "A Scheme for an Economic Census for India" that the question of subsidiary occupations is very important in India and it is a point for consideration as to how far such occupations are deserving of a certain measure of public support both on the economic ground, that they are adding to the sum total of economic activity and on the broader grounds of their social value. Hand-spinning and hand-weaving are such industries which are best calculated to do this in India." Stressing the importance of the spinning wheel which provides an excellent subsidiary occupation, Mahatma Gandhi observed in September, 1934, "It is a handmaid of agriculture; it is the nation's second lung."

The importance of hand-spinning and hand-weaving industries in India cannot be underestimated; for its merit consists chiefly in its ability to add to the income, howsoever small, of a majority of India's population who are forced to remain idle for over six months in the year. The poverty of the Indian masses is proverbial and the average national income of an Indian has been estimated at only about Rs. 50 per year.* Any addition to this small income of the poor millions of this country would be very welcome as it would keep them from starvation and penury and would give them a better standard of living. As pointed out above, hand-spinning and hand-weaving are admittedly fitted to be proper subsidiary industries which can provide a suitable occupation and income to a large section of the poor agriculturists. The *Khaddar* movement sponsored by Mahatma Gandhi, seeks to make India independent of foreign supply of piecegoods and yarn, and in doing so, it has given a great stimulus to the hand-spinning and hand-weaving industry. The All-India Village Industries Organisation, established by the Indian National Congress under the guidance of Mahatma Gandhi in November, 1934, is also doing its best to develop these ancient industries of India, and to add to the purchasing

* The gross *per capita* income of India was estimated by Dadabhai Naoroji at Rs. 20 in 1871, by Lord Curzon at Rs. 30 in 1901, by Sir B. N. Sarma in the Council of State at Rs. 86 for 1921, by Prof. K. T. Shah at Rs. 46 for 1921 by Sir M. Visweswaraya at Rs. 45 for 1919 and by Messrs. Shah and Khambata at Rs. 74 for 1921-22. The Indian Statutory Commission has estimated the *per capita* income of an Indian at Rs. 110 in 1929. Compare with this the income of other countries in the pre-war period:—

	£	Rs.
United Kingdom	50	750
United States	72	1,080
Germany	30	450
Australia	54	810
Canada	40	600
Japan	6	90
India	2.4	36

power of the masses by providing occupation for them. This wholesome movement deserves the strong support of every capitalist, labour leader, merchant, politician, economist, and even of Great Britain,* as any improvement in the purchasing power of Indians (who constitute nearly one-fifth of the world's population) will give a great fillip to the industries of the world which are yet in a slow process of recovery. If the suggestions made in the previous pages for the improvement of the handloom industry in India are given effect to, there is no reason why the handloom industry of India should not continue to hold its own against mill-production, both Indian and foreign.**

* In 1929, Mr. Phillip Snowden, Chancellor of Exchequer of Great Britain remarked that if the purchasing power of India is increased by 6 shillings or roughly Rs. 4 it would relieve the unemployment problem of Great Britain because being a huge country that India is of 30 million people, any little addition to her average national income would mean a huge total purchasing power.

** For a detailed discussion of Handloom industry, See Mr. M. P. Gandhi's "How to compete with foreign cloth" (A study of the position of Hand-spinning, Handweaving and Cotton Mills in the Economics of cloth production in India), with a foreword by Sir P. C. Ray, and by Mahatma Gandhi (for the vernacular editions).

** Also *vide*, Memorandum submitted by Mr. M. P. Gandhi on "Future of Hand-spinning and Hand-weaving in India" to the Tariff Board, 1932. (Pages 228 to 232, Tariff Board Report Vol. III.)



The Cotton Mill Industry (From 1914 to 1937)

On the eve of the Great War in 1914, India ranked as the fourth greatest cotton manufacturing country of the world. It redounds to the credit of the Indian Cotton Textile Industry that it rose to that remarkable position only in the course of some sixty years. They were, however, no years of plain sailing for it. As a matter of fact, the history of the industry during these sixty years was not one of continued progress, but was marked by several adverse factors. The Industry had to contend with opposition from the powerful Lancashire interests, because the emergence of a cotton mill industry in India meant a sort of death-blow to Lancashire's monopoly in the Indian market. From the very beginning the industrial magnates of Lancashire resented the rise of a cotton mill industry in this country and in order to placate them, however, the Government of India had, on some plea or other, to impose an excise duty on indigenous cotton manufactures; but that is another tale which has been told in another section of this monograph.

Now the question is, how could the industry make such a fairly rapid progress in the face of stern opposition from Lancashire? The causes, however, are not far to seek. It was the good luck of the industry that its early pioneers were mostly men of Western India. It was the ample financial resources, and determination of the Western Indian *entrepreneurs* that enabled the industry to surmount the various difficulties that confronted it in its early stages. Another very important force that was at work was the widespread national consciousness awakened by the Swadeshi movement of 1905. The intense fervour of nationalism that had swept over this country gave a fillip to the Indian Cotton Textile Industry. This will be readily seen from the following table illustrating the addition of new mills and equipments during each of the quinquenniums since 1876-80:—

Year	New Mills	New Spindles		New Looms
		(In Thousands)		
1876-80	9	361	4	
1881-85	31	684	5	
1885-90	50	1,129	7	
1891-95	11	535	12	
1896-1900	25	1,136	5	
1901-05	24	218	10	
1906-10	66	1,032	31	
1911-15	9	653	24	
1916-20	-19	-85	11	
1921-25	84	1,747	35	
1926-30	2	801	28	
1931-35	17	361	17	

A glance at the table will show that the maximum expansion of the industry during any single quinquennium in the pre-war period took place during the Swadeshi movement of 1905-10. In the wake of this phenomenal progress there came in, however, a spell of reaction. The quinquennium 1911-15 was one of breathing space for the industry. The industry made comparatively very little progress. The outbreak of the Great War (1914) was the beginning of a period of fluctuating fortunes to the industry. During the years 1914-20 the industry witnessed unprecedented prosperity, but it could not expand its mechanical strength on account of the difficulty of obtaining new machinery and plants from abroad. As a matter of fact in 1920 the industry had actually less spindles and less mills than what it had in 1914. The revival of the Swadeshi movement under the leadership of Mahatma Gandhi in 1921 again brought in a period of rapid development in the Indian textile industry. Its achievements during this period were phenomenal. There was an addition of no less than 84 new mills, 17,47,000 new spindles and 35,000 new looms. This proves conclusively once again the important part that the swadeshi sentiment had played in the growth and development of the cotton mill industry in India. The next quinquennium (1926-30) saw the abolition of the obnoxious excise duty and the grant of protection to the Indian Cotton Textile Industry. But that was also a period of extreme difficulty for the industry, and consequently from the point of view of the addition of new mills, its progress during this period was an exceedingly poor one,—although there was a remarkable increase in the number of new looms and also that of new spindles. The second phase of the Gandhi movement in the early thirties once again imparted a fresh stimulus to

the birth of new mills, which during the quinquennium ending 1935 numbered 26, while new looms and new spindles respectively numbered 16,000 and 374,000.

The progress of the industry since 1914 is shown in the following table:—

Year	No. of Mills	No. of Spindles	No. of Looms	Av. No. of Hands Employed daily	Cotton Consumed in 000s of bales of 392 lbs. each
		(I n T h o u s a n d s)			
1914	271	67,78	1,04	2,60	21,43
1915	272	68,48	1,08	2,65	21,02
1916	266	68,39	1,10	2,74	21,97
1917	263	67,38	1,14	2,76	21,98
1918	262	66,53	1,16	2,82	20,85
1919	258	66,89	1,18	2,93	20,44
1920	253	67,63	1,19	3,11	19,52
1921	257	68,70	1,23	3,32	21,20
1922	298	73,31	1,34	3,43	22,03
1923	336	76,27	1,44	3,47	21,51
1924	336	83,13	1,51	3,56	19,17
1925	337	85,10	1,54	3,67	22,26
1926	334	87,14	1,59	3,73	21,13
1927	336	87,02	1,61	3,83	24,17
1928	335	87,04	1,66	3,60	20,09
1929	344	89,07	1,74	3,46	21,61
1930	348	91,24	1,79	3,84	25,73
1931	339	93,11	1,82	3,95	26,33
1932	339	95,06	1,86	4,03	29,11
1933	344	95,81	1,89	4,00	28,37
1934	352	96,13	1,94	3,85	27,04
1935	365	96,85	1,99	4,15	31,23
1936	379	98,57	2,00	4,18	31,10

With these preliminary remarks about the progress of the industry, let us now turn to a detailed study of the condition of the Indian Cotton Textile Industry in the post-war period.

Just on the eve of the Great War, the condition of the Indian Cotton Textile Industry was far from being satisfactory. The effect of the acute depression, owing to serious famine conditions in certain parts of India and the collapse of credit due to the failure of certain Banks in Bombay in 1913, continued to be felt by the Cotton Textile

Industry in 1914. A dozen mills stopped working for some time and at the close of the year, the accumulation of stocks was not counter-balanced by any substantial off-take. The war with Germany cut short the supply of chemicals and dyes and greatly hampered the local industry. In the year 1915, the continuation of the War aggravated the difficulties of mills in India, and a number of spinning mills in Bombay had to go into liquidation owing to the difficulty of finding the necessary finance for those mills which had suffered from the fall in prices of yarn in China. In 1915-16, however, a greater demand for coloured and bleached goods led to a satisfactory off-take of stocks and helped to ease the situation. The total exports of twist and yarn increased by 20 per cent. in quantity and 10 per cent. in value. China was the principal consumer, taking 140 million pounds valued at Rs. 595 lakhs. The years that followed were years of unusual prosperity for the industry, which may be set down to the following causes: (1) The curtailment of shipping reduced the imports of foreign piecegoods from Europe; (2) another distinct advantage was the absolute stoppage in the receipts from enemy countries; (3) the increased outlet for the production of Indian looms in Mesopotamia, Iraq, South Africa and German East Africa.

Even in this period of increased sales and extended markets for Indian mill-made goods, the small beginning which had been made by them in the export of coarse yarn to the United Kingdom was cut off by the embargo placed on the imports of Indian yarn into the United Kingdom on the ground that the freight was not sufficient for the purpose and was more urgently required for the transport of war material. In spite of the fact that Lancashire derived her supplies of coarse yarn mostly from the Continent which were then no longer available, the Government of the United Kingdom decided to stop the imports of coarse yarn from India.

The year 1917 saw the welcome revival of the yarn trade with Egypt, Persia and principally with China from which the demand for Indian yarns was fairly good for the first eight or nine months of the year; but the disorganisation of the yarn market consequent on the continuous advance in the price of silver (which reached the high level of 53d. in September, 1917) combined with the devastation caused by the great floods in North China, soon reduced this revival of trade in Indian yarns. It was also checked by the shortage of freight experienced by Indian concerns in transporting yarn to China. In contrast to their difficulties, Japanese shipping lines were giving every facility for the carriage of cotton from India to Japan which was of

considerable assistance to Japan in enabling her to capture the yarn trade with China, and thus being in a position to oust Indian imports from China. Freight rates to the United Kingdom for cotton from Bombay were higher by over 90 per cent. Even though the year was one of prosperity for the Industry owing to the rapid increase in prices, the extreme shortage in tonnage prevented the Indian industry from pushing its goods in the East African markets. Other minor difficulties with which the mills had to contend were shortage of coal, and the enormous rise in the prices of aniline dyes, bleaching materials, chemicals and other sizing ingredients. The mills, however, found it possible to overcome these handicaps by reason of the high rates which they were able to obtain for their goods in the local markets, where there was a good demand for country-made goods. The value of the exports of Indian yarn totalled to Rs. 750 lakhs and the increase of Rs. 57½ lakhs in the value of the exports of Indian yarn was accounted for by the rise in prices. The exports of Indian piecegoods were valued approximately at Rs. 506 lakhs. The greater volume of exports (which was double that of the preceding year and nearly three times the average exported during the pre-war quinquennium) and the higher prices realised were responsible for the increase of Rs. 259 lakhs in value. It was found that Indian grey goods of the coarser counts of yarn, chiefly of grey shirtings, grey drills and some classes of dhoties, competed mainly with imported goods.

The abnormal prosperity of the industry in 1917 did not continue in 1918, but it could certainly be said to be a prosperous year inasmuch as the production and export of Indian manufactures of cotton were much above the pre-war average, although it did not touch the high level reached in the previous year, presumably owing to the check the consumers placed on their requirements because of the soaring prices of cloth manufactured from dearer raw staple. The production of yarn fell to 661 million pounds from 681 million pounds in 1916-17. This was reflected in the reduced volume of exports of yarn to foreign countries, the total quantity exported being 122 million pounds, a decrease of 28 per cent. as compared with 1916-17, and of 37 per cent. with the pre-war average.

One result of far-reaching importance of this sudden boom in Indian yarn prices was the rapid displacement in China of Indian 10s. and 12s. by those of Chinese and Japanese mills, and those recently erected in China had well-nigh completely captured the Indian trade in 16s. and 20s, but Japan had not yet turned its attention to the

manufacture of 10s. and 12s. owing to her machinery having been designed for medium counts. However, with soaring prices of Indian 10s. Japan took to shipping 10s. and 12s. herself, and effectively penetrated the Chinese market.

The exports of India-made piecegoods were more than double the pre-war average, amounting to 189 million yards or more than 13 per cent. of the quantity imported from Lancashire. Prices were higher than those in the previous year, and consequently there was an increase of Rs. 120 lakhs in value, though the quantity exported was less. The production in 1917-18 rose by more than 500 million yards, or by 46 per cent. above the pre-war average.

The highly speculative condition of the piecegoods market during the year brought about a crisis among the cultivating classes in Bengal which necessitated the appointment of a cloth controller by Government, and the decision to manufacture "Standard" cloth by the mills. This had a depressing effect on the market and prices fell rapidly. Other causes also contributed to this end, the chief among them being the prevalence of wide-spread famine conditions in India, the sudden change in the War situation, with the resulting panic due to the possibility of the conclusion of peace and the dumping of Japanese cloth in the local markets.

The chief features of the import trade in yarn and piecegoods of the year 1918-19 were a large increase in the quantity of cotton twist and yarn and a large decrease in piecegoods, the figure for the former being 38 million lbs. The year also witnessed a large increase in the imports of yarn from Japan, and a decrease in the United Kingdom's share. Japan supplied over 27 million lbs. or 72 per cent. chiefly counts 16s. to 20s. and 31s. to 50s. against 4 million pounds in 1917-18. In regard to Indian piecegoods, exports and production were above the pre-war average. The reduction in exports of yarn was much greater than the decrease in production, counts 1s. to 20s. accounting for 95 per cent. of the total. The trade with China received an impetus from the news of an embargo placed on exports from Japan causing a rise in yarn prices in China, and the spinning section had a good time, the rise of silver making the Chinese exchange favourable to us. The year 1919-20 was marked by an enormous shrinkage in the quantity of imported twist and yarn, the total being lowest since 1866-67. It was during this year that Bombay mills reduced the hours of work from 12 to 10 without any reduction in pay.

From the year 1920 the fortunes of the Cotton Textile Industry began to sink very rapidly. During 1920-21, the fall in exchange brought about a serious crisis in the industry. Large orders for piece-goods had been placed in the United Kingdom at a time when exchange was high, but by the time that deliveries came to be made, the exchange had fallen and importers in India were faced with enormous losses. They had banked on the stability of the rupee at 2s. gold, but the simultaneous fall in exchange and in rupee prices was one of the many abnormal features of the year's trade. It was resolved that no fresh business was to be entered into and payment for British goods already arrived was postponed until the exchange should reach 2s. per rupee, and for Japanese piecegoods, until exchange had reached Rs. 150 per 100 Yen. Owing to the comparatively small range of goods in which Indian mills competed with Lancashire, they could not take advantage of the temporary cessation of orders from Lancashire. The exports of yarn from India to China were seriously affected by the famine in that country which accounted for her taking only 63 million pounds.

The year also saw the rise of the old Swadeshi movement and the cult of handspun and hand-woven "khadi" was at its height, the demand being so great as to raise the rates from 13 as. and 14 as. to Re. 1-2 per lb. It adversely affected the sale of unbleached fancy goods, as also bleached goods, though not to the same extent. It was also reflected in greater imports of finer twist and yarn, spun from longer stapled Egyptian and American cotton, such yarn being more suitable for hand-weaving than yarn made from Indian cotton.

In the following year 1922, the conditions arising out of the inability of Indian piecegoods merchants to meet their heavy commitments, continued to operate as a bar to revival of trade and Indian distributing centres were, as a result seriously overstocked. The trade in yarn was disappointing as prices failed to respond to the rise in cotton which led to the mills' margin of profits being reduced till it almost reached vanishing point at the end of the year and as goods were difficult to move even at low prices, there was a general accumulation of stocks. The curtailment of exports and the seriously reduced purchasing power of the country in general caused a depression to overtake the market. It was again in this year that Japanese piecegoods were imported at prices which forced down the rates for Indian-made goods. There was an increase in the number of spindles in Japan which were being worked to their full capacity.

The year 1923 was the beginning of the period of depression, and was marked by violent fluctuations in the prices of both raw cotton and finished article which made the position of the mills very uncertain. In the imports of yarn of counts from Nos. 1s. to 20s. Japan sent 12 million pounds out of a total of 13 million pounds. She thus became a strong competitor with Indian mill-made yarns. The export trade in yarn for the greater part of the year was very disappointing, the Japanese earthquake in September causing a revival and some rise in prices. The Indian industry also turned its attention to the production of mill-made *khaddar*, to take advantage of the Swadeshi spirit.

During 1924, the demand for Indian mill-made cloth was never active owing to the continued fall in prices and the increasing imports of Japanese goods. Stocks therefore continued to accumulate.

In the year 1925, the imports of yarn from Japan continued to increase, being as high as 32 million lbs, whereas she had only 2 per cent. of the trade in 1913-14. In local production of yarn, there was an increase of 16 per cent. over the previous year, being most marked in counts from 11s. to 30s. India's yarn markets, Persia, Aden, Syria and Egypt preferred finer yarns and this demand had given a stimulus to the production of finer yarns. China again reduced her demands for yarn, buying her requirements from local mills, particularly from Japanese mills round Shanghai. The total production of Indian piece-goods increased to nearly 2,000 million yards, but only a small portion of the total quantity produced was exported.

Fiscal Policy of the Government

It would perhaps be interesting and instructive to trace the fiscal policy of the Government at this stage. In the year 1916 it was considered unwise to go on with "uncovered deficits" as the War continued. The general rate of import duty was therefore increased from $5\frac{1}{2}$ per cent. to $7\frac{1}{2}$ per cent. but cotton goods were not touched. Sir William Meyer's apology for not raising the cotton duties was due to the desire to avoid all contentious questions when the Empire was involved in the perils of the war. Sir Ibrahim Rahimtoola moved an amendment to raise the duty from $3\frac{1}{2}$ per cent to 6 per cent but it was lost by the official majority. In their anxiety to avoid a controversy between Lancashire and India, the Home Government struck at the politically weak point, viz., India, by refusing a perfectly legitimate demand. In 1917-18, in view of the taxation required for the making of the special War contribution free gift of Rs. 100 millions to the Imperial Treasury, the Government of India were permitted to

raise the import duty on piecegoods from $3\frac{1}{2}$ per cent. to $7\frac{1}{2}$ per cent. and assimilate it to the general tariff rate while leaving the excise at $3\frac{1}{2}$ per cent. The measure was welcomed as a wholesome departure in the fiscal policy of the Government and as a step towards righting what was universally regarded as an economic wrong. Lancashire agitation, however, at once revived. Mr. Austen Chamberlain, the then Secretary of State for India, stood firm and refused to budge an inch from the position which he had taken up in supporting the Government of India in this matter. "The London Times" had the following remarks on the revival of the Lancashire agitation:—

"The Indian cotton excise duty has always been politically, economically, and above all morally indefensible. It has been deeply resented from the outset and has remained an open sore. The plea that "the poor Hindu" will have to pay more for his clothing is merely nonsensical. At the bidding of Lancashire, the Hindu peasant has had to pay more for his clothing for twenty years because, although it is made in his own country, it is subject to an excise duty."

In 1921-22, the general rate of import duty was increased from $7\frac{1}{2}$ per cent. to 11 per cent. and also on cotton goods, while the excise duty remained at $3\frac{1}{2}$ per cent. An import duty of $2\frac{1}{2}$ per cent. was, however, imposed on mill machinery and stores used in spinning and weaving. There was again a severe agitation set up by Lancashire, but Mr. Montague, the Secretary of State for India, boldly declined to interfere with the newly conferred right of the Government of India to consider their interests first so long as they were in agreement with their legislature on the subject. In 1921-22, there was a deficit of 34 crores of rupees in the budget and it was not possible to continue living on credit. Though no change was made in the cotton duties and excise, a duty of 5 per cent. was placed on yarns which were hitherto exempt. Mr. Seshagiri Iyer took up the case on behalf of the handloom weavers against the imposition of duty on yarns but in view of the financial exigencies his opposition was of no avail. Besides, since 1921 the dyeing, sizing and finishing materials were assessed to duty at 15 per cent. and this added considerably to the cost of production of cloth in the country.

It will be interesting to review here the operations of the Excise Duty. The amount in lakhs of rupees realised through Excise Duty from the Cotton Mills in British India from 1913-14 onwards is given in the following table:—

Year		Amount in lakhs of Rs.
1913-14	...	54.38
1914-15	...	49.40
1915-16	...	49.25
1916-17	...	44.61
1917-18	...	76.20
1918-19	...	138.17
1919-20	...	155.14
1920-21	...	230.92
1921-22	...	219.16
1922-23	...	187.34
1923-24	...	156.51
1924-25	...	217.66
1925-26	...	146.60*
1926-27	...	36.95*

The history of the opprobrious Excise duty has been dealt with in a previous chapter where it was shown that the introduction of the Excise duty had its origin in the behest of the Lancashire Cotton interests. The majority members of the Fiscal Commission of 1921-22 made the following observation in favour of the immediate abolition of the Excise duty:

“This tax has from the first been regarded as a conspicuous example of political domination being used for purposes of economic domination. The charge against the cotton Excise of India is primarily and essentially that it has not been levied “by consent of the estate,” and the claim is that till that consent is freely given, the excise should not be levied. We recommend therefore that the existing cotton Excise duty should in view of its past history and associations, be *unreservedly condemned*, and that the Government of India should frankly express their desire to clean the slate.”

The minority of the Indian Fiscal Commission suggested that the best way to replenish the reservoir was to stimulate industrial development by a policy of protection and cited in this connection the case of the United States of America and Japan. Since 1924, the Bombay Millowners' Association and the various Chambers of Commerce were

* The excise duty on cotton manufactures was suspended from 1st December, 1925, and abolished in 1926, by the Repeal of the Cotton Duties Act II of 1896.

urging upon the Government of India the great necessity of freeing the cotton industry from the burden of the Excise duty. It was argued that the duty deserved to be abolished on the following grounds:—

1. Confinement of the duty only to one industry;
2. The ratio of the Excise duty to the manufacturing costs;
3. The subsidiary taxation borne by the Cotton industry;
4. The growth of foreign competition in the Indian piecegoods trade.

The Millowners' Association also brought to the notice of the Government of India that when the Cotton Excise duty was first imposed, the Indian mills were chiefly exporters, and since that time, as a result of the development of the cotton industry in China and Japan, the unsuitable currency policy of the Government, the high cost of freights, the excessive taxation on the Indian cotton mills and the increased cost of machinery and labour, the foreign trade of India had practically disappeared with the result that only the Indian market was left to the Indian mills, and that even this market stood the danger of being lost to the Indian mills on account of the Japanese competition. It is significant to note that inspite of the Japanese mills having to purchase their cotton in India and to defray the cost of its transport to Japan in its raw state and back again in the manufactured state, the Japanese goods could afford to pay an import duty of 11 per cent. and undersell the Indian products in Indian markets. The reasons for this state of affairs were ascribed by the Bombay Millowners' Association to:—

1. Cheap female labour in Japan;
2. Longer working hours;
3. State aid;
4. Low freight rates; and,
5. Lesser taxation on the Japanese mills.

A resolution moved by Seth Kasturbhai Lalbhai recommending to the Governor-General in Council to take early steps to abolish the the Cotton Excise Duty was adopted by the Indian Legislative assembly in 1924. The Bombay Millowners' Association brought out at this juncture two well written pamphlets called (1) A short History of the Excise Duty on Cotton goods, and (2) why the Cotton Excise Duty should be abolished. The suspension of the Cotton Excise Duty was brought into effect from the 1st December, 1925, as a prelude to its total abolition in the budget in March, 1926. The Cotton Excise Duty stood condemned on all hands from its inception on political and

economical grounds, but the Government paid no attention to it for a period of 30 years inspite of the unanimity of public opinion against the Excise duty and the utterances of persons of authority and weight. Due to the vigorous campaign carried on by the Bombay Millowners' Association as a result of the severity of the Japanese competition which they experienced after 1922, the Government were compelled to abolish this duty. In reply to a deputation that waited on His Excellency, the Viceroy, from the Bombay and Ahmedabad Millowners' Associations, His Excellency, the Viceroy, had suggested that the Tariff Board might be asked to enquire into the conditions of the Cotton Industry in India for the purpose of determining whether it was in need of protection and, if so, what modifications were required in the Tariff duties whether on imports generally or on imports from particular countries. In reply to this suggestion of His Excellency, the Viceroy, the Bombay Millowners' Association stated in October 1925, that the Association might ask possibly for an enquiry by the Tariff Board if the Cotton mill industry found itself in need of protection against competition from countries which ignored the Washington Conventions regarding hours of labour or which enjoyed indirect benefits owing to depreciation in Exchange or other circumstances. The suspension of the Excise duty in December 1925, was found insufficient by the industry to offset the advantages that Japan had over Indian millowners owing to the depreciation in Exchange, double shift work, employment of female labour at night, indirect subsidies, low rates of freight etc. That the industry was in difficulties, even the Government of India could not deny, and they recognised that Japanese Millowners had an advantage somehow over the Indian millowners. But, in their opinion, there was no *prima facie* case made out for a Tariff Board enquiry. The Bombay Millowners' Association at a general meeting passed a resolution requesting the Government of India to undertake a comprehensive enquiry by the Tariff Board into the causes of the present depression in the Bombay Cotton Textile industry. After a thorough consideration of this question, the Government of India published a resolution on the 10th June 1926, accepting the proposal of the Association for an enquiry by the Tariff Board and appointing a Tariff Board* with the following terms of reference:—

* The personnel of the Tariff Board was:—

President:—F. Noyce, Esq., C.S.I., C.B.E., I.C.S.

Members:—N. S. Subba Rao, Esq., M.A., Bar-at-law, Principal and Professor of Economics, Maharaja's College, Mysore.

Rai Bahadur, Pandit Hari Kishen Kaul, I.C.S., C.I.E.

Secretary:—Captain D. F. Keegan.

1. To investigate the condition of the cotton textile industry in India, with special reference to the industry in Bombay and Ahmedabad;
2. To examine the causes of the depression in the industry and to report whether they are of a temporary or permanent character;
3. In particular, to consider whether, and if so, to what extent, the depression is due to the competition of other countries in the home and export trade;
4. To report whether, having regard (i) to the fact that the industry has long been firmly established in India, and (ii) to the interests of the consumer and to all other interests affected—
 - (a) the industry is in need of protection, and
 - (b) if so, in what form and for what period, protection should be given; and
5. To make any recommendations that are germane to the subject.

The Bombay and Ahmedabad Mill-owners' Associations submitted their written memoranda to the Tariff Board laying stress on the necessity of immediate action by the Government to grant protection in its hour of need to the Cotton Mill Industry which, in the words of the then Viceroy, Lord Reading, was "the greatest and certainly the most typical Indian industry in India." The chief factors that were confronting the industry at that time might be summed up as follows:—

1. The loss of China trade in yarn to which reference has already been made.
2. The entirely ill-suited currency policy of the Government.
3. Unfair competition from Japan in home and foreign markets.
4. Increase in costs of manufacture under different heads, viz., labour, stores, power, municipal, provincial and imperial taxation, insurance, interest, etc.
5. High Railway freights.

The Tariff Board conducted a detailed enquiry into the condition of the industry. Their Report was published somewhat late in June 1927. The Board *inter alia* reported in paragraph 91 of their Report that

they were agreed that in addition to the protection afforded by the then import duty of 5 per cent. on yarn and 11 per cent. on cloth, a moderate measure of protection would be justified for such period as the labour conditions in Japan continued inferior to those in India. The Majority of the Tariff Board recommended the raising of the import duty on cotton piecegoods from 11 per cent. to 15 per cent. for a period of 3 years and the payment for a period of 4 years of a bounty of 1 anna per lb. or its equivalent on yarn of 32's and higher counts based on production of an average of 15 per cent. of the total working spindlage in a mill. The President of the Tariff Board, (Mr. Frank Noyce), however, recommended an increase of 4 per cent. only in the duty on cotton yarns and piecegoods imported from Japan. It is a matter of considerable regret, however, that the Government of India expressed their inability to accept any of the major recommendations for the protection of the industry from the unfair competition of foreign countries and only agreed to abolish the import duty on the principal mill-stores and to consider the proposal for establishing a combined dyeing, bleaching and printing factory after ascertaining the views of the Local Government and of the Indian mill industry in Bombay and elsewhere. The Government of India also stated in their resolution that on the facts as found by the Tariff Board they were satisfied that no case had been established for a general increase in the duty as a measure of protection. This unfortunate decision of the Government of India met with strong dissatisfaction of the general public and the millowners, and evoked bitter and widespread indignation throughout the country. Many deputations waited on His Excellency, the Viceroy, and many representations were made to the Government requesting them to review their decisions and to grant protection to the industry. The attention of the Government was also invited to the statement made by the Tariff Board on page 174 of the Report where they agreed that an undoubted temporary handicap had been imposed on the industry by the stabilisation of the rupee at 1s. 6d. The exchange value of the Yen which was at its gold parity when the Report was written declined materially, thus rendering the position of the industry in relation to Japan even more difficult. As a result of strong agitation and propaganda carried on by the Bombay Millowners' Association, the Government of India published a Press Communique on the 16th August, 1927, giving their revised decisions by which they decided to impose a specific duty of 1½ annas per lb. on all imported yarn unless its value exceeded Rs. 1-14 per lb. in which case the duty would be 5 per cent. *ad valorem*; this arrangement to remain in force till 31st March 1930, for the reason that under the Japanese

Factory Law, night work by women would be prohibited from 1st July 1929, and as it was then expected that all yarn produced by mills employing women on night work would be off the market before the 30th March, 1930.

The Tariff Board also recommended that there was much room for improvement in the methods of supervision and management of the Managing Agents and made several suggestions in paragraphs 59—71 of their Report indicating precisely the lines in which the improvements were urgently required. The Tariff Board further suggested that the overcapitalisation of the Bombay Mills had contributed to accentuate the depression in Bombay and also remarked that the dividends paid by the Bombay industry during the boom period were unduly high.

The Bombay Millowners' Association had been taking action on several of these suggestions. But the years 1928 and 1929 were periods of grave troubles to the textile industry in Bombay. The advantage derivable from the increased duty was neutralised largely by the 18d. ratio which was unquestionably a substantial aid to foreign imports, and the textile industry felt the disability very keenly. What is more, the serious labour troubles and continued lock-outs in Bombay mills during 1928 and 1929 had disastrous consequences on the cotton textile industry, especially in Bombay where the Cotton mills experienced the longest strike on record in the history of the industry in 1928 when almost all the mills were affected. The Industry approached the Government for relief several times in one form or other. There were repeated requests for giving some protection to enable the industry to tide over its difficult period of depression which was growing from bad to worse in the meantime. At the same time competition from Japan in the piecegoods trade grew more and more severe. In consequence, the financial position of the Bombay Mills continued to deteriorate. In July, 1929, the Government of India, appointed Mr. G. S. Hardy, the Collector of Customs, Calcutta, to examine the possibility of substituting the system of specific duties in place of the *ad valorem* assessment of cotton piecegoods. He was also asked to investigate, among other things, "what changes have taken place since the Tariff Board reported, in the volume of imports, classes of goods imported and the extent and severity of external competition with the products of the Indian mills."

Mr. Hardy's report was published towards the end of November, 1929. The conclusion to which Mr. Hardy arrived after a careful

consideration of the question, statistically and otherwise, was that on administrative grounds a change from the existing *ad valorem* system of assessing duty was undesirable. Mr. Hardy also pointed out, *inter alia*, that Japan and Italy were becoming serious competitors with India and that Lancashire was losing ground. This can be seen from the fact that while the import of piecegoods from the United Kingdom in 1913-14 was 3,100 million yds., it fell to 1,550 million yds. in 1927-28, whereas during the same period, imports from Japan rose from 9 million to 323 million yards. In other words during this period of fifteen years, the imports of piecegoods from the United Kingdom declined by 50 per cent., and the trade lost by the United Kingdom was mostly gained by Japan. The recommendations of Mr. Hardy regarding the unsuitability of specific duties were quite emphatic and he made no secret that a system of specific duties was impracticable. Immediately after the publication of this report, a Conference of millowners was held at Delhi in Dember, 1929, on the invitation of the Government of India to discuss the issues raised in the Report. The Conference was unanimous in its opinion as to the necessity of additional protection to the industry. The Government of India, after a full and detailed consideration of all the aspects of the case, finally decided in 1930 to raise the revenue duty on cotton piecegoods from 11 to 15 per cent. and under the Indian Cotton Textile Industry (Protection) Act, 1930, they imposed an additional 5 per cent. duty on cotton piecegoods imported from countries other than the United Kingdom, and a minimum specific duty of 3½ annas per pound on plain grey goods whether manufactured in the United Kingdom or elsewhere.

When these alterations were made in the duties, it was made clear by the Government of India that the increase in the duty on cotton from 11 to 15 per cent. was dictated by considerations of revenue alone, and, indeed, the Hon'ble the Commerce Member during the debate on the Protection Bill of 1930, stated that "the immediate object (of the Bill) was the preservation of the industry or an important section of it and not its ultimate development. The latter point is reserved for consideration during the Tariff Board's enquiry which, if the provisions of this Bill are accepted by the House, would be held in the year 1932-33." It was therefore clear that the additional protective duty was meant merely to provide a temporary shelter under which the Cotton Textile Industry, specially in Bombay, might be able to organise itself, but it must be mentioned, however, that as a full measure of protection against external competition, it was of no avail. The industry continued to decline, and it was only certain fortuitous

circumstances which enabled it to drag on its existence. The first and foremost of them was the revival of the spirit of Swadeshi which led to a spontaneous and unqualified patronage of mill-made goods. Secondly, owing to the beginning of a great World-wide depression, it was found necessary in the ordinary budget of 1931 to increase from 1st March, 1931, the duties on cotton piecegoods manufactured—(i) in the United Kingdom to 20 per cent., and (ii) and elsewhere to 25 per cent. leaving the minimum specific duty of $3\frac{1}{2}$ annas per pound unchanged. By another Finance Act an all round surcharge of 25 per cent. was imposed from September 30, 1931,—thus raising the duty on goods manufactured in the United Kingdom to 25 per cent. *ad valorem* (at which rate it had since then continued till it was reduced to 20 per cent. in August 1936 on the recommendation of the Special Tariff Board on the subject). The minimum specific duty on plain grey goods, whether manufactured in the United Kingdom or elsewhere was raised to $4-\frac{3}{8}$ annas per pound and the duty on other goods if not manufactured in the United Kingdom to $31\frac{1}{4}$ per cent. At the same time the duty on cotton yarns was increased to $6\frac{1}{4}$ per cent. *ad valorem* or $1-\frac{7}{8}$ annas per pound whichever was higher. By these two Finance Acts of 1931, the duty on artificial silk yarn was raised first to 10 per cent. and then to $18\frac{3}{4}$ per cent. while the duty on artificial silk piecegoods and artificial silk mixtures were raised to 50 per cent. and $34-\frac{3}{8}$ per cent. respectively in September 1931 after being subject, for the previous seven months, to a flat rate of 20 per cent.

But so far as external competition was concerned the advantages to the mills of these substantial increases in duties were greatly set off by the steep fall in the value of the Japanese currency in terms of rupee since December 1931, when Japan went off the Gold Standard. On December 10, 1931, that is to say, only two days before the abandonment of the Gold Standard, the value of the yen was Rs. 210 to 100 yen. A week later it came down to Rs. 170. By February 1932, it reached Rs. 132, the mint par. But the yen was not stabilised even at that level. It came down and down till it reached somewhat a sticking point around Rs. 80,—an extremely low level in terms of the £ with which the rupee is linked. Taking advantage of this abnormal depreciation of her currency, Japan had begun to dump on India huge quantities of Japanese goods at extremely uneconomic and ridiculously low prices. This affected the Indian mills greatly.

At this stage, it would perhaps be useful if an attempt is made to trace the growth of the Indian Cotton Textile Industry from 1926-27 to 1931-32. The following table gives the production of yarn in Indian Mills from 1926-27 to 1931-32.

Counts	Yarn spun in Indian Mills (Millions of lbs.)					
	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
1-10	114.64	105.98	78.89	105.46	113.59	116.99
11-20	401.04	388.82	303.14	387.92	400.15	445.15
21-30	248.31	263.07	213.01	271.82	259.69	293.96
31-40	27.66	33.76	37.49	46.37	60.75	71.07
Above 40	11.53	11.14	10.03	15.28	27.31	34.00
Wastes	3.94	6.17	5.73	6.71	5.79	5.24
Total	807.12	808.94	648.29	833.56	867.28	966.41

As compared with 1926-27, the figures for 1931-32 show increased production of nearly 160 million lbs. or just under 20 per cent. There had been only very slight increase in the production of yarns of counts 30s. and below, whereas in yarns of counts above 30s. the production increased by over 160 per cent. Further, in 1926-27, more than 40 per cent. of the yarn spun in India was spun in Bombay mills, whereas in 1928-29, owing to the disastrous labour troubles in Bombay, this percentage has been reduced to about 24 per cent. with the result that Bombay was able to capture only a portion of the business it lost in those years. The increase in the production of finer counts of yarn is a noteworthy feature of the industry during all these years. As against this, let us examine the figures of imports of yarn from the various countries from 1926-27 to 1931-32. The following table gives the figures of imports of yarn from the United Kingdom, Japan, and China as against the total from all countries:—

Year	Imports of yarn from all countries (In Million lbs.)			
	United Kingdom	Japan	China	Total from all countries.
1926-27	20.11	26.62	.93	49.42
1927-28	20.56	16.97	12.04	52.34
1928-29	23.09	7.63	11.49	43.77
1929-30	20.11	10.87	10.49	43.88
1930-31	10.31	6.89	11.72	29.14
1931-32	11.91	6.21	13.22	31.58

A study of the above table will show that whereas the United Kingdom and Japan together were responsible for about 95 per cent. of the total imports of yarn into India in 1926-27, in 1931-32, the quantity of imports from these countries put together came to about 57 per cent. It will also be seen that this fall has been more or less due to imports of grey yarn from China which eliminated a greater portion of Japanese imports. It will also be noted that the total fall in imports of yarn in 1931-32 as compared to 1926-27 has been about 35 per cent.

Coming to the production of piecegoods by the indigenous mills, one finds a progressive increase in production during this period. The following table gives the production of piecegoods in Indian mills from 1926-27 to 1931-32 classified under the two main heads of Grey and Bleached, and Coloured piecegoods:—

Year	Indian Production (Million yards)		
	Grey and Bleached	Coloured piecegoods	Total piecegoods
1926-27	1,577.2	681.5	2,258.7
1927-28	1,675.0	681.6	2,356.6
1928-29	1,409.6	483.7	1,893.3
1929-30	1,814.9	604.1	2,419.0
1930-31	2,003.5	557.6	2,561.1
1931-32	2,311.1	678.8	2,989.9

Some of the lines in Grey and Bleached have shown great expansion, such as, Dhutis, 585.7 million yds., in 1926-27 as against 964.5 million yds., in 1931-32, Drills and jeans 79.7 million yds., in 1926-27 as against 103.2 million yds., in 1931-32, Cambrics and lawns 3.4 million yds., in 1926-27 to 43.3 million yds., in 1931-32, Shirts and Longcloth 580.5 million yds., in 1926-27 as against 790.9 yds., in 1931-32, T-cloth, domestics and sheetings 93.3 million yds., in 1926-27 to 154.4 million yds., in 1931-32, etc. The total increase in the production of piecegoods in Indian mills from 1926-27 to 1931-32 works out to over 30 per cent.

In regard to the import position of piecegoods, the following table gives the quantity of piecegoods imported from the United Kingdom, Japan and the total from all foreign countries from 1926-27 to 1931-32 shown against the indigenous mill production.

Imports of piecegoods & Indigenous production
(In million yards)

Year	United Kingdom	Japan	Total from all countries	Indian Mill production
1926-27	1,467	244	1,788	2,259
1927-28	1,543	323	1,973	2,357
1928-29	1,456	357	1,937	1,893
1929-30	1,248	562	1,919	2,419
1930-31	523	321	890	2,561
1931-32	383	340	776	2,990

It will be observed that the peak year was 1927-28 in which the imports reached the record figure of 1937 million yards which is the highest figure obtained since the war. After a slight decline in the following two years, there was a steep fall in 1930-31 and 1931-32 to which several causes are attributed, such as the general slump in the world trade, political conditions in India when the spirit of *Swadeshi* ran high etc. While the import from the United Kingdom fell heavily from 1,467 million yards in 1926-27 to 383 million yds., i.e., less than 1/4. in 1931-32, Japan actually increased her share of import in the Indian market from 244 million yds., in 1926-27 to 340 million yds., in 1931-32 i.e., more than 1/3., after jumping to the peak figure of 562 million yds., in 1929-30.

When the Cotton Industry Protection Bill was introduced in the Legislative Assembly in February, 1930, it was stated on behalf of the Government that the effect of the duties would be examined by a Tariff Board after a lapse two years. Accordingly the Government of India in their Resolution No. 431-T (150) dated the 9th April, 1932 announced the personnel and terms of reference of the Tariff Board.* The Board was requested to examine the following questions and to make recommendations:—

- (1) Whether the claim of the Indian cotton textile industry to protection has been established;
- (2) If the claim is found to be established, in what form protection should be given and to what extent;
- (3) If it is proposed that protection should be given by means of import duties—

* Personnel of the Board.

President:—Dr. J. Matthai.

Members:—Mr. Fazal Ibrahim Rahimtoola

Mr. G. T. Boag, C.I.E., I.C.S.

- (a) whether the same rate of protection is required against the competition of goods manufactured in the United Kingdom as against the competition of goods manufactured elsewhere; and
- (b) what rates of duty are recommended in respect of:—
- (i) cotton piecegoods;
 - (ii) piecegoods made wholly or partly of artificial silk, and
 - (iii) cotton twist and yarn, according as they are manufactured—

A—In the United Kingdom,

B—Elsewhere.

The terms of reference evoked the strongest protest all over the country on the ground that there appeared to be no precedent of this character in references to the Tariff Board of various industries for enquiry into the grant of protection. It was thought that such restricted terms of reference would prejudice the case of the Indian industry against foreign competition either from the United Kingdom or from any other country. Even the Cotton Industry Protection Act of 1930 imposed a differential rate of duty by which goods coming from the United Kingdom had to pay lower rates of duties than piecegoods from other countries. This element of discrimination evoked the strongest opposition in the Legislative Assembly and there was practical unanimity with regard to the question of adequately protecting the industry against foreign competition either from U. K. or from Japan.

Pandit Madan Mohan Malaviya, the then Leader of the Opposition, went so far as to suggest that the present plight of the industry was due to the Government of India not taking action in time and he averred that the Indian industry would not have been in the most deplorable condition in which it found itself, if adequate protection had been afforded to it immediately after the 1927 Tariff Board reported. At that time, speaking on behalf of the Government, the Hon'ble Sir George Rainy stated *inter alia*,

“Let me turn for a moment to an aspect of the case which has been very frequently referred to by previous speakers, I mean whether this is Imperial Preference or not..... When they say that they are not asking the House to accept Imperial Preference as a principle, they are undoubtedly asking the House to approve in this particular case the imposition of duties, which will give preference to British goods..... But at the same time, we say that we do not ask the House to accept Imperial Preference as a principle.....”

In spite of these assurances, the terms of reference to the 1932 Tariff Board sought to incorporate this principle of the differential rates of duties on piecegoods imported from the United Kingdom and on other foreign countries. Even though the Government did not admit it in plain words, the principle of Imperial Preference was actually embodied in this scheme, and the commercial community and the public in India had no doubt whatsoever that this principle had come to stay in our textile tariff system,—a fact which has been confirmed by subsequent and latest developments.

Hardly a few months had elapsed since the appointment of this Tariff Board when the cotton industry was faced with a serious menace from Japanese imports. The depreciation of Japanese currency, of which mention has been made in a previous paragraph, since the beginning of 1932 had led to a remarkable increase in the imports of Japanese piecegoods at prices which were likely to render ineffective the protection intended for the Indian industry. There was a commotion all over the country and the Indian Cotton Textile Industry urged the Government of India to take immediate steps to prevent dumping of Japanese piecegoods in the country to the detriment of the Indian industry. The Rupee-Yen exchange which stood at about Rs. 136 to 100 yen in March, 1930, when the Cotton Textile Industry (Protection) Act was passed, reached the highest point on 8th and 9th December 1931, viz. Rs. 206.25 to 100 yen and from 11th December, 1931, onwards when Japan placed an embargo on the export of gold from Japan, the rate of exchange fell rapidly. The average rate for January 1932 was Rs. 144.46 to 100 yen, for February, 1932, Rs. 135.9 to 100 yen and so on touching the alarming rate of Rs. 106.5 to 100 yen in July, 1932. With the fall in the Rupee-Yen exchange, the price of Japanese goods fell rapidly and consequently the imports increased as can be seen from the fact that while in June, 1931, the total quantity of piecegoods imported into Bombay from Japan was 12 million yards, in May, 1932, the imports increased to 15 million yards, and in June 1932, the figure jumped to 28 million yards. This was surely alarming. The Government of India had therefore to take immediate action and in their Resolution dated 25th July, 1932 referred the question to the Tariff Board, which they had previously constituted, asking them to undertake an immediate enquiry with the following terms of reference:—

To report whether cotton piecegoods not of British manufacture are being imported into British India at such a price as is likely to render ineffective the protection intended to be afforded by the duty

imposed on such articles under Part VII of the Second Schedule of the Indian Tariff Act, 1894, by the Cotton Textile Industry (Protection) Act, 1930, to similar articles manufactured in India; and, if so, to consider—

- (a) to what extent, if any, the duty on cotton piecegoods not of British manufacture should be increased and whether in respect of all cotton piecegoods not of British manufacture or in respect of cotton piecegoods, plain grey only or of cotton piecegoods, others, only;
- (b) whether the duty should be increased generally, or in respect of such articles when imported from or manufactured in any country or countries specified; and
- (c) for what period any additional protection found to be required should be given.

The Tariff Board reported in August, 1932 to the effect that the depreciation of Japanese currency since beginning of 1932 had led to a remarkable increase in the imports of piecegoods from Japan at very low prices and that additional assistance should be given either in the form of a system by which the tariff values of piecegoods might be adjusted to counteract the effect of the depreciated exchange, or by raising the *ad valorem* duty on cotton piecegoods from $31\frac{3}{4}$ to 50 per cent. The Tariff Board also pointed out that Japan was the only country whose currency was so depreciated as to endanger the scheme of protection for the Indian industry, and that the low prices at which Japanese goods were being imported were such a menace that, in case the Indo-Japanese Trade Convention of 1904 debarred the Government from raising the duty upon goods of Japanese origin alone, the increased duty should be applied to all goods not of British manufacture. The Government of India accepted the Tariff Board's finding of facts, and they took power under section 3(5) of the Tariff Act to alter the specific duty on plain grey goods as well as the *ad valorem* duty, and directed that until March 31st, 1933, the duty on all piecegoods not of British manufacture should be raised from $31\frac{1}{4}$ per cent. to 50 per cent. *ad valorem*, the minimum specific duty on plain grey goods being raised from $4\frac{3}{8}$ annas to $5\frac{1}{4}$ annas a lb.

In its Report on the main terms of reference, which was signed on November 10, 1932, and which was published as late as 1934, the Tariff Board observed that although there was an increase in the number of mills at work as also in the production of both yarn and cotton piecegoods, and a decline in the imports of

yarn and piecegoods, yet the majority of the mills in India would find it impossible, without protection to realise any profit on capital or to find adequate sums for depreciation and in many cases even to meet the whole of their out of pocket expenses. The Board pointed out that the continued depression of the industry in Bombay was bound to depress prices throughout the country. The immediate result of a serious decline in the production of the Bombay mills, such as might result from the withdrawal of protection, will be a substantial increase in imports. That mills in other parts of India cannot adapt their production to the varying requirements of the market with the flexibility and quickness which are characteristic of the Japanese industry was shown by the experience of the years 1928 to 1930, when production of the Bombay mills was curtailed by strikes. Among the causes of depression in the industry, the Board referred to the rapid strides made by Japan in technical efficiency, the unfair competition caused by the depreciation in the exchange value of the yen and the general economic depression since 1929 which had reduced the purchasing power of the consumer and necessitated a substantial cut in prices. The Board further pointed out that the introduction of protective duties on piecegoods in 1930 prevented a greater fall in their prices than was explained by the fall in the prices of raw cotton. The reduction of purchasing power diverted the demand from the high priced to the low priced goods, and so favoured the Indian industry, which was also assisted by the *Swadeshi* movement. The Board, however, made it clear that the withdrawal of protection before the depression was past would cause a serious setback to the industry.

The Board pointed out that the only practicable method of fixing the measure of protection was to base it on the the difference between the fair selling price and the price actually realised by the Indian mills. The Board was of opinion that effective protection to the industry could only be given by specific duties, and for such purposes it would be unnecessary to have more than four classes: (i) plain grey, (ii) bordered grey, (iii) bleached and (iv) printed dyed and coloured woven with duties of 5 annas, 5 annas 3 pies, 6 annas and 6 annas 4 pies per pound, respectively or the *ad valorem* rate of revenue whichever was higher, applicable both to cotton goods of British and non-British manufactures. A reduction of specific duty on yarn to 1 anna per pound and its restriction to counts 50s. and below was recommended.

Although the Government of India generally agreed with the conclusions of the Tariff Board in regard to the grant of adequate

protection to the industry, yet they could not take any immediate action on the same, as the course of events subsequent to the submission of the Tariff Board's Report had made it necessary to examine the expediency of the measures recommended by it. We have seen that in conformity with an *interim* recommendation of the Board the Government of India had in August, 1932 raised the import duty on cotton piecegoods not of British manufactures from $31\frac{1}{2}$ per cent. (the duty fixed by the Cotton Textile (Protection) Act of 1930, plus $11\frac{1}{2}$ per cent. additional duty levied by the Finance Act of 1931) to 50 per cent. *ad valorem* and the minimum specific duty on plain grey goods not of British manufactures from $4\frac{3}{8}$ to $5\frac{1}{4}$ annas per pound. These increased duties were to remain in force till March 31, 1933, and were not subjected to the surcharge imposed by the Indian Finance (Supplementary and Extending) Act of 1931. The process by which the Tariff Board had arrived at the *ad valorem* duty was as follows: "In our calculation we assume the net import price (*ex. duty*) of piecegoods in March 1930, to have been 100. We take into account the protective duty on non-British piece-goods at 20 per cent. and we leave out of our reckoning the surcharges introduced for purely revenue purposes. We put the fall in the price of raw cotton since March, 1930 at 32 per cent. taking Broach in March 1930 at Rs. 250 and the current average rate for July-August delivery at Rs. 170. The proportion which the cost of raw cotton bears to the selling price of finished piecegoods has been taken approximately at 40 per cent. in the classes of goods similar to those made in Indian mills. We find the fall in the rupee-yen exchange since March, 1930 to have been 22 per cent. taking the March 1930 rate at 136.6 and the current rate at 106."

	Net Price <i>ex. duty</i>	Duty	Fair Selling Price
Price of Piecegoods in March 1930	100	20	= 120
Corresponding prices at current price of cotton 100 minus 40 by 32|100	= 87	17	= 104
Net price at current yen exchange; 87 minus 22 per cent	= 68	...	...
Duty required for fair selling-price: 104 minus 68	= ...	36	...
Equivalent <i>ad valorem</i> rate of duty: 36|68 by 100	= ...	53 per cent	

But by the time the *ad valorem* duty had come into operation and the Tariff Board's subsequent recommendation as to the imposition of

specific duties was made, the yen had further been depreciated, so as to nullify both the measures. The rupee-yen exchange in July 1932 on which the Tariff Board had made their calculation was Rs. 106. But in September when the duty came into operation, the rate had come down to Rs. 86. When the Tariff Board submitted its main Report the *ad valorem* duty was operative, but its ineffectiveness was conclusively shown by the fact that despite the operation of the duty the imports of piecegoods into India during the period had increased cent. per cent. Thus in November 1932, the imports of piecegoods into India amounted to 50 million yards as against 23 million yards in September 1932.

The effectiveness of the duty having been nullified by further depreciation of the yen the Government of India hesitated to take any prompt action on the Tariff Board's main recommendations, although as pointed out above, they generally agreed with its main conclusions. The repercussion of the depreciated yen on the indigenous industry was, however, so severe that many of the Bombay mills belonging to such big organisations as the Sassoon, the Currimbhoy and Finlay groups decided to close down. The situation was becoming graver day by day, so much so that in their Annual General Meeting in 1933 the Associated Chambers of Commerce unanimously passed a resolution urging the Government to take immediate measures for levying emergency duties to protect the indigenous industry from the unfair competition of Japanese dumping. The Indian Chambers of Commerce in the country also lodged vehement protests with the Government of India. The Government could not postpone action on the matter any further, and in the middle of 1933, the Commerce Department issued the following notification:

"In exercise of the powers conferred by sub-section (5) of section 3 of the Indian Tariff Act, 1894 (VIII of 1894) and in supersession of the notification of the Government of India in the Department of Commerce No. 341-T (164) dated the 30th August, 1932, as amended by Notification No. 341-T (5) 33 dated the 31st March 1933, the Governor-General in Council is pleased to increase the duty chargeable under Part VII of the Schedule to the said Act on the articles specified in the annexed table to the extent set forth therein.

*Articles with number of entry in Part VII of the second
Schedule under which duty is chargeable*

Cotton piecegoods (other than fents of not more than nine yards in length)—(A) Plain grey that is not bleached or dyed in the piece,

if imported in pieces, which either are without woven headings or contain any length of more than nine yards which is not divided by transverse woven heading. Not of British manufacture.

(B) Others—Not of British manufacture

<i>Present rate of duty.</i>	<i>Increased rate.</i>
5¼ annas per lb.	6½ annas per lb.
50 per cent.	75 per cent.

The imposition of these emergency duties undoubtedly represented piecemeal action on the part of the Government. And one really wonders why the Government of India instead of affording full measure of protection to the Indian Textile industry as was urged by the Tariff Board, should have preferred to adopt such half-hearted measures in the matter of protecting it from the onslaught of Japanese competition. The reason is not far to seek. The problem of the growth of the Indian Cotton Textile Industry *vis-a-vis* the imports of textile goods into this country had assumed by this time international significance. It was no longer a question of India *versus* Lancashire, but that of India *versus* Lancashire and Japan. Hitherto the policy of the Government of India was to afford that degree of protection to the Indian textile industry as was consistent with the interests of Lancashire. If we just refer to the terms of reference of the Tariff Board which made an enquiry into the question of protection to the industry in 1932, we would find that they were so framed as to suggest differential rates of duties on piecegoods imported into India from the United Kingdom as against imports from Non-British countries. What is more, the continued depreciation of the Japanese currency and the consequent dumping of Japanese goods into India only confirmed the view of the Government of India that they were justified in adopting differential rates of duty on U. K. goods as against Japan. But in the face of the Indo-Japanese Trade Convention of 1904, no specific action could, of course, be taken against Japan. The Government of India had, therefore, to take time to think over the matter. The imposition of the anti-dumping emergency duties (referred to above) paved the path for further action by the Government in this matter; and this was immediately followed by the Government of India giving notice to Japan for the termination of the Indo-Japanese Trade Convention of 1904. This upset Japan, and in resentment Japan threatened to retaliate against this by boycotting the purchase of Indian Cotton. Meanwhile, negotiations had commenced between the two countries for the conclusion of a fresh

trade agreement. The new Indo-Japanese Trade Agreement was concluded on January 7, 1934, and it came into operation the very next day. It was based on the most-favoured-nation-reciprocal-quota basis, and its object was to protect the Indian Textile Industry from the onslaught of Japanese competition by putting in a quantitative limitation to the imports of Japanese piecegoods into this country and at the same time ensuring a secured market for Indian raw cotton in Japan.

Indo-Japanese Trade Agreement.

The main provisions of the Agreement may be summarised as follows. That the two countries shall reciprocally accord the "most-favoured-nation treatment" to the article, produce or the manufacture of the other country. The Government of India shall have the right to impose or vary from time to time the special rates of customs duty on Japanese imports as they consider it necessary to offset the effects of any variation of the exchange value of the yen relative to the rupee subsequent to December 31, 1933. A reciprocal right of imposing or varying the special rates of customs duty on Indian imports into Japan would also vest in the Japanese Government if the exchange value of the rupee relative to the yen was depreciated below the value of the yen in 1932. The customs duty to be imposed by the Government of India on the imports of Japanese cotton piecegoods into India should not exceed 50 per cent. *ad valorem* or 5¼ annas per pound on plain greys, and 50 per cent. *ad valorem* on others. It was agreed that the specific duty on Japanese cotton piecegoods other than plain greys should not exceed 5¼ annas per pound subject to the agreement concerning the most-favoured-nation treatment. The quantity of Japanese cotton piecegoods to be exported to India in the period of one year beginning from the 1st April should be limited within a quota which should be fixed in accordance with the quantity of Indian raw cotton exported to Japan in the period of one year beginning from the 1st January of the same year.

The following are some of the important provisions of the agreement relating to the quota figures:—

1. Basic quota of Japanese cotton piecegoods to be exported to India in a piecegoods year shall be 325,000,000 yards and it shall be linked with 1,000,000 bales of Indian raw cotton exported to Japan in the corresponding cotton year.
2. In case the export of Indian raw cotton to Japan in any cotton year should fall below one 1,000,000 bales, the

- quota of Japanese cotton piecegoods for the corresponding piecegoods year shall be determined by reducing the above basic quota at the rate of 2,000,000 yards for every 10,000 bales of deficit.
3. In case, however, such export in any cotton year should exceed 1,000,000 bales the quota of Japanese cotton piecegoods for the corresponding piecegoods year shall be determined by increasing the above basic quota at the rate of 1,500,000 yards for every additional 10,000 bales, provided that the quota should in no case exceed 400,000,000 million yards.
 4. In case the export of Indian raw cotton to Japan in any cotton year should exceed 1,500,000 bales the quantity thus exported in excess of 1,500,000 bales shall be for the purpose of determining the relevant quota of Japanese cotton piecegoods added to the quantity of raw cotton exported to Japan in the following cotton year.

Note:—Piecegoods year is the same as fiscal year.

Cotton year is the same as Calendar year.

The Agreement was to remain in force till the 31st March, 1937.

Almost simultaneously with the conclusion of the Indo-Japanese Trade Convention, another agreement had been arrived at between the representatives of the Bombay Millowners' Association and the British Cotton Textile Industry. In the deliberations leading to this agreement, Mr. (now Sir) H. P. Mody represented the Bombay Mill Industry, while Sir William Clare-Lees represented the case for Lancashire. It was agreed that the Indian Cotton Textile Industry was entitled, for its progressive development, to a reasonable measure of protection against the imports of the United Kingdom yarns and piecegoods. It was also agreed that under present conditions, owing to lower costs and other factors operating in foreign countries, the industry required a higher level of protection against them than against the United Kingdom. Acting on this presumption, it was agreed that the duty on cotton yarn from the United Kingdom should not exceed 5 per cent. *ad valorem* with a minimum specific duty of 1½ annas per pound. In regard to cotton piecegoods, it was agreed that if and when the revenue position of the country made it possible for the Government of India to remove the general surcharge on all imports imposed in October 1931, the Indian side would not make fresh

proposals with regard to the duties applicable to the United Kingdom imports. In respect of artificial silk piecegoods it was agreed that the duties will be (i) 30 per cent *ad valorem* or 2½ annas per square yard for hundred per cent artificial silk fabrics, and (ii) a duty of 30 per cent. or 2 annas per square yard for mixture fabrics of cotton and artificial silk. It was further agreed that if any concessions were given to British piecegoods and yarns in any Empire or other overseas markets, equivalent advantages would also be extended to the products of the Indian mills.

In respect of overseas markets in which Indian mills lack established connections, it was agreed that the Manchester Chamber of Commerce should use its good offices to bring about contacts between Indian manufacturers and British houses which were already established in those markets. In regard to raw cotton, it was strongly urged from the Indian side that every effort should be made in the United Kingdom to popularise and promote the use of Indian cotton and that other avenues of co-operation in this field should be explored in the interests of the Indian cotton grower.

The Government of India took action in the light of these two Agreements, viz., the Indo-Japanese Agreement and the Indo-British Textile Agreement (otherwise known as the Mody-Lees Pact) and the Indian Tariff (Textile Protection) Amendment Bill which was introduced in the Legislative Assembly in March, 1934, was based entirely on the clauses of these two agreements. In the course of the debate on the Bill, Sir Joseph Bhore, the then Commerce Member, stated that though it was intended to afford the textile industry protection for a period of five years, the tariff rates on British goods would remain in force for two years in accordance with the terms of the Agreement between the Lancashire Delegation and the Millowners' Association, Bombay. The Indian Tariff (Textile Protection) Amendment Act which became law on the 1st March, 1934 was thus to continue upto the 31st December, 1935 according to the Mody-Lees Pact.

Reception of Indo-Japanese Agreement of 1934

It would be interesting to review at this stage the manner in which the country as a whole and the cotton textile industry in particular received the Indo-Japanese, and the Indo-British Textile Agreements. The Indo-Japanese Textile Agreement generally received the support of the Cotton Textile Industry and the country as a whole, because, on an examination of the provisions of the agreement, it was

found to be a fair and equitable agreement operating in the interests of both India and Japan. Moreover, during the conduct of the negotiations, the Government of India constituted a Panel of Non-Official Advisers to help them in the discussions with the Japanese Delegation, the Panel consisting among others of Mr. Nalini Ranjan Sarker, Mr. D. P. Khaitan and Lala Shri Ram, representatives of the Federation of Indian Chambers of Commerce and Industry, the leading Indian commercial organisation in the country. On behalf of the Government of India, Sir Joseph Bhore, the then Commerce Member of the Government of India, conducted the negotiations with considerable tact, and as a result of prolonged negotiations between representatives of India and Japan, an agreement was arrived at satisfactory to both sides. Though the provisions of the Agreement were found to be generally satisfactory to both Japan and India, some minor matters were overlooked which were exploited by Japan to her advantage, as will be seen later on. But the Mody-Lees Pact was of an entirely different character and evoked a strong protest throughout the country.

Reception of Mody-Lees Pact.

In the first place, it was thought all over the country that the interests of Indian Cotton Textile Industry were bartered away to Lancashire in return for vague promises and pious platitudes from the Lancashire delegation who definitely gained in the shape of a reduction of import duties on piecegoods coming from the United Kingdom. The commercial community all over India were of the opinion that this Pact, which was arrived at between two private parties, viz., Mr. (now Sir) H. P. Mody representing Bombay textile mills and Sir William Clare-Lees, representing British Textile Mission, could not be binding on the Government, particularly when the provisions of the agreement were definitely in favour of Lancashire and were detrimental to the growth of the Industry as a whole. It was contended that the Mody-Lees Pact embodied the obnoxious principle of Imperial Preference which has always been a sore point with the Indian commercial community. Even the Tariff Board reported in 1932 against the imposition of differential rates of duty on textile articles from the United Kingdom as against other countries, and they were definitely of the opinion that the tariff wall must be raised against the United Kingdom goods as well for protecting effectively the indigenous goods because they had in the course of their enquiry "come across several cases in the Calcutta market of British goods of medium

counts selling at prices which are not higher than the ruling Japanese prices." They further observed, "Since the specific duties which we have proposed are based mainly on the costs of manufacturing goods of medium counts and the prices realised by Indian mills for these goods, it seems to us essential, in order to safeguard the Indian industry, that these duties should be equally applicable to such goods when imported from the United Kingdom." Another serious drawback of the Mody-Lees Pact was, as already observed, that it furnished no *quid pro quo*. For a definite reduction in tariff rates in favour of U. K. goods as against other countries, India had received only an assurance, *and no more*, that Lancashire would try her best to increase the consumption of Indian Cotton in Lancashire Cotton mills. This was only an assurance without any obligation. If there was really any intention on the part of the Lancashire industrialists to utilize greater quantities of Indian cotton, it would surely have been possible to stipulate the exact quantity of Indian Cotton which the United Kingdom should take in exchange for the preference in tariff rates shown to British textile goods coming into India, as was the case with the Indo-Japanese trade agreement, which rested on a quota basis. Tested from this standpoint, the Mody-Lees Pact was found wanting in *quid pro quo* and therefore failed to satisfy Indian commercial and public opinion. What is more, it gave a handle for Lancashire interests to agitate for further concessions, as will be seen presently.

Clamour for Indo-British Trade Agreement.

The Mody-Lees Pact was signed on the 28th October 1933, and was to remain in force till the 31st December, 1935. Meanwhile Lancashire interests, not being satisfied with the progress of their trade in India, began to agitate in London, and on 1st November, 1934, a Deputation from Lancashire waited on Mr. Runciman, President of the Board of Trade, and pressed the question of a Trade Agreement with India. The deputation deplored the delay in fulfilling the promise made by the Hon'ble Sir Joseph Bhore, the then Commerce Member, on behalf of the Government of India through a letter dated 25th October, 1933, to Sir William Clare—Lees, Chairman of the Lancashire Textile Delegation that visited India in 1933:—

"That the Government of India will enter into discussion with His Majesty's Government in Great Britain on this point as soon as the negotiations now proceeding with the Japanese Government are concluded."

"That the Government of India recognize the natural wish of an export trade of such great importance to Great Britain

to be included within the scope of the trade agreement which now exists between the two countries."

The deputation pointed out that the progress hoped for in this direction had not been made and urged that His Majesty's Government should take all possible steps to expedite the matter. The deputation stated, *inter alia*,

"What is wanted is a provision to the effect that the import duties on the United Kingdom cotton and artificial silk goods entering India shall be fixed from time to time at levels which shall be lower than those applicable to the same goods originating in foreign countries, and compatible, firstly with the unavoidable revenue requirements of India and secondly with the principle that United Kingdom producers of cotton and artificial silk goods shall have full opportunity of reasonable competition with domestic producers."

Lancashire urges further reduction of duty.

The deputation also gave expression to the conviction of the traders of Lancashire that "the former rate of import duty of 11 per cent. on cotton piecegoods in India, although it might have been arrived at on revenue grounds, in fact represented and still represents a very fair approximation to real difference between the two countries." In reply Mr. Runciman assured the Lancashire Deputation that he would ask the Secretary of State for India to make an early communication to the Government of India and would make every endeavour to conclude the negotiations for a Trade Agreement as quickly as possible. It is thus clear that when hardly twelve months had elapsed from the date of the Mody-Lees Pact, and when the ink on this pact was hardly dry,—and there was still one more year for the agreement to run,—the Lancashire interests began to agitate in England saying that instead of a reduction of 5 per cent. in duty on the United Kingdom piecegoods, which would have been possible in the event of a removal of the general surcharge of 25 per cent. on all commodities in India, *there should be a reduction of 14 per cent. in the duties i.e., from 25 per cent. to 11 per cent. which in their opinion "represents a very fair approximation to the real difference between the two countries."*

Striking features of the Indo-British Trade Agreement of 1935.

The commercial community and the public in India vigorously agitated against these preposterous proposals of the Lancashire Deputation and characterised Lancashire's demand as *nothing short of a repudiation of the Mody-Lees Pact itself*. The unreasonableness of the

claims put forward by the Lancashire interests was fully exposed at that time, but in spite of this, the Government of India concluded the Indo-British Trade Agreement on the 9th January, 1935 (which was held to be a sequel to the Ottawa Agreement) without consulting either the Indian commercial community or the public. The main features of this Agreement were that, "while protection to an Indian industry against imports of whatever origin may be necessary in the interests of the economic well-being of India, the conditions within industries in India, in the United Kingdom and in foreign countries may be such that an Indian industry requires a higher level of protection against foreign goods than against imports of United Kingdom origin." The Government of India further undertook, "that the measure of protection to be afforded shall be *only so much as, and no more than, will equate prices of imported goods to fair selling prices for similar goods produced in India*, and that wherever possible having regard to the provisions of this article, lower rates of duty will be imposed on goods of United Kingdom origin." Another clause stipulated, "when the question of the grant of substantive protection to an Indian industry is referred for enquiry to a Tariff Board the Government of India will afford *full opportunity to any industry concerned in the United Kingdom to state its case and to answer the case presented by the other interested parties.*" (Italics ours). The Government of India further undertook that, "in the event of any radical changes in the conditions affecting protected industries during the currency of the period of protection, they will on the request of His Majesty's Government or of their own motion, cause an enquiry to be made as to the appropriateness of the existing duties." These were preposterous concessions unheard of anywhere else in the world. Thus the Government of India in direct violation of public feeling concluded an agreement which was a negation of the Fiscal Autonomy Convention and which was calculated to hamper the growth of indigenous industries in the country.

Assembly turns down Agreement.

The Indian Legislative Assembly turned down this Agreement in March 1935, but the Government of India paid no heed to the verdict of the Assembly and the people at large, and stuck to the Agreement. If they had failed to remain adamant in this respect, it would not have been possible for them to frame such restricted and iniquitous terms of reference for the Special Tariff Board on Cotton Textile duties which was constituted by their Resolution dated 10th September, 1935. Before examining the terms of

reference of the Special Tariff Board and its Report of 1936, let us turn our attention to the growth of the Indian Cotton Textile Industry from 1932-33 to 1935-36.

Progress from 1932-33 to 1935-36

The total number of Cotton Mills working in India has been steadily increasing as will be seen from the fact that while in 1931, the total number of Mills working was 312, it increased to 314 in 1932, to 311 in 1933, 320 in 1934, and 336 in 1935. The number of spindles increased from 9,311,953 in 1931, to 9,506,083 in 1932, to 9,580,658 in 1933, 9,613,174 in 1934 and 9,685,775 in 1935, and the number of looms increased from 182,429 in 1931, to 186,341 in 1932, to 189,040 in 1933, to 194,388 in 1934 and to 198,267 in 1935.

The following table gives the comparative figures of production of yarn of different counts in Indian mills from 1932-33 to 1935-36:—

Mill Production of Yarn

(IN MILLIONS OF LBS.)

	1932-33	1933-34	1934-35	1935-36
<i>Counts:—</i>				
<i>Nos.—</i>				
1 to 20	599.4	547.5	573.2	594.1
21 to 30	297.5	254.8	282.3	287.6
31 to 40	77.2	75.8	95.5	112.0
Above 40s.	36.6	37.4	43.9	58.5
Unspecified descriptions & waste	5.7	5.6	5.8	6.0
Total	1,016.4	921.1	1,000.7	1,058.2

It will be seen from the above table that while in yarn of counts from 1s to 30s. there has been practically very little change all these years, the production in finer counts from 31s. to 40s. and above 40s. has been steadily increasing all these years. This shows that while the Indian mills are increasingly taking to spinning finer counts of yarn, in the lower counts, the position has more or less remained stationary. It will also be noted that the percentage increase of the total production of yarn in 1935-36 compared to that of 1932-33 has been about 4 per cent. whereas in counts above 30s. the increase has been nearly 50 per cent.

The following table gives the figures of imports of yarn from 1932-33 to 1935-36 by counts:—

	Imports of Yarn into India			
	(IN MILLIONS OF LBS.)			
	1932-33	1933-34	1934-35	1935-36
<i>Counts:—</i>				
<i>Nos.—</i>				
1 to 20	0.9	0.3	0.4	2
21 to 40	22.0	15.0	9.2	14.9
Above 40s.	6.4	5.7	8.4	8.7
Two folds and Doubles	15.8	11.0	16.0	20.7
Total	45.1	32.0	34.0	44.5

The imports of yarn have fallen from 45.1 million lbs. in 1932-33 to 32 and 34 million lbs. in 1933-34 and 1934-35 respectively and have risen nearly to the 1932-33 level in 1935-36, viz., 44.5 million lbs. In counts above 40s. the imports are gradually on the increase whereas in counts lower than 40s. there is a steep fall from 23 million lbs. in 1932-33 to 15 million lbs. in 1935-36 touching the lowest point of about 9 million lbs. in 1934-35. This fall is probably attributable to the headway made by indigenous mills in counts between 21s. and 40s. during all these years.

In regard to the production of piecegoods in Indian mills, the progress has been well maintained, the figures for 1932-33, 1933-34, 1934-35 and 1935-36 being 3,170 million yds., 2,945 million yds., 3,397 million yds. and 3,571 million yds. respectively. The following table gives the production of cloth in India by descriptions from the year 1932-33 to 1935-36:—

	Production of Piecegoods in India by Descriptions			
	(IN MILLIONS OF YARDS.)			
	1932-33	1933-34	1934-35	1935-36
<i>I Grey & bleached:—</i>				
Chadars,	58.6	56.2	58.9	59.4
Dhotis	1,096.8	978.5	1,110.0	1,240.3
Drills & Jeans	112.9	104.3	118.6	128.9
Cambrics & lawns	67.4	77.6	121.7	129.7
Printers	13.7	18.4	20.9	15.9

	1932-33	1933-34	1934-35	1935-36
Shirtings & long-cloth	748.0	725.8	863.5	842.5
T-Cloth, domestics & sheetings	143.7	137.0	161.9	152.1
Tent cloth	6.7	5.2	6.1	7.5
Khadi, dungri or Khaddar	115.5	91.3	106.2	116.4
Other sorts	60.0	70.8	73.7	80.1
Total	2,423.3	2,265.1	2,641.5	2,772.8
II. Coloured	746.9	680.1	755.8	797.9
Total piecegoods	3,170.2	2,945.2	3,397.3	3,570.7

A glance at the above table will show that there has been a notable increase in the production of Dhories, Cambrics, Shirtings and Long-cloth, whereas in other classes of piecegoods, a general upward trend is visible. In the case of Cambrics and Lawns the production in 1935-36 is nearly double that of 1932-33. As against this, let us examine the position of imported piecegoods into India during all these years. The following table gives an idea of the trend of the import trade of India.

Imports of piecegoods in India.

(IN MILLIONS OF YARDS.)

	1932-33	1933-34	1934-35	1935-36
Grey (unbleached)	217	140	178	212
Bordered Grey	138	90	119	120
White (bleached)	413	262	285	263
Printed goods	237	140	200	218
Dyed goods	148	102	127	103
Coloured Woven goods	40	26	34	30
Total piecegoods	1,193	760	943	946

There has been a heavy fall of imports of piecegoods from 1,193 million yards in 1932-33 to 760 million yards in 1933-34, then a rise to 943 million yds., in 1934-35 and then to 946 million yds., in 1935-36. The differences in classification of indigenous production of piecegoods and the imported piecegoods make it rather difficult to institute any

comparison of the various descriptions of Indian mills' production with those of imported ones. The following table* however, gives the mill production figures as against imported goods of some of the comparable descriptions:—

Indian Mill-production and imports of piecegoods.

(IN MILLION YARDS.)

	1932-33		1933-34		1934-35		1935-36 (6 months)	
	Mill produc- tion	Im- ports	Mill produc- tion	Im- ports	Mill produc- tion	Im- ports	Mill produc- tion	Im- ports
Dhotis	1,097	141	979	96	1,110	122	627	61
Cambrics & Lawns	67	300	78	181	122	212	68	98
Shirtings & Longcloth	748	293	726	189	863	220	400	122
Coloured, printed or dyed	747	425	680	269	756	361	386	180

On a comparison of the figures for the three years 1932-33, 1933-34, and 1934-35, it will be found that while the import position is generally on the downward trend, the indigenous production has either been maintained or been on the increase. Especially in Cambrics & Lawns, while Indian mill production was only 67 million yds., in 1932-33, it has nearly doubled itself in 1934-35 to 122 million yds., whereas the import figure for the same description has come down from 300 million yds. in 1932-33 to 181 million yds., in 1933-34 and to 212 million yds. in 1934-35. It will thus be seen that the imports of piecegoods are generally on the decrease and the Indian mills are gaining ground in various classes of finer goods.

Terms of Tariff Board Enquiry of 1935.

Coming to the Special Tariff Board which was constituted in September, 1935, it may be mentioned that the terms of reference met with a chorus of disapproval throughout the country. Sir Alexander Murray was the President and Dewan Bahadur A. Ramaswami Mudaliar and Mr. Fazal Ibrahim Rahimtoola were the Members of the special Tariff Board. The following terms of reference were notified:—

“To recommend on a review of present conditions and in the light of the experience of the effectiveness of the existing duties, the level of the duties necessary to afford adequate protec-

* *Vide*, Special Tariff Board Report 1936, page 26.

tion to the Indian Cotton Textile Industry against imports from the United Kingdom of (a) cotton piecegoods, (b) cotton yarn, (c) fabrics of artificial silk and (d) mixture fabrics of cotton and artificial silk. By adequate protection is meant duties which will equate the prices of imported goods to the fair selling prices for similar goods produced in India.

In the course of this enquiry, the Board will give a full opportunity to the cotton textile industry, whether in India or the United Kingdom, to present its case and, if necessary, to answer the cases presented by other interested parties.

The Board will not be required to make any recommendations in respect of revenue duties."

The commercial community and the public were greatly disappointed at the restrictive nature of the terms of reference which did not give a free hand to the Tariff Board in making their recommendations after a detailed review of the then existing conditions in the Indian Cotton Textile Industry. It was stated that the decisions of the Tariff Board had already been prejudged by the Government of India and that the terms of reference were nothing short of a peremptory direction to them to make their recommendations according to the notions of the Government, irrespective of the effects of such a proposal on the fortunes of the Indian Cotton Textile Industry. As regards the question of allowing foreign textile interests to present their case before the Indian Tariff Board, it is hardly necessary to say that it is on the face of it absurd how in any scheme of protection to an indigenous industry, foreign interests like Lancashire cotton manufacturers could be allowed to put forward their case for consideration without detriment to the growth of the Indian industry. Was it to be assumed that the interests of the Indian Cotton Textile Industry and the United Kingdom Textile Industry were identical or co-extensive? Or again was it reasonable that the Lancashire industry, which was in a highly developed and efficient state, should be entitled for a certain amount of indirect protection in the Indian market in the shape of preferential rates of duty on her textile goods at the expense of the indigenous industry? But all protests were like cries in the wilderness, and the Government of India, presumably under dictation from Whitehall, did not budge from their position. Lancashire interests once again triumphed, as they have always done, by their persistent agitation.

Tariff Board Recommendations accepted.

The Tariff Board submitted their report in March, 1936 but its publication was delayed till June, 1936. The Board recommended that (1) the duty on plain grey goods imported from the U.K. was to be reduced from 25 per cent. *ad valorem* (or $4\frac{3}{8}$ annas per lb. whichever was higher) to 20 per cent. *ad valorem* or $3\frac{1}{2}$ annas per lb. whichever was higher; (ii) the duty on bordered greys (i.e., chadars, dhooties, sarees and scarves), bleached goods and coloured goods (excluding prints) should be reduced from 25 per cent. to 20 per cent. *ad valorem*; (iii) the duty on yarns of counts above 50s. was to be 5 per cent. *ad valorem* and that on counts 50s. and below, 5 per cent. *ad valorem* or $1\frac{1}{4}$ annas per lb., whichever was higher. As regards duties on other goods, the Board came to the conclusion that the existing level of duties would afford adequate protection to the Indian mills. The Government of India immediately accepted these recommendations without consulting the Indian Legislature, and the reduction of 5 per cent. duty was brought into force from the 20th of June, 1936.

These recommendations were already anticipated by the public in the country and there was therefore no cause for surprise, although there was for regret and disappointment. What was the most astonishing feature was the almost indecent haste with which these recommendations were given effect to by the Government without consulting either commercial opinion or the Indian Legislative Assembly. There is even now an impression among a large section of the Indian textile industry that the Mody-Lees Pact definitely paved the way for Lancashire industry to get a preferential treatment in the Indian market. What is more, Lancashire is still agitating for further concessions and preferences in the Indian market, and this is perhaps the main reason for the delay in concluding the Indo-British Trade Agreement which is now under negotiation.

The genesis of the Indo-British Trade Agreement, now in the melting pot, lay in the Ottawa Agreement which was concluded at Ottawa between India and the United Kingdom in 1932 and which raised a storm of protest all over the country. On 30th March, 1936, the Indian Legislative Assembly turned down by a resolution* the

*"This Assembly recommends to the Governor General in Council that the Ottawa Agreement, dated the 20th August, 1932, be terminated without delay and a notice of denunciation be given in terms of Article 14 thereof. The Assembly further recommends that the Government of India should immediately examine the trend of trade of India with various other important countries and the United Kingdom and investigate the possibility of entering into such bilateral trade treaties with them, whenever and wherever possible to bring about the expansion of export trade of India in those markets and submit such treaty or treaties for the approval of this Assembly."

Ottawa Agreement and its sequel, the Indo-British Trade Agreement to which we referred in a previous paragraph. The Assembly also resolved that the Government of India should conclude bi-lateral trade agreements with all those countries with which India had a chance to expand her trade.

Indo-British Trade Negotiations

The Government of India gave notice on 13th May, 1936 to His Majesty's Government in the United Kingdom for the termination of the Ottawa Agreement in accordance with which the pact was due to expire on November 13, 1936. The Government of India also announced that as a first step in the conduct of the Indo-British Trade Negotiations, preliminary proposals would be prepared both by the United Kingdom and India and thereafter they would be exchanged. It was further stated that in the preparation of their preliminary proposals the Government of India would associate with themselves a panel of unofficial advisers, representative of commerce, industry and agriculture in India. Another communique announced that the following gentlemen would constitute the panel of unofficial advisers to the Government of India:—

Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.,
Mr. G. D. Birla,
Mr. Kasturbhai Lalbhai,
Sardar Datar Singh,
Nawabzada Liaquat Ali Khan,
Dr. P. Subbarayan.
Sir Edward Benthall, Kt.,

In a later communique issued by the Government of India, it was stated that in view of the fact that the negotiations were now in progress between His Majesty's Government in the United Kingdom and the Government of India for the conclusion of a Trade Agreement in replacement of that concluded at Ottawa in 1932 and which was due to terminate on November 13, 1936, it has been agreed by the two Governments pending conclusion of a new agreement that the 1932 agreement should continue in force subject to termination at three months' notice by either side, unless it was replaced by a new agreement. It was further agreed that in the event of a failure of the conclusion of a new agreement neither party shall withdraw the existing preferences without prior consultation with the other party. The unofficial advisers met in September, 1936 in order to examine the proposals sent by the Board of Trade in England. It was freely mentioned in authoritative circles and in the press

that the general view which prevailed with the unofficial advisers was that the British trade proposals were pitched up too high and no useful purpose would be served by considering them in that form and at that stage. It was therefore decided to adjourn the conference till the British Board of Trade's proposals were received by way of reply. It was stated that when they met at Delhi in December 1936, a unanimous note was also signed by the unofficial advisers including Sir Edward Benthall, and in that note some fundamental principles were laid down, which should be accepted by the U. K. Government before proceeding with further negotiations. We understand that these fundamental principles have been found acceptable, but it remains to be seen what concrete proposals are made by the U. K. Government for preferences, *having regard to the interest of India*, which will no doubt be zealously guarded by non-official advisers. To us, it appears that concerted efforts will be made in U. K. for a reduction of duties on Lancashire goods in India, in which alone U. K. is at present vitally interested. We have no doubt whatever that the three stalwarts among the unofficial advisers will radically oppose all such proposals, in the interest of the preservation of the Cotton Textile Industry which stands in need of protection of at least 20 per cent. against U. K. piecegoods in accordance with the findings of the Tariff Board. In this connection, we also feel that the conclusion of the Indo-Japanese treaty, and the securing of a certain market for Indian cotton, which urgently needs such outlet, will be a tower of strength to the advisors, as they will not be offered a threat by Lancashire declining to purchase Indian cotton, a threat which would have given anxious time to the non-official advisers, if a secured market for Indian cotton was not definitely found in Japan. In this connection, it must not be forgotten that any promise for consumption of a larger quantity of Indian cotton in the U. K. market constitutes no sound reason for conferring any preferential treatment to the imports of piecegoods from U.K., in the Indian market, for cotton will continue to be bought by industrialised countries, which do not favour imposition of duties on raw materials, and again they will do so, only so long as they find it profitable, and not out of sentimental reasons. What is more, the agriculturists' interest will ultimately be better protected by the expansion of the indigenous industry, which should be able in course of time to consume more cotton and export cotton piecegoods, than by relying on such purchases in small quantities by countries like the U. K. We hope that the Government of India will not ignore the advice of these capable advisers, who are competent to express an opinion as to the effect of any preferences, on Indian trade and

industries, and will conclude an agreement only in accordance with the expert advice tendered by them. It is now understood that the non-official advisers will sail for England at the end of May or early in June, 1937, to pursue the negotiations there with representatives of His Majesty's Government. We expect that the negotiations with the advisers will be concluded by July, 1937, and it is probable that a Bill embodying the terms of the new Indo-British Trade Agreement will be introduced in the Assembly in the Simla Session of 1937, and that if passed by the Legislatures, the new Trade Agreement will replace the present one, by the beginning of 1938.

Is Indo-British Treaty necessary and advantageous for India?

In this connection, we would also like to examine the question as to whether judging from the character of Indian trade and the standpoint of the *economic interests of India*, there is any real necessity for having any Indo-British Trade Treaty at all. India's export trade mainly comprises agricultural commodities, and raw materials which other countries are anxious to admit duty-free, and for which preference in duty would be of little help in increasing her exports. India's import trade comprises largely manufactured commodities, machinery and articles of capital equipment. Preferences by India for these can only have limited value in view of the fact that her own industries are expanding. Taking piecegoods for example, we import only 16 per cent. of our requirements from abroad,* but as our industry develops, this will steadily decrease. Thus there is very little scope for India to give preferences to U.K. consistently with the preservation of her own interest.

A fact of greater importance and which has not yet been fully realised, is that our internal market is assuming a more and more important aspect in our national economy, and that obviates the necessity of our entering into a new treaty.

The recent emergence of a favourable balance of trade with Great Britain, to the extent of about Rs. 11,00,00,000 as compared with an adverse balance of trade during the previous years does not in any way strengthen the claim of U. K. for negotiation of a favourable treaty. A debtor country like India should have an excess of exports over imports, if she is to discharge her ultimate obligations to creditor countries like U.K. In fact, in order to enable India to pay a sum of about Rs. 50 crores per annum to U.K. for services rendered by British capital and enterprise, in the matter of

* Imports of piecegoods during 1936-37 were only 764 million yards as compared with 947 million yards in 1935-36.

shipping, banking, insurance, remittances of a part of the profits of British companies in India from industries like Jute, Tea, Rubber, Cotton, Sugar etc., and Sterling obligations of the Government of India and the Provincial Governments, she should have a larger balance of trade, and India's exports should receive a more favourable treatment in the U.K. market, at least till our exports exceed the imports by at least Rs. 50 crores per year. In this connection, it may also be remembered that a fairly large portion of India's exports is the product of British capital, which it would not be in the interest of U.K. to penalise by trade restriction. India's position in relation to Britain in the matter of foreign trade is strong and is not at all weakened by the recent favourable balance. India's bargaining power which is strong, should therefore be utilised advantageously. Unless, therefore, Indian exports are accorded a definitely favourable position with a view to enable India to have a more favourable balance of trade, there is little point in concluding any Indo-British Agreement at all from the point of view of Indian interests. The *bona fides* of the Government of India, and His Majesty's Government in Great Britain are on the test, and we hope that the Government of India will strongly put forward their case, and take such action as would meet with the unanimous approval of the commercial and industrial community, the legislatures and the public in this country.

Lancashire's preposterous claim for preference.

While the negotiations are taking place, it is disconcerting to note that Lancashire interests are carrying on a vigorous campaign for getting more preferences for their piecegoods in the Indian market and are thus bringing pressure to bear on His Majesty's Government. It is a well-known and oft-repeated fact that Lancashire resorts to political pressure and influence through Parliament and the India Office for generations. During the last few months organised efforts are being made by the British textile interests to force the hands of the Government of India and the Secretary of State and this persistent propaganda is very likely to prejudice the further progress and prospects of a fair and equitable trade agreement between India and the United Kingdom. The Annual Report of the Lancashire Indian Cotton Committee for 1936 stated that its work had its origin in the policy of economic and commercial reciprocity adopted by the Indian and United Kingdom Governments. The report further states that "the export of British yarns and piecegoods to India has suffered during the past year an accelerated process of decline. All sections of the industry in Lancashire believe that a satisfactory position in this

respect can only be restored by a reduction in the Indian customs duties, which they are satisfied would not be inconsistent with the best interests of India. They hope that a reduction will be one of the consequences of the discussions shortly to be commenced with a view to a new and revised commercial agreement." After mentioning the fact that the off-take of Indian cotton by Lancashire increased from 230,000 bales in 1932-33 to 546,654 bales in 1935-36, the Committee complain that India had not followed 'a policy of economic reciprocity' inasmuch as India's imports of British yarns and piece-goods had suffered a decline and that "if early steps were not taken to arrest this decline, the main ground of the Committee's approach to its numerous constituents would disappear." It also appears that the plea of "consumer's interest" which had been the slogan of Lancashire so far in trying to get preference in the Indian market, is now being replaced by that of *quid pro quo*, "reciprocity" and "partnership."

A considerable section of the Indian Textile Industry feels that all this agitation would not have been so great, if the Mody-Lees Pact had not conceded the right to the United Kingdom for a preferential treatment in the Indian market and had not agreed that "owing to lower costs and other factors operating in foreign countries, the Industry required a higher level of protection against them than against the United Kingdom," and that "if and when the revenue position of the country made it possible for the Government of India to remove the general surcharge on all imports in October 1931, the Indian side would not make fresh proposals with regard to the duties applicable to the U. K. Imports." It is true that the Mody-Lees Pact can claim that it has enabled India to increase her exports of raw cotton to the United Kingdom market, but on a further examination, one finds that the increase is due mainly to the price parity being in favour of Indian cotton as compared to American or Egyptian cotton. The purchase of Indian cotton by the United Kingdom came to Rs. 2 crores in 1934, to 2½ crores in 1935 and Rs. 3½ crores in 1936, and if this is to be judged on a *quid pro quo* basis, the balance will be found to be in favour of Lancashire, for the import of Lancashire piecegoods into India which was Rs. 8¾ crores in 1933-34, increased to Rs. 11 crores in 1934-35 and was Rs. 9 crores in 1935-36. On the other hand, Japan whose case is always cited as an illustration of *quid pro quo*, increased her imports of Indian cotton from Rs. 11 crores in 1935 to over Rs. 16 crores in 1936 and exported piecegoods to the value of Rs. 3¾ crores and Rs. 6 crores respectively. It is also believed that the United Kingdom can take much larger quantities of raw cotton

from India than she has been taking hitherto, viz., 5 lakhs bales, which constitutes only about 20 per cent. of the total imports of cotton in U. K. But Lancashire is definitely against any preferential duty being imposed on imports of raw cotton and wants to have a free hand in this respect. The Textile Industry in U. K. has been in existence for more than a century, and if, with all its technical efficiency and well-trained labour force, it is clamouring for protection and preference in Indian market, it is but just and proper that Indian Textile mills, which are still in an undeveloped stage, should ask for protection against her formidable competitors.

Indian Views on the proposed Indo-British Trade Agreement.

The views of the Indian commercial community on the question of a Trade Agreement between India and the United Kingdom have found unequivocal expression in a comprehensive memorandum submitted by the Federation of Indian Chambers of Commerce and Industry to the Government of India in August 1936. The fundamentals of Indian economy demand that in a trade agreement based on reciprocity or *quid pro quo* between England and India, the "Invisible" items of exports and imports should be fully taken into account and that the principles which should govern an agreement between United Kingdom and India should be two fold, viz., that firstly the foreign trade of India should be considered as a whole and not piecemeal, and secondly that India's external obligations and liabilities should be taken into account in any evaluation of the balance of payments. Besides, India's foreign trade relations rest on the basis of an adverse balance of trade with the United Kingdom. India has to make an annual remittance of nearly Rs. 80 crores to the United Kingdom and these "invisible" items really determine the balance of payment and the flow of trade. A trade agreement between a creditor and debtor country could not therefore be strictly based on a principle of *quid pro quo* and since India had no other means of discharging her obligations to Great Britain, Britain's "invisible imports" into India should of necessity be taken into consideration in any bilateral agreement. It is not only in India's interest but also in Britain's interest that India should have a favourable balance of trade for the payment of her foreign obligations and for this purpose India's trade with foreign countries in those commodities which she can and does export should be encouraged and stimulated. It was therefore urged by the Federation of Indian Chambers of Commerce and Industry that the whole question of India's foreign trade should be

considered not in a piecemeal manner with a view to confer any small benefit on British industries, but in such a manner as to facilitate India's internal economic development without impairing her export trade with various countries. The following resolution which was adopted at the Tenth Annual Session of the Federation on the 8th April, 1937 gives a clear lead to the Government of India and their unofficial advisers in the conduct of the Indo-British Trade negotiations to be pursued further in London in June, 1937.

"A. The Federation urges that the Government of India, in negotiating the terms of a fresh trade agreement between the United Kingdom and India, will keep in view the following principles in connection therewith:—

- (a) That in view of the verdict of the Legislative Assembly against the continuation of the Ottawa Trade Agreement a fresh trade agreement will not be acceptable to the country unless it offers substantially better terms to India for the development of its export trade.
- (b) That the terms of the fresh trade agreement should leave enough scope for the Government of India to negotiate bilateral trade agreements with other countries.
- (c) That the terms of the treaty will secure definite markets in the United Kingdom for important materials and products of India.
- (d) That the preferences that will be offered to the United Kingdom industries under the fresh trade agreement will in no way affect the interests of indigenous industries at any time during the period of the trade treaty. And further that no undertakings should form part of the Agreement, which militate against the very principle of the policy of industrial development adopted by India and which restricts India's liberty to shape her fiscal policy or detracts from the protection now enjoyed by industries in India.

- (e) That India should have separate trade treaty arrangements with the colonies of the British Empire and that such arrangements should not form a part of the fresh trade treaty with the United Kingdom.

B. The Federation expresses its considered opinion that in such terms as may be arranged between India and the United Kingdom the question of offering further preference to United Kingdom textile industry should be ruled out on the ground that India, as a result of the recent Tariff Board Enquiry, has already granted too high a preference and that she cannot afford to grant any further preference against the interests of the indigenous industry. The Federation has noted with surprise the exorbitant demands unreasonably put forward by the Lancashire textile industry on the plea of reciprocity and reiterates its already expressed opinion that it is India which has a legitimate grievance about the Ottawa Agreement not being based on strict principles of reciprocity and that in view of the advantages already enjoyed by the United Kingdom imports in the Indian market being manifold and greater in extent than those enjoyed by the exports of raw material from India in the United Kingdom market, as a result of the working of the Ottawa Agreement, the terms of the fresh trade treaty should be on the basis of 'quid pro quo' not in respect of any particular commodity against another, but in respect of the whole trade between the United Kingdom and India. The Federation, therefore, suggests that the terms of the fresh trade agreement should tend to secure greater share for this country in the United Kingdom's requirements of materials and products, due regard being had to the burdens of Home charges and the profits from such activities of Great Britain as shipping, insurance and banking.

C. The Federation trusts that the un-official Advisory Committee will tender advice to the Government of India on the lines indicated above and further that the terms the Government of India may negotiate for the conclusion of the trade treaty will be in consonance with the principles enunciated above."

It will therefore be nothing short of a calamity to Indian industry if in the face of such unanimous opinion of the Indian commercial community and the public, the Government of India were to yield to this incessant clamour of Lancashire industrialists and

barter away the valuable right of India to conclude a just and equitable agreement with the United Kingdom, in a manner which would safeguard her interests. It is hoped that the Non-official delegates will see through the game of Lancashire and will not agree to be a party to any further preferences being given to the United Kingdom's textile industry in the Indian market as such a step is bound to react on the fortunes of the indigenous textile industry, and consequently to affect very adversely the interests of our poor country.

Indo-Japanese Trade Agreement of 1937.

Let us now examine the working of the Indo-Japanese Trade Agreement which was concluded in 1934 and which expired on 31st March 1937. The working of the pact during the first two years of its operation (the complete figures for the third year are not yet available) showed increase of allotted quotas both in respect of cotton piecegoods from Japan as also of Indian raw cotton from this country. The figures for the two years are given in the following table:—

	First year	Second year
Raw cotton from India (in bales of 400 lbs.)	2,053,534	2,194,866
Cotton Piecegoods from Japan (in Million yards).	373.5	495.4

It will be seen from these figures that whereas in respect of the export of raw cotton from India, the increase above the allotted quantity was 105.3 per cent. in the first year and 119.4 per cent in the second year, the corresponding increases in respect of imports of Japanese piecegoods into this country were 14.9 and 52.4 per cent. respectively.

Prima facie it would appear from a comparison of the figures given in the above table with the stipulations laid down in the protocol of the Agreement that India has profited much more from the operation of the pact than Japan has done. On a closer scrutiny of the facts of the situation, however, it will be found that these gains to India are of an illusory character, inasmuch as during the same

period huge quantities of Japanese textile piecegoods have been imported into India through the Kathiawar ports. Further, taking advantage of the low import duty on fents, importers of Japanese piecegoods have been for sometime past importing into India abnormally large quantities of spurious fents which are nothing but perfectly good piecegoods of garment lengths, specially sized for evading higher duties. "Fent in its proper sense is any piece of cloth which is damaged either in course of manufacture or subsequently, and was originally not to exceed a statutory maximum length of 9 yards. On and from May 1, 1934, the length of fent was reduced from 9 yards to 4 yards and the duty thereon was lowered from 50 to 35 per cent. *ad valorem*. Since then Japan has been regularly sending in good pieces of three and three-and-a-half yards cloth ready for use under the name of "fents." As a matter of fact, while the imports into India of *bona fide* fents were quite negligible a few years ago, no less than 36,709,688 yards and 34,759,506 yards of "spurious fents" were imported into India, during the years 1934-35 and 1935-36 respectively. Some interesting statistics on this point, however, come from Kathiawar. In 1931-32 there was practically no import of "fents" into Kathiawar. Since then the imports have been as follows: 43,000 yards in 1932-33; 90,000 yards in 1933-34; 180,000 yards in 1934-35." In the 1935 autumn session of the Assembly the Government of India imposed a duty of 50 per cent. *ad valorem* on cotton and artificial silk fents, but finding that this had failed to discourage imports of fents, the Government of India in the Finance Department issued the following notifications on the 27th March, 1937:—

(1) "In exercise of the power conferred by section 19 of the Sea Customs Act, 1878 (VIII of 1878), the Governor General in Council is pleased to prohibit the bringing into British India by sea or by land of goods liable to duty under item No. 49 (1) (b) of the First Schedule to the Indian Tariff Act, 1934 (XXXII of 1934)", and

(2) In exercise of the powers conferred by sub-section (1) of section 4 of the Indian Tariff Act, 1934 (XXXII of 1934), the Governor General in Council is pleased to increase the duty chargeable under the First Schedule to the said Act on the articles specified in the annexed table to the extent set forth therein.

Article, with number of entry in the First Schedule under which chargeable.	Present rate of duty chargeable under the Indian Tariff Act. (Up to 27th March, 1937).	Increased rate of duty.
1	2	3
48(1) Fabrics, not otherwise specified, containing more than 90 per cent. of artificial silk—		
(b) not of British manufacture.	50 per cent <i>ad valorem</i> or 4 annas per sq. yard, whichever is higher.	50 per cent <i>ad valorem</i> or 5 annas per sq. yard, whichever is higher.
49(2) Fabrics, not otherwise specified, containing not more than 10 per cent. silk but more than 10 per cent. and not more than 90 per cent. artificial silk.		
(a) containing 50 per cent. or more cotton—		
(ii) not of British manufacture.	50 per cent <i>ad valorem</i> or 3¼ annas per sq. yard whichever is higher.	50 per cent <i>ad valorem</i> or 4 annas per sq. yard whichever is higher.
(b) containing no cotton or containing less than 50 per cent. cotton—		
(ii) not of British manufacture.	50 per cent <i>ad valorem</i> or 4 annas per sq. yard whichever is higher.	50 per cent <i>ad valorem</i> or 5 annas per sq. yard whichever is higher.

The first notification prohibits the import into India of fents made of artificial silk or artificial silk mixtures, while the second raises the level of duties payable on perfect artificial silk piecegoods and on artificial silk mixture goods imported from foreign countries. The effect of these notifications is that, henceforward, artificial silk square yard fents will pay import duty as artificial silk piecegoods. The

new rates of duty on foreign artificial silk piecegoods will be As. 5 per square yard on piecegoods containing more than 50 per cent. artificial silk, and As. 4 per square yard on mixtures containing less than 50 per cent. artificial silk as against As. 4 and As. $3\frac{1}{4}$ per square yard respectively at present.

By Notification No. 30 Customs, dated the 1st May, 1937, the Government of India in the Finance Department prohibited the bringing into British India of imports of fents liable to duty under item 49 (1) (a) of the First Schedule which were manufactured in Japan and were shipped after 1st April, 1937, unless they are covered by a certificate issued by or on behalf of the Department of Commerce and Industry, Japan, authorising export to India.

According to the stipulations previously incorporated in the Agreement, the desirability of renewing the Indo-Japanese Convention and Protocol thereof, either in the form in which they stand or in a modified form, or of negotiating an entirely new agreement was engaging the attention of the Government since August 1936. Prior to that they convened a Conference of non-Officials representing various interests at Simla and consulted them on the question. While the Government of India did well to take the representatives of the commercial community and other interests affected into their confidence. it would have been much more better if the representatives of the various bodies were associated in the day-to day deliberations with representatives of Japan.

At the time of the commencement of fresh negotiations with Japan, we observed in an article contributed to the 'Statesman' and other journals, as follows: "The present quota system, viz., of Japan being allowed to send a fixed number of yards of piecegoods in return for the purchase of a fixed quantity of cotton bales, is sound and if it is established on a proper basis, it can operate in a manner which would ensure markets against steady disintegration as a result of currency depreciation and other factors. It also safeguards the interests of the consumers and cultivators of cotton, since cotton a primary produce of India, can to a substantial extent be assured of an export market." We also mentioned in our article that in considering the question of a new agreement, the following important points, which emerged from the working of the Protocol during the last $2\frac{1}{2}$ years, should be borne in mind:—

"(1) The imports of piecegoods from Japan are measured in terms of linear yardage and not *square* yardage. This system throws

open the door for evasion, for it would be possible for Japanese manufacturers who are at present shipping the standard widths of 25" to 28" to double their quota allowance by manufacturing their goods measuring 52" in width in two selvages at the centre separated by small space which would enable the cloth to be divided readily into two pieces. This would be remedied by laying down that the term "yard" in the quota means a "square yard" so as to prevent the evasion of the quota by the device of shipping "splits" of double width.

(2) There has been a huge increase in the import of fents which has encouraged the evasion of the quota to an alarming extent. This can be prevented either by increasing the duty on fents or by laying down a maximum limit of their importation, say, 2 per cent. of the total yardage of piecegoods imported into this country from Japan.

(3) The present quota does not include artificial silk piecegoods and silk manufactures. This may be remedied by the inclusion in the quota of imports from Japan of artificial silk piecegoods and manufactures. The term "artificial silk" should also embrace synthetic imports such as "Fibre" or artificial staple fibre. These artificial silk goods constitute by their cheapness and attractive appearance a serious source of competition to cotton piecegoods as also to silk goods and some measure of protection should be devised for the unrestricted importation of such goods.

(4) Considerable evasion of the quota is possible through the Indian States and through Afghanistan and Nepal which adjoin the frontiers of British India, due to the smuggling of piecegoods into British India. This may be remedied by strict vigilance by the Customs Department.*

(5) The Government have recently conferred a considerable advantage on British piecegoods, to the decided detriment of the Indian Textile Industry by lowering the import duty on British piecegoods and this would necessarily mean an increase of imports from Lancashire. This being so, it is the bounden duty of the Government to protect the indigenous cotton textile industry and handloom weavers from any further invasion of their territory by increased imports from Japan. If, anything, in order to prevent the

* By an Order of the Government dated February 1937, the re-exportation to India of piecegoods previously imported into Nepal through British Ports has been prohibited.

disintegration of the indigenous cotton industry the extent of the imports from Japan should be reduced.

(6) Provision should be also made for the protection of the interest of the small industries like Soap, Potteries, Silk, Hosiery, Glassware etc. in which the industries meet with severe competition from Japan.

(7) Government should also provide against the possible invasion of Japanese tonnage upon the coastal trade of India as was apprehended two years ago.

It was further urged by the commercial community that the Government of India would do well to consider a scheme by which allotment of cotton piecegoods which may be exported from Japan into India in any year under the quota would be based on the total Indian exports to Japan of *all goods*, subject to a minimum of specified export of Indian raw cotton. The balance of trade during the last two years has been in favour of Japan which has exported goods to India of the value of Rs. 20 and Rs. 16 crores respectively in 1932-33 and 1933-34 and which has imported goods from India of the value respectively of Rs. 14 and Rs. 12 crores. India was thus in a definitely favourable position for negotiating a Convention advantageously. It was also hoped that the Government of India would fully utilise this position and conclude an agreement which, while securing for the Indian Agriculturist an outlet for his surplus raw cotton, would fully safeguard the indigenous cotton textile industry, and other small industries, in which considerable amount of capital had been invested and which afforded employment to a large number of the people of the country."

Indo-Japanese Protocol of 1937

After prolonged negotiations between the Government of India and the representatives from the Government of Japan, the draft Protocol was signed at Simla on the 12th April, 1937.* It is to remain in force till 31st March, 1940. In the main, the terms of the new Protocol are substantially similar to those of the expiring Protocol. A comparison is made in the following table of the figures of import quota of

*The notice of denunciation given on the 21st October, 1936, of the Convention regarding the Commercial relations between India and Japan will be withdrawn, and necessary steps will be taken so that the Convention may not cease to be in force before the end of the period covered by the Protocol.

Japanese piecegoods and the export quota of Indian raw cotton to Japan, according to the 1934, and the 1937 Protocols:—

	1934	1937
	Protocol (Including Burma)	Protocol (Excluding Burma)
The basic quota of Japanese Cotton piecegoods to be exported to India in the piecegoods year (viz., April to March) shall be ...	(Yds.) 325,000,000	(Yds.) 283,000,000
and it shall be linked with ...	(Bales) 1,000,000	(Bales) 1,000,000
of Indian raw cotton exported to Japan in the corresponding cotton year (viz., January to December).		
2. In case the export of Indian raw cotton to Japan in any cotton year should exceed 1,000,000 bales, the quota of Japanese cotton piecegoods for the corresponding piecegoods year shall be determined by increasing the above basic quota at the rate of 1,500,000 yards to every additional 10,000 bales, provided that quota should in no case exceed ...	(Yds.) 400,000,000	(Yds.) 358,000,000
3. A piecegoods year shall be divided into two half-yearly periods the first half-yearly period running from the 1st April to 30th September and the second half-yearly period from the 1st October to 31st March of the following year, the quota for the first half-yearly period shall be ...	(Yds.) 200,000,000	(Yds.) 179,000,000
and a transfer from the quota for the first half-yearly period to the quota for the second half-yearly period shall be permitted up to a maximum of ...	20,000,000	25,000,000

	1934 Protocol (Including Burma)	1937 Protocol (Excluding Burma)
4. The quota of cotton piecegoods shall be classified into the following categories in conformity with the following percentages:—		
Plain greys	45 per cent.	
Coloured and others	34 per cent.	
This category is divided in the following manner under the new Agreement:—		
Plain greys		40 per cent.
Bordered greys		13 " "
Bleached (white) goods		10 " "
Printed goods		20 " "
Other Coloured (dyed or woven) goods		17 " "
5. The 1937 Agreement also stipulates that the quota is exclusive of cotton fents, i.e., <i>bona fide</i> remnants not exceeding four yards in length, and that the quantity of cotton fents imported from Japan into India in any cotton piecegoods year shall not exceed 8.95 million yards, the Government of India agreeing that customs duties on cotton fents shall not exceed 35 per cent. <i>ad valorem</i> .		

(For a full text of the Protocol, see Indian Trade Journal of 6th May 1937).

Reception of the Indo-Japanese Agreement of 1937

The first reaction which this Agreement has produced in the minds of the textile interests of India and the commercial community is one of disappointment. It was expected by the commercial community that the Indo-Japanese negotiations would provide a means for protecting and safeguarding the various minor industries against inroads and encroachments by Japan through keen competition. True, there is a

slight decrease in the quota of imports of piecegoods from 325 million to 283 million yards, in India, but it is due to separation of Burma, which by a separate agreement with Japan has fixed a quota of 42 million yards.* It is also a pity that the quota of imports of piecegoods has not been fixed in terms of *square*§ yards, to avoid evasion by exporting cloth of double width. It is disappointing to find however that in spite of repeated representations to Government, the importation of fents which has been fixed at 8.95 million yards, has not been included in the regular quota, as should have been done, having regard to the complaints that such fents were generally regular piecegoods deliberately cut to fent-lengths. It is also felt that no quota limitation has been placed on the imports of made-up goods, cotton blankets and certain other classes of textile goods not ordinarily classed as piecegoods.† The Government of India appeared to be unduly nervous that, if an agreement was not concluded with Japan, the latter would refuse to take Indian cotton thereby hitting directly the Indian agriculturists; but they seem to have lost sight of the fact that Indian cotton has found favour with Japan for no other reason than its favourable price parity and because it pays Japan to import cotton from India for her textile manufactures. Mr. Kasturbhai Lalbhai, who acted as the leader of the non-official delegation during the Indo-Japanese negotiations, stated in a press interview, that the terms of the new agreement were *materially different* from the unanimous recommendations made by the non-official advisers at Simla. He conceded that Government had tried to meet the non-official view to some extent by raising the duties on artificial silk piecegoods, but the main point at issue was not so much the assistance to a particular industry as the psychological effect which this Agreement would create. It would render any further agreement far more difficult than the

* Under the new Burma-Japan Agreement, the quota for Japanese piecegoods into Burma is fixed at 42 million yards per year. It is significant to note that in 1936, Burma imported 70 million yards from Japan. Thus, India will have to absorb 28 million yards of piecegoods more under the new quota, and the indigenous industry will be displaced in the home market to that extent.

§ Our argument finds further strength from the fact that the Japanese-Australian Trade Pact, which was concluded in January 1937 fixed the quota of the importation of Japanese Piecegoods into Australia at 102,000,000 *square yards* in return for the purchase of 400,000 bales of wool annually by Japan from Australia, and the America-Japan Cotton Agreement concluded in January 1937 also fixed the quota of Japanese imports into America for 1937 and 1938 at 155,000,000, and 100,000,000 *square yards*, respectively.

† The America-Japan Cotton Agreement concluded in January, 1937, covered not only bleached textiles but also an extensive variety of specialities, such as towels, table-cloths, bed-spreads, handkerchiefs, etc.

present one. Mr. Kasturbhai felt that the Government had certain factors which should have helped them to stand firm, and secure what the non-official advisers advocated as the minimum requirements of the situation, but they did not utilise their advantageous position, in concluding the agreement.

It will thus be obvious that the Indo-Japanese Agreement of 1937 does not generally satisfy the Indian textile interests and the commercial community, because the Government of India have failed to take note of the unanimous and modest recommendations of their unofficial advisers for safeguarding the interests of the various small industries in the country, by freeing them from keen competition from Japan. There also appears to be no reason why the Government of India should have displayed such anxiety for concluding the Protocol and the Agreement, in such a manner, only for ensuring an outlet for Indian raw cotton in Japan, especially because it is known that Japan would certainly continue to purchase Indian raw cotton, because she finds it profitable to buy cotton from the Indian market, and that she can ill-afford to lose this cotton required for the manufacture of coarse goods.

We feel that the Government of India could have insisted on the inclusion of various small industries in the Agreement, and could have reduced the quota of import of piecegoods, particularly in view of the increase and diversification of India's production of piecegoods. But that was not to be. It is too early for us yet to pass any definite opinion on the terms of the new Indo-Japanese Agreement, but we do feel that India has not used her bargaining power as she could have done, and that Japan has driven a better bargain. In any case, we will have to observe patiently the working of the Agreement during the next three years, and then to consider afresh in the light of its working, how the Agreement may be modified, when it falls due in April, 1940.

The Cotton Textile Industry to-day

Let us now review the progress of the mill-industry in the year 1936. According to the Statement of the Bombay Millowners' Association issued on 31st August, 1936, the total number of cotton mills working in India is 379 (excluding 47 mills in course of erection) having an aggregate strength of 9,857,000 spindles and 200,062 looms; and the average number of workers employed in the industry daily is 418,000. The quantity of Cotton consumed by Indian mills is 31,09,618 bales of 392 lbs. each. To indicate the development of the

industry in the post-war period, these figures are compared with that of 1914 in the following table:—

No.	1914	1936	Percentage increase.
Mills	271	379	+39.8
Spindles	6,778,895	9,857,000	+45.4
Looms	104,179	200,062	+92.3
Hands Employed	260,276	418,000	+60.7
Cotton Consumed*	2,143,126	3,109,618	+45.0

*In bales of 392 lbs. each.

N.B. The figures for 1914 are for the year ending 30th June, and those for 1936 are for the year ending 31st August.

But if we were to judge the progress of the Indian cotton mill industry from the point of view of the average number of spindles and looms per mill, it will be seen that the industry has made very little progress in the post-war period. The following table would illustrate this point.

	1914	1936	Percentage increase
Av. Spindles per Mill	25,014	26,007	+ 3.9
Av. Looms per Mill	384	554	+46.6
Av. Spindles per Loom	65	44	—32.3

It will be readily seen from a glance at this table that the only noteworthy progress of the industry is an appreciable increase in the number of looms per mill. This is due to the marked increase in combined spinning and weaving establishments as compared with mills equipped for spinning only. Formerly, the industry was predominantly a spinning industry. But as India's export trade in yarn has declined, there has been greater expansion in weaving than in spinning. The figures of the last ten or eleven years are illuminating in this respect. Thus, during the first six years (1925-31) of this period, while there came into existence no less than 30 new combined weaving and spinning mills, new mills equipped essentially for spinning numbered only 8. Again during the last five years (1931-35) while combined weaving and spinning mills have increased in number by no less than 34, purely spinning mills have decreased in number by 14.

Diminishing Dominance of Bombay.

Another very outstanding development in the industry in the post-war period has been the gradually decreasing dominance of

Bombay. The industry is more and more shifting to Ahmedabad and to the rest of India, as can be seen from the following table :—

	<i>Mills working</i>	
	1931	1936
Bombay	73	74
Ahmedabad	73	84
Rest of India	166	221
	<i>Looms Installed</i>	
Bombay	76,975	68,348
Ahmedabad	40,022	50,811
Rest of India	65,432	80,903
	<i>Spindles Installed</i>	
Bombay	3,427,000	2,985,357
Ahmedabad	1,743,523	2,041,514
Rest of India	4,141,430	4,830,129

The following table illustrates the variations in the expansion of the industry by locations, during 1936 as compared to 1931.

	1931	1936
Bombay City	73	74
Ahmedabad	73	84
Rest of Bombay Presidency	57	65
Rajputana	4	5
Berar	4	4
C. P.	7	8
Hyderabad State	4	6
Central India	12	15
Bengal	13	24
Punjab	4	6
Delhi Province	5	7
U. P.	22	25
Madras	25	45
Travancore	1	1
Mysore	4	6
Pondicherry	3	3
Burma	1	1
Grand Total	312 (a)	379 (b)

(a) Excluding 24 Mills in course of erection.

(b) Excluding 47 Mills in course of erection.

It will be apparent from a study of the above table how the textile industry in Bombay is losing its importance, while Ahmedabad and the rest of India are gaining ground. The causes contributing to this state of affairs are several. In the first place, the management of the mills in Ahmedabad is much more economical as the Managing Agents take a keen personal interest in the management of their mills in which they have a large stake unlike some of the Managing Agents of the Bombay mills who have many kinds of business to attend to and who are, therefore, unable to look after the management of the mills as assiduously and closely as the Managing Agents of Ahmedabad. The Special Tariff Board report also observed that "In Ahmedabad we find a group of modern and well-equipped mills, many of which are manufacturing fine quality goods nearer to the types imported from the United Kingdom than are to be found at any other centre in India. On a comparison of the trading and financial results of both Bombay and Ahmedabad mills, one generally finds that Ahmedabad group returns much better results than the Bombay mills."

*Machinery for dealing with Industrial Disputes**

As successive Tariff Boards have pointed out, the greatest disability in the cost of manufacture from which Bombay suffers in comparison with Ahmedabad and other up-country centres is in its high cost of labour. While in Ahmedabad and in other centres, outbreaks of strikes are not frequent and had never been of virulent type, Bombay mills are always menaced with strikes of a serious nature which very often throw the industry out of gear and thus increase the cost of production and reduce the efficiency of the mills.

While in Bombay there is no proper machinery for settling disputes between the employers and the employees, in Ahmedabad, trouble has been averted, due to the intervention of Mahatma Gandhi,

* The number of disputes in the Cotton and Woollen Mills in India during 1932, 1933, 1934, 1935, and 9 months ended September, 1936 along with the number of workers involved and the days lost are given below for the purposes of comparison:—

Year	No. of Disputes	No. of workers involved	Days lost.
1932	61	52,178	546,171
1933	95	101,118	1,134,317
1934	107	217,889	4,374,445
1935	58	77,218	572,005
1936 (9 months ended September, 1936)	47	43,343	661,284

a genuine friend of labour, in whom millowners also repose great confidence. Compared to Bombay, Ahmedabad has a more contented labour force and thanks to the goods offices of Mahatma Gandhi, it has been possible for the industry and the labourers to avoid strikes and disturbances in working, detrimental to all concerned, and causing immense losses to the national wealth. The Ahmedabad Millowners deserve full praise for the marvellous results they have achieved, by working under discipline, and avoiding strikes in the industry. We wish such excellent example of Ahmedabad can be emulated in other parts of India also.

Other disadvantages of Bombay

Among the other disadvantages of Bombay, mention may be made of the higher cost of fuel, local taxation, cost of water, obsolete machinery, etc., though these are offset to some extent by the advantage that Bombay has in respect of cost of stores, insurance and office expenses. While Bombay is a port and is therefore far removed from the consuming centres, Ahmedabad and other upcountry and South Indian mills are situated in close proximity to consuming centres and thus there is a considerable saving in the shape of railway freight, steamer freight etc. in supplying to local markets. In respect of the production of the coarser kinds of cloth, the cost in Bombay is about 2 annas higher than the cost in the upcountry mills, which means that the upcountry mills can undersell Bombay mills. The Tariff Board in 1926 also remarked that Bombay is not in a position to compete with up-country mills in respect of the coarser kinds of goods. In the face of these disadvantages, it is therefore no wonder that the dominance of Bombay in cotton textile industry is generally decreasing, while Ahmedabad and other mills are gaining in importance year after year. Speaking at the Annual General Meeting of the Millowners Association, Bombay on 10th March, 1937, Mr. V. N. Chandavarkar, the President, observed that the increase in the production of piece-goods by Indian mills had been mainly "confined to centres outside Bombay City. Bombay's production is more or less the same as it was ten years ago. If we also take into account the growing production of the handloom industry, I do submit that it would now be opportune to undertake a general survey of the situation with a view to controlling production within the limits of the demand. Coming to the special position of our city and island industry, we have reason to believe that the sacrifices and economies made during the last six or seven years by all concerned are bearing fruit, and our mills appear to be better able to stand against both internal and external competition than they were some years ago. Much, however, still remains

to be done in the way of replacement of machinery." Thus we see that Bombay Millowners are not viewing the diminishing importance of their industry with equanimity and are taking vigorous steps to retain their share of the production of India's Cotton Textile Industry and as a result of their sustained endeavours, there is reason to hope that they may rehabilitate their importance particularly in the production of finer qualities of cloth.

Labour and Capital in Bombay

The relations between the Mill-owners and the workmen since 1923 when the depression in the Bombay textile industry set in, have not been happy. In the year 1925, there was a general strike in the Bombay mill industry consequent on a cut in the wages of the workmen by $11\frac{1}{2}$ per cent due to the depressed state of the industry when the Mill-owners approached the Government for the abolition of the excise duty. This strike lasted for $2\frac{1}{2}$ months and ended when the Government suspended the excise duty and in consequence the Millowners restored the cut in wages. The Indian Cotton Textile Tariff Board of 1926 made some suggestions for improvements in labour and for introduction of methods for obtaining an increased output per operative. Some mills tried to give effect to these suggestions for increasing the output per operative and this led to sporadic strikes which resulted in favour of the employees except in one case which resulted in a compromise. Although very many of these strikes failed, the alleged grievances of the workmen remained and later on, resulted in a general strike.

In April, 1928, a general strike in Bombay City commenced without any warning whatever and it spread to almost all the mills in the city due largely to intimidation and stone-throwing which compelled most Mill Managers to close down their mills. No demands were formulated by the men prior to going on strike and no statement was submitted to the Millowners for redress of the specific grievances. To all intents and purposes, this strike was a lightning strike and in the words of the Labour Gazette, "owing to the strenuous propaganda carried on by certain labour leaders in favour of a general strike by holding mass meetings and intimidating the operatives in the working mills, the number of mills closed began to increase steadily from the 23rd April, and by the 26th all the cotton mills in the Bombay city except one had to be closed and nearly $1\frac{1}{2}$ lakhs of textile workers were thrown out of employment." The intervention of H.E. the Governor of Bombay and other officials was of no avail. The strike continued for a period of nearly six months, and it was called off on certain

conditions. The Government appointed the Bombay Strike Enquiry Committee consisting of three Members in October, 1928 to go into the terms of reference agreed upon between the parties, under the Chairmanship of Sir Charles Fawcett. The Report of the Fawcett Committee was published on 26th March, 1929. During the intervening period, the extremist labour leaders of the Girni Kamgar Union made strenuous efforts to increase the number of their members and to prepare them for their contemplated strike which they intended to bring about. The number of the members of the Girni Kamgar Union which was 324 in 1928 was increased to 54,000 in December, 1928 and continued to be at that figure upto March 1929.

The main grievances of the workers prior to the general strike were dealt with in the Report of the Fawcett Committee, prominent among which were a direct cut in wages, reduction in monthly earnings owing to indirect causes like the reduction of piece rates, introduction of new varieties of cloth at unremunerative rates, introduction of a method of paying wages on the weight of the cloth after it had undergone a subsequent process instead of the actual weight of the produce on the looms, etc. There were also minor grievances in connection with the infliction of fines, dismissal, etc. etc. From the 4th October, 1928 up to the declaration of the general strike in April, 1929, there were no less than 71 strikes. There is no doubt, however, that the general strike of 1929 should have been settled by the Mill-owners and the workers in a more amicable spirit, and ruin to the mills, to the strikers and to the country avoided. In the opinion of the Court of Inquiry appointed by the Government of Bombay on the 3rd July, 1929 with Mr. H. G. Pearson as its chairman, the prolongation of the strike was due both to the aggressive and mischievous propaganda of the officials of the Girni Kamgar Union and to the picketing and intimidation of the strikers and acts of violence committed by them on non-strikers. The Court of Inquiry also suggested that some of the other difficulties in the way of a settlement were the absence of contact between the Millowners and the workers and the absence of any machinery such as Arbitration Boards to settle disputes as they arose.

Labour Legislation, Women Labour and Employment of Children

The relationship between the labourers and the millowners continues to be unsatisfactory even after the lapse of seven years, since 1929. However, in the meantime the Government have taken several important measures affecting the welfare of the labourers in general and the textile labourers in particular. A Labour officer has been

appointed in Bombay by the Government, to bring about better understanding among the labourers and millowners.* It remains to be seen however whether this method of settling disputes will be successful when provinces function under autonomous Governments, particularly as the Government Labour officer will be responsible not to labour, but to Government. The method of compulsory arbitration would perhaps be found more helpful, at least till *genuine* trade unions come into existence. It is a matter of regret that the machinery of the Trade Dispute Act, which provides at least a substitute for arbitration, has not been made any use of, during the last few years, although it is capable of avoiding bitterness, and increasing the prosperity of the industry, by obviating strikes etc. The Royal Commission on Labour made several important recommendations for the improvement of the condition of labourers all over India, and based on several of their recommendations, the Government of India passed the Indian Factories Act in 1935, which goes a long way to meet the grievances of workers employed in the various industries in the country. Under this Act, the various Provincial Governments have framed their respective Factories Rules in order to suit the peculiar conditions of labour in their provinces. The employment of children under 12 is forbidden by law in India, and maternity benefits are given to women workers † at the cost of the employers. In 1936, the Government of India also passed the Payment of Wages of Act which came into force in the various provinces in March, 1937. This Act and the Rules framed thereunder would also help the labourers in the various provinces. The Millowners Associations are also taking suitable steps to improve the lot of textile workers. It is hoped that as a result of these ameliorative measures, the conditions of labour would be substantially improved and the relations between the Millowners and the workers would be more happy in the Indian textile industry.

* Since 1935, the Bombay Millowners' Association has also initiated various reforms calculated to improve relations with Labour, such as, for instance:—

- (1) the introduction and maintenance of the Jobbers, Record system;
- (2) the introduction and running of the Badli control system;
- (3) the introduction of Service Certificates for retrenched workers; and
- (4) the introduction of the Ticket System for all Piece Workers.

The services of the Association's Labour Officer are also requisitioned by several mills when schemes of rationalization are contemplated and put into force, or when wage problems are under discussion. Since April, 1937, an Assistant Labour Officer has also been appointed by the Association.

† It would be interesting to note that 39 per cent. of the mill labour in India consists of women.

Attempt at Standardisation of Wages

In 1936, the Ahmedabad Mill industry made endeavours to arrive at a scheme of standardisation of weaver's wages. Although the negotiations have not yet reached conclusion between the industry and the labour Unions, there are hopes that the scheme will be finalised before long. It must be remarked however that this question is a little difficult one, the solution of which has been found difficult even for Lancashire, and Bombay.

Ahmedabad Attempts Reduction of Wages

During 1936, the Ahmedabad Mill industry demanded a reduction in wages of workmen, in order to enable it to withstand competition with other centres with lower wages. The Textile Labour Association did not agree to this suggestion, and the matter was referred to arbitration. The arbitrators were Mahatma Gandhi, and Mr. Kasturbhai Lalbhai. The arbitration was conducted at Wardha but as there was a difference of opinion among the arbitrators, the matter was referred to Sir Govind Madgavkar, who was appointed as Umpire. He delivered his award against the reduction. Although the industry did not like this decision, it must be said to its credit, that the industry has accepted it without much demur. But for this incident, the relations between labour and capital in Ahmedabad, during the year, were cordial.

Hours of works in factories

The Indian Factories Act, which came into force in British India on 1st January, 1935, restricted the number of working hours of textile operatives to 54 per week. Since then most of the Bombay mills were working 54 hours although at times their machinery is kept running 60 hours by special arrangements. It was contended on behalf of these mills which were working longer hours and double shifts, that, in order to reduce the working costs with a view to compete with foreign cloth, they were resorting to this system of working.

Washington Conference of 1937

It will also be interesting to note in this connection that a Tripartite Conference was convened by the International Labour Office at Washington on the 2nd April, 1937 for the examination of these aspects of the textile industry which directly or indirectly might have a bearing on the improvement of social conditions in that industry. The Conference was composed of two hundred delegates and advisers representing 23 nations in which textile production formed an important part of the national economy. Each nation was represented by a Government delegate and representatives of employers and workers. The Government of India, after consulting the various

textile interests in the country, appointed Mr. B. M. Birla as the Indian Employers' Representative and Mr. R. R. Bakhale, as the Labour Delegate, to that Conference, while Sir Firoz Khan Noon, the High Commissioner for India in London, represented the Government of India. It was reported that while the Conference was in progress the British and Japanese employers, representing major textile exporting countries, combined together at the Conference to oppose the suggestion that the textile industry throughout the world should adopt the United States' example of a 40-hour week. On behalf of the United States it was stated by the employers' representative that under the National Recovery Act, the American textile industry's adoption had not led to curtailment of profits. The British manufacturers' adviser claimed that a 40-hour week would bring disaster to employers and employees alike. The Japanese Government delegate declared that the nations, whose textile manufacturers depended on their exports, would not bind themselves to labour standards in face of the rising trade barriers. Sir Firoz Khan Noon is also reported to have declared that the Indian Textile Industry would be wiped out by Japanese competition if the tariff barriers were removed. Mr. B. M. Birla is also reported to have stressed the difficulties of the Indian Textile Industry, especially cotton which cannot bear any increase in burden at this stage. Mr. Birla also praised Mr. Roosevelt's recovery work and appealed to the Conference to formulate suggestions for an increased consumption of textiles, especially in markets like India, which were actually large but potentially much larger. In view of the fact that India recently adopted the 54 hours week for textile labour, and that the Indian industry has yet to make a considerable headway in her production it need hardly be emphasised that India cannot be a party to any restriction in the working hours of textile mills. Since the Washington Conference is not a regular session of the International Labour Conference and would take no final decisions and that its recommendations would be open for examination at the 23rd session of the International Labour Conference at Geneva in June 1937, the Government of India should avail themselves of the earliest opportunity to express their opinion that this proposal of 40 hours per week in textile industry would not at all suit present Indian conditions.

Reduction in Prices of Indian Piecegoods and benefit to Consumers

We may now consider the trend of prices of cloth in India during the last few years, and review the causes of the progressive fall in the price of piecegoods. As regards the prices of indigenous piecegoods, it is rather difficult to ascertain

the effect of duties on foreign goods and the relation to Indian mill prices. The 1935 Special Tariff Board observed "we have received some evidence regarding the course of prices but find it difficult to estimate the relative effects of the duties and of other factors that have influenced market values.....Under normal conditions the price of the manufactured article is largely influenced by the cost of the raw material and in the past, prices of American cotton have generally determined ruling rates for other growths.....In India the *Swadeshi* movement and boycott activities for a time affected realisation of prices as well as the volume of imports from the United Kingdom while large arrivals from Japan of cheap textile goods had a depressing effect in all markets. The Indian textile position has been further complicated by keen internal competition in some lines where overproduction by local mills has resulted in periodical accumulations of stocks and consequent temporary closing down of spindles and looms. The effect of this competition is reflected in the persistently low level of values ruling in India for the lower grades of both yarn and cloth which in turn react on better qualities to the advantage of the consumer and the disadvantage of the manufacturer." The position as stated herein is largely true even to-day and the following figures issued by the Millowners' Association, Bombay, only confirm the view that since the depression set in 1930, the consumer has been getting his cloth at cheaper rates.

Average price per yard of Indian mill-made cloth

1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
As.	As.	As.	As.	As.	As.
3.81	3.15	2.87	2.77	2.64	2.41

This reduction is all the more significant because the *per capita* consumption of cloth in India has been increasing all these years, viz., 13.8 yds. in 1930-31, 14.9 yds., in 1931-32, 17.5 yds., in 1932-33, 14.5 yds., in 1933-34 and 16.3 yds. in 1934-35.* It is therefore clear that the bogey of consumers' interest being jeopardised by protection to indigenous industry cannot be raised in this case, and with increased production and an extended market there is every prospect for the Indian textile industry to supply Indian market with cloth at competitive and cheap prices. The Special Tariff Board also recognised that "the Indian market is essentially a price market and keen compe-

* It would be of interest to note that the *per capita* consumption of cloth in Malaya is 30 yards, and of the whole world 55 yards. There is thus an enormous scope for the development of the indigenous industry, even in the internal market of the country if the consumer is enabled to buy more, as a result of an improvement in his purchasing power.

tion at home and abroad has prevented the manufacturer from passing on to the consumer the full effect of the higher duties. While prices of Indian manufactures have been adversely affected by the prices and in some cases by the volume of foreign imports, the continued low level of wholesale prices for certain lines of piecegoods produced by the Indian mills tend to support the statement made to us that internal competition has been responsible to some extent for the trading results of the industry in recent times."

Internal Competition Reduces Prices of Cloth

The following extract from the address delivered by Mr. V. N. Chandavarkar President of the Bombay Millowners' Association, in March, 1937, further proves that internal competition has been the dominant factor in bringing down the prices of indigenous piecegoods:—

"A direction in which I feel there is scope for improvement and and closer collaboration is the selling of our products. Our Association has been in existence for well-nigh sixty-two years, and inspite of difficulties and handicaps we have been able to take organised action in many a direction, *but I am afraid so far our efforts to bring about closer collaboration in the matter of regulation of prices have turned out to be futile.* I think that, unless we apply our mind closely to this question and arrive at some arrangement, it will be difficult for our members to take advantage of any rise in prices." (Italics ours).

Night Shift-Working of Mills

Another factor which tends to depress prices is the increase in the mills working night shifts in India, which aggravates internal competition. The following table shows the number of mills that had been working night shifts in Bombay and Ahmedabad during the last five years together with the average number of men employed on night shifts:—*

Monthly average	1931	1932	1933	1934	1935
Number of mills working night shifts in—					
Bombay city	24	26	13	25	33
Ahmedabad	18	20	15	24	29
Total mills	42	46	28	49	62

* Report of the Special Tariff Board, 1936, page 52.

Number of workers employed on night shifts in—	1931	1932	1933	1934	1935
Bombay City	10,202	15,297	6,532	16,154	27,517
Ahmedabad	6,269	7,089	4,908	9,529	11,513
Total workers	16,471	22,386	11,440	25,683	38,930

Causes of Japanese efficiency

Alongside of internal competition, there exists foreign competition also, especially from Japan both by reason of prices and the volume of imported piecegoods, which tend to depress prices of indigenous piecegoods. Japanese textile competition exists not only in the Indian market, but also throughout world markets and there are several factors which contribute to the success of Japanese textile industry. Compared to India, Japanese textile machinery is at least 10 years ahead, in its modern character, and efficiency. High drafting as a method of reducing costs has been the principal feature of the Japanese mills for the last so many years and this combined with automatic looms which are in great favour in Japan is greatly responsible for reducing the number of operatives per unit to a low level. It is said by well-informed persons who have visited Japan that the average number of looms minded by an operative in a Japanese mill is 25 on counts of 50s. and the number of operatives per 1,000 spindles on this count is nearly 4.4 per shift. The average of all-Japan for 20s. could be taken at round about 7 per shift per 1,000 spindles. It is also stated that of late Japanese mills have taken to fine spinning in which they have successfully competed in the U.S.A. market and that the competition from Japan is likely to be keen day by day in India also. The wages also are low in Japan. Over 93 per cent. of the operatives in the Japanese mills are girls between 16 and 30 years of age and the average wage is reported to be about 60 sen per day of 8½ hours of work both for the spinner and weaver, which comes to about 7 annas at the present rate of exchange. The following are some of the additional features contributing to the success of the Japanese textile industry:—

1. Power is very cheap; hydro-electric power which is available at about 2½ sen per kilowatt hour or about 3 pies is utilised in every mill.
2. Freight by train inside the country and sea-freights in Japanese ships are notoriously low. For instance, it is stated that a ton of piecegoods is conveyed from Kobe to Bombay for about 16 yen or Rs. 12 only, a distance of over 5,000 miles.

3. The freight rates in Japanese railways for transport of coal and other mill stores are very low and compare very favourably with the ruling rates of freight over Indian railways for these articles.
4. Mass production and an efficient labour force.
5. The welfare and the contentment of Japanese workers receive the most scrupulous attention at the hands of the Japanese industrialists, and the girls who work in the factories receive training in all sorts of lessons during their off-time, some of the lessons being sewing, cooking, first-aid, maternity and even the use of arms to make them more modern and useful citizens.
6. Of late, the home-made Japanese machinery has given a great impetus to the progress of the Japanese textile industry.

One can therefore well imagine how Japan is able to meet world competition in textile products in all the markets and there is no wonder that the Indian mills are feeling keenly the competition from Japan which tends to depress the prices of the indigenous mill products. The solution to some extent appears to lie in the direction of the Indian mill industry putting its house in order by improving its sales organisation, and of increasing its efficiency to a great extent, if it cherishes the hope of being able to meet Japanese competition. But it would be unwise to let the Indian industry go under, simply because another country produces goods cheaply, and it is the duty of the Government, in national interests, to give it the necessary measure of protection and assistance in all possible ways, which would give the industry adequate shelter for a reasonable period of time, and enable it to adopt efficient methods of production of cloth at prices which would compare favourably with other countries.

Financial Position of the Mill-Industry

Any survey of the Cotton textile industry in India will not be complete without a study of the capital invested in the industry and the dividends that have been declared by some of the important units in the industry from time to time. The following table shows the distribution of dividends during the past ten years, by a few public limited liability companies, as also the capital and debentures issued by them in India.

Capital & Dividend Statement of Cotton Mills in India

Name of the Company	Capital paid up in lakhs of Rs.	Paid up per share Rs.	Dividend declared in the year (% per annum)									
			1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
Ahmedabad Advance ...	10.00	100	22	20	21	20	17	20	17	15	15	14
Apollo ...	D. 25.00 20.00	50 50				No	dividend					
Bangalore, Woollen & Cotton Mills ...	20.25 6 C.P. 6.00	100 100	6	6	6	4½				4	7	4
Bengal Luxmi ...	17.78	100				No	dividend					
Bengal Nagpur ...	9.00 7 C.P. 3.00 6 D. 4.00	10 100 100	30	35	40	15	15	12½		3½		
Birla Cotton Spinning & Weaving ...	15.00	10		5	10	10	20	20		5		
Bombay Cotton ...	11.89 5 C.P. 10.52	500 10				No	dividend					
Bombay Dyeing ...	62.75	250	20	20	12	10	10	10	10	12	10	
Bowreah Cotton ...	6.00 "A."P. 6.00 "B."P. 6.00	100 100 100				No	dividend					
Bradbury ...	10.00 7 C.P. 14.85	250 250				No	dividend					
Buckingham & Carnatic ...	89.21 7½ P. 21.30	100 100	10	10	10	10	10	10	10	10	10	5
Cawnpore Textiles ...	6.35 6 A. D. 5.00 7 S.D. 2.50	2½ 100 100				No	dividend					

CAPITAL & DIVIDEND STATEMENT OF COTTON MILLS IN INDIA (Contd.)

Name of the Company	Capital paid up in lakhs of Rs.	Paid up per share Rs.	Dividend declared in the year (% per annum)										
			1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	
Central India	46.88 5 P. 50.00	100 500	30	28	26	24	20	14	12	8	8	4	
Century	18.50	100	20	20	10					5			
Coimbatore Spinning & Weaving	13.95 6½ D. 6.65	100 100	12	12	8	8		2½			2		
Colaba Land & Mill	28.00	100	6	6	7				2½	4			
Coorla	13.00	100	7½	12	5	10	5	5		4	5	5	
Delhi Cloth & General	11.33 4 C.P. 10.00	25 25								42½	48	100	60
Dunbar Mills Ltd.	14.00 P. 5.00	100 100	7½	6	12½	No	dividend						
E. D. Sasoon	200.00 D.F. 50.00	10 1				No	dividend						
Edward Sasoon	17.00 6½ D. 12.00	2001 1000				No	dividend						
Elgin Mills Company (S)	16.00 8 C.P. 11.00 Vs. 5.00	100 100 100	10			5				5	5	7½	
Elphinstone	25.00 7 C.P. 25.00	100 100				No	dividend						
Finlay	40.00	100	10					2½			2½		
Gokak	39.05	100	7½	10	15	7½	6	6	7	9	7		

COTTON MILL INDUSTRY

CAPITAL & DIVIDEND STATEMENT OF COTTON MILLS IN INDIA (Contd.)

Name of the Company	Capital paid up in lakhs of Rs.		Paid up per share Rs.	Dividend declared in the year (% per annum)											
				1927	1928	1929	1930	1931	1932	1933	1934	1935	1936		
Minerva ...	7½	D. 24.62 12.00	100 500												
Model Mills Nagpur ...		94.92	250												
Mohini ...		2.94 11.06	15 10			6½	5	5	6¼	7½	5	6¼			
Morarjee Goculdas ...	7	D. 11.50 12.00	1000 1000				No	dividend							
Muir Mills ...	6	C.P. 15.00 15.00	50	65	55	55	50	40	40	35	40	35			
Mysore Spinning & Wvg. Company		12.45	50								5	10	10		
New City of Bombay ...	6	D. 6.00 10.00	100 1000				No	dividend							
New Ring ...	7	CP. 30.00 3.00	100 100				No	dividend							
New Victoria ...	6	C.P. 17.89 16.05 D.F. 1.54	2½ 5 1(P)					5	2½						
Pankaja ...	6	D. 5.92 2.00	10½ 100											7	
Phoenix ...		8.00	100	25	10	15	10	15	15	10	10	10			
Sassoon & Alliance ...		5.00	25	11	5½	11	11	11	11	8		8			
Sassoon Spinning & Weaving ...		25.00	10				No	dividend							

CAPITAL & DIVIDEND STATEMENT OF COTTON MILLS IN INDIA (Contd.)

Name of the Company	Capital paid up in lakhs of Rs.	Paid up per share Rs.	Dividend declared in the year (% per annum)										
			1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	
Simplex Mills	14.00 6 D. 8.00 6 S.D. 7.50	50							1½	5		4	2½
Svadeshi Mills	22.28	100	30	20	20	12	6	6			4	4	
Swan Mills	24.00	100	10										
Tata Mills	13.24 5 CP. 1.75 3 D. 64.00	25 25 640				No	dividend						
Vishnu Cotton	16.00 7 C.P. 8.00	500 500	30	24	24	12	16	16	12	12	12	10	10
Western India	12.00	1000	5	5	3	4	4	5	4	4	4	4	4

Abbreviations—P. Preference Shares.

C.P. Cumulative Preference shares.

D. Debentures.

D.F. Deferred shares.

F.D. First Debenture.

S.D. Second Debenture.

Vs. Vendors' Shares.

Figures preceding these initials
indicates % of interest.

(S) Dividend for year ended September.

It will be seen that for the past five years, several mills have declared no dividends at all to shareholders, while some of the old established and efficient companies have been paying dividends at decreased rates. From this it can be clearly seen that the position of the cotton Industry from the point of view of investors is not altogether encouraging at the present time. Of late, there has been in evidence some increase in the earnings of mills and if such a welcome tendency were maintained for some time to come, perhaps, the mills will be able to declare higher dividends to shareholders, and also to improve the conditions of the labourers.

Possibility of export of piecegoods

During the last few years India has lost ground in exports of her cotton manufactures. The export of Indian piecegoods which was 98 million yards in 1913-14 stood at more than double the figure in 1926-27, when it was 197 million yards and was reduced to 56 million, 57 million, 71 million, and 102 million yards during 1933-34, 1934-35, 1935-36 and 1936-37, respectively. It is possible for India to continue to send particular kinds of cloth to the markets of South Africa, East Africa, Uganda, Persia, Burma etc., if she makes an effort to cater for the requirements of piecegoods in these various countries. But under the present conditions, it would not be very easy for India to have a very large export trade to foreign countries, what due to the keen competition of other countries like Lancashire and Japan, what due to the grant of preferences by these countries, and what due to the increased indigenous production in the countries which are now supplied by outside sources. Even then, our Trade Commissioners in foreign countries can render some help in this matter.

THE FUTURE OF THE INDUSTRY.

We have already seen that the Indian textile mills are steadily increasing their production both of yarn and piecegoods and a tendency has been visible for spinning mills to resort to weaving of cloth also, except in Madras Presidency where more spinning mills have been started. Indian mills have increased their production of woven goods by over 25 per cent. since 1931 and of yarn by 15 per cent. If the industry is to make further continued progress, the Government should no longer think in terms of reducing the existing rates of protective duty either in favour of the United Kingdom, or of any other country, and it may even be advisable to raise the duties in cases of higher counts of yarn and finer classes of piecegoods which are coming into competition with Indian mill products. Indeed, as observed by Mr. V. N.

Chandavarkar at the Annual Meeting of the Bombay Millowners' Association in March 1937, "a grave danger to the better class lines of cotton goods lies in the competition which has to be met from cheap Japanese artificial silk piecegoods which, even with a fairly heavy import duty, are entering this country in rapidly increasing quantities."

India can Produce all the Cloth she Needs.

The indigenous mills are now increasingly taking to spinning higher counts of yarn and also weaving finer classes of goods and therefore it is necessary that the import duties should be sufficiently high on all classes of goods in order to establish a fair competitive position. Unless this is done there is very little prospect for the Indian industry to consolidate its position and to have its hold on the Indian market. Of the total consumption of cloth in India at present, the Indian mills contribute 57 per cent. the Indian Handlooms contribute 27 per cent. whereas the imports contribute 16 per cent. If the industry is to achieve the goal in view, viz., the replacement of foreign cloth by internal production, the industry should be assured of adequate protection for some years to come. It should not be forgotten that ultimately it will be possible for us to produce all the cloth required by India for her consumption, and this view gathers additional strength from the fact that the Handloom production has also been making headway during all these years, and it is being patronized by the people in recognition of its lasting qualities, and out of their feeling that the money spent on handwoven cloth is retained in the country, and goes to help the poor artisans in the villages.* Due to such favourable conditions, and the feeling in the minds of the people to patronise *Swadeshi* cloth, there seems to be no reason, if suitable conditions are created for the development of the industry, why the combined output of Indian textile mills and the Handlooms should not be able

* Among the fourfold constructive programme recommended by the working Committee of the Indian National Congress for adoption by Members of the Legislatures, for three-crore villagers in India, the pride of place is given to Universal Production and use of *Khadi* through Universal Handspinning, the others being Hindu-Muslim or rather communal unity, promotion of total prohibition by propaganda among those who are addicted to the drink habit, and the removal by Hindus of untouchability root and branch. In the course of a leading article in the "Harijan" of the 15th May, 1937, Mahatma Gandhi says "It is one thing to improve the economic condition of the masses by State regulation of taxation and wholly another for them to feel that they have bettered their condition by their own sole personal effort. Now this they can only do through handspinning and other village handicrafts."

to make India self-sufficient in the matter of supply of cloth for her consumption at an early date. We are in agreement with the view expressed by the Ahmedabad Millowners' Association before the Special Tariff Board in 1935 viz., that the period of protection hitherto accorded to the industry has "hindered the growth of a general confidence in the future of the industry—a feeling absolutely essential, if the industry as a whole is to commit itself to a programme of greater diversification of quality, texture and finish. It is our considered opinion (*with which we wholly agree*) that if this feeling of suspense were once removed, *there is no class of goods which Indian manufacturers cannot produce.*" (Italics ours).

Importance of the Industry in the National Economy

The Cotton Textile Industry is the biggest national industry in India in which there is a capital investment of over Rs. 40 crores, which gives employment to no less than 4 lakhs of workers including a lakh and a half of women, consumes about 26 lakhs bales of Indian cotton out of a total production of about 57 lakhs bales, and its safety and progress must continue to receive the careful attention of her capitalists, labour leaders, politicians and economists. As custodians of the interests of this country, it is also the prime duty of the Government of India to help the Industry adequately in all ways in order to enable it to set its house in order and to increase its efficiency during that period of shelter to a level which would enable it to do away within a measurable period of time the necessity of imposition of high tariff duties against piecegoods from foreign countries. It is also essential to reduce or remove the various handicaps on the Industry in various ways e.g. by a suitable devaluation of the rupee as is constantly urged by the commercial community and the public of India, by a suitable reduction of the present high railway freights, by reducing the burden of direct and indirect taxes on the industry e.g. by allowing a higher depreciation on machinery for double-shift working, by lowering import duty on essential raw materials for the industry etc.

The goal of the industry

The goal of the development of the Cotton Industry can be formulated at either having a full command of the Indian market or at manufacturing the whole output of Indian cotton. To our mind, the former goal of catering for the Indian market if necessary by importing long staple cotton for manufacturing finer quality of piecegoods, till such time as suitable quality in sufficient quantity of long staple cotton becomes available in India, appears to be better for the near future. By accepting the goal of supplying all grades of our demands

in the Indian market, we can avoid the necessity of competing in foreign countries, which we may not be able to stand due, *inter alia*, to high tariffs against us, and we can also do without taking the undesirable step of imposing any export duty on our raw cotton in order to earmark the supply of cotton for us. Besides, the possibilities of expansion of Indian goods in the home market are far greater than in the foreign market. Apart from the existence of a huge market in the country itself, the growing sentiment of *Swadeshi* among the people is a strong reason for the Indian cotton-mill industry to seek to cater for the needs of India and make it self-sufficient in this respect as far as possible.

People's duty to use swadeshi cloth even at a sacrifice

Next to agriculture, the Indian cotton textile Industry is the most important and widespread industry in India, controlled, manned and financed by the Nationals of the country. It is one of the organised industries which the Indian industrialists have been able to develop in spite of heavy odds against them. It is the paramount duty of the people of the country to patronise cloth made in India, *even at a sacrifice*, and thus enable the full development and expansion of this industry which occupies such an important position in the National Economy of India, and with which the welfare of millions in this country is closely linked up.

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Appendix I

List of Cotton Mills in India

*With Names and Adresses of Managing Agents,
No. of Spindles and Looms.*

BOMBAY ISLAND

1. ALEXANDRA MILLS (The), Chinchpokli, Bombay; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Road, Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule , Ring 36176, Total 36176; *No. of Looms:* 742.
2. APOLLO MILLS, LTD. (The), Delisle Road, Bombay; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Road, Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule 1966, Ring 46288, Total 48254; *No. of Looms:* 896.
3. ATLAS MILLS CO., LTD. (The), Reay Road, Mazagoan, Bombay; *Agents:* B. D. Petit, Sons & Co.; 7-11, Elphinstone Circle, Bombay; *No. of Spindles:* Mule , Ring 46452, Total 46452; *No. of Looms:* 1383.
- 3a BHAWANI MILLS, LTD., Fergusson Road, Parel, Bombay; *Agents:* M. Ganpatrao & Co.; Mill Premises, Bombay; *No. of Spindles:* Mule , Ring 7300, Total 7300; *No. of Looms:* . . .
4. BOMBAY COTTON MFG. CO., LTD. (The), Kalachowki Road, Chinchpokli, Bombay, No. 12; *Agents:* Hormusjee, Sons & Co.; Kalachowki Road, Chinchpokli, Bombay, No. 12; *No. of Spindles:* Mule 1152, Ring 30912, Total 32064; *No. of Looms:* 775.
5. BOMBAY DYEING & MFG. CO., LTD. (Spring Mills) Naigaum Rd., Dadar, Bombay; *Agents:* Nowrosjee Wadia & Sons; Neville House, Graham Road, Ballard Estate, Bombay; *No. of Spindles:* Mule , Ring 109848, Total 109848; *No. of Looms:* 3116.
6. BOMBAY DYEING & MFG. CO., LTD., Textile Mills; Elphinstone Road, Parel, Bombay; *Agents:* Nowrosjee, Wadia & Sons; Neville House, Graham Road, Ballard Estate, Bombay; *No. of Spindles:* Mule 800, Ring 73534, Total 74334; *No. of Looms:* 1734.

7. BOMBAY INDUSTRIAL MILLS CO., LTD. Tulsi Pipe Road, Off Fergusson Road, Parel, Bombay; *Agents:* W. H. Brady & Co. Ltd.; 12|14, Churchgate St., Fort Bombay; *No. of Spindles:* Mule, Ring, Total; *No. of Looms.*
8. BOMBAY SURYODAYA MILLS, LTD. Tardeo, Bombay; *Agents:* Tarachand Shantidas & Co.; Tardeo, Bombay; *No. of Spindles:* Mule, Ring 21408, Total 21408; *No. of Looms:* 599.
9. BRADBURY MILLS, LTD. (The) Ripon Rd., Jacob Circle, Bombay; *Agents:* Ramnarain Sons, Ltd.; 143, Esplanade Road, Fort, Bombay; *No. of Spindles:* Mule 11512; Ring 25152, Total 36664; *No. of Looms:* 848.
10. CENTURY SPG. & MFG. CO., LTD., (Century and Zenith Mills) Delisle Road (Wori Side), Parel, Bombay; *Agents:* C. V. Mehta & Co.; Neville House, Currimbhoy Road, Ballard Estate, Bombay; *No. of Spindles:* Mule 4964, Ring 114228, Total 119192; *No. of Looms:* 3096.
11. COLABA LAND & MILL CO., LTD. Victoria Bunder, Colaba Bombay; *Managing Agents:* W. H. Brady & Co., Ltd.; 12|14, Churchgate Street, Bombay; *No. of Spindles:* Mule Ring 45640, Total 45640; *No. of Looms:* 694.
12. COORLA SPINNING & WEAVING CO., LTD. Kurla Suburban Dist., Bombay; *Agents:* Cowasjee, Jehangir & Co., Ltd. Readymoney Mansion, Churchgate St., Fort, Bombay; *No. of Spindles:* Mule 1404, Ring 23432, Total 24836; *No. of Looms:* 719.
13. CROWN SPINNING & MANUFACTURING CO., LTD. New Parbhadevi Rd., Post No. 13, Parel, Bombay; *Agents:* Purshotam Vithaldas & Co.; 16, Apollo Street, Fort, Bombay; *No. of Spindles:* Mule, Ring 37868, Total 37868; *No. of Looms:* 1106.
14. DAVID MILLS CO., LTD. (The) Carrol Road, Bombay; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Rd., Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule 17466, Ring 64168, Total 81634; *No. of Looms:* 1019.
15. DAWN MILLS CO., TLD. (The) Fergusson Rd., Lr. Parel, Bombay; *Agents:* Sassoon, J. David & Co., Ltd.; 143, Esplanade Road, Fort, Bombay; *No. of Spindles:* Mule 5280, Ring 38232, Total 43512; *No. of Looms.*

16. DHANRAJ MILLS, LTD. (The) Sun Mill Rd., Lr. Parel, Bombay; *Agents:* D. R. Narsinggirji; Sun Mills Dd., Lower Parel, Bombay; *No. of Spindles:* Mule 1916, Ring 35524, Total 37440; *No. of Looms:* 734.
17. DIGVIJAY SPIN. & WEAVING CO., LTD. (The) Lalbag, Parel, Bombay; *Agents:* J. Khatao & Co.; Lalbag, Parel, Bombay; *No. of Spindles:* Mule , Ring 35660, Total 35660; *No. of Looms:* 1174.
18. EDWARD SASSOON MILLS, LTD. (The) Fergusson Road, Bombay; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Rd., Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule 29256, Ring 16156, Total 45412; *No. of Looms:* 920.
19. E. D. SASSOON TURKEY RED DYE WORKS. Cadell Road, Dadar, Bombay; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Rd., Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule , Ring , Total ; *No. of Looms:*
20. ELPHINSTONE SPG. & WEAVING MILLS CO., LTD. Elphinstone Road, Bombay 13; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Rd., Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule 14008, Ring 32600, Total 46608; *No. of Looms:* 782;
21. FINLAY MILLS, LTD. Gm't Gate Rd., Parel, Bombay; *Agents:* James Finlay & Co., Ltd.; Chartered Bank Bldgs., Fort, Bombay; *No. of Spindles:* Mule , Ring 46072, Total 46072; *No. of Looms:* 784.
22. GOLD MOHUR MILLS, LTD. Old Dadar Rd., Dadar, Bombay; *Agents:* James Finlay & Co., Ltd.; Chartered Bank Bldgs., Fort, Bombay; *No. of Spindles:* Mule , Ring 42472, Total 42472; *No. of Looms:* 1040.
23. HATTERSLEY MILL. Agar Road, Chatkopar, Dist. Thana; *Lessees:* A. Ojha & Sons; Rehman Bldg., Churchgate St., Bombay; *No. of Spindles:* Mule , Ring , Total ; *No. of Looms:* 1392.
24. HINDOOSTAN SPIN. & WEAV. MILLS CO., LTD. Ripon & Arthur Rd., Jacob Circle, Bombay; *Agents:* Thackersey Mooljee & Co.; 16, Apollo Street, Fort, Bombay; *No. of Spindles:* Mule , Ring 38016, Total 38016; *No. of Looms:* 1116.

25. HIRJEE MILLS, LTD. (The) Fergusson Rd., Lr. Parel Bombay; *Agents:* C. Jehangir & Co., Ltd.; Readymoney Mansion Churchgate St., Fort, Bombay; *No. of Spindles:* Mule Ring 25600, Total 25600; *No. of Looms:* 807.
26. IMPERIAL MILLS (The) Mahaluxmi, Bombay; *No. of Spindles:* Mule , Ring 48364, Total 48364; *No. of Looms:*
27. INDIAN BLEACHING, DYEING & PRINTING WKS. CO., LTD. New Purbhadevi Rd., Dadar Bombay; *Agents:* Mafatlal Pagalbhoj & Sons; Churchgate Street, Ruston Building, Fort, Bombay; *No. of Spindles:* Mule , Ring , Total ; *No. of Looms.*
28. INDIAN MANUFACTURING CO., LTD. Ripon Rd., Jacob Circle, Bombay; *Agents:* Damodher Thackersey Mooljee & Co.: 16, Apollo Street, Fort, Bombay; *No. of Spindles:* Mule Ring 47824, Total 47824; *No. of Looms:* 1202.
29. JACOB SASSOON MILL. Suparibaug Rd., Parel, Bombay; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Rd., Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule 9040, Ring 92120, Total 101160; *No. of Looms:* 2330.
30. JAM MANUFACTURING CO., LTD., NO. 1. Parel, Bombay; *Agents:* Waljee Shamjee & Co.; 5, Dalal Street, Fort, Bombay; *No. of Spindles:* Mule , Ring 31340, Total 31340; *No. of Looms:* 944.
31. JAM MANUFACTURING CO., LTD., NO. 2. Sewree, Bombay; *Agents:* Waljee Shamjee & Co.; 5, Dalal Street, Fort Bombay; *No. of Spindles:* Mule , Ring 23100, Total 23100; *No. of Looms:* 570.
32. JUBILEE MILLS, LTD. (The) Sewree, Bombay; *Agents:* M. Mehta & Co.; Mubarak Manzil, Apollo Street, Fort, Bombay; *No. of Spindles:* Mule , Ring 34512, Total 34512; *No. of Looms:* 666.
33. KAMALA MILLS, LTD. Tulsi Pipe Road, off Delisle Road, Bombay; Mill Premises, Bombay 13; *No. of Spindles:* Mule 7872, Ring 37904, Total 45776; *No. of Looms:* 1054.
34. KASTOORCHAND MILLS CO., LTD. Water Pipe Road, Dadar, Bombay. *No. of Spindles:* Mule 2520, Chap'n Spdls. 14414, Ring 18376, Total 35310; *No. of Looms:* 913.

35. KHATAU MAKANJI SPIN. & WEAV. CO., LTD. Haines Rd., Byculla, Bombay; *Agents:* Khatau Makanji & Co.; Laxmi Building, 2B, Ballard Pier, Fort, Bombay; *No. of Spindles:* Mule , Ring 55260, Total 55260; *No. of Looms:* 1514;
36. KOHINOOR MILLS CO., LTD. Naigaum Cross Rd., Dadar, Bombay; *Agents:* Killick Nixon & Co.; Killick Bldg., Home St. Fort, Bombay; *No. of Spindles:* Mule 988, Ring 82844 (inc. dblg. spindles), Total 83832; *No. of Looms:* 1495.
- 36a. MADHORAO SCINDIA MILLS, LTD. Sun Mill Rd., Lr. Parel, Bombay; *Agents:* Trustees for the Debenture Holders of The Madhorao Scindia Mills; 54, Esplanade Road, Fort, Bombay; *No. of Spindles:* Mule , Ring , Total ; *No. of Looms:*
37. MADHOWJI DHARAMSI MANFG. CO., LTD. (own dyeing plant). Foras Road, Bombay; *Agents:* Goculdas Madhowji, Sons & Co.; Foras Road, Bombay; *No. of Spindles:* Mule 1936 Box Wst. Sp. 360, Ring 35516, Total 37812 *No. of Looms:* 868.
38. MADHUSUDAN MILLS, LTD. Delisle Road, Bombay; *Agents:* Amersey Damodar; Delisle Road, Bombay; *No. of Spindles:* Mule , Ring 53820, Total 53820; *No. of Looms:* 1760.
39. MANCHESTER MILL (The), Chinchpokli. Bombay 12; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Rd., Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule , Ring 27468, Total 27468; *No. of Looms:* 684.
- 39a. MATHRADAS MILLS, LTD. (The), Delisle Rd., Parel, Bombay; *Agents:* Trustees for the Debenture Holders; 54, Esplanade Road, Fort, Bombay; *No. of Spindles:* Mule , Ring , Total ; *No. of Looms:*
40. MEYER SASSOON MILLS, LTD. (The); Fergusson Road, Bombay; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Rd., Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule 11928, Ring 30288, Total 42216; *No. of Looms:* 980.
41. MOON MILLS, LTD. (The); New Sewri Rd., Sewri, Bombay; *Agents:* P. A. Hormarjee & Co.; 70, Forbes St., Rampart Row, Fort, Bombay; *No. of Spindles:* Mule 7582, Ring 26800, Total 34382; *No. of Looms:* 864.
42. MORARJEE GOCULDAS SPIN. & WEAV. CO., LTD.; Suparibaug Rd., Parel, Bombay; *Agents:* Ganesh Narayan Piramal; Mill Premises, Bombay; *No. of Spindles:* Mule , Ring 65400, Total 65400; *No. of Looms:* 1665.

43. MODERN MILLS, LTD., (The); 98, Elphinstone Rd., Bombay; 13
Agents: N. Sirur & Co.; 70, Forbes Street, Fort, Bombay; *No. of Spindles:* Mule 12528, Ring 12312, Total 24840; *No. of Looms.* . . .
44. NEW CHINA MILLS, LTD., (The); New Sewree Road, Bombay; *Agents:* Pransukhlal Mafatlal; 29, Churchgate Street, Fort, Bombay; *No. of Spindles:* Mule . . . , Ring 32292, Total 32292; *No. of Looms:* 700.
45. NEW CITY OF BOMBAY MANFG., CO., LTD.; Chinchpokli Rd., Bombay; *Agents:* W. H. Brady & Co. Ltd.; 12|14, Churchgate St., Fort, Bombay; *No. of Spindles:* Mule . . . , Ring 45944, Total 45944; *No. of Looms:* 432.
46. NEW GREAT EASTERN SPIN. & WEAV. CO., LTD. Parel Rd., Chinchpokli, Bombay; *Agents:* W. H. Brady & Co., Ltd.; 12|14 Churchgate St., Fort, Bombay; *No. of Spindles:* Mule 14520, Ring 32364, Total 46884; *No. of Looms:* 1029.
47. NEW ISLAM MILLS; Parel, Suparibang Road, Bombay; *Proprietor:* H. A. Hajee Cassum; Delisle Road, Fort, Bombay; *No. of Spindles:* Mule 2048, Ring 17604, Total 19652; *No. of Looms:* 560.
48. NEW KAISER-I-HIND SPINNING & WEAVING COMPANY LIMITED; Chinchpokli, Bombay; *Agents:* Vussonji Manji & Co.; 10, Churchgate Street, Fort, Bombay; *No. of Spindles:* Mule 936, Ring 54124, Total 55060; *No. of Looms:* 1228.
49. PHOENIX MILLS, LTD. (The); Tulsi Pipe Line Road, Lr. Parel, Bombay 13; *Agents:* Ramnarain Hurnundrai & Sons; 143, Esplanade Road, Fort, Bombay; *No. of Spindles:* Mule 12644, Ring 41600, Total 54244; *No. of Looms:* 728.
50. PRALHAD MILLS, LTD. (The); Fergusson Road, Parel, Bombay 13; *Agents:* Partapjiri Narsingirji & Co.; Mill Premises, Bombay; *No. of Spindles:* Mule 2486 & 360 chapon, Ring 32060, Total 34906; *No. of Looms:* 957.
51. RACHEL SASSOON MILLS; Chinchpokli, Parel, Bombay 13; *Owners:* E. D. Sassoon & Co., Ltd.; Dougall Road, Ballard Estate, Fort, Bombay; *No. of Looms:* 1994.

52. RAGHUVANSHI MILLS, LTD. (The); 11-12 Hains Road, Mahalaxmi, Delisle Road, Post 13, Bombay, *Agents*: R. Maganlal & Bros.; 11-12|Hains Road, Mahalaxmi, Bombay; *No. of Spindles*: Mule 8926, Ring 34988, Total 43914.
53. RUBY MILLS, LTD. (The); Lady Jamshetjee Road; Dadar, Bombay; M. G. Doongersy & Co.; East & West Building, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 16296, Total 16296; *No. of Looms*: 453.
54. SASSOON SPINNING & WEAVING CO., LTD.; Mount Estate, Mazagaon, Bombay; *Agents*: David Sassoon & Co., Ltd.; 59, Forbes Street, Fort, Bombay; *No. of Spindles*: Mule 2224, Ring 58016, Total 60240; *No. of Looms*: 1288.
55. SASSOON MILLS (The E.D.); Chinchpokli, Bombay; *Agents*: E. D. Sassoon & Co., Ltd.; Dougall Road, Ballard Estate, Fort, Bombay; *No. of Spindles*: Mule 10758, Ring 75868, Total 86626; *No. of Looms*: 745.
56. SATYA MILLS LTD., (The); Delisle Road, Parel, Bombay; *Agents*: Jas. Finlay & Co., Ltd.; Chartered Bank Buildings, Fort, Bombay; *No. of Spindles*: Mule 1008, Ring 28096, Total 29104; *No. of Looms*: 792.
57. SHREE NIWAS COTTON MILLS, LTD.; Delisle Road, Lr. Parel, Bombay; *Agents*: Marwar Textiles (Agency), Ltd., Mill Premises, Bombay; *No. of Spindles*: Ring 52296, Total 52296; *No. of Looms*: 1994.
58. SHREE RAM MILLS, LTD.; Ferg'sn Road, Lr. Parel, Bombay; *Agents*: P. M. Bhagilal & Co.; 324 Hornby Road, Bombay; *No. of Spindles*: Ring 33020, Total 33020; *No. of Looms*: 732;
59. SIMPLEX MILLS CO., LTD.; 30, Clerk Rd., Jacob Circle, Bombay; *Agents*: Forbes, Forbes Campbell & Co., Ltd.; Forbes Bldg., Home St., Fort Bombay; *No. of Spindles*: Mule 936 Waste, Ring 37148, Total 38084; *No. of Looms*: 1323.
60. SIR SHAPURJI BROACHA MILLS, LTD. (The); Delisle Road, Chinchpokli, Bombay; *Agents*: Provident Investment Co., Ltd.; Delisle Road, Chinchpokli, Bombay; *No. of Spindles*: Mule 1872, Ring 86976, Total 88848; *No. of Looms*: 1060.
61. STANDARD MILLS CO., LTD. (Own dyeing plant); Parbhadevi Road, Lower Mahim, Bombay; *Agents*: M. Gagalbhai & Sons; 29, Rustan Bldg., Churchgate St., Bombay; *No. of Spindles*: Ring 50224, Total 50224; *No. of Looms*: 1179;

62. **SWADESHI MILLS CO., LTD.** (Own Dyeing Plant); Kurla (Bombay Suburban District); *Agents:* Tata Sons, Ltd.; Bombay House, Bruce Street, Fort., Bombay; *No. of Spindles:* Ring 77044, Total 77044; *No. of Looms:* 2222.
63. **SWAN MILLS LTD.**; Sewri, Bombay; *Agents:* James Finlay & Co., Ltd.; Chartered Bank Buildings, Fort, Bombay; *No. of Spindles:* Mules 1022, Ring 30428, Total 31450; *No. of Looms:* 566.
64. **TATA MILLS;** Dadar Road, Parel, Bombay; *Agents:* Tata Sons Ltd.; Bombay House, Bruce Street, Fort, Bombay; *No. of Spindles:* Ring 62468, Total 62468; *No. of Looms:* 1800;
65. **TOYO PODAR COTTON MILLS, LTD.**; Delisle Road, Chinchpokli, Bombay 11; *Agents:* Toyo Podar Cotton Mills Ltd.; Delisle Road, Bombay 11; *No. of Spindles:* Ring 31032, Total 31032; *No. of Looms:* 916.
66. **UNION MILLS, LTD.**; Delisle Road, Lr. Parel, Bombay; *Proprietors:* David Sassoon & Co., Ltd.; 59, Forbes Street, Fort. Bombay; *No. of Spindles:* Mule 2440, Ring 32320, Total 34760; *No. of Looms:* 873.
67. **VICTORIA MILLS, LTD.**; Gamdevi, Grant Road, Bombay; *Agents:* M. Mehta & Co.; Mubarak Manzil, Apollo Street, Fort, Bombay; *No. of Spindles:* Ring 28000, Total 28000; *No. of Looms:* 676.
68. **WESTERN INDIA SPINNING & MANUFACTURING CO. LTD.**; Kalachawky Road, Chinchpokli, Bombay; *Agents:* Thakersey Mooljee Sons & Co.; 16, Apollo Street, Fort, Bombay; *No. of Spindles:* Ring 41880, Total 41880; *No. of Looms:* 1130;

BOMBAY PRESIDENCY

69. **AHMEDABAD ADVANCE MILLS LTD.**; Outside Delhi Gate, P. O. Box. No. 18, Ahmedabad; *Agents:* Tata Sons, Ltd.; 24, Bruce Street, Fort, Bombay; *No. of Spindles:* Ring 44224, Total 44224; *No. of Looms:* 924;
70. **AHMEDABAD ASTODIA MFG. CO., LTD.**; Outside Astodia Gate, Ahmedabad; *Working Agents:* S. N. Lullubhai, S. K. Lalbhai, T. J. Parikh; Outside Astodia Gate, Ahmedabad; *No. of Spindles:* Ring 21116, Total 21116; *No. of Looms:* 328.

71. AHMEDABAD COTTON MANUFACTURING CO., LTD.;
Out. Sarangpur Gate, Ahmedabad; *Working Agents*: Amratlal Damodardas & Co.; Mill Premises, Ahmedabad; *No. of Spindles*: Ring 28692, Total 28692; *No. of Looms*: 675.
72. AHMEDABAD COTTON & WASTE MANUFACTURING CO., LTD.; Dudheswar Road, Ahmedabad; *Agents*: Dhirajlal Chunilal & Bros.; Dudheshwar Road, P. O. Box No. 79, Ahmedabad; *No. of Spindles*: Mule 1056, Ring 20240, Total 21296; *No. of Looms*: 460.
73. AHMEDABAD GINNING & MANUFACTURING CO., LTD.; Railway Suburb, Ahmedabad; *Agents*: Madhowlal Ranchhodlal & Co., Railway Pura Post, Ahmedabad; *No. of Spindles*: Ring 60140, Total 60140; *No. of Looms*: 1480.
74. AHMEDABAD INDUSTRIAL MILLS CO., LTD.; Gomtipur Road, Railway Pura Post, Ahmedabad; *Agents*: K. L. Mehta & Co., LTD.; Gomtipur Road, Railway Pura Post, Ahmedabad 2; *No. of Spindles*: Ring 24760, Total 24760; *No. of Looms*: 566;
75. AHMEDABAD JUBILEE SPINNING & MANUFACTURING CO., LTD.; Out Dariapur Gate, Ahmedabad; *Agents*: Chimanlal Nagindas & Co.; Mill Premises Ahmedabad; *No. of Spindles*: Mule, Chapoon 576, 2560; Dblg. 2296, Ring 31320, Total 36752; *No. of Looms*: 792.
76. AHMEDABAD JUPITER SPINNING, WEAVING & MANUFACTURING CO., LTD. (Own weaving mill); Post Box 43, Dudheshwar Road, Ahmedabad; *Agents*: Fulchand Govindlal & Co., Ltd.; Dudheshwar Road, Post Box No. 43, Ahmedabad; *No. of Spindles*: Ring 25008, Total 25008; *No. of Looms*: 572.
77. AHMEDABAD KAISER-I-HINDU MILLS CO., LTD.; Outside Raipur Gate, Ahmedabad; *Agents*: Ramanlal Kanaiyalal & Co.; Mill Premises, Ahmedabad; *No. of Spindles*: Ring 26600, Total 26600; *No. of Looms*: 490.
78. AHMEDABAD LAXMI COTTON MILLS CO., LTD., Outside Raipur Gate, Ahmedabad; *Agents*: Hariprasad Jayantilal & Co., Ltd.; Outside Raipur Gate, Ahmedabad; *No. of Spindles*: Ring 34100, Total 34100; *No. of Looms*: 592.
79. AHMEDABAD MANUFACTURING & CALICO PRINT CO., LTD.; (Own Dyeing Plant) Out Jamalpur Gate, Ahmedabad; *Agents*: Karamchand Premchand & Co.; Out Jamalpur Gate,

- Ahmedabad; *No. of Spindles*: Ring 76400, 5780 (Dblg.), Total 82180; *No. of Looms*: 1509.
80. AHMEDABAD NEW COTTON MILLS CO., LTD.; No. 1, Kankaria Road, Ahmedabad; *Agents*: Ranchhodlal Gridharlal & Co.; Mill Premises, Ahmedabad; *No. of Spindles*: Ring 24644, Total 24644; *No. of Looms*: 588.
81. AHMEDABAD NEW COTTON MILLS CO., LTD. No. 2, Mithipur, Ahmedabad; *Agents*: Ranchhodlal Girdharlal & Co. Mill Premises, Ahmedabad; *No. of Spindles*: Ring 15804, Total 15804; *No. of Looms*: 448.
82. AHMEDABAD NEW STANDARD MILLS CO., LTD.; Nr. Suraspur Gate, Railway Pura Post, Ahmedabad; *Agents*: S. Naranlal & Co., Ltd.; Mill Premises. Ahmedabad; *No. of Spindles*: Ring 16608, Total 16608; *No. of Looms*: 458.
83. AHMEDABAD NEW TEXTILE MILLS CO., LTD.; Nos. 1 & 2 (Own Dyeing Plant); Outside Raipur G., Ahmedabad; *Agents*: Naranlal Jibanlal & Co.; Out Raipur Gate, Ahmedabad; *No. of Spindles*: Ring 24852, Total 24852; *No. of Looms*: 1008.
84. AHMEDABAD SARANGPUR MILLS CO., LTD.; Outside Raipur G., Ahmedabad; *Agents*: Himatlal Motilal & Co., Ltd. Out Raipur Gate, Ahmedabad; *No. of Spindles*: Ring 29804, Total 29804; *No. of Looms*: 580.
85. AHMEDABAD SHRI RAMKRISHNA MILLS CO., LTD.: Gontipur, Ahmedabad; *Agents*: Chimanlal Maneklal & Co.; Mill Premises, Ahmedabad; *No. of Spindles*: Ring 16408, Total 16408. *No. of Looms*: 455.
86. AHMEDABAD SPINNING & WEAVING CO., LTD.; Shahpur, Ahmedabad; *Agents*: Runchhodlal Chhotalal & Co.; Shahpur. Ahmedabad; *No. of Spindles*: Ring 33652, Total 33652; *No. of Looms*: 804.
87. AJIT MILLS, LTD. (The); Rakhial Road, Ahmedabad; *Agents*: C. Naranbhai & Co.; Bakhial Road, Railway Pura Post, Ahmedabad 2; *No. of Spindles*: Ring 15664, Total 15664; *No. of Looms*: 466;
88. AMBICA MILLS, LTD. (Shri); Kankaria Loco Siding, Ahmedabad 2; *Agents*: H. Kalidas & Co.; Kankaria Loco Biding. Ahmedabad 2; *No. of Spindles*: Ring 19920, Total 19920; *No. of Looms*: 384

89. ANANTA MILLS, LTD.; Rakhial Road, Gomtipur, Ahmedabad; *Agents:* J. Amratlal, Ltd.; c/o Ahmedabad Laxmi Cotton Mills Co., Ltd.; *No. of Spindles:* Ring 19208, Total 19208; *No. of Looms:* 450.
90. ARYODAYA GINNING & MANUFACTURING CO., LTD.: Asarwa, Ahmedabad; *Agents:* Mangaldas & Brother; Asarwa, Ahmedabad; *No. of Spindles:* Ring 50208, Total 50208; *No. of Looms:* 908.
91. ARUNA MILLS, LTD. (The): Naroda Road, Ahmedabad; *Agents:* P. M. Hutheesing & Sons, Ltd.; Naroda Road, Ahmedabad; *No. of Spindles:* Ring 38448, Total 38448; *No. of Looms:* 960.
92. ARVIND MILLS, LTD. (The); Naroda Road, Ahmedabad; *Agents:* N. Lalbhai & Co.; P. O. Box No. 56, Ahmedabad; *No. of Spindles:* Ring 54428, Total 54428; *No. of Looms:* 1210;
93. ARYODAYA SPINNING & WEAVING CO., LTD.; Asarva Road, Railway Pura Post Ahmedabad 2; *Agents:* Mangaldas & Balabhai & Co.; Asarva Road, P. O. Box 40, Ahmedabad; *No. of Spindles:* Ring 53364, Total 53364; *No. of Looms:* 1354;
94. ASARWA MILLS; Railway Pura Post, Ahmedabad 2; Under Mortgage to the Provident Investment Co., Ltd., Bombay; Mill Premises Ahmedabad 2; *No. of Spindles:* Ring 20564, Total 20564; *No. of Looms:* 458.
95. BARODA SPINNING & WEAVING CO., LTD. (No. 1); Near Bhadra, Baroda; *Agents:* Javerchand Laxmichand & Co.; Mill Premises, Baroda; *No. of Spindles:* Ring 18576, Total 18576; *No. of Looms:* 501.
96. BARODA SPINNING & WEAVING CO., LTD. (No. 2); Near Bhadra, Bhadra, Baroda; *Agents:* Javerchand Laxmichand & Co.; Mill Premises, Baroda; *No. of Spindles:* Ring 11712, Total 11712; *No. of Looms:* 224.
97. BECHARDAS SPINNING & WEAVING MILLS, CO., LTD.; Raikhad, Ahmedabad; *Agents:* Durgaprasad S. Laskari & Co.; Raikhad, Ahmedabad; *No. of Spindles:* Ring 18092, Total 18092; *No. of Looms:* 494.
98. BHALAKIA MILLS CO., LTD. (The); Kankaria Road, Post Box No. 29, Ahmedabad; *Agents:* Chandulal & Co., Ltd., *Managing Agents:* Seth Jethalal Purshotamdas, Bhalakia;

- Kankaria Road, Ahmedabad; *No. of Spindles:* Ring 15696, Total 15696; *No. of Looms:* 806.
99. BHARAT LAXMI COTTON MILLS CO., LTD.; Mithipur, Ahmedabad; *Agents:* R. Amratlal & Co.; Mill Premises, Ahmedabad; *No. of Spindles:* Ring 18492, Total 18492; *No. of Looms:* 432.
 100. BHARAT SURYODAYA MILL CO., LTD.; Kankaria Road Ahmedabad; *Agents:* Manilal Sankalchand & Co., Ltd.; Kankaria Road, near Jagnath Mahadeva; *No. of Spindles:* Ring 9916 Total 9916; *No. of Looms:* 364.
 101. BHARAT VIJAYA MILLS, LTD.; Kalol, N. Gujarat; *Agents:* Ramanlal Champaklal & Co.; Kalol, N. Gujarat; *No. of Spindles:* Ring 15204, Total 15204; *No. of Looms:* 320.
 102. BHARATKHAND COTTON MILLS CO., LTD.; Naroda Road Railway Pura Ahmedabad; *Agents:* Moolchand Jeykishandas & Co.; Railway Pura Post, Ahmedabad 2. *No. of Spindles:* Ring 22848, Total 22848; *No. of Looms:* 573.
 103. BHARAT KHAND TEXTILE MANFG. CO., LTD.; Camp Road, Ahmedabad; *Agents:* Jibanlal Girdharlal & Co., Camp Road, P. O. Box 30, Ahmedabad; *No. of Spindles:* Ring 41680 Total 41680; *No. of Looms:* 1316.
 104. BIHARI MILLS, LTD. (The); Mithipur, Nr. Khokhra, Mehmedabad, Ahmedabad; *Agents:* M. Harilal & Co., Ltd.; Nr. Khokhra, Mehmedabad, Ahmedabad; *No. of Spindles:* Ring 16116, Total 16116; *No. of Looms:* 440.
 105. BROACH FINE COUNTS SPIN. & WEAV. CO., LTD., Broach; *Agents:* Brijlal Bilasrai & Co.; Agakhan Bldg. Dalal St. Fort, Bombay; *No. of Spindles:* Ring 28896, Total 28896; *No. of Looms:* 500.
 106. CAMBAY STATE MILLS; Cambay, Ahmedabad; *Managing Agents:* Sheth Chamanbal; (Cambay); *No. of Spindles:* Ring 18444, Total 18444; *No. of Looms:* 356.
 107. CHANDRAKANT MILLS, LTD. (The); Kankaria Road, near Siskar Lake, Ahmedabad; *Agents:* Balabhai Girdharlal & Co.; Mill Premises, Ahmedabad; *No. of Spindles:* Ring 16016, Total 16016; *No. of Looms:* 470.
 108. CHANDRODAYA MILLS, LTD. (The); Viramgam; *Agents:* C. Khushaldas & Co., Ltd., Viramgam; *No. of Spindles:* Ring 27292, Total 27292; *No. of Looms:* 627.

109. CHHOTALAL MILLS, LTD.; Kalol (Baroda State); *Agents:* Chhotalal Hirachand & Co.; Kalol (North Gujarat); *No. of Spindles:* Ring 17056, Total 17056; *No. of Looms:* 456;
110. CITY OF AHMEDABAD SPG. & MANFG. CO., LTD.; Kankaria Road, Ahmedabad; *Agents:* Chamanlal Mangaldas & Sons, Kankaria Road, Ahmedabad; *No. of Spindles:* Ring 26386, Total 26386; *No. of Looms:* 543.
111. COMMERCIAL AHMEDABAD MILLS, CO., LTD.; Railway Pura Post, Ahmedabad 2; *Agents:* Dhaunjibhai & Tricumlal & Co., Ltd.; Mill Premises, Ahmedabad 2; *No. of Spindles:* Ring 27788, Total 27788; *No. of Looms:* 620.
112. FINE KNITTING CO., LTD. (The); Naroda Road, Nr. Chamunda Mata Railway Pura Post, Ahmedabad 2; *Agents:* H. Keshavlal & Co.; Mill Premises, Ahmedabad 2; *No. of Spindles:* Ring 9000, Total 9000; *No. of Looms:* 100 Knitt'g Machines.
113. GAEKWAR MILLS, LTD. (The) (Own dyeing Plant); Bilimora, Ahmedabad; *Agents:* H. M. Mehta & Co., Ltd.; Bilimora, Ahmedabad; *No. of Spindles:* Ring 24084, Total 24084; *No. of Looms:* 520.
114. GENDALAL MILLS, LTD. (Formerly the Bhagirath Spg. & Wvg. Mills); Jalgaon, East Khandesh; *Managing Director:* Mr. S. G. Badjatia; Mill Premises, Ahmedabad; *No. of Spindles:* Ring 11000, Total 11000; *No. of Looms:* 345.
115. GIRDHADAS HARI VALLAVDAS MILLS, LTD.; Outside Prem. Gate, Camp Road, Ahmedabad; *Agents:* C. Mangaldas & Co., Parekh; Mill Premises, Ahmedabad; *No. of Spindles:* Ring 19992, Total 19992.
116. GIRDHARDAS HARI VALLVDAS MILLS, CO., LTD.; Nr. Gontipur Overbridge, Ahmedabad; *Agents:* Chamanlal Mangaldas & Co.; Mill Premises Ahmedabad; *No. of Looms:* 242;
117. GOPAL MILL CO., LTD.; White Road, Broach; *Agents:* N. Harridas & Co.; White Road, Broach; *No. of Spindles:* Ring 21748, Total 21748; *No. of Looms:* 652.
118. GUJARAT COTTON MILLS CO., LTD.; Naroda Road, Ahmedabad; *Agents:* P. S. Bhagwandas & Co.; Railway Pura Post, Naroda Road, P. O. Box No. 41 Ahmedabad; *No. of Spindles:* Ring 30864, Total 30864; *No. of Looms:* 606.

119. GUJARAT GINNING & MANUFACTURING CO., LTD.; Out Kalupur Gate, Nr. Prem. Gate, Ahmedabad; *Agents:* Jamnabhai Mansukhbhai & Co.; Railway Pura Post or G. P. O. Box 38, Ahmedabad; *No. of Spindles:* Ring 74088; Total 74088; *No. of Looms:* 1688.
120. GUJARAT SPINNING & WEAVING CO., LTD.; Outside Kalupur Gate, Ahmedabad; *Agents:* Jamnabhai Mansukhbhai & Co.; Mill Compound, Ahmedabad; *No. of Spindles:* Ring 28792, Total 28792; *No. of Looms:* 679.
121. HARIVALLABHDAS MULCHAND MILLS CO., LTD.; Out Dariapur Gate, Ahmedabad; *Agents:* Girdharlal Harilal & Co.; Mill Premises Ahmedabad; *No. of Spindles:* Ring 18204, Total 18204; *No. of Looms:* 448.
122. HATHISING MANUFACTURING CO., LTD.; Saraspura Railway Pura, Post No. 2, Ahmedabad; *Agents:* Maneklal Mansukhbhai & Co.; Saraspura; *No. of Spindles:* Ring 17344, Total 17344.
123. HIMABHAI MANUFACTURING CO., LTD.; Nr. Saraspur Gate, Railway Pura Post, Ahmedabad; *Agents:* Dhirajlal Khushaldas & Bros.; Mill Premises, Ahmedabad; *No. of Spindles:* Mule 640 Doubling, Ring 16760, Total 17400; *No. of Looms:* 384.
124. JAYANTI MILLS, LTD.; Viramgaum; *Agents:* G. Nathalal & Co., Ltd.; Revdi Bazar, Latiff Bldg. Ahmedabad; *No. of Spindles:* Ring 22216, Total 22216; *No. of Looms:* 559.
125. JEHANGIR VAKIL MILLS CO., LTD.; Outside Delhi Gate Ahmedabad; *Agents:* Rustomjee Mangaldas & Co., Ltd.; Outside Delhi Gate Ahmedabad *No. of Spindles:* Ring 28252, Total 28252; *No. of Looms:* 708.
126. KADI LAXMI COTTON MILLS CO., LTD.; Kadi, North Gujarat Ahmedabad; *Agents:* N. K. Kevaldas & Co., Ltd.; Mill Premises, Ahmedabad; *No. of Spindles:* Ring 13600, Total 13600.
127. KALOL KAPADIA SPQ. & WEAV. MILLS CO., LTD.; Kalol, North Gujarat, Ahmedabad; *Agents:* C. Nanalal Magganlal & Co.; Kalol (North Gujarat); *No. of Spindles:* Ring 15152 Total 15152.
128. KALYAN MILLS, LTD.; Naroda Road, Railway Pura Post, Ahmedabad 2; *Agents:* K. M. Mehta & Sons Ltd.; Gontipur

- Road., c/o Industrial Mill Office, Ahmedabad 2; *No. of Spindles:* Ring 12060, Total 12060, *No. of Looms:* 393.
129. KESHAV MILLS CO., LTD. (The); Petlad, Via Anand, Baroda State; *Agents:* Chandulal Keshavlal & Co.; Mill Premises, Baroda; *No. of Spindles:* Ring 11580, Total 11580; *No. of Looms:* 256.
130. KHANDESH SPIN. & WEAV. MILLS CO., LTD.; Jalgaon East Khandesh; *Agents:* Moljee Jaitha & Co.; Ewart House, Tamarind Lane, Fort, Bombay; *No. of Spindles:* Ring 22664, Total 22664; *No. of Looms:* 459.
131. KRISHNA KUMAR MILLS CO. (The); Mahuva (Kathiawar) *Agents:* S. S. Maganlal & Co.; Mahuva (Kathiawar); *No. of Spindles:* Ring 7200, Total 7200;
132. LALBHAI TRICUMLAL MILLS, LTD. (Own dyeing plant); Rakhial Road, Ahmedabad; *Agents:* C. Lalbhai & Bros., Ltd.; Mill Premises, Ahmedabad; *No. of Spindles:* Ring 29568, Total 29568; *No. of Looms:* 738.
133. MAFATLAL SPG. & MANUFG. CO., LTD.; Vejalpur Road, Navsari, Ahmedabad; *Agents:* Navinchandra Purshotamdas & Co., Ltd.; Vejalpur Road, Navsari, B. B. & C. I. Ry.; *No. of Spindles:* Mule 2304 Doubg, Ring 25620, Total 27924; *No. of Looms:* 896.
134. MAHALAXMI MILLS, LTD. (The) (& bleach, dye & finish); Bhavnagar; *Agents:* H. Jivandas & Sons, Ltd., Mill Premises, Bhavnagar; *No. of Spindles:* Ring 11104, Total 11104; *No. of Looms:* 280.
135. MANECKCHOCK & AHMEDABAD MANFG. CO. LTD.; Railway Pura Post, Nr. Idga Chowky, Ahmedabad; *Agents:* Hiralal Tricumlal; Railway Pura Post, near Idga Chowky, Ahmedabad; *No. of Spindles:* Ring 35000, Total 35000; *No. of Looms:* 832.
136. MANEKLAL HARILAL SPIN & MANFG. CO., LTD.; Saraspur Road, Ahmedabad; *Agents:* Harilal Hariwallabhadas & Co. Saraspur Road, Railway Pura Post, Ahmedabad 2; *No. of Spindles:* Ring 30000, Total 30000; *No. of Looms:* 750.
137. MANOR MILLS, Nadiad, Ahmedabad; Prop. J. Kaniyal Parekh; Nadiad, Ahmedabad; *No. of Spindles:* Ring 17000, Total 17000.

138. MARSDEN SPG. & MANUFACTURING CO., LTD.; Gomtipur, Ahmedabad; *Agents:* Marsden Bros. & Co., Ltd.; Railway Pura Post; Ahmedabad *No. of Spindles:* Ring 23476, Total 23476, *No. of Looms:* 482.
139. MONOGRAM MILLS CO., LTD., Rakhial, Ahmedabad; *Agents:* Manilal Marsden & Co., Ltd.; Railway Pura Post, Ahmedabad; *No. of Spindles:* Ring 21000, Total 21000; *No. of Looms:* 528.
140. MOTILAL HIRABHAI, SPINNING, WEAV. & MANUFG. CO., LTD.; Opposite Prem. Gate, Ahmedabad; *Agents:* Motilal Hirabhai & Sons; Railway Pura Post, Ahmedabad; *No. of Spindles:* Ring 30600, Total 30600; *No. of Looms:* 700.
141. NAGRI MILLS, CO., LTD., Jagnath Mahadev Road, Gomtipur, Ahmedabad; *Agents:* Papatlal Chimanlal & Co.; Jagnath Mahadev Road, Gomtipur P. O. Box No. 36; *No. of Spindles:* Ring 17728, Total 17728; *No. of Looms:* 498.
142. NATIONAL MILLS CO., LTD.; Gomtipur Road, Ahmedabad; *Agents:* Chimanlal & Govindlal & Co., Ltd., Vahivatdar; *Managing Agents:* S. P. H. Magri; Gomtipur Rd., Railway Pura, Ahmedabad; *No. of Spindles:* Ring 19712, Total 19712; *No. of Looms:* 490.
143. NAVJIVAN MILLS, LTD. (The); Station Road Kalol, North Gujarat, Baroda State; *Agents:* Rustomjee Mangaldas & Co.; Mill Premises, Ahmedabad; *No. of Spindles:* Ring 16760, Total 16760; *No. of Looms:* 420; 1
144. NAV BHARAT MILLS, LTD. (The); Naroda Road, Ahmedabad; *Agents:* Bansilal & Chandulal & Co.; Naroda Road, Ahmedabad; *No. of Spindles:* Ring 16800, Total 16800; *No. of Looms:* 357.
145. NEW BARODA MILLS CO., LTD. (The); Nr. Goya Gate, Baroda; *Agents:* Zaverchand Lakhmichand Bros. & Co.; Mill Premises Baroda; *No. of Spindles:* Ring 23296, Total 23296. *No. of Looms:* 608.
146. NEW COMMERCIAL MILLS CO., LTD. (The); Naroda Rd., Ahmedabad; *Agents:* T. Bhogilal & Co., Ltd.; Naroda Road, Ahmedabad 2; *No. of Spindles:* Ring 28060, Total 28060; *No. of Looms:* 790.
147. NEW DARBHANGA MILLS; Navsari (Baroda State); *Agents:* Sitalprasad Kharagprasad; Mill Premises, Navsari. *No. of Spindles:* Ring 18896, Total 18896; *No. of Looms:* 500.

148. NEW JEHANGIR VAKIL MILLS CO., LTD.; Bhavnagar:
Agents: Rustomjee Mangaldas & Co.; Bhavnagar; *No. of Spindles:* Ring 30056, Total 30056; *No. of Looms:* 727.
149. NEW MANECKCHOCK SPG. & WEG. CO., LTD.; Out. Dariapur Gate, Ahmedabad 2; *Agent:* Lalbhai Tricumlal; Mill Premises, Ahmedabad 2; *No. of Spindles:* Ring 27800, Total 27800; *No. of Looms:* 729.
150. NEW NATIONAL MILLS, LTD. (The); Rakhial Road, Ahmedabad 2; *Agent:* P. H. Nagri & Co., Ltd.; c/o The National Mills Co., Ltd., Gomtipur Road, Ahmedabad 2; *No. of Spindles:* Ring 11520, Total 11520; *No. of Looms:* 380.
151. NEW RAJPUR MILLS CO., LTD. (The); Gomtipur Road, Railway Pura Post, Ahmedabad; *Agents:* B. Jivabhai & Co., Ltd. *Managing Agent:* M. B. Patel; Mill Premises, Railway Pura Post, Ahmedabad 2; *No. of Spindles:* Ring 9840, Total 9840; *No. of Looms:* 320.
152. NEW SHORROCK SPINNING & MANFG. CO., LTD.; Nadiad Dist. Kairra; *Agents:* Mafatlal Chandulal & Co.; Asarwa Rd., Railway Pura Post, Ahmedabad 2; *No. of Spindles:* Ring 43536, Total 43536; *No. of Looms:* 862.
153. NEW SWADESHI MILLS OF AHMEDABAD, LTD.; Naroda Road, Ahmedabad; *Agents:* S. Sheonarain S. Nemani; Naroda Road, Ahmedabad; *No. of Spindles:* Ring 26544, Total 26544; *No. of Looms:* 697.
154. NIRANJAN MILLS LTD.; Falsawadi Road, Surat; *Agents:* Pallonji & Co.; Mill Premises; *No. of Looms:* 220.
155. NUTAN MILLS, LTD. (The); Saraspur, Out. Nicoli Gate, Ahmedabad; *Agents:* J. B. Nanavati & Co. Ltd.; *No. of Spindles:* Ring 20840, Total 20840; *No. of Looms:* 528.
156. OSMANSHAHI MILLS, LTD. (The); Nanded (Hydrabad-Deccan); *Agents:* The Industrial Trust Fund Ltd. H. R. H. The Nazim's Govt.; 1920 Khairatabad Road, Hyderabad, Deccan; *No. of Spindles:* Ring 24708, Total 24708; *No. of Looms:* 469.
157. PATELL MILLS CO., LTD.; Gomtipur Road, Railway Pura Post, Ahmedabad; *Agents:* D. Chunilal & Co.; Gomtipur Road, Railway Pura Post, Ahmedabad; *No. of Spindles:* Ring 13464, Total 13464; *No. of Looms:* 312.
158. PETLAD BULAKHIDAS MILLS CO., LTD. Opposite Station, Petlad; *Agents:* M. Kashandas & Co.; Station Road, Petlad;

- No. of Spindles:* Ring 18896, (1332 dblg.,) Total 18896; *No. of Looms:* 1011.
159. PRATAP SPIN., WEAV. & MANFG. CO., LTD.; Amalner, East Khandesh; *Agents:* Messrs. Motilal, Manekchand & Co., Amalner, East Khandesh; *No. of Spindles:* Mule 432, Ring 42488, Total 42920; *No. of Looms:* 480.
 160. PURSHOTUM SPINNING & MANFG. CO., LTD.; Outside Raipur Gate, Ahmedabad; *Agents:* Mansukhbhai Bhagoobhai & Co. Out. Kalupur Gate; *No. of Spindles:* Ring 25600, Total 25600; *No. of Looms:* 860.
 161. RAIPUR MANUFACTURING CO., LTD.; Outside Sarapur Gate, Ahmedabad; *Agents:* Lalbhai, Dalpatbhai & Co.; Mill Premises; *No. of Spindles:* Ring 36008, Total 36008.
 162. RAJA BAHADUR MOTILAL POONA MILLS, LTD.; 5/11, Kennedy Road, Poona; *Agents:* Govindlal Mukundlal & Co. 58/64, Custom House Road, Fort, Bombay; *No. of Spindles:* Ring 14704, Total 14704; *No. of Looms:* 502.
 163. RAJKOT COTTON MILLS CO., LTD.; Pura Rajkot; *Agents:* Pranlal K. Trivedi & Co.; Pura Rajkot; *No. of Looms:* 145.
 164. RAJKOT STATE COTTON MILLS; Karansinhji Cross Road, Mill Pura, Rajkot; *Mg. Agents:* Talakshi Manekchand Deshi, Karansinhji Cross Road, Rajkot; *No. of Spindles:* Ring 10872, Total 10872; *No. of Looms:* 164.
 165. RAJNAGAR SPIN. WEAV. & MFG. CO., LTD. No. 1; Kalupur, Camp Road, Ahmedabad; *Agent:* Sheth Mangaldas Girdhardas Parekh; Kalupur Camp Road, P. O. Box 40, Ahmedabad; *No. of Spindles:* Ring 20112, Total 20112; *No. of Looms:* 646.
 166. RAJNAGAR SPINNING, WEAVING AND MANUFACTURING CO., LTD. No. 2; Kalupur, Camp Road; *Agent:* Sheth Mangaldas Girdhardas Parekh; Kalapur Camp Road, P. O. Box 40, Ahmedabad; *No. of Spindles:* Ring 30284, Total 30284; *No. of Looms:* 756.
 167. RAJRATNA NARAN BHAI MILLS CO., LTD.; Petlad, via Anand, Baroda State; *Agents:* R. Keshavlal & Co.; Petlad, via Anand, Baroda State; *No. of Spindles:* Ring 18560, Total 18560; *No. of Looms:* 252.
 168. ROHIT MILLS, LTD.; Mithipur, Nr. Khokhra, Mehmedabad, Ahmedabad; *Agents:* L. Gordhandas, Ltd.; Nr. Khokhra

Mehmedabad State; *No. of Spindles*: Ring 20400, Total 20400;
No. of Looms: 640.

169. RUSTOM JEHANGIR VAKIL MILLS CO., LTD.; (own dyeing plant.) Outside Delhi Gate, Dudheshwar Road, Ahmedabad; *Agents*: Rustomjee Manilal & Co.; Outside Delhi Gate, Ahmedabad; *No. of Spindles*: Mule 968 Dblg., Ring 17132, Total 18100; *No. of Looms*: 405.
170. SAKRABHAI SANKALCHAND & CO.; White Road, Broach; *Agents*: V. Maganlal & Co.; White Road, Broach; *No. of Spindles*: Ring 17700, Total 17700.
171. SARANGPUR COTTON MANFG. CO., LTD. No. 1 (own dyeing plant); Outside Raipur Gate, Broach; *Agents*: Sakarlal Balabhai & Co.; Outside Raipur Gate, Broach; *No. of Spindles*: Ring 27080, Total 27080; *No. of Looms*: 576.
172. SARANGPUR COTTON MANFG. CO., LTD. No. 2; Outside Raipur Gate, Broach; *Agents*: Sakarlal Balabhai & Co.; Outside Raipur Gate, Broach; *No. of Spindles*: Ring 29828, Total 29828; *No. of Looms*: 828.
173. SARASPUR MILLS, LTD. (The); Saraspur Road, Ahmedabad; *Agents*: L. Dalpatbhai, Sons & Co.; Mill Premises, Ahmedabad; *No. of Spindles*: Ring 33000, Total 33000; *No. of Looms*: 856.
174. SARASWATI GINNING & MANUFACTURING CO., LTD.; Broach; *Agents*: Lady Sulochana Chinubhai & Co.; Lal Bungalow, Nr. Shahpur Ahmedabad; *No. of Spindles*: Mule 1872, Ring 17512, Total 19384; *No. of Looms*: 444.
175. SHORROCK SPINNING & MANUFACTURING CO., LTD.; Asarva Rd., Ahmedabad 2; *Agents*: Mafatlal, Chandulal & Co.; Asarva Road, Ahmedabad, No. 2; *No. of Spindles*: Ring 30164, Total 30164; *No. of Looms*: 722.
176. SHREE SAJJAN MILLS, LTD.; Ratlam, C. I.; *Agents*: Gopaldas Liladhar & Co.; 28, Apollo St., Fort, Bombay; *No. of Spindles*: Ring 17000, Total 17000; *No. of Looms*: 345.
177. SHRI AMARSINHJI MILLS, LTD.; Vankaner, Kathiawar; *Agents*: Jayantilal Amratlal & Co., Ltd.; Mill Premises; *No. of Spindles*: Ring 10656, Total 10656; *No. of Looms*: 320.
178. SHRI BALAJI SPINNING & WEAVING MILLS; Sangli; *Proprietor*: S. R. Jaynarayan; Mill Premises; *No. of Spindles*: Ring 3000, Total 3000; *No. of Looms*: 101.

179. SHRI JAGDISH MILLS; Padra Road, Baroda; *Proprietor*: S. H. Kalidas; Padra Road, Baroda; *No. of Spindles*: Ring 15140, Total 15140; *No. of Looms*: 416.
180. SHRI LAXMI WEAVING & MANFG. CO., LTD.; Gontipur Railwaypura Post, Ahmedabad; *Agents*: Munshaw & Co. Gontipur, Ahmedabad; *No. of Looms*: 256.
181. SHRINAGAR WEAVING & MANUFACTURING CO., LTD.: Nr. Kalupar Overbridge, Railway Pura Post, Ahmedabad 2; *Agents*: Govinddas Maneklal & Co.; Mill Premises, Ahmedabad 2; *No. of Spindles*: Ring 15564, Total 15564; *No. of Looms*: 718.
182. SHRI SHAHU CHHATRAPATI SPIN. & WEAV. MILLS; Kolhapur—Shahupuri; Kolhapur—Shahupuri; *No. of Spindles*: Mule 416, Ring 15760, Total 16176; *No. of Looms*: 230.
183. SHRI SAYAJI MILLS CO., LTD.; Near Old Rly. Station, P. O. Box 37, Baroda; *Agents*: Samal Bechar & Co.; Baroda (Post Box 37); *No. of Spindles*: Ring 23184, Total 23184; *No. of Looms*: 600.
184. SHRI VIVEKANAND MILLS, LTD.; Gontipur Rd., Ahmedabad, *Agents*: Nanubhai Maneklal & Co.; Gontipur Road, Railway Pura Post, Ahmedabad 2; *No. of Spindles*: Ring 16864, Total 16864; *No. of Looms*: 400.
185. SILVER COTTON MILLS CO., LTD. (The); Kankaria Road, Nr. Jagnath Mahadev, Ahmedabad; *Agents*: Gopalbhai Balasahai & Co.; Kankaria Road, Ahmedabad 2; *No. of Spindles*: Ring 20096, Total 20096; *No. of Looms*: 506.
186. SUGAN MILLS, ROHRI (Sind.); Dayaram, Dharamsala, Rohri; *Sole Proprietors*: Seth Sugnichand Dayaram Jotwani; Rohri (Sind.) N. W. Ry.; *No. of Looms*: 40.
187. SURAT COTTON SPINNING & WEAVING MILLS, LTD. Nawab Wadi, Surat; *Agent*: Mafatlal Gagalbhai; 29, Churchgate St., Fort. Bombay; *No. of Spindles*: Ring 16108, Total 16108; *No. of Looms*: 392.
188. SWADESHI WEAVING FACTORY; Bhavnagar (Kathiawar); *Agents*: Gopalji Odhhavji Thakker; Panvadi Road, Bhavnagar; *No. of Spindles*: Ring 1200 (Doubling), Total 1200; *No. of Looms*: 25.

189. THE ASOKA MILLS, LTD.; Naroda Rd., Ahmedabad; *Agents:* Lalbhai Dalpatbhai & Co.; Naroda Road Ahmedabad; *No. of Spindles:* Ring 34512, Total 34512; *No. of Looms:* 972.
190. VIJAYA MILLS CO., LTD.; Naroda Rd., Ahmedabad; *Agents:* H. Achratlal & Co.; Naroda Road, Ahmedabad; *No. of Spindles:* Ring 21036, Total 21036; *No. of Looms:* 658.
191. VIKRAM MILLS, LTD. (The); Out. Saraspur Gate, Rakhial Rd., Ahmedabad; *Agents:* R. Lallubhai & Bros.; Railway Pura Post, Ahmedabad 2; *No. of Spindles:* Ring 26412, Total 26412; *No. of Looms:* 1052.
192. WADHWAN CAMP MILLS, LTD.; Wadhwan Camp (Kathiawar); *Agents:* L. M. Mehta & Co.; Albert Building, Hornby Road, Fort, Bombay; *No. of Spindles:* Ring 15420, Total 15420; *No. of Looms:* 246.
193. MAHARANA MILLS, LTD.; Porbandar; *Agents:* Nanji Kalidas Mehta; Porbandas (Kathiawar); *No. of Spindles:* Ring 11624, Total 11624; *No. of Looms:* 266.

RAJPUTANA

184. EDWARD MILLS CO., LTD.; Beawar; *Agents:* R. S. K. Motilalji & S. G. M. Lodha; Diggi Street, Beawar, Rajputana; *No. of Spindles:* Mule 4200, Ring 14112, Total 18312; *No. of Looms:* 376.
195. INDARGARH SPG. & WVG. MILLS CO., LTD. (The); Indargarh; *Agents:* S. A. Kalidass & Co.; Indargarh R. S. Rajputana.
196. KRISHNA MILLS, LTD. (The); Beawar, Merwara; *Agents:* Thakurdasji Khinraj & Co.; Beawar, Rajputana; *No. of Spindles:* Mule 3576; Ring 16824, Total 20400; *No. of Looms:* 602.
197. MAHALAKSHMI MILLS CO., LTD.; Beawar, Merwara; *Agents:* S. L. Kothari & S. V. Rathi, Beawar, Rajputana; *No. of Spindles:* Ring 13728, Total 13728; *No. of Looms:* 416.
198. MAHARAJA KISHANGARH SOMYAG MILL CO. (Transformed), Ltd.; Madanganj, Kishangarh, Merwara; *Lessees:* Rai Bahadur Seth Tikamchand Bhagchand Soni; Madanganj, Kishangarh, *No. of Spindles:* Mule 2880, Ring 26120 Total 29000 *No. of Looms:* 445.
199. MOTILAL AGARWAL MILLS; Near Morar Road, Gwalitor, G. I. P. Rly.; Mill Premises; *No. of Spindles:* Ring 12500, Total 12500; *No. of Looms:* 25.

200. NEW SWADESHI MILLS CO., LTD.; Beawar G. I. P. Rly.
Agents: Seth Sahansmal Bohra; Mewari Bazar, Beawar,
Rajputana; *No. of Looms:* 56.
201. NEW WEAVING & TRADING CO., LTD.; Anasagar Ghati
Ajmer; *Financiers:* Rai Bahadur Seth Tikam Chand Bhag Chand
& Co., Anasagar Ghati, Ajmer; *No. of Looms:* 72.
202. SHREE SAYAJI JUBILEE COTTON & JUTE MILLS CO.,
LTD.; Opp. Ry. Station, Sidhpur; *Agents:* Prahladi Sevahan-
& Co. *No. of Spindles:* Ring 14412, Total 14412; *No. of Looms:*
320
203. SIDHPUR MILLS CO., LTD. (The); Sidhpur, North Gujrat.
Agents: M. Parbhudas & Co.; Sidhpur; *No. of Spindles:* Ring
19264; Total 19264.

CENTRAL PROVINCES

204. BENGAL NAGPUR COTTON MILLS, LTD.; Rajnandgaon.
C. P.; *Agents:* Shaw, Wallace & Co; 4, Bankshall Street,
Calcutta; *No. of Spindles:* Ring 31652; Total 31652; *No. of*
Looms: 624.
205. BURHANPUR TAPTI MILL, LTD.; Burhampur R. S. (Nimar
Dist.); *Agents:* C. Dinshaw & Bros.; 121 Medows St., Fort.
Bombay; *No. of Spindles:* Mule 488, Ring 30200, Total 30688.
No. of Looms: 497.
206. CENTRAL INDIA SPIN., WEAV. & MFG. CO., LTD.; The
Empress Mills, Nagpur, Cent. Provinces; *Agents:* Tata Sons
Ltd. Bombay House, 24 Bruce St., Fort, Bombay; *No. of Spindles:*
Ring 101056, Total 101056; *No. of Looms:* 2166.
207. MODEL MILLS NAGPUR, LTD. (The); Umrer Road, Nagpur
City, C.P., *Agents:* Bansilal Abirchand Dadabhoy & Co.; Lloyd
Building, Ballard Estate, Fort, Bombay; *No. of Spindles:* Ring
52408, Total 52408; *No. of Looms:* 952.
208. PULGAON COT. SPIN., WEAV. & MFG. CO., LTD.; Pulgaon.
C.P., Dist. Wardha; *Agent:* A. V. Datar; Pulgaon, C. P. *No. of*
Spindles: Ring 19580 Total 19580; *No. of Looms:* 227.
209. RAI BAHADUR BANSILAL ABIRCHAND SPINNING AND
WEAVING MILL; Hinganghat (C. P.); *Proprietors:* Sir
Bisesardass Daga, K.T., K.C.I.E., & Bros.; "Sir Kasturchand Build-
ing," Civil Lines, Nagpur, C. P.; *No. of Spindles:* Ring 31600
Total 31600; *No. of Looms:* 394.

210. RAI SAHEB REKHCHAND GOPALDAS MOHOTA SPINNING AND WEAVING MILLS; Akola (Berar); *Proprietor*: Seth Gopaldas Mohota; *Representative*: S. M. Singi; Akola (Berar); *No. of Spindles*: Mule 1068, Ring 21408, Total 22476; *No. of Looms*: 459.
211. RAI SAHEB REKCHAND MOHOTA SPINNING AND WEAVING MILL; Hinganghat (C. P.) *Proprietor*: Seth Mathuradas Mohota; Hinganghat; *No. of Spindles*: Mule 442, Ring 21672, Total 22114; *No. of Looms*: 413.
212. RAJA GOKULDAS MILLS LTD.; Rani Tal Jubbulpore C. P.; *Agents*: Mangaldas Mehta & Co., Mubarak Manzil, Apollo St., Fort, Bombay; *No. of Spindles*: Ring 21176, Total 21176; *No. of Looms*: 450.
213. SAVATRAM RAMPRASAD MILLS CO., LTD. (The); Tajnapeth, Akola (Berar); *Agent*: S. S. Ramprasad; Tajnapeth, Akola (Berar); *No. of Spindles*: Ring 12360, Total 12360; *No. of Looms*: 264.
214. VIDARBHA MILLS (BERAR) LTD. (The); Ellichpur Dist., Amraoti; *Agents*: Deshmukh & Co., Mill Premises; *No. of Spindles*: Ring 10684, Total 10684; *No. of Looms*: 272.

DECCAN

215. AURUNGABAD MILLS, LTD. (The); Aurungabad (H. E. H. The Nizam's Dom.); Doraswami Iyer & Co.; 52 Victoria Buildings, Parsi Bazar St., Fort, Bombay; *No. of Spindles*: Mule 3960, Ring 12748, Total 16708; *No. of Looms*: 270.
216. AZAN JAH I MILLS, LTD.; WARANGAL (H. E. H. The Nizam's Dom.); *Agents*: The Trustees, Industrial Trust Fund (H. R. H. The Nizam's Govt.); 1920 Khairatabad Road, Hyderabad—Deccan, Bombay, *No. of Spindles*: Ring 19944, Total 19944; *No. of Looms*: 416.
217. BARS I SPINNING AND WEAVING MILLS, LTD.; Barsi Town (Sholapur Dist.); *Agents*: Desai, Sons & Co., 15|16 Nanjee Buildings, 17 Elphinstone Circle, Fort, Bombay; *No. of Spindles*: 19900, Total 19900 *No. of Looms*: 280.
218. BERAR MANUFACTURING CO., LTD.; Badnera (Sholapur Dist.); *Agents*: Sir Kasturchand Dadabhoy & Co.; Lloyd Buildings, Ballard Estate, Fort, Bombay; *No. of Spindles*: Ring 19908, Total 19908; *No. of Looms*: 369.

219. BHARAT SPINNING AND WEAVING CO., LTD. No. 1, Hubli (Dharwar Dist.); *Managing Agents*: Purshottam Govindjee & Co.; 9119 Bank St., Fort, No. 1, Bombay; *No. of Spindles*: Mule 2558, Ring 2132; 684 Dblg, Total 5374; *No. of Looms*: 600.
220. DEWAN BAHADUR RAMGOPAL MILLS, LTD. (The); Elchiguda, Hyderabad, *Agents*: Lachminarayan, Ramgopal & Son, LTD.; 25 St. John's Road, Secunderabad; *No. of Spindles*: Ring 16376, Total 16376, *No. of Looms*: 303.
- 220a. GOKAK MILLS LTD. (The); Gokak Falls, S. M. C.; *Agents*: Forbes, Forbes, Campbell & Co., Ltd.; Forbes Bldg., Home St., Fort, Bombay; *No. of Spindles*: Mule 1326 (Waste), Ring 7400, Bombay; *No. of Spindles*: Mule 1326 (Waste), Ring 7400, 2640 (Dblg), Total 77986.
221. HYDERABAD (DECCAN) SPIN. & WEAV. CO., LTD.; Hyderabad, Deccan; *Agents*: R. Bhoomiah & V. Krishnaiah; Secunderabad, Deccan; *No. of Spindles*: Ring 16680, Total 16680; *No. of Looms*: 247.
222. JAMSHRI RANJITSINGHJI SPINNING & WEAVING MILLS CO., LTD.; Sholapur; *Agents*: Lalji Naranji & Co.; Ewart House, Tamarind Lane, Fort, Bombay; *No. of Spindles*: Mule 868.
223. JAYA SHANKAR MILLS BARSII, LTD.; Barsii Town; *Agents*: Zadbuke & Co.; Mill Premises, Barsii Town, Bombay; *No. of Spindles*: Ring 10556, Total 10556.
224. LAKSHMI COTTON MILL MANUFACTURING CO., LTD.; Sholapur; *Agents*: The Bombay Co., Ltd. 9, Wallace Street, Bombay; *No. of Spindles*: Ring 45792, Total 45792; *No. of Looms*: 944.
225. LOKAMANYA MILLS, BARSII, LTD. (The); Barsii Town (Dist. Sholapur); *Agents*: D. V. Sulakhe, B.A., for Sulakhe & Co., Mill Premises, Barsii; *No. of Spindles*: Ring 8896, Total 8896.
226. MAHABOOB SHAHI GULBURGA MILLS CO., LTD.; Gulburga (Deccan); *Agents*: D. S. Lahoti; 1727, Gunj Bazar, Secunderabad, Deccan; *No. of Spindles*: Ring 28076, Total 28076; *No. of Looms*: 437.
227. NARAYANDAS CHUNILAL SPINNING AND WEAVING MILLS: Gadag Dis., Dharwar; Mill Premises; *No. of Spindles*: Mule 1440, Ring 17600, Total 19040; *No. of Looms*: 250.
228. OSMANSHAI MILLS, LTD.; Naded Deccan, N. S. Ry.; *Agents*: The Industrial Trust Fund (H. E. H. The Nizam's

- Govt.); 1920 Khairatabad Rd., Hyderabad; *No. of Spindles:* Ring 24708, Total 24708; *No. of Looms:* 429 (40 Ant.).
229. NARSINGGIRJI MANUFACTURING CO., LTD.; Sholapur; *Agents:* Raja Bahadur Narsinggirji Gyangirji; Station Road, Sholapur; *No. of Spindles:* Ring 62718, Total 62718; *No. of Looms:* 1034.
230. SHOLAPUR SPINNING AND WEAVING CO., LTD.; Station Road, Sholapur; Sudama House, Wittet Road, Ballard Estate, Bombay; *No. of Spindles:* Mule 10772, Ring 100588, Total 111360; *No. of Looms:* 2284.
231. SHREE MADAV SPG. & WEAVING MILLS, LTD.; Mandsaur, C. I.; *Agents:* L. Basdeo & Co.; Mandsaur, C. I.
232. SHRI GAJANAN WEAVING MILLS; Sudampuri, Sangli (S.M.C.); *Managing Proprietor:* V. R. Velankar; Mill Premises; *No. of Looms:* 266.
233. VISHNU COTTON MILLS, LTD.; Sholapur; *Agents:* The Bombay Co., Ltd.; 9 Wallace Street, Fort, Bombay; *No. of Spindles:* Ring 49392, Total 49392; *No. of Looms:* 1417.

BIHAR

234. BIHAR COTTON MILLS, LTD.; Phulwari Sharif (Patna), Bihar; *Agents:* Kashinath & Co., Ltd.; P. O. Phulwari Sharif (Patna) Bihar; *No. of Spindles:* Total 7500; *No. of Looms:* 200.

CENTRAL INDIA

235. BINOD MILLS CO., LTD. (The); Ujjain (Gwalior State); *Agents:* Seth Binodiram Balchand; Ujjain; *No. of Spindles:* Ring 35676, Total 35676; *No. of Looms:* 894.
236. DEEPCHAND MILLS (The) (owners The Binod Mills Co., Ltd.; Ujjain (Gwalior State); *Agents:* Seth Binodiram Balchand; Ujjain; *No. of Spindles:* Ring 15108, Total 15108; *No. of Looms:* 390.
237. HIRA MILLS, LTD. (The); Ujjain (Gwalior State); *Agents:* Sir Sarupchandji Hukumchand; Mill Premises, Ujjain; *No. of Spindles:* Ring 25964, Total 25964; *No. of Looms:* 722.
238. HUKUMCHAND MILLS, LTD.; Indore, Central India; *Agents:* Sarupchand Hukumchand & Co.; Indore, C.I.; *No. of Spindles:* Mule 848, Ring 40320, Total 41168; *No. of Looms:* 1185.

239. **INDORE MALWA UNITED MILLS, LTD.**; Indore City, C.I.; *Agents*: Govindram Seksaria; R. B. Motilal's Mansion, 2nd Floor, Bruce Street, Fort, Bombay; *No. of Spindles*: Mule 2182, Ring 48892, Total 51074; *No. of Looms*: 1426.
240. **JIJAJEERAO COTTON MILLS, LTD.**; Gwalior State, C.I.; *Managing Agents*: Birla Bros., Ltd.; 8 Royal Exchange Place, Calcutta; *No. of Spindles*: Ring 35912, Total 35912; *No. of Looms*: 1050.
241. **KALYANMAL MILLS, LTD. (The)**; Indore, C.I.; *Agents*: Tillockchand Kalyanmal & Co.; Mill Premises, Indore; *No. of Spindles*: Ring 36412, Total 36412; *No. of Looms*: 1060.
242. **NANDLAL BHANDARI MILLS, LTD.**; Indore, C.I.; *Agents*: N. Bhandari & Sons; Mill Premises Indore; *No. of Spindles*: Mule 548, Ring 28308, Total 28856; *No. of Looms*: 716.
243. **NAZERALLY MILLS (The)**; Ujjain, Gwalior State (C.I.); *Man. Proprietor*: K. S. S. Luqmanbhai; Nijatpura, Ujjain; *No. of Spindles*: Ring 20000, Total 20000; *No. of Looms*: 400.
244. **RAJKUMAR MILLS, LTD. (The)**; Indore, C.I.; *Agents*: S. S. Hukumchand & Co.; Indore; *No. of Spindles*: Ring 19728, Total 19728; *No. of Looms*: 577.
245. **STATE MILLS, INDORE (Lessees—Pannalal Nandlal Bhandari & Co., Ltd.)**; Indore City, C.I.; *Agents*: N. Bhandari & Sons; State Mills Indore; *No. of Spindles*: Ring 17540, Total 17540; *No. of Looms*: 512.

BENGAL

246. **ACHARYA PROFULLA CHANDRA COTTON MILLS, LTD.**; Khulna (Bengal); *Agents*: Bengal Workers Association Ltd. Khulna Bengal; under construction.
247. **BANGA SRI COTTON MILLS, LTD.**; Sodepore. E. B. Ry. *Owners, Agents &c.*: Shaha Choudhuri & Co., Ltd.; 137, Canning Street, Calcutta; *No. of Spindles*: Ring 12000, Total 20000; *No. of Looms*: 300.
248. **BANGESWARI COTTON MILLS, LTD.**; Serampore P.O. District Hooghly, Bengal; *Managing Director*: Dr. N. Law, 63, Radha Bazar St., Calcutta; under construction; *No. of Looms*: 216.

249. BANGODAYA COTTON MILLS, LTD.; Panihati (24 Parganas) Rly. Station, Sodepore (E. B. Rly.); *Managing Agents*: Jhumermull Vadilal & Co., 16, Noormull Lohra Lane, Calcutta; *No. of Looms*: 256.
250. BASANTI COTTON MILLS, LTD.; Panihati, 24 Parganas, Bengal; *Agents*: Calcutta Agency, Ltd.; 3, Lyons Range, Calcutta; *No. of Spindles*: Ring 8000, Total 8000; *No. of Looms*: 200.
251. BENGAL BELTING WORKS, LTD.; Bose Para Lane, Mahesh, P. O. Serampore, Dist. Hooghly; *Agents*: 14, Clive Street, Calcutta; *No. of Looms*: 35.
252. BENGAL LUXMI COTTON MILLS, LTD.; Serampore Bengal; *Agents*: Bengal Textile Agency, Ltd.; 28 Pollock Street, Calcutta; *No. of Spindles*: Ring 35652, Total 35652; *No. of Looms*: 724.
153. BHARAT ABHUDAY COTTON MILLS, LTD.—No. 1: Ghusery Rd., Howrah, Bengal; *No. of Spindles*: Mule 15456, Ring 32016, Total 47472; *No. of Looms*: 407.
- 253a. BHARAT ABHUDAY COTTON MILLS, LTD.—No. 2; Ghusery Rd., Howrah, Bengal; *Agents*: S. P. K. Prasad; 31, Burtolla Street, Calcutta.
254. BOWREAH COTTON MILLS CO., LTD.; Bowreah, P. O. Bauria, B. N. Ry., Dist. Howrah; *Agents*: Kettlewell, Bullen & Co., Ltd.; 21, Strand Road Calcutta; *No. of Spindles*: Ring 37416 (throstle), Total 37416; *No. of Looms*: 835.
255. CHITTAGONG DESHAPRIYA JATINDRA MOHAN COTTON MILLS, LTD.; Pabartali, P. O. Pathantooli, Chittagong; P. K. Saha (Managing Director), *No. of Spindles*: Ring 10000, Total 10000; *No. of Looms*: 200.
256. CHITTARANJAN COTTON MILLS, LTD.; Godenail, Narayanganj; *Agents*: Keshavlal Industrial Syndicate, Ltd.; 14/15, Patuatuly Street, Dacca; under construction.
257. DHAKESWARI COTTON MILLS, LTD.; Dhamgarh, Narayanganj, Dacca; *Managing Directors*: A. B. Guha, S. K. Basu, R. M. Basak; 6, Ananda Chandra, Roy Street, Dacca; *No. of Spindles*: Mule 29374 Total 29374; *No. of Looms*: 734.
258. DUNBAR MILLS, LTD.; Shamnagar, P. O. Garulia, Dist. 24, Parganas; *Agents*: Kettlewell Bullen & Co., Ltd.; 21 Strand Road, Calcutta; *No. of Spindles*: Ring 41040 (throstle), Total 41040; *No. of Looms*: 518.

259. HOOGLY COTTON MILLS CO.; Serampore, E.I.R.; *Man. Proprietor*: A. K. Sen, A.R.T.C. (Sal.); Rishra E.I.R. Dist., Hooghly, Bengal; under construction.
260. KESORAM COTTON MILLS, LTD.; 42 Garden Reach Road, Calcutta; *Agents*: Birla Brothers, Ltd.; 8, Royal Exchange Place, Calcutta; *No. of Spindles*: Mule 1440, Ring 46528, Total 479 8; *No. of Looms*: 1737.
261. LUXMI NARAYAN COTTON MILLS, LTD.; Godenyle, Narayanganj, Dacca; *Agents*: Dacca National Agency, Ltd., Dacca, Bengal; *No. of Looms*: 222.
262. MAHALAXMI COTTON MILLS, LTD.; Palta District, P. O. Ichapur-Nawabganj, 24 Perganas, Bengal; *Agents*: H. Datte & Sons; 11, Clive Street, Calcutta; *No. of Looms*: 154.
263. MOHINI MILLS, LTD.; Kushtia Bazar (Nadia); *Man. Agents*: Chakravarti Sons & Co.; P. O. Kushtia Bazar (Nadia); *No. of Spindles*: Ring 18504, Total 18504; *No. of Looms*: 557.
264. NEW RING MILLS CO., LTD.; Fuleswar, P. O. Ulubaria, Dist. Howrah; *Agents*: Kettlewell, Bullen & Co., Ltd.; 21 Strand Road, Calcutta; *No. of Spindles*: Ring 23904 (throstle), Total 23904.
265. RAMPOORIA COTTON MILLS & CO.; Mahesh, Serampore; *Proprietor*: Hazareemull Heeralall; 148, Cotton Street, Calcutta; *No. of Looms*: 750.
266. SHREE RADHA KRISHNA COTTON MILLS, LTD.—No. 1: 122, Old Ghusery Road, Ghusery Howrah; *Man. Agents*: Sadhuram Tularam Head Office: 29, Banstolla St., Calcutta; *No. of Spindles*: Ring 23232, Total 23232.
267. SHREE RADHA KRISHNA COTTON MILLS, LTD.—No. 2: 117, Girish Ghosh Lane, Belur, Howrah; *Man. Agents*: Sadhuram Tularam; 122, Old Ghusery Rd., Ghusery, Howrah; *No. of Spindles*: Ring 18372, Total 18372; *No. of Looms*: 467.
268. SREE NATH MILLS; 10, Chitpur Bridge Approach, Bagbaran, Calcutta; *Agents*: S. K. Das; 10, Sree Nath Das Lane, Bowbaran, Calcutta; *No. of Looms*: 16.
269. SRI DURGA COTTON SPINNING & WEAVING MILLS, LTD.; Konnagor, E. I. Ry.; *Agents*: Barendra Krishna Sipa Samity, Ltd.; 14½, Old China Bazar St., Calcutta. Under construction.

270. VICTORIA COTTON MILLS LTD.; 22, Karunapukur Lane, Ghusery, Salkea, Howrah, Bengal; *Managing Agents*: Shaw Wallace & Co.; 4 Bankshall Street, Calcutta; *No. of Spindles*: Ring 11920, Total 11920.

PUNJAB

271. BANKTESHWAR COTTON MILLS; Grand Trunk Road, Amritsar; *Agents*: S. Jhabulall Sribiwash; Katra Ahloowala, Amritsar; *No. of Spindles*: Mule 13552, Ring 8200, Total 21752; *No. of Looms*: 252.
272. BIRLA COTTON SPINNING & WEAVING MILLS, LTD.; Subzi Mundi, Delhi; *Agents*: Birla Bros., Ltd., Calcutta; 8 Royal Exchange Place, Calcutta; *No. of Spindles*: Ring 20920, Total 20920; *No. of Looms*: 494.
273. DELHI CLOTH AND GENERAL MILLS CO., LTD.; Rohtak Road, Delhi; *Agents*: Madan Mohanlal Shankar Lall; Mill Premises, Delhi; *No. of Spindles*: Mule 4392, Ring 60984, Total 65376; *No. of Looms*: 1763.
274. GOVERNMENT WEAVING FACTORY; Shahdara, Near Lahore; *Agents*: Punjab Government Commercial Concern; Shahdara, Near Lahore; *No. of Looms*: 110.
275. GURU RAMDAS COTTON SPINNING & WEAVING MILLS, LTD.; Near Chhearta Station, Amritsar; *Proprietors*: Jowahar Singh Sunder Singh Babbar; Guru Ram Das Mills, Post Office, Amritsar; *No. of Spindles*: Mule 10000 Ring 10000, Total 20000; *No. of Looms*: 200.
276. LAKHMI CHAND JEIPORIA SPINNING AND WEAVING MILLS; Subzimundi, Delhi; *Proprietor*: S. Lakhmi Chand Ram Cowar Jeiporia; Subzimundi, Delhi; *No. of Spindles*: Ring 5472, Ring 5984 Total 11456; *No. of Looms*: 235.
277. LYALLPUR COTTON MILLS; Lyallpur; *Proprietors*: The Delhi Cloth & General Mills, Co., Ltd.; Mill Premises; *No. of Spindles*: Ring 20000, Total 20000; *No. of Looms*: 500.
278. MELARAM COTTON MILLS; 5, Melaram Road, Lahore; *Owners*: Hon. R. B. Ram, Saran Das, C. I. E., M. C. S.; 5 Melaram Road, Lahore; *No. of Spindles*: Mule 5200, Ring 9476, Total 14676; *No. of Looms*: 146.
279. MORADABAD SPIN. & WEAVING MILLS CO., LTD.; Kundanpore Moradabad; *Secretary*: H. D. Guatam; Kundanpore, Moradabad; *No. of Spindles*: Mule 10080, Total 10080.

280. PUNJAB TEXTILE MILLS; Ravi Road, Lahore; *Agents:* Narain Das Ram Lal; Ravi Road, Lahore; *No. of Looms:* 12.
281. SHRI BANKTESHWAR COT. SP. & WVG. MILLS; Bhiwani Punjab; *Lease Holders:* Shriram Sardarmal; Bhiwani; *No. of Spindles:* Mule 3648, Ring 10736, Total 14384; *No. of Looms:* 287.

UNITED PROVINCES

282. ATHERTON MILLS; Anwargunj, Cawnpore; *Agents:* Atherton West & Co., Ltd.; P. O. Box No. 67, Cawnpore; *No. of Spindles:* Ring 31512, Total 31512; *No. of Looms:* 684.
283. BENARES COTTON & SILK MILLS, LTD.; Chowkghat Benares, Cantt.; *Agents:* Sital Prasad Kharag Prasad; Chowkghat, Benares Cantt.; *No. of Spindles:* Mule 2720, Ring 22004, Total 24784; *No. of Looms:* 485.
284. BIJLI MILLS (David Mills Co., Ltd. Branch); Hathras City U. P.; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Road, Ballard Estate, Fort, Bombay; *No. of Spindles:* Ring 12780, Total 12780.
285. CAWNPORE COTTON MILLS CO.; Couperganj & Juhi Cawnpore; *Owners:* British India Corporation, Ltd.; Couperganj, Cawnpore; *No. of Spindles:* Mule 47124, Ring 22352, Total 69476; *No. of Looms:* 966.
286. CAWNPORE TEXTILES, LTD.; Couperganj & Juhi Cawnpore; *Managing Agents:* Begg, Sutherland & Co., Ltd.; Cawnpore; *No. of Spindles:* Mule 15840, Ring 14080, Total 29920; *No. of Looms:* 310.
287. ELGIN MILLS CO., LTD.; Civil Lines, Cawnpore; *Agents:* Begg, Sutherland & Co., Ltd.; Cawnpore; *No. of Spindles:* Mule 30000, Ring 27000, Total 57000; *No. of Looms:* 1250.
288. JOHNS' CORONATION SPINNING MILL; Rajghat, Agra; *Proprietors:* Major A. U. John and George A. John, Jewni Mandi, Head Office; 49, Cantonments Agra; *No. of Spindles:* Mule 10752, Total 10752.
289. JOHNS' PRINCESS OF WALES SPINNING MILL; Rajghat, Agra; *Proprietors:* Major A. U. John and George A. John, Jewni Mandi, Head office; 49, Cantonments, Agra; *No. of Spindles:* Mule 24216, Total 24216.

290. JOHNS' SPINNING MILL; Rajghat, Agra; *Proprietors*: Major A. U. John and George A. John; Jewni Mandi, Head Office: 49, Cantonment Agra; *No. of Spindles*: Mule 16392, Total 16392.
291. JUGGILAL KAMLAPAT COTTON MANUFACTURERS, LTD.; Cawnpore; Darshan Purva Kalpi Road, Cawnpore, P. O. Box 45; *No. of Spindles*: Ring 10800, Total 10800.
292. JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO., LTD.; Anwarganj, Cawnpore; *Agents*: Juggilal Kamlapat, Cawnpore; Kamla Tower, Cawnpore; *No. of Spindles*: Ring 44964, Total 44964; *No. of Looms*: 1065.
293. LALLAMAL HERDEODASS COTTON SPG. MILL CO.; Sadabad Gate, Hathras City; *Agents*: Lala Bankey Lal, (Managing Proprietor); Sadabad Gate, Hathras City; *No. of Spindles*: Mule 13176, Ring 7224, Total 20400.
294. MUIR MILLS CO., LTD.; Cawnpore; P.B. 33, Cawnpore; *No. of Spindles*: Mule 35160, Ring 53692, Total 88852; *No. of Looms*: 1624.
295. MUNNA LAL SPINNING & WEAVING MILLS; Sachendi, Cawnpore; *Proprietor*: R. N. Garg; Cawnpore; Mill in course of erection.
296. NARAYAN COTTON MILLS; Bansmandi, Cawnpore; *Proprietors*: H. Bevis & Co.; Bansmandi, Cawnpore; *No. of Spindles*: Ring 10500, Total 10500.
297. NEW RAMCHAND COTTON MILL CO.; Hathras (Aligarh) District U.P.; *Agents*: Harcharandas, Purushottamdas; Mursan Gate, Hathras; *No. of Spindles*: Mule 11074, Ring 9848, Total 20922; *No. of Looms*: 115.
298. NEW VICTORIA MILLS CO., LTD.; Cawnpore; *Managing Directors*: E. W. Cave; P.O. Box 46, Cawnpore; *No. of Spindles*: Mule 32487, Ring 55976, Total 88463; *No. of Looms*: 1615.
299. PREM. SPG. & WVG. MILLS CO., LTD. (The); Ujhani (Dist. Budaun) United Prov.; *Agents*: Messrs. Kirparam Brijlal; Ujhani (Dist. Budaun), U.P.; *No. of Spindles*: Ring 18336, Total 18336.
300. R. G. COTTON MILLS CO., LTD.; Talkatora, Lucknow; *Agent*: Mr. Ranjitsingh, M.A., LL.B. (Managing Director); Talkatora, Lucknow; *No. of Spindles*: Mule 420, Ring 17784, Total 18204; *No. of Looms*: 250.

301. SETH SEWARAMJI MANNULAL COTTON SPINNING & WEAVING MILLS CO.; Natwa, Mirzapur; Mirzapur, U.P.
No. of Looms: 150.
302. SHRI RADHA KRISHNA MILLS; Kote Ghat, Mirzapur; *Agents:* Kumar Weaving Concern; 79, Manchar Das St. Calcutta;
No. of Looms: 102.
303. SWADESHI COTTON MILLS CO., LTD.; Juhi, Cawnpore;
Managing Director: H. Horsman; (P.O., Box 19), Cawnpore;
No. of Spindles: Ring 70000, Total 70000; *No. of Looms:* 900.

MADRAS PRESIDENCY

304. ANDHRA COTTON MILLS (The); Kistna Canal Sta. (Taddepalli), Guntur Dist.; *Agents:* R. Laxminivas & Co.; 139, Oxford Street, Padma Vilas, Secunderabad; *No. of Looms:* 290.
305. BUCKINGHAM & CARNATIC CO., LTD. (BUCKINGHAM MILL) (The); Perambore Barracks, Madras; *Managing Agents:* Binny & Co. (Madras), Ltd.; 7, Armenian Street, Madras; *No. of Spindles:* Ring 45816, Total 45816; *No. of Looms:* 1400.
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307. CAMBODIA MILLS, LTD. (The); Ondiputhur, Coimbatore Dist.; *Agents:* Peirce, Leslie & Co., Ltd.; Race Course, Coimbatore; *No. of Spindles:* Ring 16752, Total 16752.
308. COIMBATORE COTTON MILLS, LTD., (The); Singanallur Coimbatore Dist.; *Agents:* R. B. Naidu & Co.; Singanallur Coimbatore Dis.; *No. of Spindles:* Ring 10864, Total 10864.
309. COIMBATORE KAMALA MILLS, LTD.; Uppilipalayam, Singanalore, Coimbatore Dist.; *Agents:* R. V. Lakshmaiah Naidu & Co., Uppilipalayam, Singanalore Post, Coimbatore Dist.; *No. of Spindles:* Total 5000; Under construction.
310. COIMBATORE SPINNING & WEAVING CO., LTD. Mill Road, Coimbatore; *Agents Man. Director:* The Coimbatore Mills Agency, Ltd., C. V. V. Aiyangar, B.A., B.L., F.R.S.A.; Park Grove Road, Coimbatore; *No. of Spindles:* Ring 45808, Total 45808; *No. of Looms:* 202.

311. COMMONWEALTH WEAVING FACTORY; Cannanore, Malabar, South India; General Manager in India. F. Ferrelly; The Commonwealth Trust, Ltd. Calicut, Malabar, South India; *No. of Looms: 298.*
312. DHANALAKSHMI MILLS, LTD.; Uttukuli Road, Tirupur; *Agents: N. Nanjappa Chettiar & Sons; Tirupur; No. of Spindles: Ring 20900, Total 20900; No. of Looms: 126.*
313. GHATALAH ELECTRIC WEAVING FACTORY; Bangalore City; *Proprietor: Dr. M. H. P. Ghatalah; Bangalore City; No. of Looms: 12.*
314. JANARDANA MILLS, LTD.; Uppilipalayam, Singanallur Post. Dist. Coimbatore; *Agents: G. V. Naidu & Co.; Mill Premises; No. of Spindles: Ring 11200, Total 11200.*
315. KALEESWARAR MILLS, LTD.; Anupperpalaiyan Coimbatore; *Agent: P. S. Sathappa Chettiar; Coimbatore; No. of Spindles: Ring 25968; No. of Looms: 294.*
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324. PALANI ANDAVAR MILLS, LTD.; Udamalpet, *Agents*: Baghyalakshmi & Co.; *No. of Spindles*: Ring 12000, Total 12000.
325. PANKAJALA MILLS, LTD.; Puliakulam, Coimbatore, South India; *Agents*: D. B. C. S. R. Mudaliar & Sons; Mill Premises, Coimbatore; *No. of Spindles*: Ring 16800, Total 16800.
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328. SITARAM SPINNING & WEAVING MILLS, LTD.; Pushpagiri, Trichur, Cochin State; *Agents*: T. R. Anantharama Iyer & Bros., Ltd.; Pushpagiri, Trichur, Cochin State; *No. of Spindles*: Ring 13460, Total 13460; *No. of Looms*: 362.
329. SREE MEENAKSHI MILLS LTD.; Tirupparamkunram Road, Madura; *Agents*: T. Chetty & Co.; Tirupparamkunram Rd. Madura; *No. of Spindles*: Ring 25600, Total 25600.
330. SREE RAMACHANDRA SPG. & WEAVING MILL; Pandalapaka, East Godavari; *Agents*: K. Bhamireddi & D. Subbireddi; Pandalapaka, East Godavari District; *No. of Spindles*: Ring 7044, Total 7044.
331. SREE SURYANARAYANA SPG. & WVG. MILLS (Redg.); Pandalapaka, East Godavary Dist.; Pandalapaka East Godavary Dist.; *No. of Spindles*: Ring 6176, Total 6176.
332. SRI RAMALINGA CHOODAMBIKA MILLS, LTD.; Tiruppur, Coimbatore Dist.; *Agents*: S. Kulli Chetti & Bros.; Uttukuli Road, Tiruppur; *No. of Spindles*: Ring 10976, Total 10976.
333. SRI RANGAVILAS GIN., SPG. & WEAV. MILLS, LTD.; Peelamedu, Coimbatore; *Managing Agents and Bankers*: P. S. G. Naidu & Sons; Peelamedu, Coimbatore; *No. of Spindles*: Mule 468, Ring 25112, Total 25580.

334. SRI SARADA MILLS, LTD.; Podanur, Coimbatore Dist.,
Agents: V. S. Sengottaiah & Bos.; No. of Spindles: Ring 6000;
Total 6000; No. of Looms: 120.
335. SRI VENKATESA MILLS, LTD. (The); Udumalpet, Coimbatore Dist.; Agents: G. V. Govindaswami Naidu & Co.; Mill Premises.
336. VASANTA MILLS, LTD.; Singanallur, Coimbatore; Agents: R. K. Shanmukham Chetty & Bos.; Singanallur, Coimbatore; No. of Spindles: Ring 15464, Total 15464; No. of Looms: 270.

TRAVANCORE

337. AMRATLAL DAMODERDAS COTTON MILLS (The); Quilon; Agents: Girdharlal Amratlal Ltd.; Quilon (S. I. Railway); No. of Spindles: Ring, 12000, Total 12000; No. of Looms: 300.

MYSORE

338. ALPHA YESVANTPUR SILK & COTTON MILLS; Chickpet, Bangalore City; Agents: N. Callianjee, A. H. Munshi & Co.; Yesvantapur, Bangalore; No. of Looms: 128.
339. BANGALORE WOOLLEN COT. & SILK MILLS CO., LTD., Bangalore City; Agents: Binny & Co. (Madras), Ltd.; No. 1 Agraram Road, Bangalore City; No. of Spindles: Ring 41271, Total 41271; No. of Looms: 1000.
340. KAISER-I-HIND WOOLLEN, COT. & SILK MILLS, LTD. Hebbal, Bangalore; Agents: Pioneer Industrials, Limited; Hebbal Post, Bangalore; No. of Spindles: Mule 3275, Total 3275; No. of Looms: 103.
341. MINERVA MILLS LTD.; Magadi Road, Bangalore City; Agents: N. Sirur & Co.; Temple Bar Buildings, 70, Forbes St., Fort, Bombay; No. of Spindles: Ring 32816, Total 32816; No. of Looms: 440.
342. MYSORE SPINNING & MANUFACTURING CO., LTD.; Venkatranga Iyengar Road, Malleswaram, Bangalore; Agents: N. Sirur & Co.; 70, Forbes St., Fort Bombay; No. of Spindles: Ring 48384, Total 48384; No. of Looms: 500.
343. SRI KRISHNARAJENDRA MILLS, LTD.; Bangalore Road, Mysore; Agents: N. Sirur & Co.; 70, Forbes St., Fort, Bombay; No. of Spindles: Ring 25200, Total 25200.

PONDICHERRY

344. ANGLO-FRENCH TEXTILE CO., LTD., RODIER MILL;
Pondicherry, South India; *Agents & Managers:* Best & Co., Ltd.;
Post Box 63, Madras; *No. of Spindles:* Ring 42944, Total 42944;
No. of Looms: 883.
345. ETABLISSEMENT TEXTILE DE MODELIARPETH, S.A.;
Pondicherry, South India; Pondicherry; *No. of Spindles:* Ring
18900, Total 18900; *No. of Looms:* 210.
346. SAVANA MILL; Pondicherry, South India; Pondicherry; *No. of
Spindles:* Ring 21000; Total 21000; *No. of Looms:* 647.

CEYLON

347. CEYLON SPINNING & WEAVING CO., LTD. (The);
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19844; *No. of Looms:* 552.

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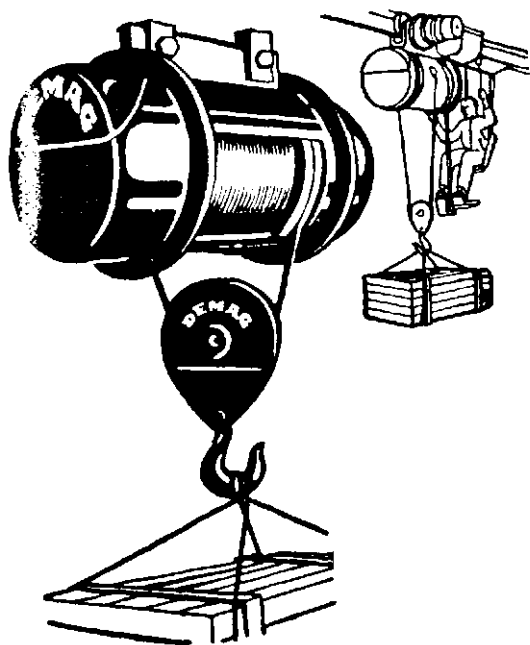
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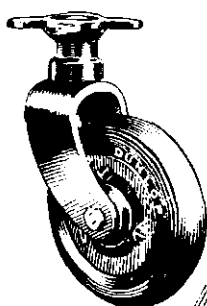
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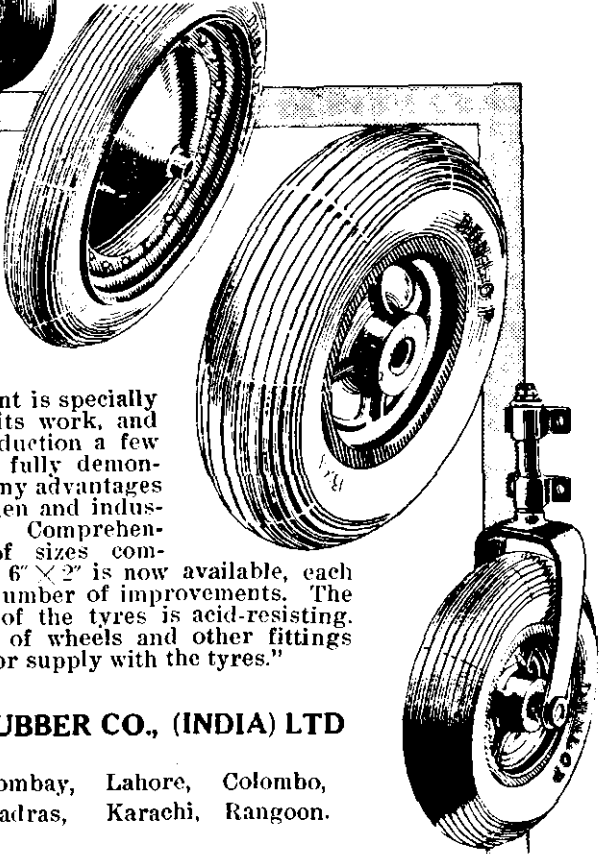
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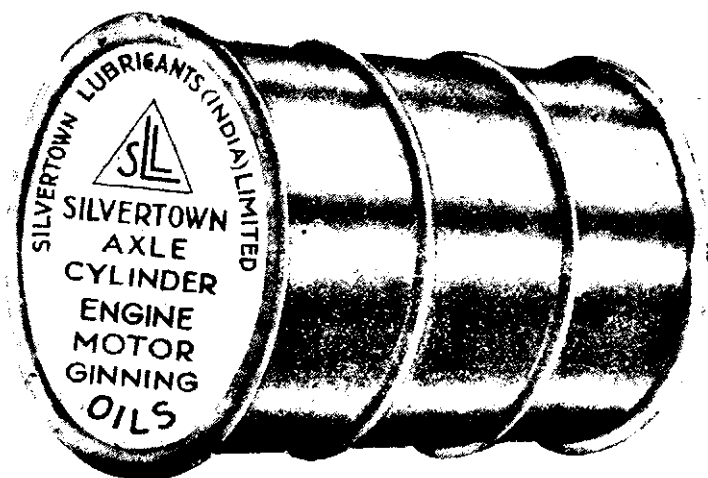
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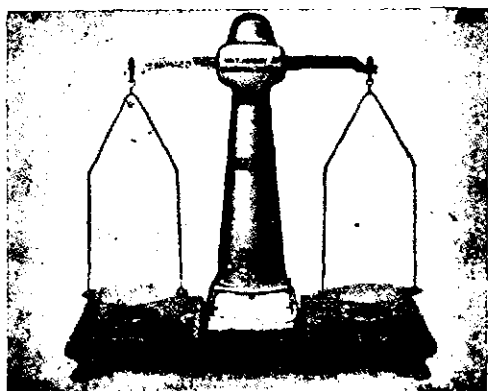
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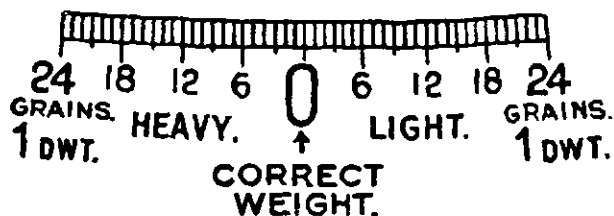


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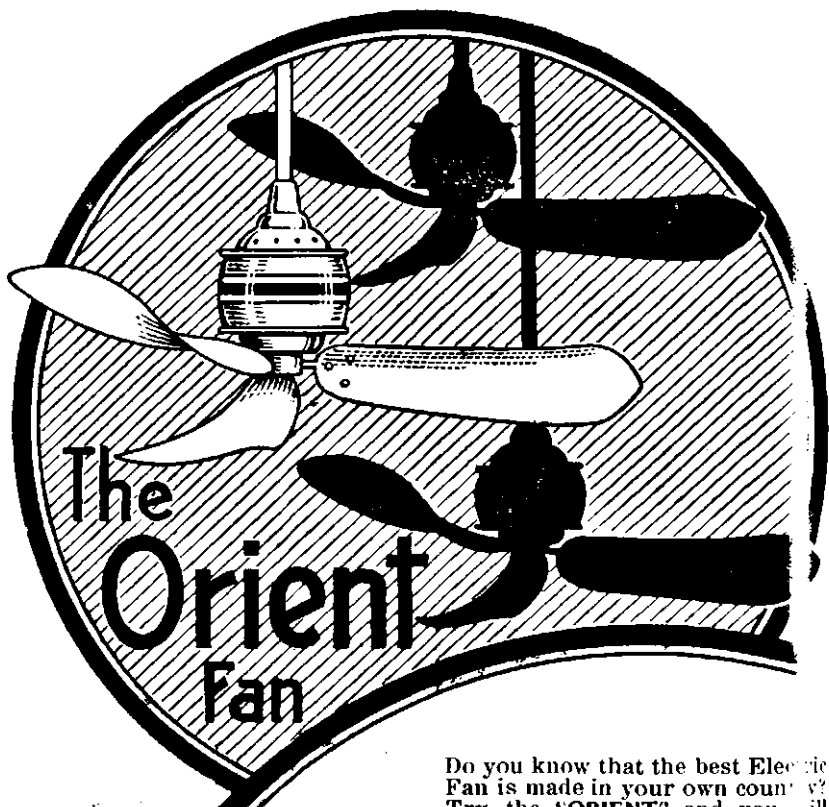
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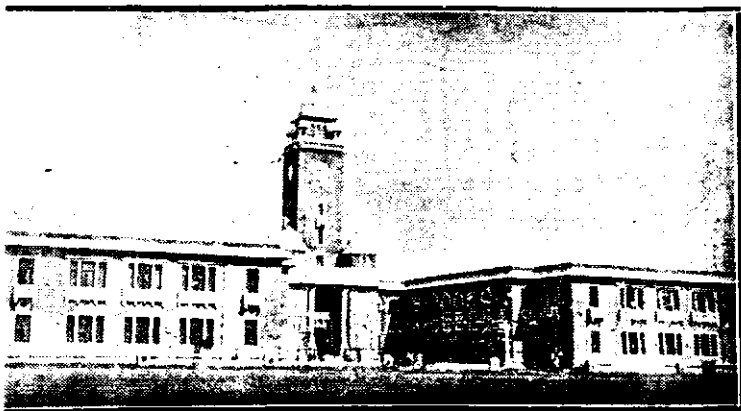
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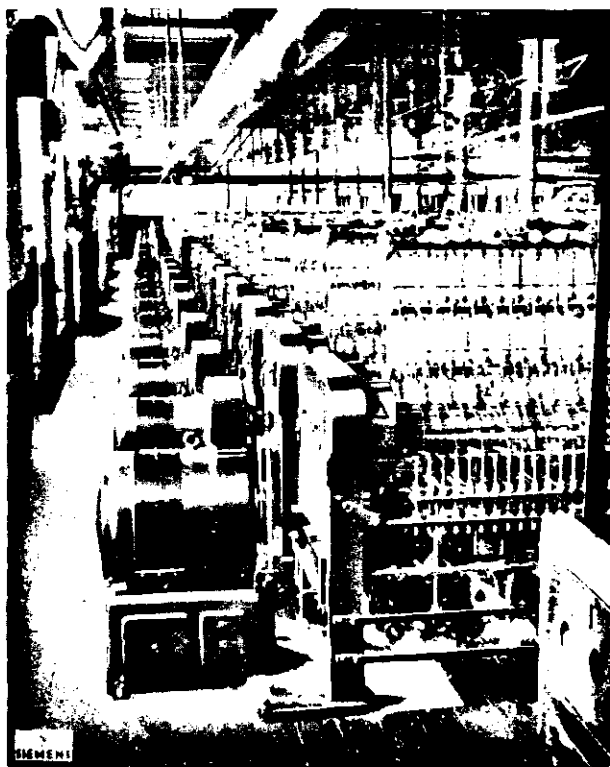
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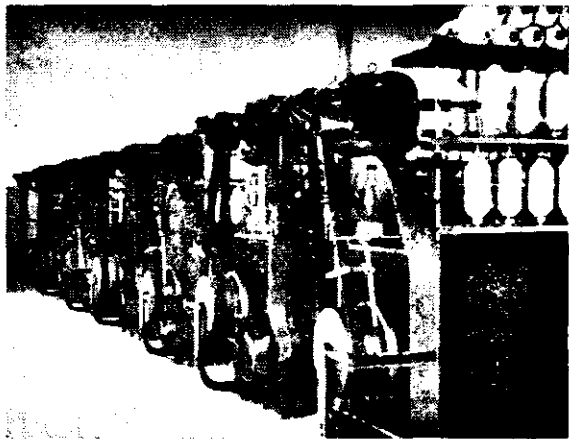
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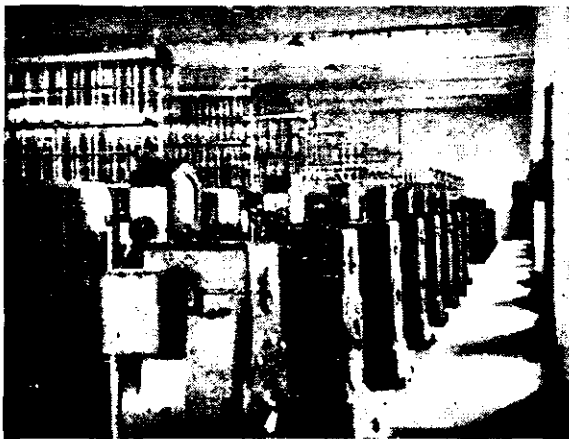
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The "Indian Finance", Calcutta, June, 1937.

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The Millowners' Association, Bombay—Proceedings of the Committee for August, 1937.

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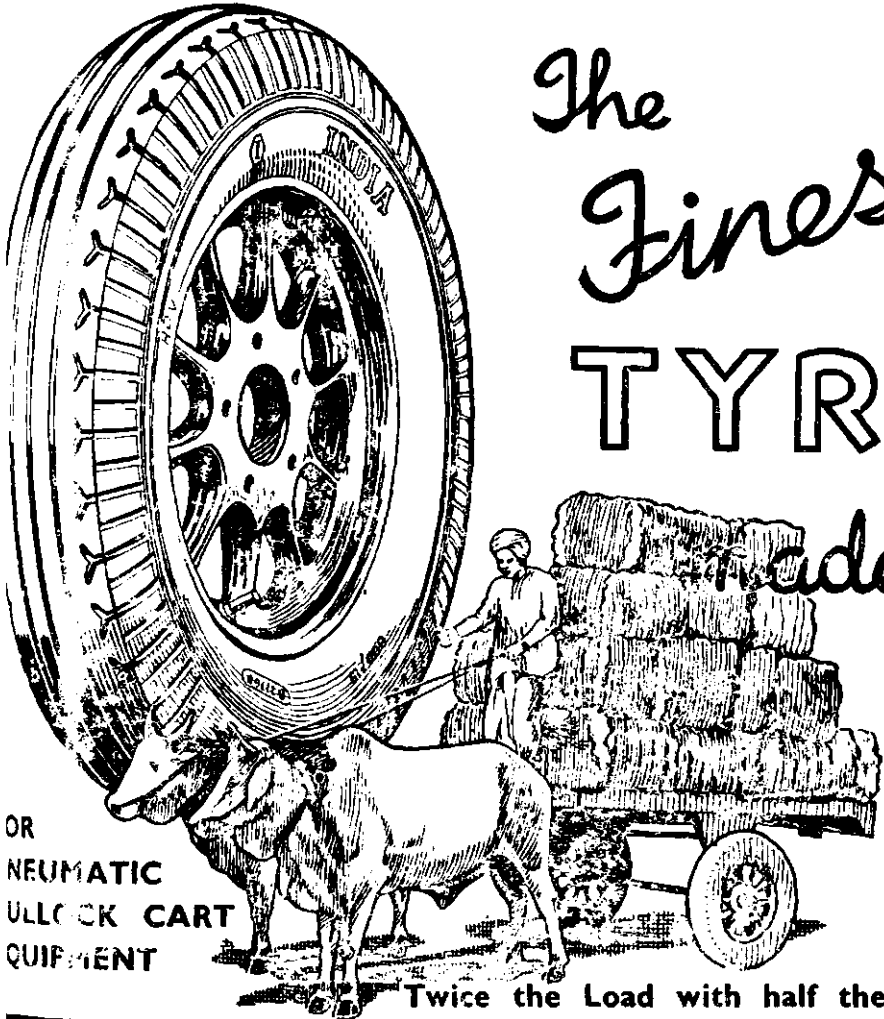
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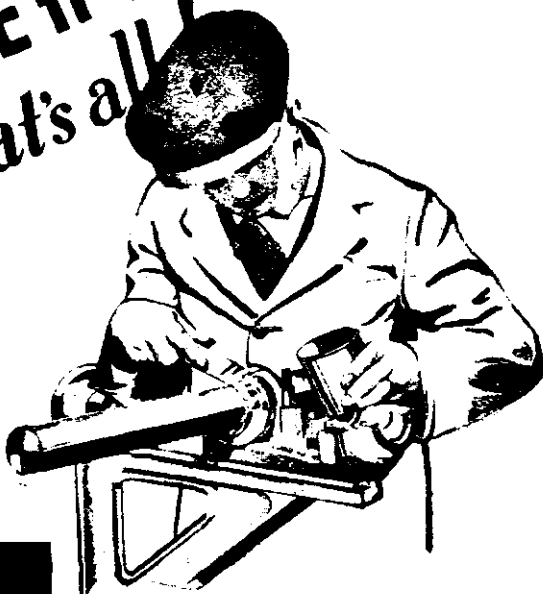
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FOREWORD

By

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It is no exaggeration to say that Mr. M. P. Gandhi's book on the Indian Cotton Textile Industry reads like a piece of romance. It is doubtful if any other industry in any part of the world has passed through so many vicissitudes within a period of two or three centuries as the cotton textile industry of India.

In a booklet which I published in February, 1929, under the title "Boycott of British Goods,"* I wrote about the early history of the Indian Cotton Industry as follows—but further researches made since then, have enabled Mr. Gandhi to add more interesting information:—

"The earliest apparent reference to Bengal cotton goods is in Kautilya's Arthashastra, which speaks of fine cotton goods of Vanga or Eastern Bengal. The stuff called Gangitiki in the Periplus of the Erythraean Sea, an anonymous work of the first century A.D., most probably came from Bengal. Sulaiman, the Arab traveller, who visited India in the ninth century writes of "cotton fabrics made in the kingdom of Rahmi (which has been identified with East Bengal) are so fine and delicate that a dress made of it may pass through a signet ring." In Marco Polo's days (A. D. 1294-95), there were flourishing cotton industries in Bengal and other parts of India. Ralph Fitch, the English traveller, who visited India three centuries later (1583) describes Sonargaon, which is about 13 miles s.e. from Dacca, "As a town.....where there is the best and finest cloth made in All-India."

About the same time, Abul Fazl writes, "The Sarkar of Sonargaon produces a species of muslin very fine and in great quantity." As stated by Prof. J. N. Sarkar, very fine cotton goods were produced at Agra, at Sironj in Malwa, at Broach, Baroda and Navasari in Gujarat. The best, however, were the Dacca muslins, which received such poetic names as ab-i-rawan or running water (because if placed in a stream, it could scarcely be seen), baft-hawa or woven air

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(ii)

(because if thrown in the air, it would float like a cloud) and shalwar or evening dew (because if spread on the grass, it would be taken as evening dew). Such fine products were not only patronised by Imperial and Viceregal courts but also found a ready sale abroad. When Tavernier visited Dacca in 1666, both the Dutch and the English had factories there. The French trade with Dacca began sixty years later. The English first exported Dacca muslins about the year 1666 and by the year 1675 the fashion of wearing these fine stuffs became pretty general in England. There were cheaper varieties available in other parts of Bengal such as Santipur, Hugli and Malah as stated in the Diaries of Streynsham Master (1675-1680).”*

India had a large export trade in cotton from the 18th century to the first 15 years of the 19th century. Mr. Gandhi quotes Millam as writing in 1813 as follows:—

“India exports large quantities of cotton fabrics which are famous for great durability, permanence of the whiteness, delicacy of texture, purity and fastness of colours, grace of design, and, above all, for their cheapness. But this did not last long. In 1815, India after clothing her vast population, exported to England cottons worth £1,300,000.”**

Regarding the position of the Cotton Industry in 1814, Mr. Gandhi tells us that in that year India imported 818,208 yards from Britain and Britain imported 1,266,608 yards from India. After that year, the Indian Cotton Industry gradually went under.

But how were Indian Cottons gradually eliminated from the market? The answer to that furnishes one of the strongest indictments of Britain's treatment of India. It is difficult for a layman to believe the accounts of diabolical measures adopted in Britain for killing India's Export Trade in cottons, unless one is faced with irrefutable documentary evidence furnished by Britishers themselves. Suffice it to say here that the full power of the state, through taxation as well as legislation, was utilised for forcibly excluding India from the British textile market.

But there is such a thing as historic justice. We accordingly find nemesis slowly but surely overtaking Britain in the following period.

*Page 1, "Boycott of British Goods."

**Page 44, "Indian Cotton Textile Industry" (1937 Edition).

The first cotton mill in India was established in 1818 at Fort Gloster near Calcutta with British capital. But the real development of the Indian mill industry began with the floating of the Bombay Spinning and Weaving Mill in 1851 which commenced work in 1856 under the management of Mr. Cowasji Manabhoy Davar. The foundation of the textile industry at Ahmedabad was laid by the Ahmedabad Spinning and Weaving mill in 1859 under the management of Mr. Ranchhodlal Chhotalal.

All these facts and much more one will get from Mr. M. P. Gandhi's book. Above all, the reader will be profoundly impressed at the phenomenal rise of the Indian Cotton Textile Industry since its birth in the fifties of the last century. If ever a romance has been woven out of dry figures, it has been in this book. And what does he say about the present position?

During the year 1937-38, foreign imports of Cotton piece-goods in India reached the figures 590 millions of yards, valued at 11 crores of rupees as compared with 16 crores in 1935-36 and 13 crores in 1936-37. Further, for the year 1936-37, out of a total consumption of 575 crore yards of piecegoods, Indian mill production accounted for 347, handloom production for 149 and foreign imports for 79 crore yards. Roughly speaking, Indian mills produced 61 per cent of India's requirements and handlooms 26 per cent. Thus imported piecegoods approximated 13 per cent only.

During the last few years the progress of the Indian mill industry has been maintained and has even been accelerated. We may therefore visualise the future with hope and confidence. There is no doubt that within a decade or two India will be completely self-sufficient in the matter of her requirements in cotton textile goods.

The author has added to the attractiveness of the book by dealing with the *Khaddar* industry, the Indo-British trade negotiations and last but not least, the problems of labour in the textile mills which the Congress Ministries in the different Provinces are busy tackling at the present moment.

In conclusion, I may say that Mr. M. P. Gandhi has done his country-men a great service by bringing out the 1938 edition of his book on the Indian Cotton Textile Industry. This Industry is going to be one of India's key industries and a perusal of this book is neces-

sary for all those who are interested in the economic and political betterment of India. What I like most in Mr. Gandhi's book is the lesson it teaches us, viz., that there is a glorious future in store for India's cotton textile industry and I trust that the day is not far off when India will start exporting cotton goods on a large scale once again.

Subhas Chandra Bose.

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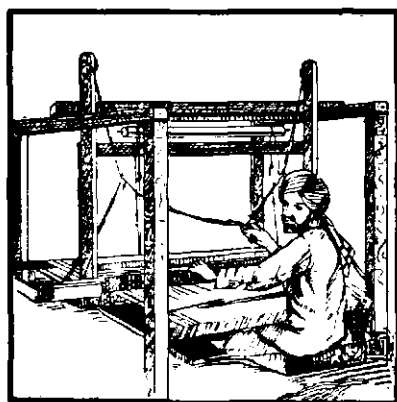
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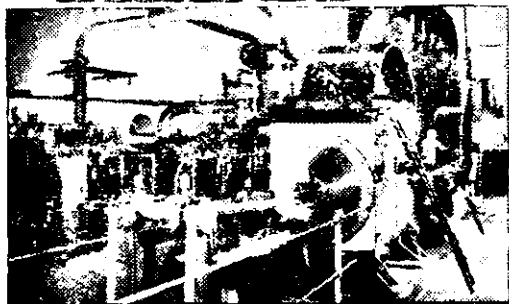
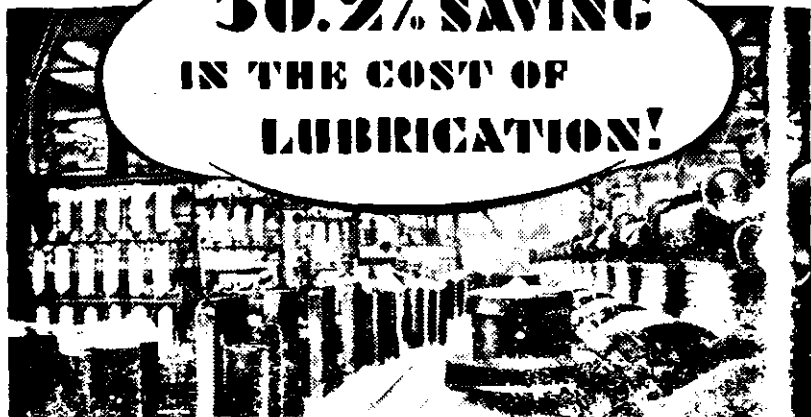
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AUTHOR'S PREFACE

A noteworthy feature affecting the Indian Cotton Textile Industry since the assumption of office by the Indian National Congress in the various provinces has been the clearly noticeable tendency for improving the conditions and the welfare of the industrial workers and for a forward social policy. The Indian National Congress envisaged in its election manifesto a policy and a programme in respect of the industrial workers which constitute an undertaking to "secure to them a decent standard of living, hours of work and conditions of labour in conformity, as far as the economic conditions in the country permit, with international standards, suitable machinery for settlement of disputes between employers and workmen, protection against the economic consequences of old age, sickness and unemployment, and the right of workers to form unions and to strike for the protection of their interests."

Accordingly, the various Governments accepted it as their duty to endeavour to work out this programme using all the means at their disposal. In a Resolution dated 17th August 1937, the Bombay Government outlined their policy in respect of the industrial workers. It stated that it is an acknowledged obligation of the Government to secure working and living conditions which are favourable to the worker's physical and moral health, and to ensure for him opportunities for the advancement of his status, and a full measure of freedom of action consistently with his obligations to industry and society. It also observed that the pace at which the programme to achieve these ends can be prosecuted, would depend upon the various factors, foremost among them being the co-operation of the working classes and of the employers, the state of the industries concerned and economic conditions generally.

With a view to implement this promise, several Provincial Governments appointed Labour Enquiry Committees, during the year. Labour has also become vocal, and has pressed its various demands for improving the working conditions and wages emphatically, feeling sure of the support of the Governments in this step. There has also been a widespread demand for standardisation of wages, for fixation of minimum wages etc.

At such a juncture, it is indeed politic for the employers to abandon their rigid attitude towards labour which is out of date and has no

reference to existing conditions. The employers ought to realise that if dislocation in the industry is to be avoided, if smooth working conditions are to be ensured, and if wholehearted co-operation from the working classes is to be obtained, problems regarding wages and other conditions of labour have to be tackled with a wider outlook and greater sympathy.

We feel that a stage has now arrived when, if the capitalistic system is to continue, the employers should show greater wisdom and reconcile themselves to the notion that employees are also producers of wealth, that they have a definite place in the industrial system, and that they are entitled to an equitable share in the fruits of industrial and commercial activity. The employers have indeed to shake off their belief that the low wages of former years can be continued without breeding discontent in the minds of labour. For maintenance of industrial prosperity, goodwill among the capital and labour is *absolutely* essential, and this could be greatly facilitated if the employers would broaden their outlook and deal with labour problems with greater consideration than they did heretofore. If such a welcome change in their attitude is witnessed, strikes which prove ruinous both to capital and labour can be eliminated. Labour at the same time has to see that it does not pitch its demand at once inordinately high, for if the burden on the industry becomes too great, there can be no consistent improvement in the conditions of labour and wages. A genuine and a lasting improvement in conditions of workers can only be kept up if an industry is prospering, and is able to stand it. If the pace of the progress is made too fast, without a full consideration of the effects, the end might be defeated. With reason and moderation, steady and sure progress can be achieved in improving the condition of workmen, without affecting industries adversely.

In bringing capital and labour together, the various Provincial Governments should also evolve a uniform and co-ordinated labour policy and should exert their wholesome influence for maintenance of satisfactory relations between capital and labour, with a view to promote the welfare of both, create conditions which would be equitable and fair to both sides, and which would pave the way for industrial prosperity and improve the outlook for the industries in this country. By the adoption of an impartial, unbiassed, and judicious attitude, the various Provincial Governments will make their influence best felt both on capital and labour, and thus achieve their end also better.

The encouragement and appreciation that the 1937 Indian Cotton Textile Industry Annual received from the public, the Press, and the Industry has induced me to continue the publication of this Annual. I had hoped to be able to publish this Annual by February-March 1938 but the trend of events in respect of the Industry during the year have made it impossible for me to publish it earlier than June. Firstly, the Indo-British Trade negotiations were being conducted till the month of May, 1938, at Simla. Secondly, the Industry was faced with serious labour troubles towards the end of 1937 and the beginning of 1938. Labour Inquiry Committees were appointed in Bombay, U.P., C.P., Madras and Bihar. The reports of the first three of these Committees were not published till late in April 1938. Statistics about the imports, exports and production of yarn and piecegoods for the year 1937-38 were also not available till the end of May. Due to these and other considerations, I felt that it would be better to delay the publication of the book till the month of June when something more definite could be stated both in respect of the Indo-British Trade negotiations conducted at Simla, as also of the labour troubles facing the industry. Next year, I hope to bring out this Annual in May-June.

I am thankful to Mr. R. D. Mihra, Publicity Officer of the Indian Central Cotton Committee, Bombay, Mr. T. Maloney, Secretary of the Bombay Millowners Association, Mr. B. L. Umarvada, Secretary, Ahmedabad Millowners Association and Mr. J. N. Ghosh, Deputy Director of Commercial Intelligence and Statistics, Calcutta, for the help they have given me in bringing up-to-date various matters pertaining to the Indian Cotton Textile Industry.

I am also grateful to Shriyut Subhas Chandra Bose for having agreed to write a Foreword to this publication, in the midst of his multifarious engagements and duties as the President of the Indian National Congress.

30, Puddupukur Road,
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The Indian Cotton Textile Industry

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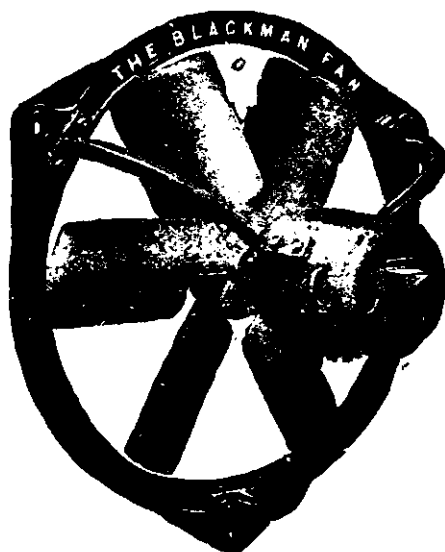
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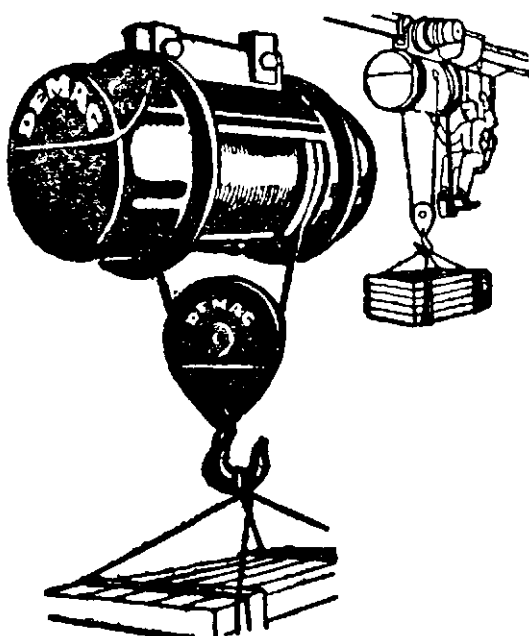
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BY

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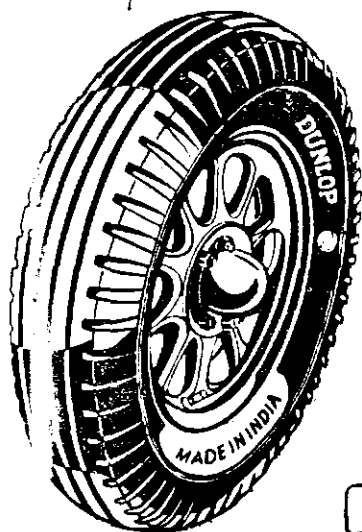
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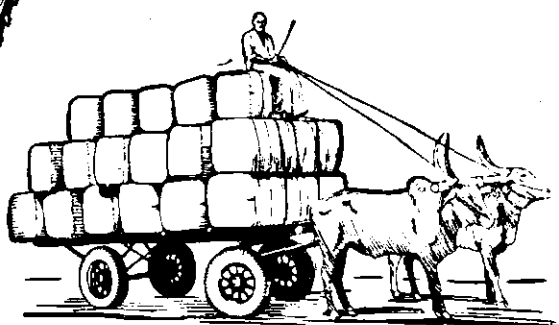
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"The Cotton Industry at a Glance"

TABLE NO. 1.

Progress of Cotton Mills in India from 1932 to 1937.

Year ending 31st August	Number of Mills	Number of Spindles installed	Number of Looms installed	Average No. of hands employed	Approximate quantity of cotton consumed (bales of 592 lbs)
		(Figures in thousands)			
1932	339	9,506	1,86	4,03	2,911
1933	344	9,581	1,89	4,00	2,837
1934	352	9,613	1,94	3,85	2,704
1935	365	9,685	1,99	4,15	3,123
1936	379	9,857	2,00	4,18	3,110
1937 (a)	370	9,731	1,98	4,17	3,147

(a) Excludes Burma.

TABLE NO. 2.

Indian Cotton Crop Forecast

Season	Area in thousands of acres	Estimated Yield in thousands of bales of 400 lbs each
1932—33	22,483	4,657
1933—34	24,137	5,108
1934—35	23,972	4,857
1935—36	25,999	5,933
1936—37	25,219	6,307
1937—38	25,334	5,407

TABLE NO. 3.

Statement of American & Egyptian (Estimated) Cotton Crops (000's omitted)

Season	American		Egyptian	
	Acreage (harvested)	Bales equivalent (500 lbs weight)	Acreage in Feddans (1 Fed.= 1.638 acres)	Kantras (Kantra= 99.049 lbs)
1931—32	38,704	17,096	1,683	6,563
1932—33	35,891	13,002	1,094	5,050
1933—34	29,383	13,047	1,804	8,438
1934—35	26,866	9,637	1,732	7,540
1935—36	27,335	10,638	1,669	8,100
1936—37	30,028	12,399	1,716	9,231
1937—38	33,930	18,746	1,978	10,796

TABLE NO. 4.

Imports of Raw Cotton into India.

Year	From U. S. A.		From Egypt		From Kenya		Total	
	Quan- tity	Value in 000's	Quan- tity	Value in 000's	Quan- tity	Value in 000's	Quan- tity	Value in 000's
	Tons	Rs.	Tons	Rs.	Tons	Rs.	Tons	Rs.
1932-33	45,791	38,458	6,447	6,625	20,694	17,766	84,758	72,573
1933-34	8,126	6,398	6,038	5,331	24,188	20,226	42,896	35,570
1934-35	1,633	1,601	16,911	15,479	32,725	27,658	60,564	52,838
1935-36	10,437	9,083	15,484	14,094	36,641	31,295	76,487	67,385
1936-37	927	824	13,546	18,393	35,925	30,618	61,985	53,465
1937-38	29,198	22,129	28,347	23,319	47,710	42,367	134,414	121,332

TABLE NO. 5.

Exports of Indian Raw Cotton to Other Countries.

Year	U. K.		Japan		Total	
	Quantity	Value in 000's	Quantity	Value in 000's	Quantity	Value in 000's
	Tons	Rs.	Tons	Rs.	Tons	Rs.
1932-33	29,434	16,084	193,686	1,11,231	364,852	2,03,721
1933-34	61,047	33,741	197,414	1,13,761	503,720	2,75,274
1934-35	61,955	34,193	366,811	2,15,320	623,276	3,49,534
1935-36	81,454	45,147	314,187	1,79,431	606,546	3,37,705
1936-37	1,14,147	65,350	433,223	2,54,117	762,133	4,44,098
1937-38(a)	70,554	42,756	242,695	1,47,838	487,784	2,90,308

(a) Excludes Burma.

TABLE NO. 6.

Yearly Mill Consumption of Cotton in India by Varieties

[All figures in 000's of bales]
of 400 lb. each

Year ending	Indian	American	Egyptian	Sundries	Total
31st July, 1932	2,296	190	63	151	2,700
" " 1933	2,268	135	35	197	2,635
" " 1934	2,229	40	42	203	2,514
" " 1935	2,559	67	64	240	2,930
" " 1936	2,617	70	54	271	3,012
" " 1937	2,545	18	56	335	2,954

TABLE NO. 7.

Consumption of Indian Cotton in the various Provinces of British India and Indian States.

(Based on returns made under the Indian Cotton Cess Act).

(Figures in bales of 400 lbs.)

BRITISH INDIA	1932-33	1933-34	1934-35	1935-36	1936-37
Bombay Island ...	570,501	530,352	604,618	666,409	613,180
Ahmedabad ...	335,640	353,090	378,458	304,665	301,595
Bombay Presidency ...	1,104,738	1,078,344	1,201,309	1,177,273	1,109,364
Madras Presidency ...	269,430	273,852	296,330	339,499	398,537
United Provinces ...	265,538	269,542	289,061	307,493	316,833
C. P. & Berar ...	118,517	108,298	121,300	122,900	124,051
Bengal ...	107,376	102,960	105,989	99,774	86,448
Punjab and Delhi ...	88,852	71,835	78,137	87,832	93,673
Rest of British India ...	31,736	33,011	36,661	41,090	35,377
Total of British India ...	2,006,187	1,937,812	2,128,787	2,175,861	2,164,280
Total of Indian States	372,828	352,088	424,653	433,517	447,860
Total for India	2,379,015	2,289,900	2,553,440	2,609,378	2,612,140

TABLE NO. 8.

Imports of Cotton Twist and Yarn into India.

(000's omitted)

YEAR	U. K.		Japan		Total	
	Quantity lbs.	Value Rs.	Quantity lbs.	Value Rs.	Quantity lbs.	Value Rs.
1932-33	13,357	13,180	18,149	16,071	45,103	37,882
1933-34	9,952	9,578	11,684	9,567	32,055	25,750
1934-35	9,792	10,050	11,339	11,595	34,022	30,986
1935-36	9,767	9,745	21,307	17,921	44,570	37,119
1936-37	7,662	7,887	15,830	13,742	28,520	25,487
1937-38*	6,632	7,763	14,643	16,824	21,998	25,073

*(Excludes Burma)

TABLE NO. 9.

Imports of Cotton Manufactures into India.

(000's omitted)

YEAR	U. K.		Japan		Total	
	Quantity Yds.	Value Rs.	Quantity Yds.	Value Rs.	Quantity Yds.	Value Rs.
1932-33	597,119	1,20,966	579,735	78,539	1,225,279	2,12,591
1933-34	425,833	87,465	349,041	44,313	795,763	1,34,917
1934-35	552,394	1,11,440	373,774	51,958	943,714	1,69,289
1935-36	439,676	90,055	495,738	63,526	946,729	1,57,796
1936-37	334,165	73,077	416,947	55,996	763,985	1,33,672
1937-38*	264,606	64,207	306,202	45,935	590,950	1,16,966

*Excludes Burma.

TABLE NO. 10.

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

(000's omitted)

Year	Twist and Yarn		Piecegoods	
	Quantity lbs.	Value Rs.	Quantity Yds.	Value Rs.
1932—33	15,108	7,865	66,442	20,861
1933—34	16,388	8,172	56,461	16,630
1934—35	12,789	6,272	57,693	17,670
1935—36	9,668	4,694	71,250	20,295
1936—37	12,137	5,862	101,636	26,328
1937—38	40,124	20,253	241,255	65,032

TABLE NO. 11.

Quantity of Yarn Spun and Woven Goods Manufactured in Indian Mills.

(000's omitted)

Year	Yarn	Piecegoods
	lbs.	Yds.
1932—33	1,016,422	3,169,899
1933—34	921,061	2,945,052
1934—35	1,001,420	3,397,456
1935—36	1,059,117	3,571,371
1936—37	1,054,117	3,571,987
1937—38	856,900	3,030,000

(Nine months)

TABLE NO. 12.

Consumption per capita of Cotton piecegoods (including fents) and handloom products in India

Year	Net imports	Net available Mill production	Estimated Handloom production	Net available for consumption	Per Capita consumption Yds.
(All figures in crores of yards)					
1931—32	76	288	150	514	14.28
1932—33	120	311	170	601	16.70
1933—34	77	289	144	510	14.17
1934—35	97	334	146	577	15.60
1935—36	97	350	166	613	16.57
1936—37	79	347	149	575	15.54

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TABLE NO. 13.

Protective Duties realised from imports of Cotton Yarn and Piecegoods in India.

((000's omitted))

Year	Cotton yarn and thread	Cotton fabrics of British manufacture	Cotton fabrics not of British manufacture
	Rs.	Rs.	Rs.
1931—32	37,22	1,80,16	1,90,72
1932—33	54,87	3,00,49	3,52,16
1933—34	40,17	2,10,42	2,50,44
1934—35	32,58	2,87,26	2,58,38
1935—36	40,82	2,24,69	3,30,24
1936—37	24,46	1,67,48	2,94,64
1937—38	20,26	1,31,00	2,49,00

TABLE NO. 14.

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

YARN

<i>Sp. counts</i>	<i>Date</i>	<i>Tariff Rates.</i>
From 10th March, 1894 to 26th Decr. 1894		Free
.. 27th Decr., 1894 to 2nd Feby., 1896	... 5	p.c. <i>ad valorem</i> .
.. 3rd Feby., 1896 to 28th Feby., 1922		Free
.. 1st March, 1922 to 21st Septr., 1927	... 5	p.c. <i>ad valorem</i> .
.. 22nd Septr., 1927 to 29th Septr., 1931	... 5	p.c. <i>ad valorem</i> or 1½ as. per lb. whichever is higher.
.. 30 Septr., 1931 to 30th April, 1934	... 6¼	p.c. <i>ad valorem</i> or 1⅞ as. per lb. whichever is higher.

* An excise duty was imposed on cotton piecegoods woven in Indian mills at the rate of 3½ per cent. *ad valorem* from 1896. This excise duty was suspended in December, 1925, and abolished in 1926.

From 1st May, 1934:—(Effective up to 31st March, 1939).

Counts upto 50s—

(i) British Manufacture:— ... 5 p.c. *ad valorem*
or 1¼ as. per
lb. whichever
is higher.

(ii) Not of British Manufacture:— ... 6¼ p.c. *ad valorem*
or 1⅞ as. per
lb. whichever
is higher.

Counts above 50s—

(i) British Manufacture:— ... 5 p.c. *ad valorem*

(ii) Not of British Manufacture:— ... 6¼ p.c. *ad valorem*

COTTON PIECEGOODS.

<i>Date.</i>	<i>Tariff Rates.</i>
From 10th March to 26th December, 1894	Free
„ 27th December, 1894 to 2nd February, 1896	5 p.c. <i>ad valorem</i> .
„ 3rd Febry., 1896 to 6th March, 1917 ...	3½ p.c. „ „
„ 7th March, 1917 to 28th Febry., 1921 ...	7½ p.c. „ „
„ 1st March, 1921 to 3rd April, 1930 ...	11 p.c. „ „

Changed classification. (From 4th April, 1930).

(Effective up to 31st March, 1939).

DATE	PLAIN GREY				OTHERS	
	British		Foreign		British	Foreign
	<i>Ad valorem</i> %	As. per lb.	<i>Ad valorem</i> %	As. per lb.	<i>Ad valorem</i> %	<i>Ad valorem</i>
	(whichever is higher)		(whichever is higher)			
4th April 1930	15	or 3½	20	or 3½	15	20
1st March 1931	20	or 3½	25	or 3½	20	25
30th Sept 1931	25	or 4½	31½	or 4½	25	31½
30th Aug. 1932	25	or 4½	50	or 5½	25	50
7th June 1933	25	or 4½	75	or 6½	25	75
8th Jan. 1934	25	or 4½	50	or 5½	25	50
1st May 1934	25	or 4½	50	or 5½	25	50

PRESENT POSITION.

*Government of India Notification:—No. 341-T(10)36 dated
25th June, 1936.

Cotton fabrics, not otherwise specified, containing more than 90 per cent. of Cotton:—

(i) grey piecegoods (excluding bordered grey chadars, dhuties, saris and scarves):—

Of British Manufacture	...	20	p.c. <i>ad valorem</i> or 3½ as. per lb. whichever is higher.
------------------------	-----	----	---

Not of British Manufacture	...	50	p.c. <i>ad valorem</i> or 5¼ as. per lb. whichever is higher.
----------------------------	-----	----	---

(ii) Cotton piecegoods and fabrics not otherwise specified:—

Of British manufacture	...	20	p.c. <i>ad valorem</i> .
Not of British manufacture	...	50	p.c. „ „

* In accordance with the recommendations of the Special Tariff Board Report, 1936.

*Government of India Commerce Department Notification:—
Dated 1st April, 1937.

(1) In exercise of the power conferred by section 19 of the Sea Customs Act, 1878 (VIII of 1878), the Governor-General in Council is pleased to prohibit the bringing into British India by Sea or by land of goods liable to duty under item No. 49 (1) (b) of the First Schedule to the Indian Tariff Act, 1934 (XXXII of 1934), and

(2) In exercise of the powers conferred by sub-section (1) of section 4 of the Indian Tariff Act, 1934 (XXXII of 1934), the Governor-General in Council is pleased to increase the duty chargeable under the First Schedule to the said Act on the articles specified in the annexed table to the extent set forth therein.

Article, with number of entry in the First Schedule under which chargeable.	Present rate of duty chargeable under the Indian Tariff Act. (up to the 31st March 1937).	Increased rate of duty with effect from 1st April, 1937.
1	2	3
48(1) Fabrics, not otherwise specified, containing more than 90 per cent. of artificial silk— (b) not of British manufacture.	50 per cent <i>ad valorem</i> or 4 annas per sq. yard, whichever is higher.	50 per cent <i>ad valorem</i> or 5 annas per sq. yard, whichever is higher.
48(5) Fabrics, not otherwise specified, containing not more than 10 per cent. silk but more than 10 per cent. and not more than 90 per cent. artificial silk. (a) containing 50 per cent. or more cotton— (ii) not of British manufacture.	50 per cent <i>ad valorem</i> or 3¼ annas per sq. yard whichever is higher.	50 per cent <i>ad valorem</i> or 4 annas per sq. yard, whichever is higher.
(b) containing no cotton or containing less than 50 per cent. cotton— (ii) not of British manufacture.	50 per cent <i>ad valorem</i> or 4 annas per sq. yard, whichever is higher.	50 per cent <i>ad valorem</i> or 5 annas per sq. yard, whichever is higher.

The first notification prohibits the import into India of fents made of silk or artificial silk or silk or artificial silk mixtures, while the second raises the level of duties payable on perfect artificial silk piecegoods and on artificial silk mixture goods imported from foreign countries.

By Notification No. 30—Customs, dated the 1st May, 1937, the Government of India, in the Finance Department, (Central Revenues) prohibited the bringing into British India of imports of fents liable to duty under item 49 (1) (a) of the first schedule, which were manufactured in Japan and were shipped from Japan on or after 1st April, 1937, unless they are covered by a certificate issued by or on behalf of



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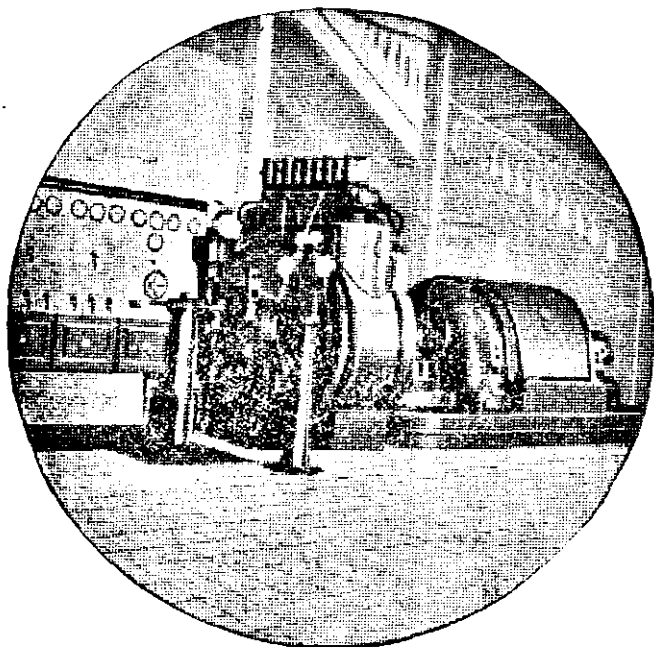
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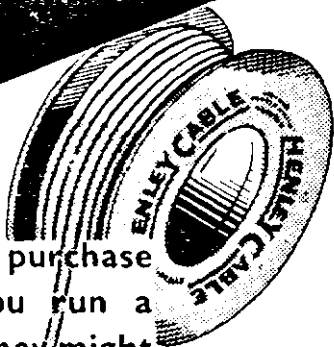


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Text of Indo-Japanese Protocol of 1937
(Effective till 31st March, 1940)

Indo-Japanese Protocol of 1934 and 1937

After prolonged negotiations between the Government of India and the representatives from the Government of Japan, the draft Protocol was signed at Simla on the 12th April, 1937. It is to remain in force till 31st March, 1940. In the main, the terms of the new Protocol are substantially similar to those of the expiring Protocol. A comparison is made in the following table of the figures of import quota of Japanese piecegoods and the export quota of Indian raw cotton to Japan, according to the 1934, and the 1937 Protocols:—

	1934	1937
	Protocol (Including Burma)	Protocol (Excluding Burma)
The basic quota of Japanese Cotton piecegoods to be exported to India in the piecegoods year (viz., April to March) shall be ...	(Yds.) 325,000,000	(Yds.) 283,000,000
and it shall be linked with ...	(Bales) 1,000,000	(Bales) 1,000,000
of Indian raw cotton exported to Japan in the corresponding cotton year (viz., January to December).		
2. In case the export of Indian raw cotton to Japan in any cotton year should exceed 1,000,000 bales, the quota of Japanese cotton piecegoods for the corresponding piecegoods year shall be determined by increasing the above basic quota at the rate of 1,500,000 yards to every additional 10,000 bales, provided that quota should in no case exceed ...	(Yds.) 400,000,000	(Yds.) 358,000,000
3. The piecegoods year shall be divided into two half-yearly periods the first half-yearly period running from the 1st April to 30th September and the second half-yearly period from the 1st		

October to 31st March of the following year, the quota for the first half-yearly period shall be ...	(Yds.) 200,000,000	(Yds.) 179,000,000
and a transfer from the quota for the first half-yearly period to the quota for the second half-yearly period shall be permitted up to a maximum of ...	20,000,000 1934	25,000,000 1937
	Protocol (Including Burma)	Protocol (Excluding Burma)
4. The quota of cotton piecegoods shall be classified into the following categories in conformity with the following percentages:—		
plain greys ...	45 per cent.	
Coloured and others ...	34 per cent.	
This category is divided in the following manner under the new Agreement:—		
Plain greys ...		40 per cent.
Bordered greys ...		13 "
Bleached (white) goods ...		10 "
Printed goods ...		20 "
Other Coloured (dyed or woven) goods ...		17 "
5. The 1937 Agreement also stipulates that the quota is exclusive of cotton fents, i.e., <i>bona fide</i> remnants not exceeding four yards in length, and that the quantity of cotton fents imported from Japan into India in any cotton piecegoods year shall not exceed 8.95 million yards, the Government of India agreeing that customs duties on cotton fents shall not exceed 35 per cent. <i>ad valorem</i> .		

For various other tables, refer to the following pages.

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THE Indian Cotton Textile Industry— (1938 Annual)

(A Review of the Industry in India, 1937-38)

Introductory

It will be very useful for a proper understanding and appreciation of the condition and prospects of the Cotton Textile Industry—the largest and most typical Indian industry—during the year 1937-38 and of its place in the National Economy of India, if we begin with a brief resume of the vicissitudes of the cotton mill industry in India from the date of its establishment.*

Cotton Mills in Pre-War Period.

As early as 1818, the first Cotton mill was established at Fort Gloster near Calcutta, but the real development of the cotton mills on the modern joint stock basis dates in this country from 1857 when the Bombay Spinning and Weaving Mill was established at Bombay. This was followed by other mills in Bombay and Ahmedabad. These mills declared such large dividends that more and more capital and enterprise were drawn to the industry, and towards the end of the last century, we had no less than 156 mills with a total nominal capital of Rs. 14,19,50,000 and equipped with a total complement of 36,600 looms and 4,046,100 spindles. The Swadeshi movement of 1906-10 gave a great impetus to the development of the cotton mill industry in this country, and by 1914, the number had increased to 239 with a total nominal capital of Rs. 20,00,14,000 in rupee stock and £200,000 in sterling stock, and equipped with a total complement of 90,268 looms and 6,208,758 spindles.

*For a detailed history, vide *The Indian Cotton Textile Industry—1937 Annual*.

Position During the Great War

On the eve of the Great War, India was recognised as the fourth greatest cotton manufacturing country of the world. Restriction of imports from the belligerent countries enabled the industry to make much headway during the war period, and for a time the industry experienced unprecedented prosperity, so much so that round about the closing years of the war the industry earned average profits of about 30 per cent.

Abolition of Excise Duty in 1926

But troubles were brewing ahead for the industry. The menace of foreign competition witnessed immediately after the Great War caused such a slump in the industry that it had to seek assistance from the Government. The assistance given in 1925 by suspension after considerable agitation by the Millowners, of the excise duty of 4½ per cent. *ad valorem* on all goods manufactured in Indian mills, from 1st October, 1925 and its total abolition in 1926 did not prove adequate.* The Japanese were determined to make a bid for the Indian market, and so they reduced the prices of Japanese goods to the level of reduction effected in the price of Indian goods by the abolition of the excise duty. The Industry had therefore to seek help again from the Government.

The First Tariff Board

In compliance with the representations of the Industry, the Government of India appointed the first Textile Tariff Board with Mr. (now Sir) Frank Noyce as Chairman, in June, 1926. Its terms of reference were as follows:

1. To investigate the condition of the cotton textile industry in India, with special reference to the industry in Bombay and Ahmedabad;
2. To examine the causes of the depression in the industry and to report whether they are of a temporary or permanent character;
3. In particular, to consider whether, and if so, to what extent, the depression is due to the competition of other countries in the home and export trade;

*For a detailed history of the excise duty, its effects and the agitation for its abolition, see pages 70, 71, 108, 109 etc. of *The Indian Cotton Textile Industry—1937 Annual*.

4. To report whether, having regard (i) to the fact that the industry has long been firmly established in India, and (ii) to the interests of the consumer and to all other interests affected—
 - (a) the industry is in need of protection, and
 - (b) if so, in what form and for what period, protection should be given; and
5. To make any recommendations that are germane to the subject.

The Board recommended a general increase in import duty as a measure of protection to the Industry, but the Government having deemed that there was no case for same, took no action on the matter. This resulted in a country-wide agitation. Meanwhile, the Japanese competition became keener and keener. And at last to satisfy public opinion on the subject, the Government of India in August, 1927 decided to levy a specific duty of $1\frac{1}{2}$ annas per lb. on all imported yarn, unless the value was in excess of Rs. 1-14 in which case the duty was fixed at 5 per cent. *ad valorem*. This arrangement was to remain in force till 31st March, 1930.

Revised Duties on Piecegoods

An increase in duty on yarn only, helped the industry to some extent. But as a measure of full relief it was of little help as the Japanese competition was day by day becoming much more fiercer. So the Industry again represented to the Government for help, and in July, 1929, Mr. G. S. Hardy, I.C.S., was appointed to examine the possibility of substituting the system of specific duties in place of the *ad valorem* assessment of cotton piecegoods. He was also asked to investigate, among other things, "what changes have taken place since the Tariff Board reported, in the volume of imports, classes of goods imported and the extent and severity of external competition with the products of the Indian mills."

After the publication of his report, several conferences took place between the Government of India and the representatives of the textile industry, and as a sequel to all this, the revenue duty on piecegoods was raised from 11 to 15 per cent. *ad valorem* in April, 1930, coupled with an additional (protective) duty of 5 per cent. on all cotton piecegoods imported from countries other than U. K. with a minimum specific duty of $3\frac{1}{2}$ annas per lb. on plain grey goods whether manufactured in the U. K. or elsewhere.

Second Textile Tariff Board.

But when increasing the duty from 11 to 15 per cent. the Government of India made it clear that it was dictated by considerations of revenue alone, and that the additional protective duty was meant merely to provide a shelter under which the cotton textile industry especially in Bombay might be able to re-organise itself. By the two Finance Acts of March and September, 1931 the revenue duty was further increased to 25 and 31¼ per cent. on U. K. and Foreign goods respectively with a minimum specific duty of 4¾ annas per lb. whether manufactured in the U. K. or elsewhere. But even this increased duty failed to afford the industry the relief that it sorely wanted against external competition.

Terms of Reference

For, the continuous depreciation of the Yen since December, 1931, brought about such a heavy fall in the prices of Japanese goods that the products of the Indian Industry could not stand against such competition. Seeing the plight of the industry and in response to its repeated representations, the Government of India appointed in April, 1932, the second Textile Tariff Board under the chairmanship of D. J. Matthai for an immediate enquiry.

Its terms of reference were as follows:

1. Whether the claim of the Indian cotton textile industry for protection has been established;
2. If the claim is found to be established, in what form protection should be given and to what extent.
3. If it is proposed that protection should be given by means of import duties—
 - (a) whether the same rate of protection is required against the competition of goods manufactured in the United Kingdom as against the competition of goods manufactured elsewhere; and
 - (b) what rates of duty are recommended in respect of:—
 - (1) cotton piecegoods;
 - (2) piecegoods made wholly or partly of artificial silks and
 - (3) cotton twist and yarn, according as they are manufactured—

A.—In the United Kingdom.

B.—Elsewhere.

Countrywide Protest

The terms of reference evoked the strongest protest all over the country on the ground that there appeared to be no precedent of this character in references to the Tariff Board of various industries for enquiry into the grant of protection. It was thought that such restricted terms of reference would prejudice the case of the Indian industry against foreign competition either from the United Kingdom or from any other country. Even the Cotton Industry Protection Act of 1930 imposed a differential rate of duty by which goods coming from the United Kingdom had to pay lower rates of duties than piecegoods from other countries. This element of discrimination evoked the strongest opposition in the Legislative Assembly and there was practical unanimity with regard to the question of adequately protecting the industry against foreign competition either from U. K. or from Japan.

Supplementary References

Shortly after the appointment of the Tariff Board the situation facing the industry grew so serious, as a result of the fall in Rupee-Yen exchange and the consequent fall in the prices of Japanese piecegoods, imports of which also increased at such an alarming rate, that the Government of India had to take immediate action to save the industry, by referring the question to the Tariff Board, which they had previously constituted, asking them to undertake an immediate enquiry with the following terms of reference:—

To report whether cotton piecegoods not of British manufacture are being imported into British India at such a price as is likely to render ineffective the protection intended to be afforded by the duty imposed on such articles under Part VII of the Second Schedule of the Indian Tariff Act, 1894, by the Cotton Textile Industry (Protection) Act, 1930, to similar articles manufactured in India; and, if so, to consider—

- (a) to what extent, if any, the duty on cotton piecegoods not of British manufacture should be increased and whether in respect of all cotton piecegoods not of British manufacture or in respect of cotton piecegoods, plain grey only or of cotton piecegoods, others, only;
- (b) whether the duty should be increased generally, or in respect of such articles when imported from or manufactured in any country or countries specified; and

- (c) for what period any additional protection found to be required should be given.

Tariff Board Findings

The Tariff Board reported in August, 1932 to the effect that the depreciation of Japanese currency since the beginning of 1932 had led to a remarkable increase in the imports of piecegoods from Japan at very low prices and that additional assistance should be given either in the form of a system by which the tariff values of piecegoods might be adjusted to counteract the effect of the depreciated exchange or by raising the *ad valorem* duty on cotton piecegoods from 31¼ to 50 per cent. The Tariff Board also pointed out that Japan was the only country whose currency was so depreciated as to endanger the scheme of protection for the Indian industry, and that the low prices at which Japanese goods were being imported were such a menace that, in case the Indo-Japanese Trade Convention of 1904 debarred the Government from raising the duty upon goods of Japanese origin alone, the increased duty should be applied to all goods not of British manufacture. The Government of India accepted the Tariff Board's finding of facts, and they took power under section 3 (5) of the Tariff Act to alter the specific duty on plain grey goods as well as the *ad valorem* duty, and directed that until 31st March, 1933, the duty on all piecegoods not of British manufacture should be raised from 31¼ per cent. to 50 per cent. *ad valorem*, the minimum specific duty on plain grey goods from countries other than U. K. being raised from 4¾ annas to 5¼ annas a lb.

Anti-Dumping Measures

But by the time the *ad valorem* duty had come into operation, the Yen had further depreciated, and in order to meet the vociferous demands of the industry, the Government of India increased with effect from 7th June, 1933, the import duty on cotton piecegoods imported from the countries other than U.K., from 50 per cent. *ad valorem* to 75 per cent. *ad valorem*, and the minimum specific duty from 5¼ annas per lb. to 6½ annas per lb. Immediately after the imposition of these emergency duties, the Indo-Japanese Trade Convention of 1904 was revoked by the Government of India after giving notice to Japan. This led to negotiation for a fresh trade agreement with Japan. By the Indo-Japanese Trade Agreement of January, 1934, the duties were again brought down to 50 per cent. with a minimum specific duty of 5¼ annas per lb. while the import of Japanese piecegoods into this country was regulated according to a fixed quota limited with the purchase by Japan of a specified quantity of Indian raw cotton.

About the same time, in October 1933, another pact was concluded with Lancashire (known as the Mody-Lees Pact) which was to remain in force till 31st December, 1935, by which import duties on yarns and piece-goods manufactured in U.K., were to be favourably reviewed, on consideration of Lancashire's promise to extend the use of Indian raw cotton in Great Britain.* Immediately after the Mody-Lees Pact, the Lancashire interests agitated for an Indo-British Trade Agreement and sought to reduce the import duty on U.K. piecegoods in India. The Indo-British Trade Agreement was concluded by the Government of India on the 9th January, 1935, against the wishes of the entire commercial community and the public in India.

Terms of Indo-British Agreement

Under the terms of this Agreement it was conceded that "while protection to an Indian industry against imports of whatever origin may be necessary in the interests of the economic well-being of India, the conditions within industries in India, in the United Kingdom and in foreign countries may be such that an Indian industry requires a higher level of protection against foreign goods than against imports of United Kingdom origin." The Government of India further undertook "that the measure of protection to be afforded shall be only so much as, and no more than, will equate prices of imported goods to fair selling prices for similar goods produced in India, and that wherever possible having regard to the provisions of this article, lower rates of duty will be imposed on goods of United Kingdom origin." Another clause stipulated "*when the question of the grant of substantial protection to an Indian industry is referred for enquiry to a Tariff Board, the Government of India will afford full opportunity to any industry concerned in the United Kingdom to state its case and to answer the case presented by the other interested parties.*" (*Italics ours*). The Government of India further undertook that "in the event of any radical change in the conditions affecting protected industries during the currency of the period of protection, they will on the request of His Majesty's Government or of their own motion, cause an enquiry to be made as to the appropriateness of the existing duties." These were preposterous concessions unheard of anywhere else in the world. Thus the Government of India in direct violation of public feeling concluded an agreement which was a negation of the Fiscal Autonomy Convention and which was calculated to hamper the growth of indigenous industries in the country.

*For a fuller discussion, see page 130—133, Indian Cotton Textile Industry Annual for 1937.

Special Textile Tariff Board

The Indo-British Trade Agreement was turned down by the Indian Legislative Assembly in March, 1935, but the Government of India paid no heed to the verdict of the Assembly and of the public at large, and stuck to the Agreement. What is more, in September, 1935, they appointed a Special Tariff Board under the presidency of Sir Alexander Murray.

Its terms of reference were as follows:—

“To recommend on a review of present conditions and in the light of the experience of the effectiveness of the existing duties the level of the duties necessary to afford adequate protection to the Indian Cotton Textile Industry against imports from the United Kingdom of (a) Cotton piece-goods, (b) cotton yarn (c) fabrics of artificial silk and (d) mixture fabrics of cotton and artificial silk. By adequate protection is meant duties which will equate the prices of imported goods to the fair selling prices for similar goods produced in India.

In the course of this enquiry, the Board will give a full opportunity to the Cotton Textile Industry, whether in India or the United Kingdom, to present its case and, if necessary, to answer the cases presented by other interested parties.

The Board will not be required to make any recommendations in respect of revenue duties.”

Government's Concern for Lancashire

These terms of reference met with a chorus of disapproval throughout the country. The commercial community and the public were greatly disappointed at the restrictive nature of the terms of reference which did not give a free hand to the Tariff Board in making their recommendations after a detailed review of the then existing conditions in the Indian Cotton Textile Industry. It was stated that the decisions of the Tariff Board had already been prejudiced by the Government of India and that the terms of reference were nothing short of a peremptory direction to them to make their recommendations according to the notions of the Government, irrespective of the effects of such a proposal on the fortunes of the Indian Cotton Textile Industry. As regards the question of allowing foreign textile interests to present their case before the Indian Tariff Board it is hardly necessary to say that it is on the face of it absurd how in any scheme of

protection to an indigenous industry, foreign interests like Lancashire cotton manufacturers could be allowed to put forward their case for consideration without detriment to the cause of the Indian industry. Was it to be assumed that the interests of the Indian Cotton Textile Industry and the United Kingdom Textile Industry were identical and co-extensive? Or again was it reasonable that the Lancashire industry, which was in a highly developed and efficient state, should be entitled for a certain amount of indirect protection in the Indian market in the shape of preferential rates of duty on her textile goods at the expense of the indigenous industry? But all protests were like cries in the wilderness, and the Government of India, presumably under dictation from Whitehall, did not budge from their position. Lancashire interests once again triumphed, as they have always by their persistent agitation.

Tariff Board's Recommendations Accepted

The Tariff Board submitted their report in March, 1936 but its publication was delayed till June, 1936. The Board recommended that (1) the duty on plain grey goods imported from the U.K. was to be reduced from 25 per cent. *ad valorem* (or $4\frac{3}{8}$ annas per lb. whichever was higher) to 20 per cent. *ad valorem* or $3\frac{1}{2}$ annas per lb. whichever was higher; (ii) the duty on bordered greys (i.e., chadars, dhotees, sarees and scarves), bleached goods and coloured goods (excluding prints) should be reduced from 25 per cent. to 20 per cent. *ad valorem*; (iii) the duty on yarns of counts above 50s. was to be 5 per cent. *ad valorem* and that on counts 50s. and below 5 per cent. *ad valorem* or $1\frac{1}{4}$ annas per lb., whichever was higher. As regards duties on other goods, the Board came to the conclusion that the existing level of duties would afford adequate protection to the Indian mill. The Government of India immediately accepted these recommendations without consulting the Indian Legislature, and the reduction of 5 per cent. duty was brought into force from the 25th of June, 1936.

These recommendations were already anticipated by the public in the country and there was therefore no cause for surprise, although there was for regret and disappointment. The most astonishing feature was the almost indecent haste with which these recommendations were given effect to by the Government without consulting either commercial opinion or the Indian Legislative Assembly. There is even now an impression among a large section of the Indian textile industry that the Mody-Lees Pact definitely paved the way for Lancashire industry to get a preferential treatment in the Indian market. What is more, Lancashire is still agitating for further

astounding concessions and preferences in the Indian market, and this is the main reason for the delay in concluding the Indo-British Trade Agreement which has been now under negotiation for the last three years.

The Ottawa Agreement of 1932 Denounced.

The genesis of the Indo-British Trade Agreement, now in the melting pot, lay in the Ottawa Agreement which was concluded at Ottawa between India and the United Kingdom in 1932 and which raised a storm of protest all over the country. On 30th March, 1936, the Indian Legislative Assembly turned down by a resolution* the Ottawa Agreement and its sequel, the Indo-British Trade Agreement to which we referred in a previous paragraph. The Assembly also resolved that the Government of India should conclude bi-lateral trade agreements with all those countries with which India had a chance to expand her trade.

Indo-British Trade Negotiations of 1936-37

The Government of India gave notice on 13th May, 1936 to His Majesty's Government in the United Kingdom for the termination of the Ottawa Agreement in accordance with which the pact was due to expire on 13th November, 1936. The Government of India also announced that as a first step in the conduct of the Indo-British Trade Negotiations, preliminary proposals would be prepared both by the United Kingdom and India and thereafter they would be exchanged. It was further stated that in the preparation of their preliminary proposals the Government of India would associate with themselves a panel of unofficial advisers, representative of commerce, industry and agriculture in India. Another *communiqué* announced that the following gentlemen would constitute the panel of unofficial advisers to the Government of India:—

Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.

Mr. G. D. Birla,

Mr. Kasturbhai Lalbhai,

Sardar Datar Singh,

* " This Assembly recommends to the Governor-General in Council that the Ottawa Agreement, dated the 20th August, 1932, be terminated without delay and a notice of denunciation be given in terms of Article 14 thereof. The Assembly further recommends that the Government of India should immediately examine the trend of trade of India with various other important countries and the United Kingdom and investigate the possibility of entering into such bilateral trade treaties with them, whenever and wherever possible to bring about the expansion of export trade of India in those markets and submit such treaty or treaties for the approval of this Assembly."

Nawabzada Liaquat Ali Khan,
Dr. P. Subbarayan,
Sir Edward Benthall, Kt.,

In a later *communiqué* issued by the Government of India, it was stated that in view of the fact that the negotiations were now in progress between His Majesty's Government in the United Kingdom and the Government of India for the conclusion of a Trade Agreement in replacement of that concluded at Ottawa in 1932 and which was due to terminate on November 13, 1936, it has been agreed by the two Governments pending conclusion of a new agreement that the 1932 agreement should continue in force subject to termination at three months' notice by either side, unless it was replaced by a new agreement. It was further agreed that in the event of a failure of the conclusion of a new agreement neither party shall withdraw the existing preferences without prior consultation with the other party. The unofficial advisers met in September, 1936, in order to examine the proposals sent by the Board of Trade in England. It was freely mentioned in authoritative circles and in the press that the general view which prevailed with the unofficial advisers was that the British trade proposals were pitched up too high and no useful purpose would be served by considering them in that form and at that stage. It was therefore decided to adjourn the conference till the British Board of Trade's proposals were received by way of reply. It was stated that when they met at Delhi in December 1936, a unanimous note was also signed by the unofficial advisers including Sir Edward Benthall, and in that note some fundamental principles were laid down, which should be accepted by the U. K. Government before proceeding with further negotiations. We understand that these fundamental principles have been found acceptable, but it remains to be seen what concrete proposals are made by the U. K. Government for preferences, having regard to the interest of India, which will no doubt be zealously guarded by non-official advisers. To us, it appears that concerted efforts are being made in U. K. for a reduction of duties on Lancashire goods in India, in which alone U. K. is at present vitally interested. We have no doubt whatever that the un-official advisers will radically oppose all such proposals, in the interest of the preservation of the Cotton Textile Industry which stands in need of protection of at least 20 per cent. against U. K. piecegoods in accordance with the findings of the Tariff Board. In this connection it must not be forgotten that any promise for consumption of a large quantity of Indian cotton in the U. K. market constitutes no sound reason for conferring any

preferential treatment to the imports of piecegoods from U. K. in the Indian market, for cotton will continue to be bought by industrialised countries, which do not favour imposition of duties on raw materials, and again they will do so, only so long as they find it profitable, and not out of sentimental reasons. The least that is necessary is a guarantee by Lancashire for the offtake of a stipulated quantity of Indian cotton, in order to improve the position of the cotton-grower, who has lost his previous markets elsewhere.*

We also feel that the agriculturists' interest will ultimately be better protected by the expansion of the indigenous industry, which should be able in course of time to consume more cotton and export cotton piecegoods, than by relying on such purchases in small quantities of our raw cotton, particularly of long-staple which we ourselves can utilise, by countries like the U. K.

We will refer to this in a later paragraph in connection with the visit of the Lancashire delegation to India for further negotiations, in May 1938.

Statistical Progress of the Industry from 1926-27 to 1937-38

It would be of interest to sketch here the growth of the Indian Cotton Textile Industry from 1926-27 to 1937-38. The following table gives the annual production of yarn in Indian Mills from 1926-27 to 1936-37, and for the nine months ended December 1937:—

Yarn Spun in Indian Mills

(Millions of lbs.)

Counts.	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
1 to 20	515.68	494.80	382.03	493.38	513.74	562.14
21 to 30	248.31	263.07	213.01	271.82	259.69	290.06
31 to 40	27.66	33.76	37.49	46.37	60.75	71.07
Above 40	11.53	11.14	10.03	15.28	27.31	32.00
Wastes	3.94	6.17	5.73	6.71	5.79	7.21
Total	807.12	808.94	648.20	833.56	867.28	900.11
Counts.	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38 Apr.-Dec.
1 to 20	599.4	547.5	573.2	594.1	592.0	310.0
21 to 30	297.5	254.8	282.3	287.6	268.8	210.0
31 to 40	77.2	75.8	95.5	112.0	123.0	110.0
Above 40	16.6	37.4	43.9	58.5	61.8	...
Wastes	5.7	5.6	5.8	6.0	8.4	7.0
Total	1016.4	921.1	1000.7	1058.2	1054.0	847.0

*For the growth of particular qualities of cotton, export, etc., vide Appendix B.

It will be seen that as compared with 1926-27, the figures for 1936-37 show increased production of nearly 247 million lbs. or just under 30 per cent. There has been only a slight increase in the production of yarns of counts 30s. and below, whereas in yarns of counts above 30s. the production increased from 38 million lbs. to about 184 million lbs. Indeed the increase in the production of finer counts of yarn is a noteworthy feature of the industry during all the years from 1926-27 to 1936-37. This shows that while the Indian mills are increasingly taking to spinning finer counts of yarn, in the lower counts the position has remained more or less stationary during the period covered by the table. It will also be noted that the percentage increase of the total production of yarn in 1936-37 as compared with that of 1932-33 has been about 4 per cent. whereas in counts above 30s. the increase has been nearly 80 per cent.

Imports of Yarn.

Turning to a consideration of the imports of yarn into this country we find that the imports of yarn from all countries during 1926-27 totalled 49.42 million lbs. In 1929-30 the imports were only 43.88 million lbs. In 1930-31 they fell precipitously to 29.14 million lbs. There was a slight rise to 31.58 million lbs. in 1931-32. The position of imports since 1932-33 is given in the table below:

Imports of Yarn Into India

(In Millions of lbs.)

Counts	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Nos. 1 to 20	... 0.9	0.3	0.4	0.2	0.3	} 2.7
21 to 40	... 22.0	15.0	9.2	14.9	5.3	
Above 40s	... 6.4	5.7	8.4	8.7	8.5	3.2
Two folds & Doubles	15.8	11.0	16.0	20.7	14.4	12.3
Total	... 45.1	32.0	34.0	44.5	28.5	18.2

In 1935-36 the imports were 44.57 million lbs., in 1936-37, 28.52 million lbs. and in 1937-38 they dropped to 21.9 million lbs. only. The imports of yarn into this country in recent years have gone down consistently. It will be apparent from the figures of production quoted above, that the fall is due to the headway made by the indigenous mill in the production of counts between 21s. and 30s. during all these years.

The figures of the value of imports were Rs. 3,71 lakhs in 1935-36, Rs. 2,55 lakhs in 1936-37 and Rs. 2,50 lakhs in 1937-38.

Production of Piecegoods

Coming to the production of piecegoods by the indigenous mills we find a progressive increase in production during this period. The following table gives the annual production of piecegoods in Indian Mills from 1926-27 to 1936-37 and for the nine months ended December 1937.

Production of Piecegoods in Mills

(In Millions of Yards)

Year.	Grey and bleached	Coloured piecegoods	Total piecegoods.
1926-27	1577.2	681.5	2258.7
1927-28	1675.0	681.6	2356.6
1928-29	1409.6	483.7	1893.3
1929-30	1814.9	604.1	2419.0
1930-31	2003.5	557.6	2561.1
1931-32	2311.1	678.8	2989.9
1932-33	2423.3	746.9	3170.2
1933-34	2265.1	680.1	2945.2
1934-35	2641.6	755.8	3397.4
1935-36	2773.4	797.8	3571.3
1936-37	2761.7	810.2	3571.9
1937-38 (Apl. to Dec.)	2354.0	676.1	3030.2

It will be seen from the figures given above that the total increase in the production of piecegoods in Indian Mills in 1936-37 works out at over 80 per cent. as compared with 1926-27, and as compared to 1932-33, the increase works out at about 12 per cent.

Imports of Piecegoods into India

As against this progressive increase in the production of piecegoods by the Indian Mills, we find a precipitous fall in the imports of piecegoods in this country over the same period. Thus the imports of piecegoods into India from all countries during the four years from 1926-27 to 1929-30 respectively amounted to 1788 million yards, 1473 million yards, 1377 million yards and 1919 million yards. There was a steep fall in 1930-31 and 1931-32 to 890 million yards and 176 million yards—to which several causes are attributable such as the slump in world trade, the revival of Swadeshi sentiment in India etc. The imports again rose to 1193 million yards in 1932-33 mainly caused by the heavy importation of Japanese piecegoods into India

during the year, on account of the depreciation of the Yen. There was a steep fall in imports to 760 million yards in 1933-34 and although in 1934-35 and 1935-36 they rose to 943 million yards and 946 million yards respectively, in 1936-37 they again showed a decline to 764 million yards and in 1937-38 the imports diminished still further to 590 million yards.

The table given below will give the imports of piecegoods into India during the past six years according to qualities:

Imports of Piecegoods in India

(In Millions of yards)

	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Grey (Unbleached)	217	140	178	212	} 261	133
Bordered Grey	138	90	119	120		
White (Unbleached)	413	262	285	263	219	202
Printed Goods	237	140	200	218	} 282	255
Dyed Goods	148	102	127	103		
Coloured Woven Goods	40	26	34	30		
Total piecegoods	1193	760	943	946	764	590

The fall in imports is due to the increased production of Indian Mills and handlooms. The differences in classification of indigenous production of piecegoods, and of the imported piecegoods make it rather difficult to institute comparison of the various descriptions of Indian mills' production with those of imported ones.

The value of the import of piecegoods was Rs. 16 crores in 1932-36, Rs. 13 crores in 1936-37 and Rs. 11 crores in 1937-38.

Exports of Piecegoods from India

The exports of Piecegoods from India have been on the decline, right up to the year 1935-36. During the last two years, however, India has been able to increase its exports to a considerable extent.

The following table will show the quantity of piecegoods exported during the last few years:

	War Average	1929-30	1930-31	1931-32	1932-33	
(In thousand yards)						
Cotton Piecegoods :						
Grey	...	74,576	15,043	9,796	8,585	4,682
White	...	1,475	1,199	399	267	358
Coloured	...	80,377	117,184	57,520	95,784	61,402
Total	...	1,56,428	1,33,426	97,715	1,04,636	66,442
Cotton Piecegoods :						
		1933-34	1934-35	1935-36	1936-37	1937-38
Grey	...	4,165	6,350	8,867	23,229	90,341
White	...	292	534	1,323	4,644	15,701
Coloured	...	52,004	50,809	61,060	73,763	1,35,211
Total	...	56,461	57,693	71,250	1,01,636	2,41,255

The value of the exports of piecegoods from India during the last three years is given below, as it will be of interest:—

	1935-36	1936-37	1937-38
	Rs.	Rs.	Rs.
Value	20,294,908	26,328,120	65,032,288

India used to have a large market for yarn in China and a considerable market for piecegoods in Africa and other countries of the Near East. The Chinese market for yarn was lost during the Great War and a large proportion of the market for piecegoods was lost from 1918 to 1929. The chief reason for the loss of the piecegoods market was of course the incursion of Japan. Since 1933-34 we have been able to gain our markets outside India. Although our total exports constitute a very small proportion of the total India production, their importance is not negligible so far as the Mills in Bombay are concerned. The recovery of export markets has been mainly at the expense of Japan. The following table shows the share of Bombay in the total exports of piecegoods from India:

	1935-36	1936-37	1937-38
	yards	yards	yards
Bombay	48,612,437	71,027,865	179,702,006
Total of India	71,250,465	101,635,767	241,255,000

* Includes Exports to Burma.

Exports of Yarn

The exports of Cotton Twist and Yarn have greatly fallen during the last few years but during the year 1937-38 the export of yarn received a great fillip. The figures of the export of yarn from India for the last three years are given in the following table:

Export of Twist and Yarn from India

	1935-36	1936-37	1937-38*
	lbs.	lbs.	lbs.
Quantity	9,668,170	12,137,095	40,124,355
	Rs.	Rs.	Rs.
Value	4,694,357	5,861,540	20,253,627

The share of Bombay in the export of yarn is shown in the following table:

	1935-36	1936-37	1937-38
	lbs.	lbs.	lbs.
Bombay	9,161,123	11,195,347	28,092,900
All India	9,668,170	12,137,095	40,124,355

During the year 1937-38 there was a considerable increase in the export of yarn from Madras.

The Present Position of the Industry

Let us now review the progress of the mill industry in the year 1937. According to the Statement of the Millowners' Association for the year ended the 31st August, 1937 the total number of cotton mills working in India was 370 having an aggregate complement of 9,731,000 spindles and 197,000 looms, and the average number of hands employed in the industry daily was 417,000. The quantity of cotton consumed by the Indian Mills was 31,46,000 bales of 392 lbs. each. To indicate the development of the Industry in the post-war period, these figures may be compared with those of 1914 as done in the following table:

No.	1914	1937	Percentage of increase
Mills	271	370	36.5
Spindles	6,778,895	9,731,000	43.5
Looms	104,179	197,000	89.0
Hands employed	260,276	417,000	60.2
Cotton Consumed*	2,143,126	3,146,000	46.8

(*In bales of 392 lbs. each)

*Includes exports to Burma.

But if we are to judge the progress of the Indian Cotton Mill Industry from the point of view of the average number of spindles and looms per mill, it will be seen that the industry has made very little progress in the post-war period. The following table would illustrate this point:—

	1914	1937	Percentage of variation
Average Spindles per Mill	25,014	26,300	+ 5.1
„ Looms per mill	383	532½	+36.5
„ Spindles per Loom	65	54½	-16.9

Survey of the Industry in 1937-38

The Indian Cotton Textile Industry which suffered considerably during the period of depression extending over seven years,* appeared to have turned the corner during the latter half of 1936 and witnessed a satisfactory progress and remarkable recovery in the year 1937. During the year 1937-38, both internal and external factors were conducive to its steady progress. The most significant internal factor was the steady increase in the mill production which attained a record of nearly 4,000 million yards of cloth. There was a rise in commodity prices during 1936, and this resulted in a steady expansion of the indigenous demand for piecegoods. The average prices realized for piecegoods in 1937 were slightly higher than in 1936, while the price of raw cotton ruled low throughout the year.

As far as the internal market was concerned, Indian mills consolidated their position considerably. Japanese imports were checked by State action in subjecting them to a quota under the Indo-Japanese Trade Agreement of 1937. Besides this, imports of piece-

* While the Bombay Textile Industry shows a decline during the last ten years, Ahmedabad presents a different picture. As compared with 1926-27, the number of mills in Bombay decreased from 83 to 69 in 1936-37. The number of spindles and looms also decreased from 34,082 and 74,545 to 28,89,509 and 66,753 respectively. The approximate quality of cotton consumed also fell from 9,94,500 bales to 8,28,184 bales and the average number of persons, employed also fell from 154,398 to 109,479. In Ahmedabad, however, there has been a notable increase in all these matters. The number of mills increased from 66 to 81; spindles and looms increased from 1,402,948 and 30,721 to 1,976,370 and 48,833, respectively, the quantity of cotton consumed from 300,560 bales to 492,146 bales, and the average number of persons employed daily from 56,011 to 74,032. Generally speaking, there has been, however, a rapid expansion of the industry, especially in woven goods, Bombay continuously losing ground and Ahmedabad steadily gaining ground. The position of the Bombay and Ahmedabad industry in relation to the whole of India is shown in a table in the succeeding pages.

goods from the United Kingdom suffered a natural decline—the imports from U. K. having been consistently on the downgrade since 1931-32.

The political uncertainties in most countries of the world assisted, rather than retarded, the output of cotton piecegoods in India. The Japanese war with China also affected Japan's ability to export as freely as formerly owing to freight and exchange difficulties, and the exports of cotton piecegoods from India received a fillip due partly to the boycott, quota restriction and higher tariffs imposed by certain countries on Japanese goods, and partly to the increased efficiency of production in Bombay.*

Diminished Prospects Ahead

Till the end of 1937, Indian mills had a very healthy stock position and orders for future deliveries were booked to a fair extent. Several mills in Bombay and Ahmedabad as also in other centres like Cawnpore worked double shift, and the disposal of their increased production was facilitated to some extent by the revival in the export trade. Generally speaking, it can be stated that during the year 1937, the Indian Textile Mills made good progress, and the time can be said to have come when the mills should consolidate their position with the substantial profits which a bulk of them, at any rate, are likely to make. While thus the prospects of the Industry in 1938 appear to be favourable if there is no major catastrophe in the political sphere, and if the strikes now in existence are over before long and those apprehended do not occur, the Industry feels—and rightly—that these prospects would be greatly diminished owing to the recommendations made by the Textile Labour Enquiry Committee appointed by the Government of Bombay to enquire into the affairs of the industry with authority to make interim recommendations regarding an increase in wages. This Committee has already submitted an interim report recommending an increase in the rates of wages in the Mill Industry in Bombay and Ahmedabad, imposing on it an additional burden of wages calculated at 9 per cent. for Ahmedabad, 11.9 per cent. for Bombay and 14.3 per cent. for Sholapur. The Mill Industry in Bombay and Ahmedabad has accepted these interim recommendations, although it has stated that the wage increase recommended is unjustified. In the words of the Chairman of the Bombay Millowners' Association, the industry accepted these recommendations, as it was generally agreed by the

* Vide Bombay Textile Labour Inquiry Committee's Report, 1938, page 16.

Bombay Millowners' Association and the Ahmedabad Millowners' Association that their acceptance for the time being was the only practical course in view of the terms of the Government's Resolution. The alternative would have been to face industrial troubles through the Presidency, particularly when the weight of Government support had been thrown in the scale on the side of Labour. This being the position, the two Associations recommended to the general body of members to pay wages at the increased scale recommended in the Report of the Textile Labour Enquiry Committee. It was decided to give effect to these recommendations as from the 1st of February 1938, which was the date fixed by the Government, even though it entailed a considerable amount of trouble in working out the increases. It was observed by the Chairman of the Bombay Millowners' Association in the course of his speech delivered at the Annual General Meeting of the Millowners' Association, Bombay, on the 18th March 1938, that: "As regards the future all that can be stated is that the maintenance of the new scale of wages will entirely depend on the capacity of the Industry to pay and that in view of the prospects of additions to our cost of production arising from the Government's announced programme in regard to sickness insurance and other matters, it is problematical how long the new scale can be kept in existence."

Lessening of Japanese Competition.

During the year, the Indian Industry also introduced methods of rationalization with a view to increase efficiency and to reduce costs. The benefits of these improvements started accruing to the industry during 1937 when due to the operation of several fortuitous factors, it had respite for a time from external competition.

The first of these fortuitous factors was the partial elimination of effective Japanese competition from the Indian market. Earlier in the year the Indo-Japanese Trade Agreement had been ratified, by which the Indian quota of the imports of piecegoods from Japan was fixed at 283 million yards (as compared with 325 million yards of the previous protocol, the reduction being effected on account of the separate Burmese quota) linked with the Japanese quota of the offtake of Indian raw cotton at a million bales (the same as before). As Burma had ceased to be since April 1, 1937 an integral part of the Indian Empire, a separate Agreement had to be made with Burma by which the Burmese quota of the imports of piecegoods from Japan was fixed at 42 million yards coupled with the Japanese quota of the offtake of Burmese raw cotton at 65,000 bales. But during the year Japan could not make full use of the quotas on account of various factors related

to her own financial and military policies.* It is a matter of common knowledge that it was mainly the devaluation of the Japanese currency that enabled her to gain ground in the Indian Empire. But the ultimate pegging of the Yen to an artificial level put her to great disadvantage in maintaining the position of her currency on the international exchanges. The Japanese exporters were further put to great disadvantages by the adoption by the Japanese Government of a vigilant system of exchange control and export restrictions. This raised the export prices of Japanese goods in the world markets, and consequently the exports of Japanese piecegoods were greatly curtailed. On the top of all this came the Sino-Japanese conflict in Eastern Asia, which necessitated the mobilisation of Japanese industrial organisation for the purposes of making armament goods. The boycott of Japanese goods in China diverted for a moment a heavy shipment of Japanese piecegoods to India, but later on it was found increasingly difficult for Japan to consign piecegoods in large volume to India.

Importation of Fents Restricted

The revision of the Indo-Japanese Trade Agreement in 1937 also closed certain loopholes in the former agreement, notably the one relating to fents. The imports of fents from Japan which had been only one million yards for all sorts in 1933-34 rose to 37 million yards for all sorts (which included 23 million yards of only cotton fents below 4 yards in length) in 1934-35. This very substantial increase in the importation of fents has now been checked, as under the new agreement the importation in one year of cotton fents not exceeding 4 yards in length, has been limited to a maximum of 8.95 million yards.

Lancashire's Inability to Compete

The virtual elimination of Japanese competition afforded both to the Indian industry and Lancashire grand opportunities for regaining grounds in the Indian market. But Lancashire could not seize it, as the price factor was such that she could not cut down prices in the Indian market in competition with the lower prices of the Indian products. Further, articles like dyed and printed voiles which were at one time specialities of Lancashire were also being manufactured and sold at competitive prices by the Indian mills.

Imports on the Decline

Due to the operation of the above fortuitous factors imports of piece goods into India during the year fell down considerably. The

*As the book is being printed off (June 1938) an announcement has been made by Japan to the effect that she will make full use of the quota for cotton.

total imports during the year were to the tune of 62.0 million yards compared with 835.3 million yards in 1936 and 980.8 million yards in 1935. The imports of piecegoods into British India month by month during the last seven calendar years are shown in the table below:

Monthly Imports of Piecegoods into British India

(In millions of yards)

MONTHS	1931	1932	1933	1934	1935	1936	1937
January	62.5	72.8	92.7	62.0	93.2	92.0	66.2
February	46.5	64.4	82.5	55.6	72.9	60.6	47.7
March	67.8	73.7	105.8	99.1	111.9	89.2	56.8
April	72.0	92.7	89.7	90.4	110.1	86.3	54.1
May	55.3	86.6	86.9	63.5	103.2	66.6	45.9
June	72.0	112.7	70.7	59.3	53.1	66.1	29.1
July	71.8	122.9	66.3	62.3	58.9	65.9	31.8
August	64.5	131.3	64.9	77.1	78.5	58.8	32.2
September	67.2	123.7	55.4	80.5	73.9	65.1	42.2
October	65.4	92.2	53.5	93.8	82.1	63.2	74.1
November	49.5	97.4	47.5	79.5	88.8	65.3	71.9
December	46.9	84.9	44.1	59.5	55.8	56.2	46.7
Total	741.4	1155.3	854.0	882.6	980.8	835.3	599.0

Expanding Production of the Indian Mills

In view of all this, the Indian textile industry during 1937 had a special opportunity for expanding its production. This will be apparent from the figures of production for the past six calendar years shown in the table given below:

Monthly Production of Piecegoods in India

(In millions of yards)

MONTHS	1932	1933	1934	1935	1936	1937
January	249.2	263.5	243.2	299.9	294.1	317.8
February	261.2	236.1	247.0	283.0	289.9	292.9
March	271.3	248.3	259.3	277.2	292.8	310.2
April	257.9	214.7	244.6	287.4	301.3	323.9
May	241.4	236.2	231.0	300.0	307.9	327.5
June	253.4	237.4	245.5	282.0	303.4	326.9
July	263.3	245.6	277.5	293.9	298.3	329.1
August	283.9	246.5	288.8	299.7	278.9	324.8
September	277.3	241.4	287.1	287.1	292.9	341.9
October	268.3	245.4	313.2	297.0	285.5	356.9
November	281.6	251.9	304.4	309.4	270.4	321.7
December	295.0	277.4	341.4	333.9	323.0	375.7
Total	3,203.8	2,943.5	3,786.0	3,546.5	3,532.5	3,947.5

It will be seen from the above that the production of the Indian cotton mills witnessed considerable increase during 1937. The production in 1937 of 3,947 million yards compares very favourably with 3,532 million yards in 1936 and 3,546 million yards in 1935. In other words, production of the Indian mills during the year increased by 11.7 per cent. as compared with the figure for 1936 and 11.3 per cent. as compared with the figure for 1935.

Increased Exports During the Year

This increase in the production of the Indian mills was due not merely to the reduction of Japanese competition in the home market and to Lancashire's inability to compete successfully here, but also to the increased demand for Indian goods from abroad. For it was not merely from the home market that the Japanese competition disappeared. In some of India's former markets where latterly she had yielded the palm to Japan, Japanese exports of piecegoods diminished greatly during the year, and India was able to make larger shipments of piecegoods to countries like Iraq, Strait-Settlements, Bahrein, Aden, Egypt, East Africa, Burmah etc. This heavy demand for the products of the Indian mills both in the home and the external markets compelled the mills to resort to double and in some cases even to treble shifts of working.

Industry's Numerical Strength During the Year.

The resort to double and treble shift working enabled the industry to cope with the increased demand for cloth without any addition to its equipment and machinery. At the end of 1937 over 50 per cent. of the looms in the Bombay Mills were operating double shift. The Annual Mill Statement issued by the Bombay Millowners' Association for the year ended 31st August 1937 reveals that the total number of equipped mills in India on that date was 370 as against 379 on the 31st August 1936. The reduction was mainly due to the fact that the names of mills having less than 50 looms were excluded. Out of 370 mills in the country 35 were partly or completely idle, of these 5 were located in the Bombay City or Island and 10 in Ahmedabad. Thus the total number of mills in the Bombay Presidency decreased from 65 to 60. The number of Mills in Ahmedabad decreased by 3. During the year there was no change in the number of mills in Central Provinces, Bihar, Rajputana and the United Provinces, while the number of Mills in Bengal increased by 2, in the Punjab by one and in Madras by 2.

The total number of equipped mills in Bengal during the year was 26 as against 24 during the year 1936.

Number of People Employed

The number of operatives employed daily on day shift working in the year 1937, was approximately 417,000 as against 418,000 in the year 1936.

Spindle and Loom Activity During 1937

During the year (ended August 31, 1937) the industry consumed 1,573,000 candies of 784 lbs. of cotton which is approximately the same as the consumption last year. The average number of spindles working daily during the year was 8,441,000 out of a total of 9,731,000 erected. Last year, the corresponding figures were 8,504,000 working out of a total of 9,857,000 erected. Of the 200,000 looms erected an average of 177,000 were working daily during the year. This compares with the figure of 178,000 working daily in the previous year out of a total of 200,000. In Bombay City and Island only 2,32,000 spindles and 59,000 looms were working regularly. Exclusive of those quoted here, are, however, the figures of spindle and loom activity during night shift working.

Paid-up Capital

The total paid up capital of the Industry on the 31st August, 1937 amounted to Rs. 39,82,00,000.

Better Profit of the Mills

It was indeed a lucky coincidence that at a time when the demand for Indian textile goods was increasing, the industry was able to secure raw material at a very low cost owing to the phenomenal drop in the prices of raw cotton (for instance "Broach" cotton fell in price from Rs. 260 to Rs. 160 per bale during the year), although the prices of piece-goods during the year remained more or less steady. This enabled the industry to make a better margin of profit, and it is expected that most of the mills will show better working results and declare better dividends for the year 1937.

Labour Situation During the Year

One serious blot in the rosy picture of the condition of the textile industry during 1937 was the serious labour troubles that occurred during the year at Ahmedabad, Cawnpore and Madras. The disputes centred round the question of workmens' wages, and in each case there were either sporadic or prolonged strikes and lock-outs. At the very beginning of the year 1937, the disputes at Ahmedabad were entrusted for arbitration to Mahatma Gandhi as representative of the Labour Association and to Seth Kasturbhai Lalbhai as representative of the Millowners' Association. But they having failed to agree among

themselves on the subject and having submitted disagreeing reports, the matter was left for decision to an umpire in the person of Sir Govind Madgavkar, a former judge of the Bombay High Court. In the Report that he submitted early in February 1937, Sir Govind rejected the Millowners' case for the imposition of an all round percentage cut in mill-hands' earnings and accepted the mill-hands' plea for the introduction of wages on a uniform standard as envisaged in the Delhi Agreement of 1935. Although Sir Govind rejected the millowners' case, his decision on the point was agreed to by the millowners and as a sequel to this the strikes ended and lockouts were withdrawn.

Bombay Textile Labour Inquiry Committee.

But the activity in trade union circles led to recrudescence of troubles, and in October, 1937, the Government of Bombay appointed a Committee to hold an inquiry into the question of the adequacy of wages and kindred matters in connection with the textile industry in the province. The Committee consisted of Messrs. Jairamdas Dattatram (Chairman), Vaikunth L. Mehta, D. R. Gadgil and S. A. Bhave, and were advised on technical matters by four Associate members namely, Messrs. Sakarlal Balabhai, S. D. Saklatvala, K. K. Desai and R. A. Khedgikar, all members of the Bombay Legislative Assembly. Mr. S. R. Deshpande, Assistant Commissioner of Labour, Bombay, acted as Secretary to the Committee.

Committee's Terms of Reference

The terms of reference which the Committee were asked to consider were:

1. To examine the wages paid to workers having regard to the hours, efficiency and conditions of the work in the various centres of the textile industry in the Province, to enquire, in this regard, into the adequacy or inadequacy of the wages earned in relation to a living wage standard and, if they are found in any occupation, centre or unit of the industry to be inadequate, to enquire into and report upon the reasons therefor, and to make recommendations regarding:

- (a) the establishment of a minimum wage,
- (b) the measures which the employers, the employees and Government should take to improve the wage level,
- (c) the remuneration of workers engaged on night shift, and the regulation of night shift work,
- (d) standardisation of wages and musters, and,
- (e) the methods of automatic adjustment of wages in future.

2. To report whether in view of the present conditions of the industry an immediate increase in wages can be given in any occupation, centre or unit of the industry, pending the conclusion of the Committee's work and the preparation of its report and to make recommendations in this behalf.

3. To report on any matters germane to the above.

The Committee sat for public enquiry in December and took evidence from witnesses representing both the millowners and the wage-earners.

Interim Report of the Inquiry Committee

The Committee submitted an interim report, covering 104 pages, early in February 1938. In their report the Committee recommended an increase of 9 per cent. in the wages of the mill-hands at Ahmedabad, of 11.9 per cent. in Bombay and 14.3 per cent. at Sholapur. They did not however recommend a uniform rate of increase for all classes of labourers. They proposed a sliding scale in which the lower classes came in for a higher proportion of increase than the higher. They observed:

"In view of our findings regarding the "present condition of the Industry" and in the light of the conclusions formulated in this chapter, we recommend increases in wages as shown in the following schedule."

SCHEDULE		Remarks.
Category of Earnings.	Rate of increase.	
Below Rs. 13-8	3 annas in the Rupee	Provided that no person falling in this category shall receive more than Rs. 15-8 as a result of the increase.
Rs. 13-8 and below Rs. 15	2½ annas in the Rupee	Provided that no person falling in this category shall receive more than Rs. 28 as a result of the increase.
Rs. 25 and below Rs. 35	2 annas in the Rupee	Provided that no person falling in this category shall receive more than Rs. 39-4 as a result of the increase.
Rs. 35 and below Rs. 40	1½ annas in the Rupee	Provided that no person falling in this category shall receive more than Rs. 43 as a result of the increase.
Rs. 40 and below Rs. 75	1 annas in the Rupee	Provided that no person falling in this category shall receive an increase in earnings of less than Rs. 3.
Rs. 75 and over	Nil	

In order to assess the increase in the wages bill, as a result of the increase recommended by the Committee in the three principal

centres of the industry, the Committee have made certain calculations on the basis of the data contained in the Labour Office Wage Census Report of 1934. The Committee find that according to these calculations, the percentage increase in the annual wages bill as a result of their recommendations will be, as stated above, 9.0 per cent. for Ahmedabad, 11.9 per cent. for Bombay and 14.3 per cent. for Sholapur. In the opinion of the Committee the wage increase recommended by them is fair and proper.

Acceptance of the Recommendations.

The Government of Bombay accepted the recommendations of the Committee, and advised the millowners that the proposed increases should be introduced with effect on the wages due for the month of February or for the last pay period of the month of February. In the view of the Government, the conclusions and recommendations of the Committee were made after a searching enquiry, and were entitled to the weight and authority that should be attached to the award of an Industrial Court or a Court of Arbitration. Government were, therefore, of opinion that the recommendations, as they stood, should be carried out and accepted both by employers and labour. It is satisfactory to note that the recommendations have been accepted for the time being by the Millowners' Associations of Bombay and Ahmedabad.

"A Very Heavy Burden" on the Industry

But to make their attitude towards the Report quite clear, they held an urgent General Meeting on the 3rd March 1938 in which the unmentioned resolution was passed:

"Resolved that having carefully considered the Interim report of the Textile Labour Enquiry Committee and Government's Resolution thereon, the Association is of opinion that it would fail in its duty to the industry, to the Government, and the Country, if it did not invite attention to the fact that the Interim Recommendations of the Committee of Inquiry will impose a very heavy burden on the cotton textile industry of this Province.

The Association's considered opinion is that the Interim Recommendations for wage increases are unjustified, based, as they have been, on assumptions and theories, and hypothetical and problematical estimates.

In these circumstances, the Association authorises the Committee to consult and take such further joint action with the Ahmedabad

Milowners' Association as may be necessary or desirable in connection with the Interim Report of the Inquiry Committee and any social legislation contemplated by the Government of Bombay which might impose additional financial burdens on the industry.

Nevertheless, in view of Government's Resolution, the Association recommends that the wage increases specified in the Interim Report should be accepted for the time being by members of the Association in the Bombay Presidency and be given effect to from the date specified in the Government Resolution."

Milowners' Views

An identical resolution was also passed by the Ahmedabad Milowners' Association. It must be observed, however, that the Milowners' Associations of Ahmedabad and Bombay have not at all agreed with the recommendations of the Textile Labour Enquiry Committee in regard to the increase of wages as can be seen from the utterances of the Chairmen of the Bombay Milowners' Association and the Ahmedabad Milowners' Association. Mr. Dharamsey Mulraj Khan, Chairman of the Bombay Milowners' Association in the course of his speech at the Annual General Meeting of the Association held on the 18th March 1938 observed that in the short time available to them between the submission of the report and the date of the Government resolution, the report could not have received that close and detailed consideration which a document of this character affecting, as it did, the prospects of an industry absolutely vital to the Presidency, demanded. The Chairman also maintained that it was unreasonable to say that the recommendations contained in the report, based not on actual facts and data but on a series of assumptions regarding the future trend of raw cotton, cloth etc., were entitled to the weight and authority of the findings of an Industrial Court or a Court of Arbitration. What, in short, the Committee of Enquiry say is:

"We do not accept the figures contained in the Consolidated Balance Sheet of the Bombay Cotton Mill Industry prepared by the Milowners' Association and duly audited; we do not accept the conclusions arrived at by previous Tariff Boards as to what constituted an adequate return on capital or an adequate provision for depreciation; we do not even accept the proposition that the heavy losses of the past are entitled to be taken into consideration in the framing of the recommendations; we do not believe that shareholders should receive any consideration; and finally we do not accept the proposition that actual profits must be made before a rise in wages could be given."

"A Blow" at Our Export Trade

Proceeding the Chairman said: "Having thus disposed of the facts and contentions which the Industry advanced in support of its case, the Inquiry Committee then proceeded to enter into the realms of speculative prophecy in regard to the future, and arrived at the conclusion that the prices of raw cotton were going to remain low, that the prices of cloth were not going to fall, that although commodity prices were falling, demand would not deteriorate, and that taking all these theoretical considerations together, the industry was likely to have an 8 per cent. greater margin in 1938 than in 1937. We may be pardoned for saying that we can hardly be expected to accept these conclusions as though they were the findings of an Industrial Court! The conclusions of the Committee already show signs of being falsified, as during the last two months, demand has fallen away, cloth prices have shown a tendency to decline, and stocks of manufactured goods are on the increase. I do not know what consideration was given to the effect which the recommendations would have upon the future ability of the industry to meet internal and external competition; what I can definitely say, however, is that a blow has been dealt at our growing export trade, and that substantial assistance has been given to our competitors in the Indian Market."

Present Acceptance the only Practical Course

"Naturally, the Committee of the Association gave most anxious consideration as to what course of action they should adopt in regard to the Report, but it was generally agreed both by our own Association and by the Millowners' Association, Ahmedabad, that acceptance for the time being was the only practical course, in view of the terms of the Government Resolution. The alternative would have been to face industrial troubles throughout the Presidency, particularly when the weight of Government support had already been thrown in the scale on the side of labour. This being the position, the Committee of the Association, after consultation with the Ahmedabad Millowners' Association, recommended the General Body of Members to pay wages at the increased scales recommended in the report. It was also decided to give effect to these recommendations as from the month of February, which was the time fixed by the Government, even though it entailed a considerable amount of trouble in working out the increases."

Continuance Problematical

"As regards the future, all that can be stated is that the maintenance of the new scale of wages will entirely depend on the capacity of the industry to pay, and that, in view of the prospect of additions to

our cost of production arising from Government's announced programme in regard to sickness insurance and other matters, it is problematical how long the new scale can be kept in existence."

Mr. Sakarlal Balabhai, M. L. A. Chairman of the Ahmedabad Millowners' Association in the course of his presidential address at the Annual General Meeting of the Ahmedabad Millowners' Association held at Ahmedabad on the 17th March 1938 observed that hopes of improvement in the industry were entertained for the future. He, however, apprehended that there was not much chance of these expectations being fulfilled. Regarding the Interim Report of the Textile Labour Inquiry Committee he observed that it has been cited by employers in all centres that the Interim recommendations are based on arbitrary assumptions and theories and hypothetical and problematical estimates. He also stated that amelioration of labour conditions even by an increase in wages would receive their full support, but this should be subject to the capacity of the Industry to pay. He felt not only that the data relied on by the Committee did not warrant such conclusions, but that it was based on erroneous premises.

Disputes in Other Centres

In Indore the dispute between the millowners and the labour was happily settled by the arbitration of Sir Suraj Mal Bapna, the Prime Minister of the State.

The Cawnpore Textile Mill Strike

Immediately after the assumption of office by the Congress in the United Provinces in July 1937, a number of strikes took place in several textile mills in Cawnpore with a view to securing an increase in the wages and general improvement in the condition of employment. It was also alleged that the policy of the employers in introducing rationalisation and other methods of intensification were responsible for increasing unemployment among factory labourers in Cawnpore. Allegations were also made that the members and office-bearers of the Mazdoor Sabha (Labour Union) the only organization of textile workers in Cawnpore were harassed and victimised by the employers with a view to crush Trade Union activities. On the 5th August, 1937, the Hon'ble Dr. K. N. Katju, the Minister for Industries, visited Cawnpore and discussed the demands of the workers with the representatives of labour and Employers' Association which had been brought into existence on the 3rd August 1937. Unfortunately, however, the negotiations fell through because the employers would not agree to recognise the Mazdoor Sabha as the mouth-piece of labour.

The radical section of the Mazdoor Sabha thereupon organized a systematic campaign of agitation which resulted in a general strike in almost all the mills of Cawnpore. The Employers Association reviewed their previous decision on the 6th August, 1937, and agreed to grant recognition to the Mazdoor Sabha provided all the mills in Cawnpore resumed normal work by the 9th of August, 1937. The workers, however, refused to go back to work until all their demands including the restoration of cuts in wages had been agreed to by the Employers. Pundit Govind Vallabh Pant, the Hon'ble Premier of the United Provinces, personally intervened in the matter and was successful in bringing about an agreement between the representatives of the Employers' Association and the Mazdoor Sabha which provided for the appointment of an Enquiry Committee to go into the demands of labour.

Cawnpore Labour Enquiry Committee

On the 11th of November, 1937, the Government announced the appointment of the Labour Enquiry Committee to examine and report on the conditions of life and work of the labourers employed in factories at Cawnpore.

The Committee consisted of:

1. Sriyut Rajendra Prasad Saheb, Chairman.
2. Sir Tracy Gavin Jones,
3. Mr. Harihar Nath Shastri,
4. Sriyut Gulzari Lal Nanda, and
5. Professor S. K. Rudra, M.A. (Cantab).

The terms of reference to the Committee were as follows:

"1. Whether wage cuts have taken place direct or indirect, and if so, where and to what extent?

2. In case any such wage cut is established, where there should be any increase in wages, and if so what?

3. How do the present rates of wages in Cawnpore compare with those prevailing elsewhere in India and whether, taking also, into consideration the profits made by the mills and the cost of living in Cawnpore they should be increased and if so, to what extent?

4. Is it desirable to prescribe any minimum rate of wages for any class of labour at Cawnpore and if so, what should such rate be?

5. What is the most suitable arrangement for shifts to enable a factory to continue working as long as it desires to do so without unduly inconveniencing the labourers?

6. Whether schemes of rationalisation and intensification of labour have been, are being or are intended to be introduced, and if so, on what lines? What are the effects of such schemes on the labourers as regards their earnings, health, efficiency etc.

7. What abuses, if any, are associated with the present system of supervision, recruiting, suspending and dismissing labourers and what steps should be taken to remove same?

8. What days, if any, should be observed as holidays in factories in addition to or in lieu of Sundays?

9. On what terms should emergency leave be granted in the case of (a) piece workers and (b) time-workers?

10. Are the general conditions of labourers in factories satisfactory, and what, if any, improvements are needed?

The Committee will also adjudicate on questions of interpretation of the terms of settlement arrived at on the 9th August, 1937, as well as on other matters referred to it by either party during the pendency of the inquiry.

The Director of Industries, United Provinces, is the Secretary to the Committee.

The Committee is empowered to co-opt technical advisers who will not have the power to vote.

The Committee will please submit its report before the end of January, 1938.

The Government hopes that the parties concerned will render all possible assistance to the Committee."

The terms of reference were supplemented by a letter dated the 11th November, 1937, which ran as follows:

"I am directed to say that it has been suggested to Government that steps may be taken to introduce welfare work and to effect improvements in the housing conditions, etc. of the labourers at Cawnpore with a view to ameliorate their condition and promote their happiness and well-being.

2. I am therefore to request that the marginally noted three points may kindly be placed before the labour Enquiry Committee, so

that it may consider them and make such recommendations to the Government on the subject as it thinks necessary.

- (1) What improvements are required in the conditions in which labourers live in Cawnpore especially as regards housing, sanitation etc. and what steps should be taken to effect the same?
- (2) What welfare activities are desirable and through what agencies should they be carried out?
- (3) What statistical data should be maintained in regard to labour conditions and welfare and by what agency?"

Syud Gulzarilal Nanda could not serve on the Committee and in his place the Government nominated Mr. B. Shiva Rao.

The constitution of the Committee underwent a further change when Sir Tracy Gavin Jones and Mr. Harihar Nath Shastri offered to retire on certain conditions. It was felt that it would be more conducive to the work of the Committee if the representatives of the parties to the dispute, which had given rise to the Committee, did not function as its members.

Cawnpore Labour Enquiry Committee's Report

The Committee submitted its report on the 4th April, 1938. It came to the conclusion that not only had the Cotton Textile Industry progressed since 1929 but that it was in a strong and healthy position. They also stated that they examined the disparity in the wage level between Cawnpore and Bombay and found no justification for the abnormally low level in Cawnpore. They further recommended that there should be a general rise in the wages of all the workers. Their proposal was that for the purpose of giving increments in wages the workers should be divided into the following five wage groups and given increments as indicated against each:

Wage Groups.	Increases.
Between Rs. 13 and Rs. 19.	2½ annas in the rupee, subject to the condition that no one gets more than Rs. 21-8.
Between Rs. 19 and Rs. 25.	2 annas in the rupee subject to the condition that no one gets more than Rs. 27-8.

- III. Between Rs. 25 and Rs. 32-8. $1\frac{1}{2}$ annas in the rupee subject to the condition that no one gets more than Rs. 35.
- IV. Between Rs. 32-8 and Rs. 40. 1 anna in the rupee subject to the condition that no one gets more than 41-8.
- V. Between Rs. 40 and Rs. 59. $\frac{1}{2}$ anna in the rupee subject to the condition that no one gets more than Rs. 60-8.

The Committee also recommended that all-time workers where they were at present engaged on a daily basis should be put on a monthly basis. In regard to bonuses, the Committee urged that all monthly bonuses should be consolidated with the wages and all annual ones should be converted into profit-sharing schemes.

The Committee also recommended the appointment of a Wage Fixation Board for the adjustment of wages from time to time.

The Committee also considered the principle of a basic minimum wage for the Textile Industry at Cawnpore and laid down that no worker should get a wage of less than Rs. 15 per month of 26 working days. This limit, they observed, would operate really in the case of unskilled workers who in some mills drew less than Rs. 10 per month.

The Committee also examined the various shifts system prevailing in Cawnpore and condemned the overlapping and multiple systems. The majority of the mills, they reported, had two straight shifts and they considered that the others should fall into line. They also considered night work to be a necessary evil, but in order to alleviate its rigours they recommended, if possible, the adoption of the Japanese hours of work and the replacement of the night shift by what is called the "afternoon shift."

The Committee also made recommendations regarding the desirability of placing no obstacle in the way of workers union, of improving housing accommodation, of labour welfare work etc.

The Committee estimated that on a rough scale the effect of the recommendations made by them in regard to increment in wages would be to enhance the wage bill by 10 to 12 per cent. They calculated that these proposals would add to the wage bill by 6 per cent. the cost of provident fund scheme would be about 2.5 per cent. of the present wage bill. To sum up, as a result of all these proposals the labour cost would be enhanced by about 21 per cent.

Babu Rajendra Prasad, the Official Chairman of the Committee, was unfortunately taken ill during the conduct of the enquiry and could only attend about 13 meetings.

Professor Rudra sometimes carried out the work of the Committee single-handed, while Mr. B. Shiva Rao who was appointed a member of the Committee subsequently attended only 10 meetings. In the month of April, the United Provinces Government invited the opinion of the representatives of employers and of labour on the recommendations made in the Report. It is understood that the employers' representatives addressed a communication in the month of May to the United Provinces Government rejecting the report of the Cawnpore Labour Enquiry Committee generally.

Milowners' Views

In the course of their lengthy memorandum, the Employers' Association of Northern India made the following observations:—

"Hostility is displayed practically throughout the report against the employers and gross partiality is shown in favour of the Cawnpore Mazdoor Sabha.

"The admitted incompetence of the Inquiry Committee to deal with so highly a technical matter and almost contemptuous rejection by the Committee of a great deal of evidence, and the figures submitted by the Association, would in their aggregate justify the employers' totally rejecting the report without comment."

"The Government in selecting members of the Committee had not allowed consideration of impartiality or technical competence to stand in the way and the Government have gone into highways and byways to find for the completion a committee of persons interested in and deeply biased in favour of labour."

The memorandum then deals with the situation in Cawnpore, precedent to the appointment of the Committee and says: "The seeds of industrial trouble in Cawnpore were sown during the elections to the Legislative Assembly when Congress candidates desirous of winning the suffrage of labour and sympathy of the public had held out wild promises of what would be done to ameliorate and improve the conditions of labour."

The association narrates the history of strikes in Cawnpore from 1937 onwards and lays particular blame on Communist propaganda carried on by some labour leaders. Dealing with the chapter of wage

problem in the report, the memorandum states that the economic structure of India was out of balance and comparatively high wages paid by the mills were attracting increasing numbers from the country to the town.

No General Wage Cut

The association denies there have been general wage cuts between 1929 and 1935, although there had been drops in the earnings due to other causes and rejects the recommendations of the committee for a general increase in wages.

The association denies the suggestion that the textile industry in Cawnpore was in a strong and healthy position and that, therefore, there was no justification for lower wages in Cawnpore in comparison with Bombay. It declines to accept the recommendation that all-time workers at present engaged on daily pay basis should be paid on monthly basis. It does not accept the recommendation made under which the committee suggests graded increment of annas $2\frac{1}{2}$ in a rupee in the case of workers getting between Rs. 13 and Rs. 19 monthly, to half an anna in a rupee in the case of workers getting between Rs. 40 to Rs. 50

The association does not accept the recommendation with regard to bonus and creation of a Wage Fixation Board and the establishment of labour exchange under Government and Mazdoor Sabha control. It objects to the formation of mill committees which in the opinion of the Association, is the main source of labour trouble. It does not accept the suggestion with regard to setting up of a contributory provident fund scheme.

Minimum Wage

The association agrees with the suggestion of the committee for fixing the minimum wage at Rs. 15 and would be willing to consider a higher figure provided the application for a minimum wage was universal for all industries and that should apply to the whole of India.

Re-standardisation of wages in the opinion of the association, though difficult, was practicable in the case of time workers. The association criticises several other recommendations of the committee. Regarding amenities to workers, the association's contention is that the recommendations were too magnificent for adoption. The proposal for a provision of 305 working days in Cawnpore will, in the opinion of the association, place the local industry in a definite disadvantage in comparison with the industry in other centres. The system of granting holidays to the workers, the association contends, is premature and

should not be adopted in one industry alone. The association considers that the removal of the present housing conditions and their improvement was a matter for local bodies or the Government. Relief of indebtedness among workers was a matter entirely for the Government.

Cawnpore and Bombay

Comparing the position of wages in the local industry with that of Bombay, the committee in the opinion of the association, practically ignored the effect of the higher cost of living in Bombay, the standard of living and higher efficiency. As regards the contention about the fall in prices of cotton, the association emphasises the grave fallacy in attempting to appreciate for permanent purposes the position due to a temporary trend in prices.

The memorandum says: "A facile adoption of facts in support of their pre-arranged convictions of probabilities and generalities further reduces the value of the report as a constructive production."

Continuing, the association says that the percentage of trading profits to the capital invested was meagre and in no way capable of further reduction as would be the result of recommendations put forward by the Inquiry Committee. The cost of the committee's proposals, in the opinion of the association, in regard to the increase in wages including unemployment benefit, provident fund and leave proposal, would amount to 21 per cent., which would mean an expenditure of about Rs. 23 lakhs, while the profit in the industry in Cawnpore in 1936 was about Rs. 20 lakhs.

In this connection, it would also be of interest to see the remarks made by Lala Padampat Singhania, a leading and prominent millowner of Cawnpore at the Annual General Meeting of the Employers' Association of Northern India started in March, 1938. He stated that since Provincial Autonomy has come and popular ministers have taken over charge of the Government, they are anxious to carry out the promises given to the voters, but he was afraid that their movement was not in the right direction. He emphasised that it was the duty of those responsible for running these national institutions to convince them that they will not allow them to suffer and to point out to those who bring in hasty legislation and draw up theorists' reports that their move is not in the best interests of the nation.

Cawnpore Labour's Views

The representatives of labour expressed their satisfaction with the report of the Committee and urged the Government of U. P. to implement their recommendations.

Declaration of Strike in Cawnpore

Immediately after the publication of the views of the Employers' Association, rejecting almost summarily the Report of the Labour Enquiry Committee, the workers in Cawnpore declared a lightning strike in the second week of May even against the advice of the labour leaders of the Congress Party and the Mazdoor Sabha in Cawnpore. About 40,000 workers declared strike in all the mills. Tired of the numerous strikes that have taken place in Cawnpore in recent years, the employers appear to have taken the view that unless they took a firm attitude, such strikes would become a normal feature of the working of the mills and that it would be better to keep the mills closed for sometime rather than keep on negotiating with labour from time to time. The U. P. Provincial Congress Committee at a meeting held in Lucknow during the third week of May, 1938, generally approved and endorsed the recommendations of the Cawnpore Labour Enquiry Committee. The Provincial Congress Committee also agreed with the Enquiry Committee that the Textile Industry in Cawnpore was fully capable of shouldering the additional burden that would be imposed upon it when these recommendations were adopted. They strongly recommended to the U. P. Government to accept the principles underlying the proposals and the recommendations made by the Enquiry Committee to take all necessary steps to give effect to such of the recommendations as can be adopted immediately, and particularly the suggested rise in wages. The Provincial Congress Committee went to the length of saying that in the event of the employers persisting in their hostile attitude and refusing to accept Government's decisions on the enquiry report, they were of the opinion that it may become necessary to consider re-organising the industry with a view to introducing more stringent State control. The Committee also noted with deep regret that the workers in Cawnpore had declared a general strike without due notice and in opposition to the advice of their own leaders without waiting for the Government's decisions on the Enquiry Committee's report. They also observed that such lightning strikes weakened an organised labour union and gave a pretext to employers not to recognise the labour organisation which cannot impose its discipline on its workers. The Committee also recorded that the workers had great provocation and the continuous victimisation of active workers and the hostility displayed in the employers' memorandum made them feel that urgent action was necessary to protect their interests. The spontaneity and completeness of the general strike are evidence of the widespread and deep-seated feelings of workers and the great strain under which they had so far been working.

The Provincial Congress Committee also congratulated the workers on the excellent self-imposed discipline shown and specially on the complete maintenance of peace during a strike of such magnitude.

The U. P. Government published on the 12th June, 1938, a Resolution on the Textile Enquiry Committee's Report.

The resolution states that the textile industry has recently shown unmistakable signs of sound recovery even in the most depressed quarters and there can be no doubt that in Cawnpore itself it has a bright outlook.

The Government endorse the sentiments of the committee that while they accept the importance of the profit motive as a stimulus to economic enterprise, at the same time the position of the worker must equally be safeguarded and secured.

The Government are fully satisfied that the textile industry in Cawnpore under the present conditions can easily stand 10 to 12 per cent. graded rise in the general wage level as suggested by the Inquiry Committee and feel that even after this the disparity between the Cawnpore and Bombay rates will remain as before.

The Government fix the minimum wage at Rs. 15 and agree with the committee that the monthly basis be accepted for all-time workers.

The Government accept the proposal for the appointment of a Wage-fixation Board and prefer to establish it on the lines of the British trade boards.

The resolution suggests the appointment of a Labour Commissioner with whose aid the employer and workmen may approach the scheme of rationalisation with a view to promoting efficiency and standard of the industry. It is felt that it would not be fair to discontinue night work, but overlapping and multiple shifts should be abandoned. Recruitment should be made by mutual discussion and the workers should be provided with wage cards.

As to punishments there does not seem to be any serious conflict that there should not be breaches of the law. Wrongful dismissals should not take place. In this connection Government accept the committee's recommendations. Proper redress given, Government are, however, willing to examine the matter further with the representatives of the parties to see if any better method can be devised to achieve this end.

In order to deal with these and other difficult issues that arise from day to day Government propose to appoint a senior officer as Labour Commissioner for the whole province with headquarters at Cawnpore. He will also have to act as conciliation officer and try to settle the differences as they arise so as to prevent them from developing further.

As regards leave, Government are prepared to look into the matter further in consultation with the representatives of the employers and workmen. The resolution points out that the Government of India recommended to the International Labour Office grant of leave with full pay for 15 days. Action in this respect is being taken in various parts of the country and Government will go into the matter thoroughly before taking any final decision. Other minor details can be settled by mutual discussion.

Mazdur Sabha

The Government are aware that the Cawnpore Mazdur Sabha is the sole registered labour organisation in Cawnpore recognised by Government, but as recommended by the committee it should be reconstituted not only to bargain effectively on behalf of the workmen but also to enforce strict discipline. It must promote efficiency in the industry so as to ensure a maximum outturn in quality and quantity, and when reconstituted to help in preventing strikes except for very demonstrable and grave reasons. Government will also consider if any changes in the law are necessary to help the object.

The Government will be anxious, says the resolution, to do all they can to improve the housing conditions in Cawnpore, for which they have already made provision in the budget, and also examine the question of transport of workmen from their residence to the mill areas.

The Government accept the recommendations in regard to labour welfare and trust that the factories will extend their full support and co-operation. Government are also prepared to take necessary measures for protecting the workmen from oppressive and unscrupulous moneylenders on the lines of the C. P. Protection of Debtors Act as recommended by the committee.

The Government, in conclusion, appreciate the necessity for maintaining a correct and complete statistical data, for which a well-equipped department will be set up under the Commissioner for Labour.

The strike which commenced in the middle of May is still continuing but at the moment of writing* there are hopes that a settlement will be reached before long.

*18th June, 1938.

The representatives of labour have accepted the Government's resolution and suggested that the Government's findings should be implemented at once. The employers have not expressed their views on the Government's resolution. If no agreement is arrived at, it is likely that Government will have to consider the question of introducing legislation.

C. P. Labour Enquiry Committee

In March, 1938, the Central Provinces and Berar Government also appointed a Committee to examine the recommendations made by the Bombay Textile Labour Enquiry Committee and to report on the extent to which the conditions in the Central Provinces and Berar differed from those which formed the basis of the Bombay Committee's recommendations; the changes that would as a consequence be necessary in those recommendations in their application to conditions in the Central Provinces and Berar; the date from which the modified recommendations should take effect. The Committee was composed of Mr. N. J. Roughton, Financial Commissioner (Chairman), Mr. A. C. Sen Gupta (Principal, Morris College), Mr. V. R. Kalappa, M.L.A., and Mr. C. C. Desai, Director of Industries (Secretary). The Committee was advised on technical matters by Mr. S. S. Batliwala, Manager of the Empress Mills, Nagpur and Mr. R. Ruiker, General Secretary, Nagpur Textile Union. The Committee submitted its report in April 1938, recommending restoration of 60 per cent. of the wage cut as against less than 50 per cent. in Bombay. Mr. V. R. Kalappa, M.L.A., has appended a minute of dissent asking for a 75 per cent. increase in wages etc. The Labour Union has also asked for restoration of the full cut in wages. The Millowners of Central Provinces have presented a memorandum stating that a slump has set in both as regards prices and clearance of manufactured goods and emphasising that the time was very inopportune, to restore wage cuts. They pointed out that any undue burden on the Industry would result unfavourably on the unemployment problem. They therefore felt that they should lodge their emphatic protest against the recommendations of the Central Provinces Labour Enquiry Committee and trusted that the Government will modify them to a considerable extent.

A meeting of the Council of action appointed by the Provincial Textile Workers' Conference in the Central Provinces resolved on the 12th of June, that a general strike throughout the Province should commence from 1st of July.

It was stated that they were forced to come to this decision due to the fact that the Provincial Government did not come to any decision on the question of restoration of wage cuts of the Textile workers although the report of the Labour Enquiry Committee and its recommendations were received by the Government before April 30th.

On 17th June, 1938, the C. P. Government published a Resolution accepting the recommendation of the committee for uniform restoration of 60 per cent. in wage-cuts, from 1st May, 1938, and recommending its acceptance to employers and workers. The Government also decided that greater relief should be given to the lower ranks, according to a graded schedule, as in Bombay.

Labour Troubles in the South

Like the more industrial North, Madras has also had crucial labour problems to deal with. Since the inauguration of the Provincial Autonomy and the accession of Congress Ministries to power, Madras also witnessed an epidemic of strikes all over the Province, and particularly in Coimbatore, Madura and Madras City itself.

In October 1937 the Textile Mills in Coimbatore were faced with a series of strikes. In December 1937 the Government announced a Court of Enquiry to enquire into and give evidence upon the points in dispute between the mill-owners and workers. The Court represented by Sri Venkataramayya framed as many as 26 issues and analysed them under five major heads:—Welfare scheme, Hours of work and Shifts, Trade Unions, Wages and conditions of service. The final Report deals comprehensively with each of these heads.

Briefly, the suggestions made in the report may be summarised as follows:—

1. Mills should themselves take up the question of housing their workers. The Government for its part can aid the mill-owners by the grant of loan equal to half the cost of construction.
2. The Report definitely urges the abolition of adolescent labour at night.
3. In discussing the desirability of multiple double shifts, the Report states that the factors to be reconciled are the employers' insistence on output, the efficiency of the workers and last his health. Multiple shifts system often results in a number of disadvantages to the worker.

though not to the employer. The former's health is better for the abolition, and even to the employer in spite of the slight increase in profits. Other advantages seem to out-weigh the losses incurred by working double-shift and not multiple ones. The practice in one mill varies from another and the report considers that the time is ripe to enforce a uniform single or double shifts in all mills. If Madras and Calicut Mills can work profitably on single shifts, the case for the abolition of multiple shifts is unquestionably strong.

4. In regard to the issue of the reduction of working hours from 9 to 8 per day, it is stated that the tendency all the world over is to reduce the hours of labour. The first result of a reduction is a decrease in workers' wages, but this should be off-set by an increased efficiency on the part of the worker, and in fact the Royal Commission on Labour held that the workers should not suffer any decrease in earnings, since the fall in the production apprehended by the opponents of the 8 hours day is not true to the fact. The Report cites the instance in favour of this view. A weaver working 10 hours formerly produced 11½ lbs. of cloth, whereas working 9 hours he produces 12½ lbs. On this vexed question, the view of the Court is that there can well be a reduction in the hours of working to 8. There is a danger, however, if mills in all Provinces do not adopt the same principle. The question is, therefore, largely inter-provincial in scope.
5. As regards the recognition of Trade Unions by the employers, the report emphasises the need for complete registration of all Unions, as the Mill-owners themselves demand. But the report does not support the claim of employers that the workers should organise from within.

The Wages question has also been dealt with in detail.

With a Premier like C. Rajagopalachariar and a Minister like Mr. Giri in direct charge of labour questions, there is every hope that justice will be meted out on the merits of the case, both to workers and employers.

Madura Mill Disputes

During the year wage disputes also occurred in a few mills in the Madras Presidency. In connection with the dispute in Madura and Papanasam Mills where 12,000 workers were involved, the Government of Madras appointed Mr. D. N. Strathie, as Arbitrator to hold an enquiry and give an award on the question of wages in the Papanasam mills and on the reduction of night running. So far as the Madura Mills were concerned, the Management agreed to give six weeks' privilege leave and seven days' sick leave with full pay to all workers in a year.

The Arbitrator announced that the spinners at Papanasam should get a further increase in wage of Re. 1 per month to that announced in December 1937 by the Management. The Management also agreed to recognise the Madura Labour Union and the Papanasam Labour Union as at present constituted. This award applied to the mill-workers at Papanasam also and came into effect from 1st May, 1938. It was estimated that it would cost the Management about Rs. 71,000 a year.

Bihar Labour Enquiry Committee

In March, 1938, the Behar Government also appointed a Labour Enquiry Committee to enquire into the condition of labour in the province of Bihar. The terms of reference, and the personnel of the committee are given below :

The Bihar Legislative Assembly passed a resolution on the 3rd September, 1937, recommending to Government that a Committee of the members of the House and outside experts be appointed by the Premier to investigate into the conditions of industrial labour in Bihar and make recommendations on the same within six months.

In accordance with this recommendation the Hon'ble Prime Minister has been pleased to appoint a Committee with Dr. Rajendra Prasad as Chairman for the purpose of conducting an enquiry into the conditions of (industrial) labour prevailing in the important industrial centres and industries of the province with particular reference to each important industry and locality and to make such recommendations as may appear practicable for the purpose of improving the level of wages, conditions of work, employment etc., in the important industries and localities concerned.

This Committee will consist of :—

1. Dr. Rajendra Prasad, *Chairman*
2. Mr. M. P. Gandhi

3. Prof. Abdul Bari, M.L.A.
4. Babu Jagat Narain Lal, M.L.A.
5. Dr. Radhakamal Mukharji,
6. Mr. H. B. Chandra,
7. Prof. R. K. Saran, M.A., *Secretary*.

and will have powers to co-opt (one or more) representatives of capital and labour in each area which may be visited by it or be under its consideration.

Co-ordination of Labour Policy in India

The Labour Sub-Committee of the All-India Congress Committee which met at Bombay on the 14th May 1938 passed the following resolutions in regard to the labour policy to be pursued by the Congress Governments in the various Provinces:*

(1) This Committee notes with satisfaction the appointment of the Committee made by the Provincial Governments of Bombay and the United Provinces for inquiry into the wages and conditions of workers engaged in the textile industry and trusts that Governments in other provinces and Indian States where textile industry is established will, with a view to bring about simultaneous improvement, take similar action at an early date.

(2) The Committee expresses its satisfaction at the recommendations made by the Bombay Textile Inquiry Committee and accepted by the Government having been generally carried out by the employers in the Bombay Presidency. The Committee hoped that the millowners in the other provinces will also carry out such recommendations of the Inquiry Committees as are accepted by the Governments of these provinces.

* In this connection it would be of interest to note that the following resolution was passed at the Annual Meeting of the Federation of Indian Chambers of Commerce and Industry held on the 1st April, 1938.

This Federation desires to emphasise:—

“The imperative necessity of co-ordination of factory and labour legislation in different provinces so as to make it uniform as far as possible and to prevent any unfair competition between industries located in different provinces; and

That the Governments, Central and/or Provincial, should bear their fair share of the expenditure incurred in labour welfare work as in other countries, instead of imposing the whole burden on the industries.”

(3) The Committee notes with satisfaction that the Bihar Government have appointed a committee to inquire into the conditions of labour in the important industries in the province and hopes that similar inquiries will be instituted in the other provinces, particularly in regard to sugar, mining, ginning, pressing and other organised industries.

(4) The Committee is of opinion that the wages and hours of work and other conditions of the employees engaged in the shops and other similar establishments are far from satisfactory and requests the Congress Ministries to institute suitable measure for improving the same.

The Committee further expresses its general approval of the legislation proposed to be introduced by the Government of Bombay in this behalf.

(5) The Committee welcomes the expression by the Government of Bombay of their intention to introduce legislation for the provision of leave with pay during sickness and hopes that suitable action will be taken by other Provincial Governments in this behalf.

(6) The Committee notes with satisfaction that the Baroda Government have notified the introduction from 1st August, 1937, of a nine hour day in response to the demand made by the Textile Labour Association. It hopes that other Indian States, will take immediate action in this direction.

(7) The Committee reiterates its opinion that the collection of statistical information regarding conditions of working class people engaged in important industries is an indispensable preliminary for suitable action for ameliorating the same and expresses its earnest hope that the Provincial Governments which have not yet made such arrangements will take prompt and effective steps for making up the deficiency.

(8) The Committee expresses its satisfaction at the action of the Government of Bombay in extending the application of the Factory Act to factories employing ten persons or more where the manufacturing processes are carried on with or without power and expects that other Governments will take early step to extend the application of the Act on similar lines at least to all urban areas.

(9) The Committee notes with satisfaction that U. P. Government have passed legislation providing maternity benefit and that the

Bombay Government have extended the application of the said Act even to smaller centres where the Act did not apply till now and trusts that Governments of provinces where there is no such provision will take measures to introduce the necessary legislation.

(10) The Committee notes with satisfaction that the Bombay Government and U. P. have issued orders for compulsory establishment of creches where women workers are employed and trusts other Governments will take action in this direction.

(11) The Committee welcomes the declaration made by the Government of Bombay to introduce prohibition in the industrial city of Ahmedabad and expresses hopes that urban industrial areas in other provinces will also be soon taken up for carrying out the prohibition programme by the Congress Ministry.

(12) This Committee is of opinion that such committees as may be appointed by the Provincial Governments for the purpose of enquiry into conditions of labour or trade disputes should be mainly composed of persons associated with public life and national movement.

Labour Legislation in Bombay, and other Provinces

During the year several bills for labour welfare were introduced by the Bombay Government, and other Governments.

Annual Leave with Pay for Workers

In February, 1938, Mr. S. C. Joshi introduced a Bill in the Bombay Legislative Council making provision for grant of annual leave with pay to certain classes of workmen by their employers. The Bill sought to provide an annual leave of not less than 30 days with pay to all workmen to whom the Indian Workmen's Compensation Act applied; such annual leave to be exclusive of other leave on half pay or without pay due to sickness, convalescence, accidents or any other causes. Other provisions included that the taking of annual leave should be compulsory etc. The Bombay Millowners' Association expressed their opposition to a measure of this nature on the grounds (1) that the expenditure involved in granting a holiday with pay would constitute a heavy charge on the existing financial position of the industry, more especially having regard to the fact that several mills in Bombay had already committed themselves to welfare work in the shape of creches etc. (2) That the adoption of the proposal would entail a much heavier expenditure for Mills in Bombay and Ahmedabad (who paid the highest wages) than in other centres. (3) That even countries which were much more advanced than India was

with regard to Industrial development did not appear to have accepted the principle of a paid holiday.

When the bill was taken for consideration by the Council on the 26th April, 1938, the Hon'ble Mr. Morarji R. Desai, Revenue Minister, speaking on behalf of the Government explained that the Government did not want to overburden the industrialists so as to kill industry, because thereby both the industrialists and the worker would suffer. The textile industry had accepted the recommendations of the Textile Wage Enquiry Committee and Government intended to bring in legislation regarding pay for employees in case of leave due to sickness. In the opinion of the Government, leave with pay in case of sickness was more urgent than holidays with pay, and unless the efforts of the working of the measures which they were taking were seen, it would not be possible for Government, he observed, to commit themselves to measures of the kind proposed by the mover. On the advice of the Government, the Bill was withdrawn by Mr. Joshi.

Paid Holidays in U. K.

In this connection, it will be of interest to note that the report of the Committee on Holidays with pay for all workers in the United Kingdom was published recently. This Committee was appointed in March, 1937, under the Chairmanship of Lord Amulree "to investigate the extent to which holidays with pay are given to employed workpeople and the possibility of extending the provision of such holidays by statutory enactment or otherwise, and to make recommendations." The report was unanimous.

The Committee concluded that the provision of holidays with pay, apart from its value as a social measure, rests upon considerations which are inseparable from the varying terms and conditions of employment in different industries; but that any attempt to apply, at once, to all workers one uniform rule would be likely to produce serious difficulties.

They recommended that in industries where holiday with pay are not already provided an annual holiday with pay for at least one working week should be established for industrial and kindred workers by voluntary arrangement as part of the terms of the contract of employment. They proposed a probationary period of at least two to three years to enable industry to make voluntary

arrangements with a minimum of dislocation in the settlement of wages question.

The cotton spinning employers did not grant the benefit of paid holidays to operatives at a recent meeting in view of the present state of trade. The matter, however, is to come up again for further consideration within six months.

Proposals for Sick Leave with Pay.

The Government of Bombay consulted the commercial and industrial opinion in regard to the proposals for the grant of sick leave with pay to industrial workers. Briefly stated, the Bombay Government proposed that subject to certain qualifications with regard to length of service every industrial worker should have a legal right to three to four weeks' sick leave with pay during each year of which he might avail himself under certain easily enforceable conditions regarding certification. If there was any balance of leave left during the year, it was to be turned into cash and the amount handed over to a fund to be maintained by Government. The workers would be required to contribute 10 days' wages to the fund every year and the employers were to pay three to four weeks wages per year towards the cost of the scheme. The Bombay Millowners' Association expressed the opinion that whilst they were in favour of doing what was advisable and practicable for the advancement of the social labour of industrial workers, they strongly felt that the rate of advance in social legislation must be dictated by the industry's capacity to finance their legitimate share of such schemes without imperilling competitive capacity. It was, therefore, pointed out to Government that legislation in matters such as sickness insurance, holidays with pay, old-age pensions and social benefits of a like nature should be of an all-India character and that in so far as sickness benefits and old-age pensions were concerned, the salutary principles followed in other countries, namely contribution towards the cost by the State in the case of sickness benefits and the provision of the whole or greater part of the cost by the State in the case of old-age pensions must be followed. It was also made clear that the embryo scheme envisaged by Government would impose an additional burden of Rs. 40 lakhs per year on Bombay mills which was excessive in comparison with the burden imposed on employers for the same class of benefits in other countries, and that until the industry had been definitely and permanently established on the road to prosperity, the policy which should be followed in regard to the sickness insurance scheme, holidays with pay and the like should be the encouragement of voluntary schemes by financially sound indi-

vidual concerns and that these schemes should be extended and improved whenever circumstances permitted. The Association also made clear that the Industry cannot voluntarily submit to a burden anything like so great as that was originally contemplated by Government.

Standardisation of Wages in Ahmedabad

During the year 1938, the Mill Industry in Ahmedabad in collaboration with the Labour Association succeeded jointly in evolving a scheme for the standardisation of the weavers' wages in accordance with the agreement arrived at in the presence of Sardar Vallabhbhai Patel in November 1937. It had been decided by both the Associations to put the scheme to a test for the actual working and scrutinise the same with a view to its final introduction in the Industry by 31st March, 1938, with such adjustments as may be found necessary. This important measure first proposed in the Delhi Agreement of 1935 arrived at between the two Associations under the advice and guidance of Mahatma Gandhi has been put into effect, subject to a few minor adjustments.

Sardar Vallabhbhai Patel in a statement to the press issued on 8th March, 1938, observed that great credit was due to members of both the Associations who had to overcome serious difficulties and introduce schemes which were calculated to prove a great benefit for both labour and the industry by eliminating the causes of friction arising out of the prevailing disparity in wages between one mill and another.

Appointment of Labour Officers in Bombay

The question of the appointment of Labour Officers recommended by the Royal Commission on Labour has been engaging the attention of the Millowners' Association Bombay for the last few years. At first, it was not considered essential for such officers to be appointed in every mill but the Association had always agreed that something should be done to restrict the powers of the jobber in the engagement and dismissal of labour and curtail the avenues for bribery and corruption. In 1934, following the passage into law of the Bombay Trade Disputes Conciliation Act, the Millowners appointed a Labour Officer for Mills in the City and Island of Bombay. With the passage of time it came to be recognised that the magnitude of labour and welfare problems with which every individual mill had to deal from day to day indicated the need for the appointment of special officers by all large units and it is now understood that in accordance with the opinions expressed by the Millowners' Association, various mills are contemplating the appointment of Labour Officers whose main duty

would be to supervise recruitment, prevent abuses and ensure a fair deal for labour and generally assist the management in all labour matters. These Labour Officers work in close collaboration with the Labour Officer appointed by the Bombay Government to bring about better understanding among the labourers and millowners.

Cawnpore Employers' Association Labour Bureau

The Employers' Association of Northern India established in March 1938 started a Labour Bureau from which member concerns in Cawnpore are recruiting their labour. Within the period of a month 1000 workers were registered and 400 of them had been provided with employment. Of the registered workers 700 were weavers and 300 belonged to other departments of mills. The obvious advantage of such a Labour Bureau is that it eliminates bribe-taking and extortions by jobbers, makkadams etc.

Relation of Labour with Capital in Bombay

In regard to industrial relations in Bombay there is at present no machinery for compulsory arbitration for settlement of trade disputes. The Bombay Trade Disputes Conciliation Act of 1934, however, provides a prompt and effective means of redressing the grievances of workers as and when they arise, thereby removing one of the major causes of the disastrous strikes which have been so characteristic a feature of the Industry during previous years. That Act provides for the appointment of Labour Officers by Government for the purpose of looking after the interests of Labour in the Industry and promoting closer contact between employers and employed. All grievances of the workers are investigated by the Government Labour Officer and taken up with the managements of the mill concerned; failing a settlement, the dispute is referred for conciliation to the Chief Conciliator appointed under the Act. The Labour Officer appointed by the Government works in close collaboration with the Labour Officer appointed by the Association soon after the passage of the Act, and the success of their joint efforts may be gauged from the absence of industrial disputes of a major character since the passing of the Act. In addition to the settlement of individual grievances, the Association's Labour Officer has been able from time to time to make a number of recommendations calculated to improve relations between workmen and their employers and to secure the regularisation of conditions of employment generally. These suggestions are examined at regular intervals by an expert Committee of Mill Managers, on whose recommendations a number of reforms affecting terms of employment have been introduced in Bombay Mills during the last few years.

It is understood that the Bombay Government have at present under contemplation the enactment of a comprehensive piece of legislation designed to provide for the investigation and settlement of trade disputes. The draft Bill makes provision for compulsory conciliation and arbitration, but no detailed proposals have yet (June 1938) been finally settled.

Relation of Capital and Labour in Ahmedabad

The relations of the employers with the Labour Union in Ahmedabad during the year were cordial. The constitution of the Arbitration Board during 1937 was supplemented by a revised agreement and the Association also appointed a Sub-Arbitration Board for summary disposal of routine matters.

Discovery of New Markets in India

During the year the Ahmedabad Millowners' Association have taken the commendable step of investigating into the possibility of expanding their trade, and of discovering new markets. To achieve this end, the Association appointed a Market Organiser in the Punjab markets. The Association hopes to expand its activities in this connection, if the results are found encouraging.*

Artificial Silk Yarn in India

During the year, the Indian Central Cotton Committee proposed to install a pilot plant with a view to exploring the commercial possibility of producing artificial silk from short staple cotton.

India produces enormous quantities of short staple cotton and if the experiment proves successful a new use will have been found for the surplus cotton of this variety to the great benefit of cotton growers, workers and the Industry in general. It is understood that a sum of Rs. 30,000 has been allotted for this experiment.

Annually India imports over 80,000,000 yards of artificial silk and 16,000,000 pounds of artificial silk yarn. Between 70 and 80 per cent. of the yarn is used by handlooms, and the rest by power looms for mixed fabrics and fancy designs. Artificial silk is predominantly an ornamental fibre, and its consumption is dictated by fashion. It found an important market in the world as a material for bra-making and hosiery. The fundamental defect of artificial silk,

* In this connection, we might state that the Government of India have done well in appointing Indian Trade Commissioners at Bombay, New York, Osaka, Milan and Hamburg. We hope that they will make such appointments at other centres where there is a possibility of finding markets for Indian piece-goods and other manufactures.

compared to silk and cotton, is its weakness. Its tensile strength is much lower than silk and about 50 or less per cent than cotton according to variety. Compared to other fabrics, artificial silk lacks in elasticity, it is easily stretched beyond the recovery point. Owing to the differential rates in tariff the manufacture of artificial silk fabric is increasing. Most of the mills producing the fabric are located in Bombay. There are at present 2500 looms working on the fabric, all the yards needed being imported. As the demand increases, however, the ordinary cotton textile looms with minor alterations can be converted to produce artificial silk.

In reply to an interpellation in the Central Legislative Assembly the Government of India observed in February 1938 that an examination of the possibility of manufacture of artificial silk in India was engaging the attention of the Indian Central Cotton Committee which had recently sanctioned the grant for an experimental plant intended to test the possibility and cost of production of chemical cotton for the artificial silk industry from Indian cotton linters and short staple cotton.

The Imperial Council of Agricultural Research and the Industrial Research Bureau were also co-operating actively with the Central Cotton Committee and the Bureau had already made two interim reports to the Committee on the possibility of production of artificial silk in India.*

Enquiry in Minor Industries Requiring Protection Against Japan

During the year 1937 the Government of India appointed a Special Officer to investigate the case of minor industries requiring protection against Japan due to the adverse competition from that country. The Millowners' Association of Bombay submitted separate cases for an increase in duties on cotton blankets and cotton yarn imported from Japan. Several other associations submitted cases for an increase of duties on various other small articles such as glassware, enamelware, etc. It was subsequently learned, however, that in view of the un-

*In this connection it would be of interest to note that the following resolution was passed at the Annual Meeting of the Federation of Indian Chambers of Commerce and Industry held at Delhi on the 2nd April, 1938.

"This Federation views with concern the increasing imports of artificial silk yarn into the country as they serve not only to displace home made cloth, both mill and handloom, made from Indian cotton but also to postpone indefinitely any serious attempt to produce artificial silk from indigenous raw materials; and it strongly urges the Government to take immediate steps to check such imports.

"The Federation further urges Government to encourage efforts to produce artificial silk from indigenous raw materials."

settled condition in the Far East since the commencement of the special enquiry and the steady rise in the prices of Japanese imports into India, the special enquiry had been suspended. The Government of India, however, indicated that they would continue to watch the situation carefully and would be prepared to give special attention to the needs of any industry that might still be adversely affected by the volume and prices of goods imported from Japan.

The Bombay Millowners' Association made efforts to secure a quota and an increase in the duties of artificial silk piecegoods but met with partial success. Towards the end of March 1937, the Government of India increased the duties on all artificial silk piecegoods from 4 to 5 annas and on artificial silk mixtures from $3\frac{3}{4}$ annas to 4 annas. The lower rates of duty applicable to artificial silk fents was also done away with, and artificial silk fents must now pay full rates of duty.

Khaddar (Name Protection) Act Enforced

During the year 1938, the various Provincial Governments decided to bring into operation the India Khaddar (Name Protection) Act, 1934 which sought to provide for the protection of the names "Khaddar" and "Khadi" used as descriptions of cloth spun and woven by hand in India. The Indian Khaddar (Name Protection) Act 1934 was passed by the Central Legislature and became Law on the 13th of March, 1934. The effect of this notification is that the terms "Khaddar" and "Khadi" will hereafter be deemed to be trade descriptions under the Indian Merchandise Marks Act, 1889, denoting cloth woven on handlooms in India from cotton yarn hand-spun in India. Mill made goods which are stamped or sold as goods bearing these descriptions will therefore be subject to the penal provisions of the Act, which lay down a punishment of imprisonment for a term extending to three months or a fine extending to Rs. 200 for the first offence, and imprisonment extending to one year or fine or both in the case of a second or subsequent conviction.

Egypt's Increase in Import Duty on Cotton Piecegoods

Early in 1938 the Egyptian Government increased the import duty on cotton piecegoods with a view to afford further protection to their fast-growing domestic textile Industry. The rate of increase in cotton piecegoods and yarn is extremely heavy amounting to 100 per cent. in some cases. The duties have been doubled on cotton yarns, heavy greys and whites, heavy printed dyed goods and cabots. Italy will be the chief sufferer in heavy printed dyed goods. The increase

of 100 per cent. duty on cabots will practically prohibit their import from India. India, Lancashire, Italy and Japan will all be hard hit on account of these duties. It is gratifying to note that the Government of India, on the advice of the Millowners' Association, have registered their protest against such increase in duty.

Indo-British Trade Agreement

We may now refer to the negotiations that were carried on in India in May, 1938 for conclusion of the Indo-British Trade Agreement.

The Non-Official Advisers appointed by the Government of India went to London in the latter part of the year 1937 and carried on negotiations with the representatives of His Majesty's Government. No conclusions could, however, be reached and the Delegation returned to India in October, 1937. Since then the Government of India have carefully reviewed the position and have decided that further progress should be sought along certain lines suggested by the Non-Official Advisers.* The Government of India also felt that the questions involved in these negotiations were such as to render personal discussions a more appropriate method of procedure than an exchange of correspondence and accordingly they decided to send the Hon'ble Sir Muhammad Zafrullah Khan, Commerce Member to the Government of India, to London to meet the representatives of His Majesty's Government for the purpose of these discussions. Sir Muhammad Zafrullah Khan left Bombay in January, 1938 with Mr. N. R. Pillai, I.C.S., Deputy Secretary to the Government of India in the Commerce Department. After carrying on negotiations in London, Sir Muhammad Zafrullah Khan returned to India in April, 1938, and held consultations with the Non-Official Advisers in regard to the progress made in the settlement of major issues. To carry on further negotiations with the Indian Delegation, the Board of Trade in England sent to India a Delegation representing the United Kingdom Cotton Textile Industry under the Chairmanship of Mr. A. D. Campbell, in May, 1938.

The Non-official Advisers to the Government of India which were to conduct negotiations with the British Delegation in 1938 consisted of the following persons:—

Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.

Mr. G. D. Birla

* Two changes were made in the Non-official Advisers owing to the resignations of Dr. P. Subbaroyan and Sir Edward Benthall. In their place the Raja of Parlakemedi and Prof. W. Roberts were appointed as Non-Official Advisers.

Mr. Kasturbhai Lalbhai
 Sardar Datar Singh,
 Raja of Parlakemedi
 Nawabzada Liaquat Ali Khan and
 Prof. W. Roberts.

In order to assist these Advisers in their difficult task and in order to give representation to the viewpoint of the various interests concerned, viz. textile and cotton growing interests, the Government of India appointed the following persons as advisers to the Non-Official Advisers:

Mr. M. S. Aney, M.L.A. (Central Provinces, Cotton Growers)
 Mr. S. B. Betigeria, Chairman of the Cotton Sales Association,
 Dharwar.
 Mr. M. Haridas
 Mr. Narottam Hathisingh } Ahmedabad Millowners' Association.
 Sir H. P. Mody }
 Sir Chunilal V. Mehta } Bombay Millowners' Association.
 Mr. C. W. Tosh, Northern India Employers' Association of
 Cawnpore.
 Sir Haji Abdulla Haroon, Sind Cotton Growers.

The personnel of the Delegation representing the Lancashire Trade Delegation was as follows:

Mr. Angus D. Campbell, Vice-President, Manchester Chamber of Commerce. (Chairman)
 Mr. E. Raymond Streat, Director and Secretary of the Manchester Chamber of Commerce,
 Mr. James Littlewood, Deputy Chairman of the Lancashire Indian Cotton Committee, and
 Mr. Frank Longworth, Member of the Central Committee of the Cotton Spinners' and Manufacturers' Association.

On the 10th of May, 1938, the Lancashire Delegation and the Indian Non-Official Advisers met at Simla under the Chairmanship of Sir Muhammad Zafrullah Khan, the Commerce Member of the Government of India, who presided over the opening proceedings. But, however, soon withdrew from the meeting along with Mr. Slade, Commerce Secretary and Sir Purshotandas Thakurdas occupied the Chair. The meeting outlined the procedure of conducting negotiations.

It was decided that for the time being Mr. G. D. Birla and Mr. Kasturbhai Lalbhai be asked to meet the Lancashire Delegation in more or less continuous session, in order to reduce the size of meetings and facilitate progress. They would keep in constant touch with the chairman and other Non-official Advisers.

Basis of Negotiations

The negotiations centred round three subjects:—

- (1) The question of the Indian market for Lancashire piecegoods.
- (2) The question of the reduction in the import duty on United Kingdom piecegoods in India, and
- (3) The purchase of Indian raw cotton by the U. K.

Although no official communique has been issued on the subject it is understood that Lancashire, pressed for admission of a quota of piecegoods in the Indian market of 666 million yards. The import of cotton piecegoods from U. K. into India during the last three years has been 439,000,000 yds. in 1935-36, 334,000,000 yds. in 1936-37 and 266,000,000 yds. in 1937-38 (excluding Burma). In regard to the import duty on U. K. piecegoods in India the Lancashire Delegation proposed its reduction from 20 per cent. as at present to 11 per cent and indeed, what is more, they desired that in case it was found that U. K. could not export to India 666 million yards of piecegoods the duty should be further reduced from 11 per cent to enable this quantity to be exported to India. The third objective was to determine the minimum annual purchase by U. K. of Indian raw cotton, which the Lancashire Delegation suggested should be 400,000 bales. Since Mody-Lees agreement Lancashire's purchases of Indian Cotton have risen progressively. In 1935-36, India exported 456,142 bales, in 1936-37, 622,423 bales, and in 1937-38, 395,102 bales, to the U. K.

Indian Delegation Demurs

The reaction of the Indian Delegation to these suggestions was naturally very unfavourable. Firstly, they contended that bearing in mind the interests of the indigenous cotton textile industry including the handlooms the production of which was expanding, the Indian Delegation could not by any chance agree to consider an increase in their imports of U. K. piecegoods without anything by way of *quid pro quo* except a *promise* from Lancashire to do her best to buy our raw cotton. In the year 1937-38, the total quantity of piecegoods imported from U. K. was only 266,000,000 yds. and clearly there was hardly any

possibility of India finding a market within the country for an import of about 400 million yds. in excess of this figure. It should also be remembered that the Indian market for cotton piecegoods is neither ample nor one which could easily be adjusted. Firstly, the claim of the indigenous cotton textile industry has to be reckoned with and it has increased its production of piecegoods from 2,400 million yards in 1929-30 to nearly 4,000 million yards in 1937-38. Both on political and economical grounds, the Indian Cotton Textile industry is entitled to a certain right of expansion; besides the claim of the handloom industry cannot also be ignored, particularly in view of the impetus the Industry has been receiving in the various provincial governments, thanks to the advent of the Congress Ministries, and their desire to rehabilitate the cottage industries. As a matter of fact, India can ill afford to let even Japan have such a large share in the indigenous market for piecegoods, but in view of Japan being such an important customer for India's raw cotton it has been agreed to do so bearing in mind the large market she affords for coarse quality of Indian raw cotton.

Lancashire's Preposterous Demand

Besides, the Lancashire Delegation would not be content even with the fixation of a particularly high quota of about 600 million yards (it appears the Indian Delegation was not prepared to allow a quota higher than 400 million yards under any circumstances). What is more it wanted the import duty to be reduced by 11 per cent. It is understood that the Indian Delegation agreed to the reduction of the duty from 20 per cent. to 15 per cent.* but that would not meet with the desire of the Lancashire Delegation. The Indian side could perhaps have considered the question of an increase in the quota if Lancashire had given a definite promise of taking a larger quantity of India's raw cotton than she did in the past three years but that too Lancashire was very loath to do. Lancashire pitched its demands too high. When it wanted merely to take and not to give, it was but clear that no agreement could be arrived at and finally in spite of the intervention of the Hon'ble Commerce Member, an announcement had to be made that the trade talks had resulted in a deadlock. The Lancashire Delegation returned to England towards the end of March 1938. The Hon'ble Sir Muhammad Zafrullah Khan, the Commerce

* In this connection, it ought to be remembered that since the acceptance of the recommendations of the Textile Labour Enquiry Committee by the industry in the Bombay Presidency, in regard to the increase in wages etc., early in 1938, the cost of production in Indian mills has gone up and indeed on this score the Import duty both on U.K., and Japan piecegoods would merit a slight increase.

Member of the Government of India went to England in June 1938, as a Delegate of the Government of India to carry on further negotiations with the British Government.

Breakdown of Simla Talks

We cannot conceal our feelings that the Indian Delegation consisting of such stalwarts as Sir Purshotamdas Thakurdas, Mr. G. D. Bala and Mr. Kasturbhai Lalbhai have done their very best to protect India's interests and that they had no other alternative but to let the trade talks end in a deadlock. It is also our feeling that the Lancashire Delegation kept its demands so high because so long as a new Trade Agreement is not concluded, the present arrangement of the Ottawa Agreement is to continue and under this arrangement, U. K. is definitely a gainer. We hope that the Government will take immediate action for termination of the Ottawa Trade Agreement following the breakdown of the Indo-British Textile negotiations, as we feel that then alone, Lancashire will see reason and put forward proposals which will be equitable from the point of view of India as well.

Personally, we are not very sure that even a large off-take of our raw cotton by U. K. will help us much, as it is largely long staple cotton of over $\frac{7}{8}$ " staple that U.K. imports from India, and this cotton we would require for our own use in our mills which are now manufacturing finer qualities of cloth, and for which, indeed, they have to import long staple raw cotton from other countries, to supplement India's production of such cotton.

We also hope that the Official Delegate of the Government of India will not go beyond the advice tendered by the Non-official Indian Delegates who have been associated with these negotiations for the last 18 months, and who are capable of representing the wishes of the Indian Commercial Community and the public satisfactorily on the points at issue. We also hope that in accordance with the following resolution accepted by the Indian Legislative Assembly on the 2nd April, 1938, the Government of India will not conclude any agreement with U. K. which may be found unacceptable by the Indian Legislatures :

"This Assembly recommends to the Governor-General-in-Council that no steps should be taken to conclude a fresh Indo-British Trade Agreement or any Trade Agreement of a similar nature without first consulting the Assembly."

We also hope that the Government of India have seen the strength of the feeling in the country over this question, and trust that they will not over-ride the views expressed in this behalf by the expert Non-official Advisers, and will not also take the unwise step of con-

cluding any Agreement without consulting the Assembly broadly in regard to the terms of the agreement.

We would also urge that the Government of India should publish without delay the Report submitted by the Non-official Advisers in May, 1938.

The Government of India should also consider the possibility of entering into bilateral trade treaties with such countries where we can find an export market for our goods. In the case of U.K., as in the case of Japan, if and when a trade agreement is concluded, an import of piece-goods to India, should be linked with a suitable quantity of off-take of our raw cotton. If possible, there ought to be a stipulation about the kind of raw cotton to be exported, as the aim of any such treaty should be to benefit the cultivators of the ordinary varieties of cotton, who do not get a suitable price for the cotton due to the paucity of demand.

Bilateral Trade Treaties

In accordance with the resolution passed by the Legislative Assembly on 30th March, 1936, it is the duty of the Government of India to examine immediately the trend of the trade of India with various other important countries and the United Kingdom and investigate the possibility of entering into such bilateral trade treaties with them whenever and wherever possible to bring about the expansion of the export trade of India in those markets.

For instance, there is a very strong case for India having an increased preference for Indian Textiles in the East African market. India is the largest single customer of East African Cotton. The import of East African Cotton into India during the year 1937, was of the order of 291,000 bales, which represents 84 per cent. of the East African production of cotton. Being such a large buyer of East African cotton India is entitled to demand a privileged position involving increased preference for her textiles in the three territories of East Africa. In fact India should receive better treatment in East Africa than Japan receives in India in accordance with the terms of the Indo-Japanese Trade Agreement. For, India buys a much larger percentage of the East African cotton production than Japan does in respect of the entire cotton production in India. We feel that this concession should be of the nature of preferential duties and large quotas for Indian textile imports into the East African territories. Let us compare for instance the consumption of African cotton by U. K. as compared with India. In 1937, the United Kingdom imported 31,000 bales of East African Cotton as compared with 291,000 bales imported by India. Even so if we see the figure for export of cotton piece-goods

in East Africa, we find that U. K. was responsible for an export of 7,27,000 yards in the year 1937, as compared with India which exported 13,266,000 yards. What is more, the balance of trade between British East Africa and India has been against the latter. We had an adverse balance of trade to the extent of 283 lakhs of rupees in the year 1936-37.

We trust that concerted efforts will be made by the Indian Textile Industry for securing an increased volume of trade in respect of Indian piecegoods in this market which will provide a suitable scope for the expansion of India's export trade.

Congress Cotton Enquiry, 1937

On 28th October, 1937 the All-India Congress Committee in its meeting held at Calcutta appointed a Cotton Committee consisting of Messrs. Bhulabhai J. Desai, Shankerlal Banker and Seth Jumnalal Bajaj to enquire into the recent heavy fall in the prices of Indian cotton and to recommend measures in the interests of cotton growers in the country. The Committee concluded its enquiry by the end of the year and submitted its report early in January, 1938. In their report the Committee expressed the view that it was wrong to interpret the phenomenon of low prices in cotton as a periodic miscalculation of the needs of the world with the consequent coincidence of excessive production owing to good weather in many parts of the world, particularly in the cotton growing tracts of the world. The Committee pointed out that it was not merely the supply of cotton all over the world that has suddenly increased, but also that the demand for cotton has been disturbed to considerable extent by the instability of world conditions, such as the political unrest in the Far East and the economic uncertainty about the future in the West. Further, some countries of the world such as Germany and other Central European States, in a strenuous search for economic self-sufficiency, have been inventing substitutes so as to eliminate or reduce their purchase of imported material of which cotton is one. In the opinion of the Committee active measures are necessary in order to save the cotton cultivator in India from extreme and prolonged misery in which he will find himself as a result of the situation which has arisen. In suggesting active measures at the hands of the Government and other institutions interested in the welfare of the cotton grower, the Committee had before them the striking example of the United States, the richest and also the largest cotton producing country in the world. Here in the United States Governmental action in the form of the advancing of loans to the cotton growers and the curtailment of the

area under cotton has resulted in raising cotton prices to an appreciable degree. In the face of this convincing result achieved in the United States it is upto our Government to adopt similar measures in this country. When there is at the moment a plethora of money in the market and the Central Government can borrow at a very low rate of interest there is no reason why a few crores of rupees should not be raised and offered to the cotton growers specifically for cotton under special arrangement at selected centres all over the country. Moreover the Imperial Bank of India at all suitable branches may advance the money on cotton deposited with the bank. Further wherever an application is received from a cotton cultivator that he is holding his cotton and is thus unable to pay his instalment on land revenue or rent which has become due such application should be granted. At the same time there should be inaugurated a compulsory scheme for the adequate curtailment of the area under cotton in respect of the next crop. It will have a great psychological effect and will be a source of considerable strength in the future market. The agricultural department of the various provincial governments should bestir themselves with regard to the suggestion for alternative crops wherever such distribution of seeds become necessary or is applied for. A certain amount of government fund may also be locked up in this matter.

Defects of Cultivation of Cotton

The Committee in its report also took care to point out the defects on the cultivation side of cotton in India. The position in this respect in India is extremely deplorable. The yield per acre of Indian cotton is very low as compared with the yield per acre in other cotton growing countries of the world particularly in America. In India it is between 80 to 100 lbs. per acre, while in America it is nearly 200 lbs.

The Committee also pointed out the weakness on the side of marketing too. In this regard the cultivator is labouring under serious disabilities and a very dependent position is taken by India in the Indo-British trade negotiations merely because India has a surplus of cotton which must be got rid of. To expand therefore the market for Indian cotton the Committee suggested that serious measures should be contemplated for an export subsidy. It is true that an export subsidy would mean throwing Indian cotton on the world market at a cheap price and would involve the bearing by the State of the difference between the price ruling in the country and the artificially reduced price for foreign consumption, and would encourage the foreigner at the expense of the Indian taxpayer, but in view of the serious situation that has arisen, all this have become necessary. The

Committee in this connection pointed out that they would not be averse to a small tax being imposed on the consumer of cotton in this country, in order to enable the State to recoup for the outlay involved in this matter provided also the State keeps in mind that the textile industry whether it is the handloom industry or the machine industry must be adequately protected if the need arises against the inroads of foreign textiles.

Reduction of Freight on Cotton

Further, examining the E. I. Cotton Association's representation on the reduction of railway freight on cotton, the Committee held that they cannot support that representation, as in their examination of the question they have found that the benefit of any reduction of freight would not reach the cultivator, but only the consumer of cotton. The other ground for not advocating freight reduction directly in the interests of the cotton cultivator is that whatever cotton is consumed in the large centres, where cotton reaches from the field is already coming to the industry at a phenomenally low price with a relatively steady price for cloth, almost on the basis when cotton was between Rs. 225 and Rs. 250. The Committee, therefore, did not see why the railway revenue should be lost in order to benefit the Indian textile industry.

Import Duty on Foreign Cotton

With regard to the threatened import of American low middling cotton (whose staple is comparable with several varieties of Indian cotton) by a certain group of textile millowners in this country, the Committee pointed out that when there is an unmanageable quantity of surplus of such cotton in this country it is the imperative duty of the State to ward off that invasion. In view of the seriousness of the situation the Committee indeed felt it necessary to recommend a total prohibition of the import of cotton of 1" staple from foreign countries and urged that efforts should be made to introduce better variety cotton in India.*

Millowners' View on Import Duty on Cotton

Mr. Krishnaraj M. D. Thackersey speaking at the Annual General Meeting of the Bombay Millowners' Association on the 18th March 1938 observed in connection with the proposal for the imposition of higher duty on imported cotton which was placed before the Association by the Government of Bombay that the Government viewed with concern the fall that had taken place in the price of cotton

* These recommendations of the Cotton Committee were accepted by the All-India Congress Committee held in Bombay in the month of January, 1938.

and were considering what steps might be taken to give relief to the cotton grower. One of the remedies which had been suggested to them was the imposition of an additional duty on those varieties of cotton which competed with Indian cotton. He stated that the Association has always been opposed to the penalisation of the essential raw materials of the industry, for import duties on such materials directly contravened all accepted canons of taxation, and it was, moreover, extremely doubtful whether an additional duty on foreign cotton would secure higher prices for the Indian cotton grower since the prices of Indian cotton were governed by the prices payable for Indian cottons in the world markets. However, bearing in mind, the very difficult position of the cotton grower this year, he stated that the Committee of the Association were inclined to agree to the imposition of an additional duty, not exceeding half an anna per pound on imported cotton of a staple length not exceeding 15-16th of an inch, entirely as a temporary measure applicable to the circumstances of this year. He also stated that the Association at the same time had stressed the fact that in the event of a very short Indian cotton crop, or Indian cotton being completely out of parity with imported cotton a duty of the type they had supported as a purely temporary measure would be a great handicap to the Indian Cotton manufacturing industry.

The Budget of the Government of India for the year 1938-39, however, contained no reference to this proposal and it is presumed that the Government of India have not agreed to accept this suggestion of the levy of an import duty on cotton, at present.

Reduction of Freight on Cotton

The East India Cotton Association as well as several other commercial associations like the Indian Merchants' Chamber of Bombay approached the Government and the Railway Board with a request for a substantial reduction in the railway freight on cotton. The question was also examined by the Railways who, however, came to the conclusion that the cotton grower was not likely to benefit by any such reduction. It was also stated that the Government did not consider it a policy to alter the freight rates from time to time to meet trade fluctuations. It was also stated that such a policy would mean that in a period of falling prices which also generally coincided with a period of trade depression resulting in a falling off in the volume of traffic the Railways would be sacrificing revenue when they could at least afford to do so. The Government of India also considered that any feasible reduction of rates would have no appreciable influence on the position of the cotton growers. The proposed reduction in railway freight on cotton would involve a loss of approximately 1½ crores of

Risees. The Government of India expressed their inability on these and other grounds to accept the demand of Bombay cotton interests for a reduction of railway freight on cotton.

Cotton Production Costs Enquiry

Close upon the heels of the conclusion of the Congress Committee's enquiry on Cotton, was also concluded the enquiry of another Committee, although the same had commenced its enquiry some five years earlier. It is the enquiry into the costs of cotton production undertaken five years ago at the instance of the Indian Central Cotton Committee. It represents one of the most extensive enquiries undertaken in this country, and it has cost no less than Rs. 1½ lakhs, the entire amount of which has been paid by the Indian Central Cotton Committee. The results of the enquiry have not however been published, but it is stated that they will be set forth in not one but a series of reports forming a composite whole. Each cotton producing Province will have one report, which will also give a picture of the industry as a whole throughout India. The first report to be published will be for the Punjab.

Apart from the usefulness of the inquiry by itself, it is expected to be the starting point for a cotton marketing survey which will shortly be undertaken under the supervision of the Agricultural Marketing Adviser, and financed by the Indian Central Cotton Committee.

First Indian Yarn Exchange

The year 1937 will go in the history of the Indian Textile Industry as it saw the establishment of the first Yarn Exchange in India, and the second of its kind in the world, the only other Yarn Exchange being in Japan. For many years in the past India had a large trade in yarn, when hundreds and thousands of bales of Indian yarns used to be regularly exported to China and other overseas markets. But later on with the growth and development of the spinning industry in all these countries India's yarn trade fell down heavily, so much so that sometime ago it almost dwindled into insignificance. As a result of all this, the number of merchants engaged in yarn trade also became smaller. Thus in the heyday of our export trade in yarns there were over one hundred merchants dealing in yarns, but to-day the number has been reduced to a bare fifty. Further due to the lack of any central organisation regulating the demand and supply of cotton yarns, the whole trade was in a disorganised state. In such a state of things the handloom and the small weavers were finding it increasingly difficult to compete against foreign cloth by having yarns

of a suitable, satisfactory and uniform qualities at fair prices. It was to remove all this, that last year some of the leading merchants of Bombay, principal among them being Seth Haridas Madhavao, Seth Maganlal Parbhudas and Mr. Sankalchand G. Shah, turned their attention to the question of establishing a central machinery for regulating, organising and reviving the yarn trade of this country. With that end in view they founded in November 1937 the first yarn exchange in India at Bombay known as the Bombay Exchange Limited. Like other exchanges only members are allowed to do business in the Exchange, while non-members can do business only through the members. Business is done according to a well-framed code of rules by which trading risks have been greatly minimised while wild speculation such as was erstwhile being witnessed in the yarn markets of Bombay has been practically stopped. Trading is done in the Exchange on both Indian and foreign yarns, and trading units are 25 bales or multiples thereof. It is believed that the Exchange will serve its purpose by rendering a useful service to spinners, distributors and weavers of all classes in the country.

Price Movements in 1937

As has been stated above price of raw cotton in 1937 witnessed a heavy recession. In the beginning of January the price of Broach cotton was Rs. 229 per candy of 784 lbs. The price ruled almost steady during the month, the fluctuation being limited to a rupee or two. At the beginning of February it was quoted at Rs. 227, but by the end of the month the price had dropped down to Rs. 222. During March there was some spurt in price, at the end of which it was quoted at Rs. 244. In the early part of April the price ruled still higher, it being Rs. 250 but by the end of the month it had again dropped down to Rs. 225. During the whole of May and the first week of June the price fluctuated between Rs. 231 and Rs. 240. But from the middle of June the nemesis of raw cotton commenced, prices began to fall heavily, and by the end of July it had come to touch Rs. 190. August witnessed further fall and it closed with only Rs. 178. The sagging process went on unabated till November when cotton reached the rock-bottom price of Rs. 155. It was checked however at the close of the year, and prices were perceptibly marked up.

Monthly Highest and Lowest Prices

Appended below are two tables giving the monthly highest and lowest prices of raw cotton M.G.F.G. Broach and Indian and American cottons at Liverpool during the year 1937.

M. G. F. G. Broach (Bombay)

(per candy of 784 lbs.)

Month	Highest	Lowest	Delivery
	Rs.	Rs.	
January	229	227	April-May 1937
February	227	220	do.
March	245	233	do.
April	250	225	do.
May	239	231	do.
June	240	225	July-Aug. 1937
July	218	193	do.
August	194	178	do.
September	190	179	April-May 1938
October	168	161	do.
November	164	155	do.
December	172	163	do.

Prices at Liverpool

(pence per lb.)

Month	Middling American		Fine Broach	
	Highest	Lowest	Highest	Lowest
January	7.34	7.10	5.99	5.89
February	7.41	7.22	5.92	5.74
March	7.95	7.70	6.28	6.01
April	7.97	7.22	6.40	6.04
May	7.45	7.23	6.24	6.10
June	7.31	6.92	6.23	6.02
July	6.98	6.12	6.01	5.30
August	6.20	5.63	5.36	4.95
September	5.56	5.08	4.87	4.33
October	4.89	4.75	4.12	3.93
November	4.64	4.55	3.99	3.80
December	4.88	4.65	4.05	3.97

N. B. Quotations for Broach are nominal.

Prices of Cotton Piecegoods

Vis-a-vis this continuous and precipitous fall in the prices of raw cotton, prices of cotton piecegoods remained more or less steady during the year. This will be apparent from the following table giving the prices of certain typical grades of cotton manufactures and their index numbers from January 1937:

Base July 1914-100

MONTHS 1937	Grey Yarn Indigenous 40s (per 5lbs) Price				U.K. White Shirtings Rallis No. 99 35" x 40 yds. Price				Japanese White Nainsooks MMMM Price				Avera- Cotton Manufa- tures Index	
	Rs. A. P.			Index No.	Rs. A. P.			Index No.	Rs. A. P.			Index No.		
	Rs.	A.	P.		Rs.	A.	P.		Rs.	A.	P.			
January	...	3	2	6	96	13	8	9	148	4	15	6	127	118
February	...	3	2	0	95	13	8	0	148	4	15	6	127	117
March	...	3	4	0	99	14	0	0	154	5	2	0	131	120
April	...	3	3	9	98	14	0	0	154	5	3	0	132	132
May	...	3	2	9	95	14	0	0	154	5	3	0	132	121
June	...	3	5	0	101	14	0	0	154	5	5	0	134	125
July	...	3	3	3	97	14	0	0	154	5	2	0	131	120
August	...	3	0	0	91	14	0	0	154	4	7	0	113	115
September	...	3	2	6	96	13	8	0	148	4	7	0	113	115
October	...	3	3	3	97	13	8	0	148	4	3	0	107	113
November	...	3	3	3	97	13	8	0	148	4	0	0	102	111
December	...	3	3	3	97	13	8	0	148	4	1	6	104	111

Average Price of Cloth in India

We give below for purpose of comparison figures issued by the Bombay Millowners Association showing the average price per yard of Indian Mill-made cloth since 1929-30, the year in which depression in the Cotton Mill Industry can be said to have set in. This will serve to show that the consumer has been getting his cloth at progressively cheaper rates during the last few years:

Average Price per yard of Indian Mill-made Cloth

	(in annas)
1929-30	3.81
1930-31	3.15
1931-32	2.87
1932-33	2.77
1933-34	2.64
1934-35	2.66
1935-36	2.55
1936-37	2.48

*It may be explained that the figure showing the average price per yard of Indian cloth has been taken out on the same basis as in previous years *viz.*, the average price of standard longcloth plus a fixed percentage addition to cover the higher price of bleached and coloured goods. In this connection it should be noted carefully that the real fall in value which has taken place during the last 23 years since 1936, is much greater than what is represented by the figures when one takes into consideration the progressively increasing quantities of fine goods latterly turned out by Indian Mills which are much higher in price than ordinary standard grey longcloth.

This reduction in the average price per yard is all the more significant because the *per capita* consumption of cloth in India has been on the increase all these years. For instance in 1930-31 it was 13.49 yards, in 1931-32 14.28 yards, in 1932-33 16.70 yards, 1933-34 14.7 yards, 1934-35 15.60 yards, 1935-36 16.57 yards and in 1936-37 15.54 yards.** For details of the figures of the *per capita* consumption of price-goods, we would invite a reference to Appendix B on "Handloom Weaving in India."

This will also serve to make it clear that the bogey of consumer's interests being jeopardised by protection to indigenous industry cannot be raised in this case as also in the case of the second biggest Industry in India, *viz.*, Sugar* and with increased protection and an extended market there is every prospect for the indigenous textile industry, both mills and handlooms, to supply the Indian market with cloth at competitive and cheap rates.

Night Shift Working of Mills

We give below a table showing the night shift working of mills in Bombay City and in Ahmedabad along with the number of workers employed on night shifts during the last seven calendar years:

Monthly Average Number of Mills Working Night Shifts in Bombay City and Ahmedabad

	1931	1932	1933	1934	1935	1936	1937
Bombay City	24	26	13	25	33	36	45
Ahmedabad	18	20	15	24	29	30	47
Total	42	46	28	49	62	66	92

Number of Workers Employed in Night Shifts

Bombay City	10202	15297	6532	16154	27317	25022	38597
Ahmedabad	6269	7089	4908	9529	11613	12692	26579
Total workers	16471	22386	11440	25683	37930	37714	65176

A glance at the table will show that during the year 1937 a larger number of mills worked double shifts and a larger number of workers were employed on double shifts.

** It would be of interest to note that the *per capita* consumption of cloth in Malaya is 30 yards and of the whole world 55 yards. Thus it will be seen that there is an enormous scope for the development of the indigenous industry even in the internal market if the consumer is enabled to buy more as a result of an improvement in his purchasing power.

**Vide* The Indian Sugar Industry Annual 1937, and 1938, by M. P. Gandhi.

Special Features of the Bombay Industry

One of the most notable features of the Industry in Bombay in recent years has been its movement towards the manufacture of finer goods. So long as the mill industry was content with catering mainly for the demand for coarse cloth it could not hope to capture the entire Indian market. For that purpose it had to produce finer and more diversified goods. The lead in this matter was taken by the Ahmedabad Industry. In fact the Indian Tariff Board of 1927, held that Bombay had let go its opportunities in this regard, and that this explained partially the depressed condition of the Bombay Industry in 1926. Since 1927, however, Bombay has made a considerable advance in this direction and its production is to-day, on the whole, much finer and more diversified than it was in 1927. Ahmedabad, however, continues to maintain the lead that it has always taken in this respect. The following table shows that Bombay has gone fine in recent years and Ahmedabad steadily continues to go finer still:

Average Yardage per lb. of Piecegoods

Year.	Bombay City		Ahmedabad	
	Grey		Grey	
	Unbleached	Coloured	Unbleached	Coloured
1926-27	4.17	4.82	4.70	5.67
1931-32	4.60	5.01	5.14	5.64
1936-37	4.75	4.86	5.53	6.37

The Indian Tariff Board of 1927 also found that the outstanding feature of production of piecegoods in Bombay was the comparatively small proportion of Dhooties manufactured. This feature has since disappeared and the character of Bombay production is now much the same as that of Ahmedabad.

Another special feature of the Bombay Industry in recent years has been the introduction during the last decade of what is known as "Rationalisation" or "Efficiency schemes." The introduction of these schemes has been prominent in both the spinning and weaving departments. The Bombay industry has also undertaken a considerable amount of financial re-organisation. The Indian Tariff Board, 1927, had drawn attention to the overcapitalisation brought about during the boom period in Bombay and had suggested that a process of writing down of capital was essential. During the last ten years, the process of writing down of capital has been carried out to a certain extent in Bombay.

Table showing the position of the Cotton Industry, in Bombay and Ahmedabad, relatively to its position in the whole of India.

	Number of mills during the year ending 31st August				Production of Yarn (Millions of pounds)				Production of Woven Goods of all descriptions (Millions of pounds)			
	1919	1927	1932	1937	1918-19	1926-27	1931-32	1936-37	1918-19	1926-27	1931-32	1936-37
Bombay ...	85	83	81	69	306	345	322	277	177	265	264	251
Ahmedabad ...	51	66	78	81	73	106	152	163	71	105	149	170
Rest of India ...	122	187	180	220	236	356	492	614	102	169	259	361
Total ...	258	336	339	370*	615	807	966	1,054	350	539	672	782
Percentage of :												
Bombay to all India	32.9	24.7	23.9	18.6	49.7	42.8	33.3	26.3	50.6	49.2	39.3	32.1
Ahmedabad to all India ...	19.8	19.6	23.0	21.9	11.9	13.1	15.8	15.5	20.3	19.5	22.2	21.7
Rest of India to all India ...	47.3	55.7	53.1	59.5	38.4	44.1	50.9	58.2	29.1	31.3	38.5	46.2

* Excluding Burma.

Diminishing Dominance of Bombay.

Another very outstanding development in the industry in the post-war period has been the gradually decreasing dominance of Bombay. The industry is more and more shifting to Ahmedabad and the rest of India. Thus in 1926-27 the number of mills working in Bombay was 83, whereas in 1936-37 it was 69. As compared with the former year the number of looms, the average number of persons employed and the approximate quantity of cotton consumed by the mills declined in the latter year by 16.7 per cent., 10.5 per cent., 29.0 per cent. and 16.7 per cent. respectively. During the same period of ten years Ahmedabad registered an increase of 15 mills, while as compared with 1926-27 the number of spindles, the number of looms and the average number of persons employed have risen by 40.9 per cent., 59.0 per cent. and 32.7 per cent. respectively. The approximate quantity of cotton consumed has also increased by 63.7 per cent.

It will be apparent from these comparative figures that the textile industry in Bombay is losing its importance, while Ahmedabad *par passu* with the rest of India is gaining ground. The causes contributing to this state of affairs are several. In the first place the management of the mills in Ahmedabad is much more economical as the Managing Agents have a keen personal interest in the management of their mills in which they have a large stake unlike some of the Managing Agents of the Bombay Mills who have many kinds of business to attend to and who are, therefore, unable to look after the management of the mills as assiduously and closely as the Managing Agents of Ahmedabad. The Special Tariff Board in its Report also observed that "in Ahmedabad we find a group of modern and well equipped mills, many of which are manufacturing fine quality goods nearer to the types imported from the United Kingdom than are to be found at any other centre in India. On a comparison of the trading and financial results of both Bombay and Ahmedabad mills one generally finds Ahmedabad group returns much better than the Bombay mills."

Financial position of the Industry.

Any survey of the cotton textile industry will not be complete without a study of the capital invested in the industry, the reserve built out of past profits, the size of net block, the profits earned and the dividends declared by the mills. The following table gives these particulars relating to some of the important Indian mills:—

CAPITAL & DIVIDEND STATEMENT OF COTTON MILLS IN INDIA

Name	Paid-up Capital	Reserves	Net Block	Net Profit	Dividend % per annum			
					1934	1935	1936	1937
Aaron Spg. & Wvg. Mills	3,65,227	...	...	27,676	..	...	...	6
Ahmedabad Advance Mills	10,00,000	58,15,465*	42,70,278†	1,75,835	15	15	14	15
Apollo Mills	25,00,000	...	71,40,762	-1,19,596	Nil	Nil	Nil	Nil
Bangalore W. C. & S. Mills	26,25,000	8,72,000	34,66,787	1,04,875	4	7	8	8
Basanti Cotton Mills	7,04,858	...	11,72,416	1,432	Nil	Nil	Nil	...
Bengal Luxmi Cotton Mills	7,11,280	...	14,19,938	57,145	Nil	Nil	Nil	5
Bengal Nagpur Cotton Mills	12,00,000	5,25,000	11,35,000	9,778	3†	Nil	Nil	Nil
Birla Cotton Spg. & Wvg. Mills	15,00,000	1,27,033	19,70,000	1,79,845	5	Nil	Nil	Nil
Bombay Cotton Mfg. Co.	22,44,770	...	18,67,957	-15,912	Nil	Nil	Nil	Nil
Bombay Dyeing & Mfg. Co.	62,74,500	93,84,793	67,96,461	8,03,051	12	10	10	25
Bowreah Cotton Mills	18,00,000	21,88,063	27,62,787	-3,000	Nil	Nil	Nil	Nil
Bradbury Mills	24,85,000	2,22,272	23,82,409	-1,19,407	Nil	Nil	Nil	Nil
Buckingham & Carnatic Co.	1,10,51,100	38,54,634	80,94,668	5,57,730	10	10	7‡	10
Cawnpore Textiles	6,35,405	2,46,562	11,38,051	50,360	Nil	Nil	Nil	Nil
Central India Spg. Wvg. & Mfg. Co.	96,87,500	67,24,444	1,13,20,167	5,84,203	8	8	8	7
Century Spg. & Mfg. Co.	18,50,000	64,71,917	72,83,394	1,31,663	5	Nil	Nil	8
Cambodia Mills	11,00,000	55,017	9,47,250	19,934	10	8	5	Nil
Coimbatore Spg. & Wvg. Co.	6,92,300	4,45,528	13,87,247	1,915	Nil	2	5	Nil
Colaba Land & Mill Co.	28,00,000	13,99,939	59,04,342	85,291	4	Nil	2‡	4
Coorla Spg. & Wvg. Co.	13,00,000	6,58,277	9,36,491	64,151	4	5	5	5
David Mills Co.	24,00,000	...	74,36,822	-1,04,809	Nil	Nil	Nil	...
Dawn Mills Co.	8,00,000	27,36,808	25,78,532	-1,08,077	4	4	4	4

CAPITAL & DIVIDEND STATEMENT OF COTTON MILLS IN INDIA (Contd.)

Name	Paid-up Capital	Reserves	Net Block	Net Profit	Dividend % per annum			
					1934	1935	1936	1937
Dhakeshwari Cotton Mills	29,99,800	8,53,445	35,50,200	5,14,254	10	10	10	10
Dunbar Mills	19,00,000	14,39,088	21,56,716	34,230	Nil	Nil	Nil	Nil
Edward Sassoon Mills	17,00,000	..	37,00,000	-1,85,684	Nil	Nil	Nil	..
E. D. Sassoon United Mills	2,50,10,127	..	3,29,77,909	-2,77,746	Nil	Nil	Nil	..
Elgin Mills Co.	32,00,000	19,45,002	35,26,633	99,976	5	5	5	5
Elphinstone Spg. & Wvg. Mills	50,00,000	..	50,33,499	-1,95,772	Nil	Nil	Nil	..
Finlay Mills	40,00,000	1,99,476	26,07,437	1,39,131	Nil	2½	3	5
Gokak Mills	39,04,700	10,08,479	28,45,164	3,31,228	9	7	7	3
Gold Mohur Mills	25,00,000	..	43,60,496	-1,17,185	Nil	Nil	Nil	Nil
Hindustan Spg. & Wvg. Mills	12,00,000	..	19,49,589	1,00,471	7½	7½	7½	8½
Indore Malwa United Mills	20,00,000	6,50,283	53,21,878	3,51,029	Nil	Nil	Nil	..
Kaleswarar Mills	6,50,000	18,74,693	12,63,390	1,79,488	20	20	15	15
Kesoram Cotton Mills	35,00,000	3,03,957	32,30,720	3,32,925	12½	Nil	Nil	20
Khatau Makanji Spg & Wvg. Co.	29,99,370	15,48,209	53,14,480	1,19,850	Nil	Nil	2	3
Kohinoor Mills Co	20,00,000	15,42,253	37,91,405	2,94,066	8	8	10	8
Lakshmi Cotton Mfg. Co.	16,00,000	66,65,895*	57,50,365†	48,707	10	5	5	5
Lakshmi Mills Co	6,00,000	3,21,026	12,65,121	1,16,702	..	10	10	10
Madura Mills Co.	58,34,738	61,45,000	69,44,462	5,86,703	5	10	10	10
Malabar Spg. & Wvg. Co.	6,00,000	7,57,013	3,01,739	10,664	10	4	3	3
Meyer Sassoon Mills	10,00,000	..	45,57,934	-1,68,945	Nil	Nil	Nil	..
Model Mills (Nagpur)	94,91,850	23,590	1,22,55,724†	-17,756	Nil	Nil	Nil	..

CAPITAL & DIVIDEND STATEMENT OF COTTON MILLS IN INDIA (Contd).

Name	Paid-up Capital	Reserves	Net Block	Net Profit	Dividend % per annum			
					1934	1935	1936	1937
Mohini Mills	13,99,985	3,25,425	15,90,120	1,43,619	5	6½	7½	...
Morarjee Gooldas Spg. & Wvg. Co.	11,50,000	31,88,804	76,83,556	47,844	Nil	Nil	Nil	4
Muir Mills Co.	30,00,000	45,07,437	34,88,632	4,14,567	40	35	27½	22½
New City of Bombay Mfg. Co.	6,00,000	15,995	28,93,056	1,10,918	Nil	Nil	Nil	Nil
New Victoria Mills Co.	35,49,215	9,46,087	26,82,297	-1,10,639	Nil	Nil	Nil	Nil
Pankaja Mills	5,96,700	32,000	8,35,880	67,157	6	6	7	7
Phoenix Mills	8,00,000	57,08,132*	50,82,892†	-28,769	10	10	10	...
R. C. Cotton Mills	8,95,300	...	...	...	Nil	Nil	Nil	...
Radhakrishna Mills	8,40,900	2,63,829	11,01,500	75,835	13½	12	9	...
Rajalakshmi Mills	6,98,285	60,833	10,54,538	52,217	12	8	8	8
Sassoon & Alliance Silk Mill Co.	5,00,000	4,77,226	1,79,332	70,540	Nil	8	12	...
Sassoon Spg. & Wvg. Co.	25,00,000	31,288	28,64,340	17,065	Nil	Nil	Nil	...
Sholapur Spg. & Wvg. Co.	8,00,000	1,27,38,480	1,71,33,114	2,17,949	6	6	3	Nil
Simplex Mills Co.	14,00,000	27,81,499*	49,87,680†	57,651	Nil	4	2½	4
Sitaram Mills	13,00,973	1,16,795	13,25,910	78,969	5	...	3	3½
Svadeshi Mills Co.	22,27,990	83,94,080*	94,59,791†	2,13,783	4	4	5	6
Swadeshi Cotton Mills Co.	35,00,000	22,50,000	46,17,906	6,04,351	20	20	20	25
Swan Mills	24,00,000	68,302	20,07,632	1,24,890	Nil	Nil	2½	5
Tata Mills	14,98,550	21,946	88,21,288	49,540	Nil	Nil	Nil	..
Vasantha Mills	9,00,000	50,140	10,57,630	1,01,692	9	7½	6	7
Vishnu Cotton Mills	24,00,000	67,71,758*	69,51,783†	2,00,309	12	13	10	10
Western India Spg. & Mfg. Co.	12,00,000	41,68,819	57,84,679†	46,936	4	4	4	4

* Including Depreciation Fund.

† Gross Block.

Mills and Handlooms' Increasing Share

In the preceding pages, we have referred to the steady increase made by the Indian Cotton Mills in the production of both yarn and piecegoods. We have also commented upon the visible tendency of the various mills interesting themselves in the production of fine quality of goods to cater for the market in India. If the present satisfactory position of the industry is to be continued, it is clear that the Government should not think of reducing the existing rates of protective duty, either in favour of the United Kingdom or of any other country, as the Industry needs to be safeguarded for some time to come against foreign competition. Unless this is done there is little prospect for the Indian Industry consolidating its position and increasing its share of the Indian market. Of the total consumption of cloth in India at present, the Indian mills contribute 61 per cent., the Indian handlooms contribute 26 per cent., whereas the imports contribute only 13 per cent. This is a happy feature. If the Industry is to achieve its goal in view, *viz.*, the replacement of foreign cloth by indigenous production, the Industry should be assured of adequate tariff protection for some years to come. It needs hardly be emphasised that if this is done, it will be possible for us before long to produce *all* the cloth required by us for our consumption. This view gathers additional strength from the fact that the handloom production has been making headway during all these years, and indeed of late it is being patronised by the people in recognition of its lasting qualities as also out of their feeling that the money spent on hand-woven cloth is retained in the country and goes to help the poor artisans in the villages who need such industries for supplementing their meagre annual income. Due to the impetus that the Congress Governments in as many as seven large and important Provinces of India have given to the production of *Khaddar*, that is cloth woven on handlooms out of yarn spun on the *Charkha*, is definitely on the increase. Due to such favourable conditions and the feeling in the minds of the people for patronising Swadeshi cloth, *even at a sacrifice*, there can be no reason, if suitable conditions are created for the development of the Industry, why the combined output of Indian Cotton Textile Mills and the handlooms should not be able to make India almost completely self-sufficient in the matter of supply of cloth at an early date.

Importance of the Industry in the National Economy

The Cotton Textile Industry is the biggest national industry of India which represents a capital investment of over Rs. 40 crores.

*For statistical position of the industry, *vide*, "The Cotton Industry at a Glance," in the earlier portion of the Annual.

which gives employment to no less than 4 lakhs of workers including 1½ lakhs of women, consumes about 27 lakhs bales of Indian Cotton out of a total production of about 54 lakhs of bales. The safety and progress of such a national industry must continue to receive the careful attention of her capitalists, labour leaders, legislators, and politicians. As custodians of the interests of India, it is also the paramount duty of the Government to help the industry adequately in order to enable it to diversify its production and to increase its efficiency during the period of shelter, to a level which would enable it to do away within a measurable period of time the necessity of a high tariff wall against import of piecegoods from foreign countries. It is also essential to remove the various handicaps of the Industry, *c.g.*, by a suitable devaluation of the rupee, which at the present time is definitely over-valued—a reduction of which has been urged very vehemently recently by the Congress, by at least 7 Provincial Governments, and the Commercial Community in all parts of the country, in the interests of the agriculturists, by a reduction of the present high railway freights, by reducing the burden of various other direct and indirect taxes on the Industry.

The goal of the development of the cotton industry can be formulated at either having a full command of the Indian market or at manufacturing the whole output of Indian Cotton. To our mind, the former goal of catering for the Indian market, if necessary, by exporting long-stapled cotton for manufacturing finer quality of cloth till such time as sufficient quantity of the requisite quality of long-stapled cotton becomes available in India, appears to be better for the near future. By accepting the goal of supplying all grades of demands in the Indian market, we avoid the necessity of entering into competition with foreign countries in foreign markets which we may not be able to stand due *inter alia*, to high tariff against us, and we can also consume larger quantity of Indian cotton which finds it increasingly difficult to find markets outside India. This also constitutes the best solution of the problem of marketing of the cotton-grower of India.* Besides, the possibilities of expansion of Indian goods in the home market are far greater than in the foreign countries, most of which are trying to be self-sufficient as far as possible. Apart from the existence of a huge potential and consistently increasing market in the country itself, the growing sentiment for Swadeshi amongst the people furnishes a strong reason for the indigenous industry to seek to cater for the needs of India and make it self-sufficient in this respect as far as possible.

The Cotton Textile Industry of India is our largest industry, controlled, manned and financed by the nationals of the country. It is

* *Vide*, Appendix A.

one of the few organised industries in India which the Indian industrialists have been able to develop against heavy odds, and indeed against keen competition from the U.K. and Japan. It is the primary duty of the people of the country to extend their patronage to cloth made in India, even at a sacrifice and thus enable the full development and expansion of this industry which occupies a very important position* in the National Economy of India, and with which the welfare of millions in this country is closely linked up.

*For a fuller discussion, *vide* The Indian Cotton Textile Industry—Its Past, Present and Future—with which is incorporated the 1937 Annual p. 250.

Appendix A

Cultivation, Export and Import of Cotton in India

By general consensus of opinion, India is regarded as the birth-place of cotton growing. The story of the origin of cotton growing however, is lost in the dimness of India's hoary past. Nevertheless, cotton and cotton goods have figured prominently down through the centuries in India's external and internal economy. Even to-day India occupies no mean place amongst the various cotton growing countries of the world. She ranks second in the world and first in the British Empire, as a producer of cotton. The following table will show her production as compared with the United States, the largest producer of cotton:

Production of Raw Cotton

Year	Area (In 000 acres)			Production (In 000 bales of 400 lbs.)		
	India*	U. S. A.	Egypt	India*	U. S. A.	Egypt
1933-34	24,137	29,383	1,873	5,108	16,309	2,123
1934-35	24,023	26,866	1,798	4,858	12,046	1,871
1935-36	25,138	27,335	1,732	5,728	13,297	2,113
1936-37	25,219	30,028	1,781	6,307	15,499	2,286
1937-38	25,334†	33,930	2,053	5,407†	23,432	2,673

A glance at the table will show that the output of cotton per acre in India is much lower than in U. S. A. or Egypt. The same is also the case with quality. The coarse short-stapled Indian cotton stands no comparison with the fine long-stapled American ones. Yet in the past, India produced cotton of a very superior order from which the yarns for the manufacture of muslins and similar other finer cloths were spun. It is indeed a tragedy that India which was once the home of a very superior variety of cotton should now produce a quality inferior to that of many other countries.

Early Attempts at Improvement

When the East India Company first came to this country, they found Indian cotton in the same state of degradation as now. It, however, redounds to the credit of the East India Company that between 1788 and 1850 they made persistent efforts to promote the improvement of Indian cotton. Writing about this in 1861 a writer (Cassel in "Cotton in Bombay Presidency") pointed out:

"During this period the hope that India might ultimately replace the United States as the source of cotton supply has vaguely existed

*Inclusive of Burma.

†Exclusive of Burma.

in Great Britain, rising into eagerness in moments of distress, and sinking into indifference on the return of abundance. For upwards of half a century Indian cotton has occupied the unsatisfactory position of a mere *pis-aller* for the American growth, reluctantly purchased when the latter has been dear and instantly abandoned when it has become cheap."

To promote the improvement of cultivation and to increase the output of Indian cotton, botanists and American planters were appointed specially. The principal objective of the Company in doing this was to introduce and naturalise exotic cottons such as Bourbons, New Orleans and Egyptian varieties. The experimental cultivation with American seed was made as early as 1828, model farms were established in numerous places, attention was paid to indigenous varieties, and cultivators were encouraged to adopt foreign crops. Mr. Mercer, the head of the American planters after trying a series of experiments in different parts under different climatic and soil conditions gave the following verdict:

"The experimental farms were only a useless expense to the Government; the American system was not adapted to India, the natives of India were, from their knowledge of the climate, and the capabilities of the soil, able to cultivate more efficiently and much more economically than any European."

Stimulus to Cotton Export

The Government dissatisfied with the results appointed a Select Committee in 1848, which held out no better hopes. The export of Indian cotton received an immense stimulus during the American Civil War when the close blockade produced a cotton famine in Lancashire and threw the spinners back on India for their supply of the raw material. The early "sixties of the nineteenth century" came as a providential help to the endeavour of England to extend and improve the qualitative and quantitative cultivation of cotton in India in order to feed the English Spinning and Weaving Industry. The Indian export trade of cotton experienced several vicissitudes. The extraordinary variation in export from 1859 to 1877 is instructive. It proved that the apprehensions of the Select Committee of 1848 to capture a fair proportion of trade to supply raw material to Lancashire turned out true. England had to obtain her raw material from the country which supplied cheapest and best, and America produced the best for Lancashire. American cotton replaced the Indian cotton. During the years 1890 to 1900 there was a great decline in our export trade in raw cotton. It recovered some ground in the first decade of the twentieth century, but the second decade was one of fluctuating trends

for it. Recent trends in our export trade in raw cotton are shown in the following table:—

<i>Exports of Indian Cotton</i>	
	In thousands of bales of 400 lbs.
1909-14 (Av.)	2,407
1914-19 (Av.)	2,190
1919-24 (Av.)	2,917
1925-26	4,173
1926-27	3,188
1927-28	2,686
1928-29	3,712
1929-30	4,070
1930-31	3,926
1931-32	2,369
1932-33	2,063
1933-34	2,729
1934-35	3,490
1935-36	3,396
1936-37	4,267
1937-38*	2,731

(* Excluding Burma)

The average declared value per cwt. of cotton during the years 1936, 1937 and 1938 was Rs. 27-4-9, 29-13-9 and Rs. 26-0-5 respectively.

The importance of cotton in India's export trade will be evident from the fact that it ranks first in our export list. The following table would give an idea of the value and importance of raw cotton in the perspective of our total export trade in all commodities:—

<i>India's Export Trade †</i>		
	Raw Cotton **	All Commodities
	(In lakhs of rupees)	(In lakhs of rupees)
1930-31	46,73	220,49
1931-32	23,78	155,89
1932-33	20,70	132,27
1933-34	27,91	147,25
1934-35	35,45	151,67
1935-36	33,77	160,52
1936-37	44,40	196,12
1937-38*	29,03	180,92

(* Excludes Burma).

†Review of the Trade of India, 1936-37.

** The value of Raw Cotton exports for these years includes cotton waste also.

Of the total quantity of cotton exported from India, Japan alone takes over 50 per cent. The following table illustrates Japan's share of our cotton exports in the perspective of that of the British Empire and all foreign countries (including Japan):

<i>Year</i>	<i>British Empire</i>	<i>Japan only</i>	<i>All Foreign Countries</i>
	(In thousands of bales of 400 lbs).		
1909-14 (Av.)	152	1,012	2,255
1914-19 (Av.)	233	1,373	1,957
1919-24 (Av.)	165	1,540	2,752
1929-30	277	1,640	3,793
1930-31	287	1,686	3,639
1931-32	171	1,080	2,198
1932-33	170	1,085	1,893
1933-34	345	1,022	2,384
1934-35	353	2,055	3,137
1935-36	456	1,759	2,929
1936-37	622	2,426	4,267
1937-38	395	1,359	3,731

A glance at the table will show that there has been a fairly heavy off-take of Indian Cotton by Japan during the last few years. In the year 1936-37, however, considerable difficulties were experienced in regard to Japanese exchange and this is responsible for the considerable fall in the export of Indian Cotton to Japan, in spite of the Indo-Japanese Trade Convention. There has also been a similar fall in the export of our cotton to the U. K. during the year 1937-38.* Two of the greatest impediments in the way of the expansion of the market for Indian cotton abroad are its comparative inferiority in comparison with the long-stapled American and Egyptians, and trade barriers imposed in various countries of the world in recent years. It is satisfactory to note however that the Indian Central Cotton Committee is trying its best to widen the sphere of its activities and get

* In regard to the export of Cotton out of India it must be observed that Lancashire has been taking far more Punjab and Sind cotton than all other sources put together, but nothing of the ordinary *Deshi* variety. There is no great problem in disposing of this long-stapled cotton which is required by the mills in India also.

into touch with the consumers of Indian cotton all over the world and see that the handicaps against Indian Cotton in all parts of the world are removed as far as possible.

Indian Central Cotton Committee

Since its inception in 1921 the Indian Central Cotton *Committee* has been rendering signal services to the cause of cotton cultivation in India. Briefly speaking, its chief functions are (i) to advise the Central and Local Governments on all questions on cotton referred to it, and to suggest suitable measures for the improvement and development of the industry, (ii) to finance and to direct research work on the problems connected with the improvement of Indian cotton including investigations into the relationship between the cotton plant and its environment, the diseases and pests of cotton, and the lint qualities of the existing as well as newly evolved types, (iii) to finance schemes intended to bring into general agricultural practice the results of economic importance obtained from research, and (iv) to finance schemes, wherever possible, for extension of long and medium staple cottons of improved variety and their marketing. The funds of the Indian Central Cotton Committee are derived from a cess of 2 annas on every bale of Indian cotton exported from India or consumed in mills in Provinces in India.

By the enactment and enforcement of various legislations such as the Cotton Transport Act, the Cotton Ginning and Pressing Factories Act, the Indian Central Cotton Committee has endeavoured to maintain the standards of quality of cotton grown, to prevent adulteration with inferior types and to discourage the various malpractices which

*The Indian Central Cotton Committee was constituted by the Government of India in March 1921 by their Resolution No. 404-22 (Department of Revenue and Agriculture) to encourage the growth of improved varieties, to extend the area of cultivation and to stimulate and assist in every possible way the production, marketing and manufacture of Indian Cotton. The Committee has now been in existence for over 18 years and during this period, by combining scientific research with practical progress, it has been responsible for valuable work in all these directions.

The Cotton Cess Act was passed in 1923 to provide funds for the Committee's work. The cess is levied at the rate of two annas per bale of 400 pounds avoirdupois or six pies per 100 pounds of unbaled cotton. During the first three years it was collected at double these rates. It is levied on all cotton exported from India whether by sea or land and on all cotton consumed by the mills in British India, which are required to furnish monthly returns to the Collectors of the districts, except in Bombay Presidency where they are furnished to the Collector of Customs, Bombay.

at present occur in a certain number of ginning and pressing factories. All these measures have prevented great economic loss to the whole country most of which fell heavily on the grower. The Committee has also succeeded in preventing growers from being defrauded when marketing their produce, by urging on the Government of Bombay to pass the Bombay Weights and Measures Act, by which weights and measures have been standardised for cotton transactions in various places. The Committee realised early that for the benefit of the cultivators it was necessary to have regulated open markets for cotton in the country, and their efforts in this direction have been crowned with success by the establishment of such markets in Khandesh, Central Provinces, Hyderabad, Indore, Dhar, Baroda, Sangli, and Tirupur. The Committee is also endeavouring its best to find out ways and means for providing the cotton grower with cheap finance, and at the same time easing the burden of his indebtedness. Jointly with the Imperial Council of Agricultural Research, the Committee is at present financing an enquiry (costing Rs. 5,22,200) into the cost of growing cotton, sugarcane and their rotation crops in the principal cotton and sugarcane tracts of India.* The Committee has also directed its efforts towards the ensuring of greater accuracy in cotton statistics. But above all, the Committee has conducted various scientific enquiries and practical researches on the improvement of Indian cotton by the judicious hybridization of existing strains, by the naturalisation of imported ones, by the eradication of undesirable ones, and the rooting out of cotton diseases, particularly the prevention of Bollweevil by the fumigation of American cotton before entry at Bombay, which incidentally is the only port from which American cotton can be imported. Most promising results have so far been obtained from these scientific tests, and the Committee has all along been carrying on persistent propaganda to advise the grower on suitable varieties of cotton and to show him how it will give him a better monetary return than short-staple cotton. Technological research essential to securing authoritative valuation of spinning qualities of cotton and to carrying out fundamental researches on the physical and chemical properties of cotton fibres is carried out at the Technological Laboratory of the Committee at Matunga. Simultaneously, the Committee is sparing no means to popularise the use of improved varieties of Indian cotton both here and abroad, and for this purpose it has been working in co-operation with the Empire Cotton Growing Corporation.

*The Imperial Council of Agricultural Research published the first volume of the report in May 1938 on the cost of production of cotton dealing with the Punjab. The report about the cost of production in other Provinces will be published shortly.

the British Cotton Industry Research Association, the Lancashire Indian Cotton Committee and similar other bodies. The last named body "is doing everything in its power to encourage greater use of Indian cotton in Great Britain" although it has not been able to do much since 1937.

Long-stapled Cotton in India

We have already referred to the successful efforts of the Indian Central Cotton Committee for the judicious selection, the hybridization and naturalisation of exotic cottons. Stapled cotton of almost equal to middling American and in some cases superior, is now being grown in India in Madras, Sind, Punjab, C. P., Gujerat and Dharwar, and in the first five Provinces the prospects of long-stapled cotton are decidedly favourable. It is now recognised by the Government experts and others that the cultivation in India of exotic types of long-stapled cotton must be confined to the irrigated districts. In this respect, the Lloyd Barrage Canals in Sind have opened up unlimited possibilities for the development of cotton cultivation on the Indus Right Bank areas. During the decade prior to the opening of the Lloyd Barrage Canals, the annual area under cotton cultivation in Sind averaged slightly over 3,00,000 acres with an average outturn of approximately 1,00,000 bales. Now, as a result of irrigation, the area has been increased to approximately 7,50,000 acres. Four main classes of cotton are now being dealt with, viz., (i) Sind Deshi, (ii) Punjab Americans, (iii) Imported Americans and (iv) Imported Egyptians. "Among each of these four main classes, the Department of Agriculture, Sind, has by botanical selection, evolved improved strains which, on account of better yield, higher ginning percentage, or superior quality, are suitable for extension in general cultivation in the different cotton growing tracts of the Barrage areas." There has been considerable increase in the standard yield figures in cotton in Sind due to the great improvement in the irrigation conditions consequent on the opening of the Barrage canals.

While long-stapled cotton can also be produced in a few non-irrigated areas, it has been proved that, with the exception of Tinnevely cotton in Madras and Broach cotton in Gujerat, it is economically unsound. India has some peculiar advantages over other cotton growing regions—due to her fertile soil, excellent climate, a large agricultural population, not devoid of intelligence as is sometimes assumed, and a great network of railways. There is no doubt that, as a result of the newly irrigated areas brought under cotton cultivation,

the existing supply will be doubled in no time. Increased supply of improved varieties of cotton will ultimately enable India to do away with the import of raw cotton† from abroad, which at present is increasing as can be seen from the following table:

*Imports of Foreign Raw Cotton.**

Year	Quantity in	
	000s of bales of 400 lbs.	Value in 000s of Rs.
1933-34	240	35,570
1934-35	339	52,838
1935-36	429	67,385
1936-37	365	58,467
1937-38	755	1,21,332

It will be seen from the table that the import of foreign raw cotton in India last year was considerably higher as compared with the previous years. It has been repeatedly urged by the manufacturers in India that sufficient quantity of long-stapled cotton should be made available inside the country and that the future prosperity of the industry depends entirely on the supply of improved cotton forthcoming. Especially after the War, Indian mills are spinning higher than 30 counts and for this purpose they require long-stapled cotton.** The following table gives details of (i) consumption of all kinds of cotton and of Indian cotton and (ii) receipts of Indian cotton and of foreign cotton at Indian mills during the five crop years ended 31st August 1936:—

Cotton Consumption and Receipts at Indian Mills.

(In thousands of bales of 400 lbs.)

Consumption—

	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
All Kinds	2,580	2,853	2,780	2,650	3,061	3,077
Indian Cotton	2,269	2,346	2,361	2,336	2,612	2,677

† The revenue derived by the Government of India from import duty on raw cotton during the year 1935-36 was 58 lakhs of rupees, in 1936-37 47 lakhs and in 1937-38 Rs. 82 lakhs.

* The value of the import of raw cotton from Egypt during 1935-36, 1936-37 and 1937-38 was Rs. 1,40,94,000, Rs. 1,83,98,000, and Rs. 2,83,49,000 respectively, and from Kenya Colony, the value of import during those years was Rs. 3,12,95,000, Rs. 3,06,00,000, and Rs. 4,23,67,000 respectively.

** A duty of half an anna per lb. on imported raw cotton was imposed in 1931.

Receipts—	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Indian Cotton	1,973	1,951	2,065	2,166	2,254	2,552
Foreign Cotton						
Americans	—	—	84	30	64	25
Egyptians	—	—	36	57	123	73
East Africans	—	—	184	191	212	217
Others	—	—	26	19	33	23
Total Foreign	273	461	330	297	432	358
Total Receipts	2,246	2,412	2,395	2,463	2,686	2,910

Consumption of Indian Cotton by the Mills

The following table illustrates the percentages of Indian Mills consumption of Indian raw cotton to total crop during the years 1930-31 to 1935-36:—

Year	Actual Quality Consumed* (In 100 bales of 400 lbs.)	Percentage to Total Crop.
1930-31	2,269	33.6
1931-32	2,346	50.1
1932-33	2,361	39.5
1933-34	2,336	36.7
1934-35	2,612	40.7
1935-36	2,677	46.8

With the production of better grade cotton, we feel that it will only be a question of time when Indian Mills will cease to have supply of raw cotton from abroad. The production of improved varieties of raw cotton is already on the up-grade, as will be evident from the table below giving the estimated production of the past six seasons' Indian crop classified according to length of staple:—

* The estimated production for 1937-38, of long-stapled cotton, according to Government forecast is 54,000 bales, and of medium staple cotton, 1,71,000 bales. *Vide*, Report on the staple length of the Indian Cotton crop of 1937-38, season, issued by the Indian Central Cotton Committee, in May, 1938.

*Indian Cotton Crop**

(In 1000 bales of 400 lbs.)

	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Total	5,226	4,007	4,657	5,108	4,858	5,933
Long staple over 1 inch.	12	8	11	24	51	85
Medium staple $\frac{7}{8}$ to 1 inch	1,213	1,298	1,336	1,341	1,204	1,742
Short staple below $\frac{7}{8}$ inch.	4,001	2,701	3,310	3,743	3,603	4,106

Pointing out that the Indian Central Cotton Committee estimated the annual requirements of the Indian mills in short staple cotton below $\frac{7}{8}$ th inch. at about 1,100,000 bales, the Special Tariff Board in its Report (1936) observes that "this leaves a very large quantity of short staple available for expansion of the Indian spinning industry in counts of yarn up to 16s. warp or 20s. weft, pending which the Indian cotton growers must find outlets overseas for the great bulk of their short staple crop. Much of the medium and long staple cotton grown in India cannot be used for spinning yarns of finer counts. Of last season's crop of 1,142,000 bales medium staple, the Indian Central Cotton Committee estimated that about 550,000 bales were capable of spinning 24s. to 30s. warp, 427,000 bales 20s. to 24s. warp and 165,000 bales 16s. to 20s. warp only. About half the quantity, therefore, of medium staple ($\frac{7}{8}$ th inch. to 1 inch.) grown in India is suitable for spinning 24s. warp and above, and a small part of this is exported. Of the remaining half suitable for spinning 16s. to 24s. warp, the bulk is Punjab-American 4F, the takings of which by Indian mills are limited partly on account of high transport charges. Of the long staple cotton (over 1 inch.) only two superior strains of Punjab American and Sind American are available in commercial quantities. They are suitable for spinning 30s. warp or 40s. weft, and, if grown on experimental farms up to 45s. warp counts. Last year's forecast of these varieties was 51,000 bales and there are prospects of an increase in the area under this cotton in Sind resulting in the production of about 100,000 bales in the near future. Of the last season's commercial crop of 63,000 bales, 55,000 bales were taken by Indian mills and the rest exported. The Indian Central Cotton Committee indicates that the growing of high quality cottons having a staple of $1\frac{1}{8}$ inch or even

*Based on the returns made under the Indian Cotton Cess Act, 1923, by Mills in British India, and on Voluntary Returns from or Yarn Production figures of Mills in Indian States. *Vide* Appendix D Statistical Bulletin No. 6 published in August, 1937, of the Indian Central Cotton Committee.

1¼ inch and capable of spinning up to 60s. warp is a practical proposition in certain areas in Sind."

During the year 1938 the Bengal Government has drawn up a scheme for the cultivation of long-stapled cotton in certain high-land areas in Bengal. The scheme envisages a total expenditure of Rs. 20,000 during the course of five years, the Bengal Millowners' Association and the Government of Bengal sharing it equally. The scheme, it is understood, is only a preliminary experiment to establish the possibilities of introducing long-stapled cotton in Bengal and will be followed up by more expensive and thorough experiments under the direction of the Government in collaboration with the Indian Central Cotton Committee.

Cultivation of Cotton

The Indian Central Cotton Committee is continually investigating into the possibilities of growing cotton of long and medium staple in the present short staple cotton areas. While these investigations were undertaken primarily as a result of the threatened Japanese boycott of Indian Cotton in 1933 and the consequent growing apprehension of the serious risk India ran by depending too much on the limited market for her short staple cotton, they have yielded information which will be of considerable value in framing the future cotton policy of the country in view of the world's present tendency towards the spinning of finer counts for which short staple cotton is unsuitable. This survey of the Indian Central Cotton Committee further brought to light the fact that apart from these areas which are suitable for the production of long or medium staple strains and where already the cultivation of such types was on hand, the adoption of dry-farming methods of cultivation in certain tracts would overcome the difficulties imposed on the growing of long and medium staple cotton by reason of the precarious rainfall of the tracts in question. (Vide Annual Report of the Indian Central Cotton Committee for the year ended 1st August, 1936, published in 1937).

Thanks to the efforts of the Indian Central Cotton Committee, there has been a great increase in the growth of long-stapled cotton during the last few years. For instance, in the year 1933-34, India produced 24,000 bales of long-stapled cotton over 1", while in 1934-35, 1,000 bales, and in 1935-36, 85,000 bales were produced. Similarly there has also been an increase in the production of medium-stapled cotton ¾" to 1" from 1193 thousand bales in 1934-35 to 1741 thousand bales in 1935-36.

**Estimated *per capita* Consumption
of
Cotton Piecegoods in India*
(1936-37)**

Net Indian Mills' Production	...	3,470	million	yds.
Estimated Indian Handloom Production	....	1,490	..	..
Net imports of Cotton Piece- goods in India	...	790	..	..
Net quantity of Cotton Piece- goods available for consump- tion in India	....	5,750	..	..
Estimated <i>per capita</i> consump- tion of Cotton Piecegoods in India....	....	15.54	yds.	

Appendix B

The Handloom Industry in India

The Handloom Industry of India is as old as Indian civilization itself, and it is noteworthy that its importance has not been impaired either by lack of its organisation or by its primitive methods. We do not propose to go into detail in regard to the history of the handloom weaving industry in India, as we have done this in our Monograph entitled, "The Indian Cotton Textile Industry.—Its past, present and future, 1937." It would be sufficient to point out here that the number of handlooms and weavers in India is slowly increasing since the last few years. We would also point out here that the handloom still supplies about 26 per cent. of the total requirements of cloth in the country and that it is responsible for about 40 per cent. of the total cloth produced in India. Although the production of handlooms is less than half that of the mills, it must be admitted that next to agriculture, handweaving is still the largest and most widespread industry throughout India. Emphasising the importance of the Industry, the Indian Tariff Board of 1932 observed that it provides "an occupation for the agriculturist in the season when agriculture work is slack and enables him to use his time which he would otherwise waste in producing goods of a certain—even though limited—value. The Industry is spread all over the country."

It is indeed a sad reflection on economic intelligence in this country that no reliable statistics are available of looms devoted to the weaving of cotton goods, silk goods etc., although handloom is such an important branch of national economic life. Reliance has to be placed on guess work in regard to information relating to handloom industry in India.

Indeed, it is a pity that the total production of cotton piecegoods woven on the handlooms has only to be deduced from the figures in respect of cotton yarn, and the amount of cotton yarn consumed by the handlooms has again to be estimated indirectly by deducting the consumption of yarn by Indian Mills from the production of yarn in such mills and imports of yarn from foreign countries. There is hardly any means of estimating the amount of yarn consumed for other than textile purposes and of the yarn produced on the *charka* for use in hand-looms.

In this connection it is interesting to note that since the year 1924, the Government of India as well as the various provincial Governments

are taking increasing interest in the welfare of the handloom industry. In 1934, the Government of India announced their decision to spend about 5 lakhs of rupees every year for the purpose of improving the handloom industry. Schemes were formulated by the various local Governments which were considered and discussed at the 6th Industries Conference held at Simla in 1934. The progress made in each province was reviewed at the 7th Industries Conference held in October, 1935, when Sir Frank Noyce stated that a sum of Rs. 5,76,000 was allotted to the Provincial Governments to be spent on approved schemes during the 17 months from November, 1934, to March, 1936. Apart from that, the various Provincial Governments also spent about Rs. 10 lakhs during the year 1934-35 on schemes for the development of the handloom industry in their respective provinces. At the 8th Industries Conference held in December 1936 it was decided to grant the same amount for the year 1937-38 as 1936-37 with the addition of 5 grants of Rs. 4,000 each to Behar, Central Provinces, Assam, Sind and Orissa to enable them to instal finishing plants. The question of handloom weaving was also discussed at the 9th Industries Conference held at Lahore on the 15th December, 1937.

Presiding at the 9th Industries Conference, the Hon'ble Sir Muhammad Zafrullah Khan, K.C.S.I., Bar-at-Law, Member of the Governor-General's Executive Council referred to the question of cottage industries and observed *inter alia*:

"The encouragement and development of the major industries of the country must be our concern equally with the cottage industries if an industrially-minded and technically-efficient community, capable of providing all grades of the personnel essential to modern industry, is to be fostered.

Such developments must depend to a large extent, if not almost entirely, on the steps taken by the provinces and states to effect them and it is necessary that detailed and up-to-date information regarding the industries which it is considered to be necessary to assist and develop should be obtained and made available in a suitable form for the instruction of all concerned so as to provide the basis on which plans for their development may be formed."

Handloom weaving and the progress of the schemes for the development of the handloom industry in the various provinces was an item on the agenda for the Conference.

The Madras Government pointed out that the handloom industry was not making much progress on account of the competition of the

weaving mills. Several representations were received from weavers' Societies that Government should pass legislation prohibiting mills from weaving cloths with yarn of counts below a certain limit. The Provincial Government stated in November 1936 that legislation was impracticable. It also observed that there was a general complaint that the price of handloom cloths was higher than the price of mill cloth. To reduce this it was necessary that the raw products should be available to the weaver at a lower price. A statement was attached showing that the sum of Rs. 40,000 was spent during the year 1936-37 in connection with the development of the handloom industry.

The Bombay Government pointed out that it had sanctioned proposals for advertising the products of the Industrial Associations etc. They had also sanctioned proposals to utilize the additional grant of Rs. 5,100 made by the Government of India.

The Bengal Government pointed out that during the year provisions were made for supplying the weavers with improved types of looms on easy payment system for want of which they could not put to use the training in improved weaving received by them from the expert staff employed under the scheme.* During the year the

* Mr. S. C. Mitter, the energetic Director of Industries, Bengal, has pointed out in his latest Annual Report that several weaving demonstration parties carried on demonstration and training of students in weaving and dyeing. As a result of the working of the parties, number of looms and improved appliances were introduced in different places, e.g., 27 fly-shuttle looms and 20 jacquard attachments etc.

The Bengal Government also encourages weaving by giving loans to passed students of the Government Weaving Institutions, who are desirous of making a living out of the handloom industry.

A resolution of the Government of Bengal dated 22nd October, 1937, observes that the Industries Department has up to date directed all its efforts towards the development of cottage and small-scale industries on which the welfare and economic advancement of the rural people largely depend. The textile handloom industry which is *par excellence* the main cottage industry of the province received its due share of attention from the Department of Industries. The resolution also states that it is gratifying to note that a large number of fabrics of new and attractive designs, the production of which has not hithertofore been attempted by the handloom weavers in Bengal, has been successfully standardised, and that a number of such fabrics is now being produced in some of the advanced handloom weaving centres and marketed through the Bengal Home Industries Association, Calcutta. It also observes that the demonstration parties engaged in the propagation of the possibilities of the industry among the traditional weaving community as well as among the agriculturists as a subsidiary or spare time occupation were instrumental not only in introducing a number of looms and improved appliances but also in imparting the necessary training in improved processes of weaving, dyeing with the object of facilitating the development of the industry in its different branches.

Government sanctioned grants to the different unions giving them advances of about Rs. 40,000, non-recurring grants Rs. 6,000 and recurring grants of Rs. 3,180.

The United Provinces Government also made efforts to give new designs to the weavers, to evolve and introduce new appliances to assist them in producing goods of new designs and standard quality and in getting the products finished to market their goods through the United Provinces Arts and Crafts Emporium etc. Goods worth Rs. 100,000 were sold during the year through the Emporium and the Stores in the United Provinces. The U. P. Government sanctioned Rs. 45,000 for rendering assistance to handloom weavers during the year 1936-37.

The Punjab Government also has sanctioned Rs. 42,000 for rendering assistance to handloom weavers during the year 1936-37.

The Behar Government have prepared estimates for spending Rs. 50,000 during 1937-38 for the improvement of handloom weaving. On account of the increased demand for Behar Textiles, the Behar Government enhanced their grant for purchase of raw materials and finished goods of the weavers from Rs. 1,40,000 to Rs. 1,70,000. The Behar Textiles improved their sales organization and they also displayed their goods at the Pairs and Vienna Fairs, in the Toronto Exhibition, and also in the British Industries Fair, London. The goods of the Bihar Textile Institute were sold not only at various centres in India, but also in Great Britain and in the Continent. The Bihar Government reported that some Provinces were competing directly with Behar Textile goods in the foreign markets and suggested that in the interest of the handloom industry of India in general it was desirable that there should be some understanding between the Departments of Industries of the various Provinces about the class of goods which each should manufacture for export.

The Central Provinces and Berar spent Rs. 24,000 for improvement of handlooms during the year 1936-37 and Assam spent Rs. 24,000 for development of the handloom industry in the province.

In the course of the discussion at the Industries Conference the Hon'ble Mr. B. N. Das, Chief Minister of Orissa observed that his diagnosis of the disease from which the handloom industry was suffering was (a) costliness of the finished products and (b) the fact that the handloom weavers were generally financially in the hands of petty shopkeeper moneylenders. He proposed to make an experiment in a small way under which handloom weavers would be provided with yarn at a minimum price and all finished products would be dealt with by the organizers of the scheme.

The Chairman of the Conference explained how normal grants were allocated to each province. He stressed that the Development of Industries was primarily a Provincial concern. The representatives of other Provinces and States emphasised the lack of organisation for supply of raw materials to weavers and of marketing the finished goods.

In a special memorandum the U. P. Government observed that they had decided to afford direct state-aid to the handloom industry because it was felt that it could not derive full benefit from the protective duty without such assistance. It found further that the Indian Mill Industry was at once the supplier of raw material to the handloom industry and its largest competitor. The U. P. Government therefore suggested that Government should impose some restrictions either by legislation or by agreement so that the mills may be obliged to offer yarn of standard tensile strength and counts and in bundles of guaranteed weight.

It is essential that the question should continue to receive careful attention of the various Provincial Governments and larger amounts should be earmarked for improving the condition of the Industry in view of its importance in the national economy of India, offering employment to not less than 25 lakhs of workers in the country. (Census Report, 1931).

In order to understand the importance of the handloom weaving industry in the national economy of the country we give below figures of the net imports, of the net available mill production, of handloom production, along with the *per capita* consumption of piece-goods in India during the years 1905-06 to 1936-37.

*Net Imports, Mill Production, and Handloom Production
of Cotton Piecegoods in India, along with Per Capita
Consumption**

Year	Net Imports	Net available Mill Production	Handloom Production	Net available for Con- sumption	Per Capita Consumption (Yds)
	(Quantity in crores of yards)				
1905-06	239	61	108	408	13.60
1906-07	226	63	115	404	13.03
1907-08	247	74	111	432	13.94
1908-09	194	74	112	380	12.26

* *Vide*. Review of the Trade of India 1936-37, page 42.

Year	Net Imports	Net available Mill Production	Handloom Production	Net available for Consumption	Per Capita Consumption (Yds)
(Quantity in crores of yards)					
1909-10	214	87	90	391	12.61
1910-11	224	94	91	409	13.19
1911-12	237	106	104	447	13.97
1912-13	295	113	104	512	16.00
1913-14	313	108	107	528	16.50
1914-15	241	107	118	466	14.56
1915-16	211	133	105	449	14.03
1916-17	183	132	82	397	12.41
1917-18	147	142	81	370	11.56
1918-19	101	130	105	336	10.50
1919-20	99	144	56	299	9.34
1920-21	145	143	115	403	12.59
1921-22	102	157	119	378	11.81
1922-23	152	156	134	442	13.40
1923-24	142	154	101	397	12.03
1924-25	177	179	126	482	14.61
1925-26	153	179	116	448	13.18
1926-27	176	206	133	515	15.15
1927-28	194	219	131	544	16.00
1928-29	191	174	108	473	13.52
1929-30	190	229	140	559	15.97
1930-31	87	246	139	472	13.49
1931-32	76	288	150	514	14.28
1932-33	120	311	170	601	16.70
1933-34	77	289	144	510	14.17
1934-35	97	334	146	577	15.60
1935-36	97	350	166	613	16.57
1936-37**	79	347	149	575	15.54

A glance at the table will show that out of a total consumption of 575 crore yards of cotton piecegoods in India in 1936-37

** It is regretted that statistics for 1937-38, are not available yet, due to the difficulties consequent on separation of Burma from India. This factor will, we are afraid, vitiate statistics for the purpose of comparison in many ways.

about 61 per cent is supplied by indigenous mill-production, 26 per cent. by handloom production and 13 per cent. is represented by imported piecegoods.

If the handloom industry is to hold its own and regain any ground that it may have lost in recent years, it is necessary to keep down costs. The want of organisation and the hosts of middlemen who in the retailing of yarn and sale of cloth make huge profits make the handloom cloth dearer than the mill-made ones. The high price of handloom cloth is also due to the fact that the weaver does not get steady work throughout the year and that he does not produce even $\frac{1}{4}$ th of the work which he is capable of doing. He therefore tries to earn his living for four days by working only for a day. The general introduction of the fly-shuttle alone should increase the profit by at least 30 per cent. The individual weaver suffers because he is carrying on a complex series of operations without recognition of the advantages of sub-division of labour. To improve the lot of the weavers, they ought to be induced to accept outside assistance, which can be effectively rendered by the establishment of handloom weaving factories, co-operative societies, and kindred means, whereby they would be freed from the clutches of the money-lenders, and thus be able to dispose of their products through better marketing organisations in a profitable manner. If the weavers are helped to market their goods and given steady work throughout the year, the handloom cloth can be made as cheap as that of the mills.

Besides these, the following methods of improvements in the industry may be tried: (a) Compulsory use of *khaddar* and hand-woven cloth for uniforms etc. (b) Establishment of Technical Institutions. (c) Demonstration Stations, etc. (d) Propaganda, Central Buying Agency, Sale Rooms, etc. (e) Organising of Exhibitions where their goods can be displayed. (f) Propaganda for popularising handloom products and for bringing to the notice of the people the lasting qualities of hand-made cloth. (g) Reduction of transportation charges. (h) Abolition of duties by Municipalities in big towns on hand-woven cloth in order to encourage its use. (i) Imposition of adequate protective duty on imports of foreign cloth. (j) Elimination of competition with mill-made products by prohibiting mills from manufacturing certain kinds of cloth, which are the speciality of handlooms, and which may be regarded as their special preserve etc., etc.**

** For a fuller discussion, *Vide* The Indian Cotton Textile Industry. Its Past, Present and Future, 1937, by M. P. Gandhi.

Prospects of Handloom Industry.

In an age in which mechanical inventions are the prime factor in economic progress, it is difficult to realise that in certain lines, hand-made goods are unsurpassed in excellence by the products of modern machinery. Apart from all questions of design, quality and variety, there is admittedly something in the very feel of hand-woven cloth, which makes an appeal to the public in all countries. The Indian handloom industry has always demonstrated this superiority over power looms, but popular recognition has been slow and difficult as the poverty of the average Indian compels him to make the smallness of initial cost the paramount consideration of all his purchases. The decline of the handloom industry is also due to the fact that the machine-made goods have a semblance of cheapness and the public are thereby irresistibly drawn towards them. The handloom products are not necessarily and usually more expensive than machine-made goods, especially if the lasting qualities etc. are considered, in spite of the cheapness claimed by the latter due to large scale production and use of their machinery. Even though the price of handloom cloth is in the initial stages a little higher than mill-made cloth, the people should encourage handloom weaving by purchasing such cloth, in appreciation of the fact that the only way in which the poor millions of this country can be helped, is by providing work for them when they are idle and that this can be done by engaging their services in a supplemental industry like hand-spinning and weaving. The development of the handloom weaving industry will, in turn, also encourage other industries in the villages, e.g., spinning, dyeing, ginning, carding etc. Besides, the fact cannot be ignored that it would not be possible for the agriculturists except when they are in the lowest extremity, to go in search of work outside, and the only method of bringing about an amelioration in their condition seems to be to place some work within their reach in their villages. This can only be done by giving the necessary impetus to the development of small-scale industries, like hand-weaving and handspinning. Even Dr. A. L. Bowley and Mr. D. H. Robertson observed in their report on "A Scheme for an Economic Census for India" that the question of subsidiary occupations is very important in India and it is a point for consideration as to how far such occupations are deserving of a certain measure of public support both on the economic ground, that they are adding to the sum total of economic activity and on the broader grounds of their social value. 'Hand-spinning and hand-weaving are such industries which are best calculated to do this in India.' Stressing the importance of the spinning wheel which provides an excellent subsidiary

occupation, Mahatma Gandhi observed in September, 1934, "It is a handmaid of agriculture; it is the nation's second lung."

Impetus to Handspun and Hand-Woven Cloth

One serious handicap in the development of the handloom industry is the import duty of $1\frac{1}{4}$ annas per lb of yarn which works out to over 25 per cent. of the cost of yarn in respect of coarse counts. This duty has enabled the cotton mills to put up their prices for yarn which is purchased mostly by the handloom weavers and to sell the cloth manufactured in the mills at a lower rate. This statement gains considerable strength when one considers the price of yarn and cloth ruling before and after the imposition of the duty. Thus in trying to help the mill industry, the interests of the weavers who are not as vocal as the mill owners have been ignored, if not overlooked.

The impetus given by the Indian National Congress is also confined to *Khaddar* and indeed in some of its divisions handloom cloth which is mostly produced from mill yarn is ousted. It must be admitted that the woven cloth made out of handspun yarn is a very negligible percentage of the total cloth produced by the handloom weavers, although it must be observed that the All India Spinners' Association has been instrumental in producing a larger quantity of handspun and handwoven cloth since the last two years.

Position of Subsidiary Industries

The importance of hand-spinning and hand-weaving industries in India cannot be underestimated; for its merit consists chiefly in its ability to add to the income, howsoever small, of a majority of India's population who are forced to remain idle for over six months in the year. The poverty of the Indian masses is proverbial and the average national income of an Indian has been estimated at only about Rs. 50 per year.* Any addition to this small income of the poor millions of

* The gross *per capita* income of India was estimated by Dadabhai Naoroji at Rs. 20 in 1871, by Lord Curzon at Rs. 30 in 1901, by Sir B. N. Sarma in the Council of State at Rs. 86 for 1921, by Prof. K. T. Shah at Rs. 46 for 1921, by Sir M. Visweswarayya at Rs. 45 for 1919 and by Messrs. Shah and Khambata at Rs. 74 for 1921-22. The Indian Statutory Commission has estimated the *per capita* income of an Indian at Rs. 110 in 1929. Compare with this the income of other countries in the pre-war period:—

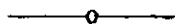
		£	Rs.
United Kingdom	.. ..	50	750
United States	.. ..	72	1,080
Germany	.. ..	30	450
Australia	.. ..	54	810
Canada	.. ..	40	600
Japan	.. ..	6	90
India	.. ..	2.4	36

this country would be very welcome as it would keep them from starvation and penury and would give them a better standard of living. As pointed out above, hand-spinning and hand-weaving are admittedly fitted to be proper subsidiary industries which can provide a suitable occupation and income to a large section of the poor agriculturists. The *Khaddar* movement sponsored by Mahatma Gandhi, seeks to make India independent of foreign supply of piecegoods and yarn, and in doing so, it has given a great stimulus to the hand-spinning and hand-weaving industry. The All-India Village Industries Organisation, established by the Indian National Congress under the guidance of Mahatma Gandhi in November, 1934, is also doing its best to develop these ancient industries of India, and to add to the purchasing power of the masses by providing occupation for them. This whole some movement deserves the strong support of every capitalist, labour leader, merchant, politician, economist, and even of Great Britain,³ as any improvement in the purchasing power of Indians (who constitute nearly one-fifth of the world's population) will give a great fillip to the industries of the world which are yet in a slow process of recovery. If the suggestions made herein for the improvement of the handloom industry are given effect to, we have no doubt that the industry will be able to make headway, particularly under the impetus given to it under the aegis of the popular governments in the various Provinces in India.**

*In 1929, Mr. Phillip Snowden, Chancellor of Exchequer of Great Britain remarked that if the purchasing power of India is increased by 6 shillings or roughly Rs. 4 it would relieve the unemployment problem of Great Britain because being a huge country that India is of 360 million people, any little addition to her average national income would mean a huge total purchasing power.

**For a detailed discussion of Handloom industry, See Mr. M. P. Gandhi's "How to compete with foreign cloth" (A study of the position of Hand-spinning, Hand-weaving and Cotton Mills in the Economics of cloth production in India), with a foreword by Sir P. C. Ray, and by Mahatma Gandhi (for the vernacular editions).

Also *vide*, Memorandum submitted by Mr. M. P. Gandhi to the Tariff Board, 1932. (Pages 228 to 232, Tariff Board Report Vol. III.)



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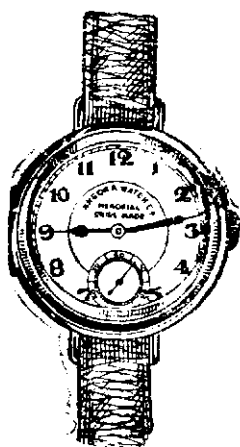
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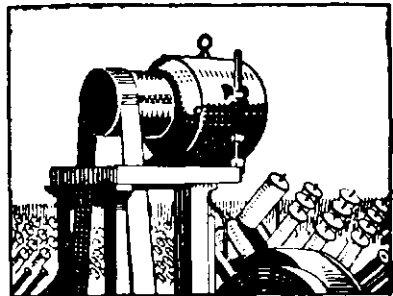
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Appendix I

List of Cotton Mills in India

*With Names and Addresses of Managing Agents,
No. of Spindles and Looms.*

BOMBAY ISLAND

1. ALEXANDRA MILLS (The), Chinchpokli, Bombay; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Road, Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule , Ring 36176, Total 36176; *No. of Looms:* 742.
2. APOLLO MILLS, LTD. (The), Delisle Road, Bombay; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Road, Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule 1966, Ring 45500, Total 47466; *No. of Looms:* 896.
3. BHAWANI MILLS, LTD., Fergusson Road, Parel, Bombay; *Agents:* M. Ganpatrao & Co.; Mill Premises, Bombay; *No. of Spindles:* Mule , Ring 7300, Total 7300; *No. of Looms:*
4. BOMBAY COTTON MFG. CO., LTD. (The), Kalachowki Road, Chinchpokli, Bombay, No. 12; *Agents:* Hormusjee, Sons & Co.; Kalachowki Road, Chinchpokli, Bombay, No. 12; *No. of Spindles:* Mule 1152, Ring 28640, Total 29792; *No. of Looms:* 775.
5. BOMBAY DYEING & MFG. CO., LTD. (Spring Mills) Naigaum Rd., Dadar, Bombay; *Agents:* Nowrosjee Wadia & Sons; Neville House, Graham Road, Ballard Estate, Bombay; *No. of Spindles:* Mule , Ring 109552, Total 109552, *No. of Looms:* 3116.
6. BOMBAY DYEING & MFG. CO., LTD., Textile Mills; Elphinstone Road, Parel, Bombay; *Agents:* Nowrosjee, Wadia & Sons; Neville House, Graham Road, Ballard Estate, Bombay; *No. of Spindles:* Mule 800, Ring 73534, Total 74334; *No. of Looms:* 1734.
7. BOMBAY INDUSTRIAL MILLS CO., LTD. Tulsi Pipe Road, Off Fergusson Road, Parel, Bombay; *Agents:* W. H. Brady &

- Co., Ltd.: 12 14, Churchgate St., Fort Bombay; *No. of Spindles*
Mule..... Ring..... Total.....: *No. of Looms*: 558.
8. BOMBAY SURYODAYA MILLS, LTD. Tardeo, Bombay
Agents: Tarachand Shantidas & Co.: Tardeo, Bombay; *No. of Spindles*: Mule..... Ring 21408, Total 21408; *No. of Looms*
609.
 9. BRADBURY MILLS LTD. (The) Ripon Rd., Jacob Circle,
Bombay; *Agents*: Ramnarain Sons, Ltd.: 143, Esplanade Road
Fort, Bombay; *No. of Spindles*: Mule 6864; Ring 25040, Total
31904; *No. of Looms*: 848.
 10. CENTURY SPG. & MFG. CO., LTD., (Century and Zenith
Mills) Delisle Road (Wori Side), Parel, Bombay; *Agents*: C. V.
Mehta & Co.: Presscot Road, Queens Mansions, Bombay; *No*
of Spindles: Mule 4964, Ring 99584, Total 104548; *No. of*
Looms: 3096.
 11. COLABA LAND & MILL CO., LTD. Victoria Bunder, Colaba,
Bombay; *Managing Agents*: W. H. Brady & Co., Ltd.:
12, 14, Churchgate Street, Bombay; *No. of Spindles*: Mule 660,
Ring 45376, Total 46036; *No. of Looms*: 694.
 12. COORLA SPINNING & WEAVING CO., LTD. Kurla,
Suburban Dist., Bombay; *Agents*: Cowasjee, Jehangir & Co., Ltd.
Readymoney Mansion, Churchgate St., Fort, Bombay; *No. of*
Spindles: Mule 1404, Ring 23828, Total 25232; *No. of Looms*:
719.
 13. CROWN SPINNING & MANUFACTURING CO., LTD.
Ghokale Rd., Parel, Bombay; *Agents*: Purshotam Vithaldas &
Co.: 16, Apollo Street, Fort, Bombay; *No. of Spindles*: Mule.....
Ring 42188, Total 42188; *No. of Looms*: 1106.
 14. DAVID MILLS CO., LTD. (The) Carrol Road, Bombay;
Agents: E. D. Sassoon & Co., Ltd.: Dougall Rd., Ballard Estate,
Fort, Bombay; *No. of Spindles*: Mule 17466, Ring 64168, Total
81634; *No. of Looms*: 1212.
 15. DAWN MILLS CO., LTD. (The) Fergusson Rd., Lr. Parel,
Bombay; *Agents*: Sassoon, J. David & Co., Ltd.: 143, Esplanade
Road, Fort, Bombay; *No. of Spindles*: Mule 5280, Ring 38232,
Total 43512; *No. of Looms*.....

16. DHANRAJ MILLS, LTD. (The) Sun Mill Rd., Lr. Parel, Bombay; *Agents:* Ramgopal Ganpatrai, Mills Premises, Bombay; *No. of Spindles:* Mule 1916, Ring 35644, Total 37560; *No. of Looms:* 734.
17. DIGVIJAY SPIN. & WEAVING CO., LTD. (The) Lalbag, Parel, Bombay; *Agents:* J. Khatao & Co.; Mill Premises, Bombay; *No. of Spindles:* Mule , Ring 39788, Total 39788; *No. of Looms:* 1175.
18. EDWARD SASSOON MILLS, LTD. (The) Fergusson Road, Bombay; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Rd., Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule 29256, Ring 16156, Total 45412; *No. of Looms:* 920.
19. E. D. SASSOON TURKEY RED DYE WORKS. Cadell Road, Dadar, Bombay; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Rd., Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule , Ring , Total ; *No. of Looms:*
20. ELPHINSTONE SPG. & WEAVING MILLS CO., LTD. Elphinstone Road, Bombay 13; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Rd., Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule 14008, Ring 32600, Total 46608; *No. of Looms:* 782.
21. FINLAY MILLS, LTD. Gm't Gate Rd., Parel, Bombay; *Agents:* James Finlay & Co., Ltd.; Chartered Bank Bldgs., Fort, Bombay; *No. of Spindles:* Mule , Ring 46072, Total 46072; *No. of Looms:* 784.
22. GOLD MOHUR MILLS, LTD. Old Dadar Rd., Dadar, Bombay; *Agents:* James Finlay & Co., Ltd., Chartered Bank Bldgs., Fort, Bombay; *No. of Spindles:* Mule , Ring 42472, Total 42472; *No. of Looms:* 1040.
23. HATTERSLEY MILL. Agar Road, Chatkopar, Bombay, Suburban Dist., *Lessees:* A. Ojha & Sons; Rehman Bldg., Churchgate St., Bombay; *No. of Spindles:* Mule , Ring , Total ; *No. of Looms:* 1390.
24. HINDOOSTAN SPIN. & WEAV. MILLS CO., LTD. Ripon Rd., Jacob Circle, Bombay; *Agents:* Thackersey Mooljee & Co.; 'Hamam House' 34 48 Hamam Street, Fort, Bombay; *No. of Spindles:* Mule , Ring 40856, Total 40856; *No. of Looms:* 1116.

25. HIRJEE MILLS, LTD. (The) Fergusson Rd., Lt. Parel Bombay; *Agents:* C. Jehangir & Co., Ltd.; Readymoney Mansion Churchgate St., Fort, Bombay; *No. of Spindles:* Mule , Ring 24024, Total 24024; *No. of Looms:* 807.
26. INDIAN BLEACHING, DYEING & PRINTING WKS. CO. LTD. New Purbhadevi Rd., Lower Mahim, Dadar, Bombay. *Agents:* Mafatlal Gagalbhai & Sons; Churchgate Street, 29, Ruston Building, Fort, Bombay; *No. of Spindles:* Mule , Ring , Total ; *No. of Looms:*
27. INDIAN MANUFACTURING CO., LTD. Ripon Rd., Jacob Circle, Bombay; *Agents:* Damodher Thackersey Mooljee & Co.; 'Hamam House,' Hamam Street, Fort, Bombay; *No. of Spindles:* Mule , Ring 48648, Total 48648; *No. of Looms:* 1202.
28. JACOB SASSOON MILL. Suparibaug Rd., Parel, Bombay; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Rd., Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule 9040, Ring 92072, Total 101112, *No. of Looms:* 2223.
29. JAM MANUFACTURING CO., LTD., NO. 1. Parel, Bombay; *Agents:* Waljee Shamjee & Co.; 4, Dalal Street, Fort, Bombay; *No. of Spindles:* Mule Ring 31300, Total 31300, *No. of Looms:* 944.
30. JAM MANUFACTURING CO., LTD., NO. 2. Sewree, Bombay; *Agents:* Waljee Shamjee & Co.; 5, Dalal Street, Fort Bombay; *No. of Spindles:* Mule , Ring 23100, Total 23100; *No. of Looms:* 570.
31. JUBILEE MILLS, LTD. (The) Sewree, Bombay; *Agents:* M. Mehta & Co.; Mubarak Manzil, Apollo Street, Fort, Bombay; *No. of Spindles:* Mule , Ring 34512, Total 34512; *No. of Looms:* 666.
32. KAMALA MILLS, LTD. Tulsi Pipe Road, off Delisle Road, Bombay; Mill Premises. Bombay 13; *No. of Spindles:* Mule 7872, Ring 38984, Total 46856, *No. of Looms:* 1054.
33. KHATAU MAKANJI SPIN & WEAV. CO., LTD. Haines Rd., Byculla, Bombay; *Agents:* Khatau Makanji & Co.; Laxmi Building, 2B, Ballard Pier, Fort, Bombay; *No. of Spindles:* Mule , Ring 55900, Total 55900 *No. of Looms:* 1519.

APPENDIX I

34. KOHINOOR MILLS CO., LTD. Naigaum Cross Rd., Dadar, Bombay; *Agents:* Killick Nixon & Co; Killick Bldg., Home St. Fort, Bombay; *No. of Spindles:* Mule 988, Ring 71408, Total 72396; *No. of Looms:* 1495.
35. MADHOWJI DHARAMSI MANFG. CO., LTD. (own dyeing plant). Foras Road, Bombay; *Agents:* The Provident Investment Co., Ltd., Foras Road, Bombay 8; *No. of Spindles:* Mule 2656, Ring 35516, Total 38172, *No. of Looms:* 863.
36. MADHUSUDAN MILLS, LTD. Delisle Road, Bombay 13; *Agents:* Amersey Damodar; Mill Premises, Bombay; *No. of Spindles:* Mule, Ring 54888, Total 54888; *No. of Looms:* 1760.
37. MANCHESTER MILL (The), Chinchpokli, Bombay 12; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Rd., Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule, Ring 27468, Total 27468; *No. of Looms:* 684.
38. MANOCKJEE PETIT DYE & BLEACH WORKS, Bellasis Bridge, Tardeo, Bombay; Lessee, Shapurji Maneckji Kotwal, Lalji Mansingh Building, Lohar Chawl, Bombay 2; Bleaching, Dyeing, Calendering & Finishing Plant.
39. MEYER SASSOON MILLS, LTD. (The); Ferguson Road, Bombay; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Rd., Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule 11928, Ring 30288, Total 42216; *No. of Looms:* 1021.
40. MOON MILLS, LTD. (The); New Sewri Rd., Sewri, Bombay; *Agents:* P. A. Hormarjee & Co.; 70, Forbes St., Rampart Row, Fort, Bombay; *No. of Spindles:* Mule 4726, Ring 29512, Total 34298; *No. of Looms:* 864.
41. MORARJEE GOCULDAS SPIN. & WEAV. CO., LTD.: Suparibaug Rd., Parel, Bombay; *Agents:* Ganesh Narayan Piramal; Mill Premises, Bombay; *No. of Spindles:* Mule, Ring 56856, Total 56856; *No. of Looms:* 1666.
42. MODERN MILLS, LTD., (The); 98, Elphinstone Rd., Bombay 13 and Jacob Circle, Mahalaxmi, Bombay; *Agents:* N. Sirur & Co.; 70, Forbes Street, Fort, Bombay; *No. of Spindles:* Mule 11908, Ring 22680, Total 34588, *No. of Looms:* 400 (under erection).

43. NEW CHINA MILLS, LTD., (The); New Sewree Road, Bombay; *Agents:* Pransukhlal Mafatlal (Managing Director); 29 Rustom Building, Churchgate Street, Fort, Bombay; *No. of Spindles:* Mule , Ring 33328, Total 33328 *No. of Looms:* 700.
44. NEW CITY OF BOMBAY MANFG., CO., LTD.; Chinchpokli Rd., Parel Road, Bombay 12; *Agents:* W. H. Brady & Co., Ltd., Royal Insurance Building, Churchgate St., Fort, Bombay; *No. of Spindles:* Mule , Ring 45944, Total 45944; *No. of Looms:* 432.
45. NEW ERA TEXTILE MILLS CO., Atlas Mills Compound, Matar Pakhadi Road, Mazgaon, Bombay, No. 10, Mill Premises, Bombay 10; *No. of Spindles:* Mule , Ring , Total *No. of Looms:* 62.
46. NEW GREAT EASTERN SPIN. & WEAV. CO., LTD. Parel Rd., Chinchpokli, Bombay; *Agents:* W. H. Brady & Co., Ltd.: 12 14 Churchgate St., Fort, Bombay; *No. of Spindles:* Mule 14520, Ring 32364, Total 46884; *No. of Looms:* 1029.
47. NEW ISLAM MILLS; Parel, Near Currey Road Bridge, Parel, Bombay; *Owner:* H. A. Hajee Cassum; Delisle Road, Post No. 13, Bombay; *No. of Spindles:* Mule 2048, Ring 17604, Total 19652; *No. of Looms:* 560.
48. NEW KAISER-I-HIND SPINNING & WEAVING COMPANY LIMITED; Chinchpokli, Bombay; *Agents:* Vussonji Manji & Co.; 10, Churchgate Street, Fort, Bombay; *No. of Spindles:* Mule 936, Ring 53716, Total 54652; *No. of Looms:* 1330.
49. NEW UNION MILLS LTD., Delisle Road, Parel, Bombay. *Agents:* David Sassoon & Co. Ltd., 59 Forbes Street, Fort, Bombay, *No. of Spindles:* Mule 2440, Ring 31192, Total 33632. *No. of Looms:* 873.
50. PHOENIX MILLS, LTD. (The); Tulsi Pipe Line Road, Lr. Parel, Bombay 13; *Agents:* Ramnarain Hurnundrai & Sons; 143, Esplanade Road, Fort, Bombay; *No. of Spindles:* Mule 12644, Ring 41600, Total 54244; *No. of Looms:* 728.
51. PRALHAD MILLS, LTD. (The); Fergusson Road, Parel, Bombay 13; *Agents:* Partapgir Narsingirji & Co.; Mill Premises,

- Bombay; *No. of Spindles:* Mule 1040 & 360 chapon, Ring 32404. Total 33804; *No. of Looms:* 962.
52. RACHEL SASSOON MILLS: Chinchpokli, Parel, Bombay 13. *Agents:* E. D. Sassoon & Co., Ltd.: Dougall Road, Ballard Estate, Fort, Bombay; *No. of Looms:* 1951.
53. RAGHUVANSHI MILLS. LTD. (The): 11-12 Hains Road, Mahalaxmi, Delisle Road, Post 13, Bombay. *Agents:* R. Maganlal & Bros.: 11-12 Hains Road, Mahalaxmi, Bombay; *No. of Spindles:* Mule 8926, Ring 54988. Total 43914.
54. RUBY MILLS, LTD. (The): Lady Jamshetjee Road: Woollen Mill Gully, Dadar, Bombay; M. G. Doongersy & Co., East & West Building, Apollo Street, Fort, Bombay; *No. of Spindles:* Ring 16296, Total 16296; *No. of Looms:* 453.
55. SASSOON SPINNING & WEAVING CO., LTD.: Mount Estate, Mazagaon, Bombay; *Agents:* David Sassoon & Co., Ltd.: 59, Forbes Street, Fort, Bombay; *No. of Spindles:* Mule 2224, Ring 58016, Total 60240; *No. of Looms:* 1288.
56. SASSOON MILLS (The E.D.): Chinchpokli, Bombay; *Agents:* E. D. Sassoon & Co., Ltd.: Dougall Road, Ballard Estate, Fort, Bombay; *No. of Spindles:* Mule 10758, Ring 75868, Total 86626; *No. of Looms:* 752.
57. SATYA MILLS LTD., (The): Delisle Road, Parel, Bombay; *Agents:* Jas. Finlay & Co., Ltd.: Chartered Bank Buildings, Fort, Bombay; *No. of Spindles:* Mule 1008, Ring 28096, Total 29104; *No. of Looms:* 792.
58. SHREE NIWAS COTTON MILLS. LTD.: Delisle Road, Lr. Parel, Bombay; *Agents:* Marwar Textiles (Agency), Ltd., Mill Premises, Bombay; *No. of Spindles:* Ring 52296, Total 52296; *No. of Looms:* 1908.
59. SHREE RAM MILLS, LTD.: Ferguson Road, Lr. Parel Worli Bombay; 13. *Agents:* P. M. Bhojilal & Co.: 324 Hornby Road, Bombay; *No. of Spindles:* Ring 35636, Total 35636; *No. of Looms:* 850.
60. SIMPLEX MILLS CO., LTD.: 30, Clerk Rd., Jacob Circle, Bombay; *Agents:* Forbes, Forbes Campbell & Co., Ltd.: Forbes Bldg., Home St., Fort Bombay; *No. of Spindles:* Mule 936 Ring 37148, Total 38084; *No. of Looms:* 1323.
61. SIR SHAPURJI BROACHA MILLS. LTD. (The): Delisle Road, Chinchpokli, Bombay; *Agents:* Provident Investment Co., Ltd.:

- Delisle Road, Chinchpokli, Bombay; *No. of Spindles*: Mules 1872, Ring 86976, Total 88848; *No. of Looms*: 1060.
62. STANDARD MILLS CO., LTD. Parbhadevi Road, Lower Mahim, Bombay; *Agents*: M. Gagalbhai & Sons; 29, Rustan Bldg., Churchgate St., Bombay; *No. of Spindles*: Ring 50224. Total 50224; *No. of Looms*: 1179.
63. SWADESHI MILLS CO., LTD. Kurla (Bombay Suburban District); *Agents*: Tata Sons, Ltd.; Bombay House, Bruce Street, Fort, Bombay; *No. of Spindles*: Ring 76000, Total 76000; *No. of Looms*: 2150.
64. SWAN MILLS LTD.; New Sewri Road, Sewri, Bombay; *Agents*: James Finlay & Co., Ltd.; Chartered Bank Buildings, Fort, Bombay; *No. of Spindles*: Mules 1022, Ring 30428, Total 31450; *No. of Looms*: 528.
65. TATA MILLS; Dadar Road, Parel, Bombay; *Agents*: Tata Sons Ltd.; Bombay House, Bruce Street, Fort, Bombay; *No. of Spindles*: Ring 62468, Total 62468; *No. of Looms*: 1800.
66. TOYO PODAR COTTON MILLS LTD.; Delisle Road, Chinchpokli, Bombay 11; *Managing Director*: T. Ogoshi, Delisle Road, Bombay 11; *No. of Spindles*: Ring 31160, Total 31160; *No. of Looms*: 916.
67. VICTORIA MILLS, LTD.; Gamdevi, Grant Road, Bombay; *Agents*: M. Mehta & Co.; Mubarak Manzil, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 32396, Total 32396; *No. of Looms*: 708.
68. WESTERN INDIA SPINNING & MANUFACTURING CO., LTD.; Kalachawky Road, Chinchpokli, Bombay; *Agents*: Thakersey Mooljee Sons & Co.; Hamam House, Hamam Street, Fort, Bombay; *No. of Spindles*: Ring 43288, Total 43288; *No. of Looms*: 1130.

BOMBAY PRESIDENCY

- ✓69. AHMEDABAD ADVANCE MILLS LTD.: Outside Delhi Gate, P. O. Box, No. 18, Ahmedabad; *Agents*: Tata Sons, Ltd.; Bombay House, 24, Bruce Street, Fort, Bombay; *No. of Spindles*: Ring 44224, Total 44224; *No. of Looms*: 924.
70. AHMEDABAD ASTODIA MFG. CO., LTD.; Outside Astodia Gate, Ahmedabad; *Working Agents*: S. N. Lullubhai, S. K. Lalbhai, T. J. Parikh; Outside Astodia Gate, Ahmedabad; *No. of Spindles*: Ring 21116, Total 21116; *No. of Looms*: 328.

71. AHMEDABAD COTTON MANUFACTURING CO., LTD.;
Out Sarangpur Gate, Ahmedabad; *Agents:* Amratlal Damodar-
das & Co.; Mill Premises, Ahmedabad; *No. of Spindles:* Ring
28692, Total 28692; *No. of Looms:* 675.
72. AHMEDABAD COTTON & WASTE MANUFACTURING
CO., LTD.; Dudheswar Road, Ahmedabad; *Agents:* Dhirajlal
Chunilal & Bros.; Dudheshwar Road, P. O. Box No. 79,
Ahmedabad; *No. of Spindles:* Mule 1056, Ring 20588, Total
21644; *No. of Looms:* 460.
73. AHMEDABAD INDUSTRIAL MILLS CO., LTD.; Gomtipur
Road, Railway Pura Post, Ahmedabad; *Agents:* K. L. Mehta &
Co., LTD.; Gomtipur Road, Railway Pura Post, Ahmedabad 2;
No. of Spindles: Ring 23560, Total 23560; *No. of Looms:* 566.
74. AHMEDABAD JUBILEE SPINNING & MANUFACTURING
CO., LTD.; Out Dariapur Gate, Ahmedabad; *Agents:* Chimanlal
Nagindas & Co.; Mill Premises Ahmedabad; *No. of Spindles:*
Mule, Chapoon 576, 3200; Dblg. 2296, Ring 31020, Total 37092;
No. of Looms: 829.
75. AHMEDABAD JUPITER SPINNING, WEAVING & MANU-
FACTURING CO., LTD.; Post Box 43, Dudheshwar Road,
Ahmedabad; *Agents:* C. Parakh & Co.; 28, Apollo Street, Fort
Bombay; *No. of Spindles:* Ring 25000, Total 25000; *No. of*
Looms: 572.
76. AHMEDABAD KAISER-I-HIND MILLS CO., LTD.; Outside
Raipur Gate, Ahmedabad; *Agents:* Ramanlal Kanaiyalal & Co.;
Mill Premises, Ahmedabad; *No. of Spindles:* Ring 20000, Total
20000; *No. of Looms:* 490.
77. AHMEDABAD LAXMI COTTON MILLS CO., LTD.; Outside
Raipur Gate, Ahmedabad; *Agents:* Hariprasad Jayantilal & Co.,
Ltd.; Outside Raipur Gate, Ahmedabad; *No. of Spindles:* Mule
1848, Ring 33808, Total 35656; *No. of Looms:* 592.
78. AHMEDABAD MANUFACTURING & CALICO PRINT CO.,
LTD.; Out Jamalpur Gate, Ahmedabad; *Agents:* Karamchand
Premchand & Co.; Out Jamalpur Gate, Ahmedabad; *No. of*
Spindles: Ring 75400, Total 75400; *No. of Looms:* 1509.
79. AHMEDABAD NEW COTTON MILLS CO., LTD.; No. 1;
Kankaria Road, Ahmedabad; *Agents:* Narottam Chandulal & Co.,
Ltd.; Near Khokhara, Ahmedabad; *No. of Spindles:* Ring 23368.
Total 23368; *No. of Looms:* 588.

80. AHMEDABAD NEW COTTON MILLS CO., LTD., No. 2; Mithipur, Ahmedabad; *Agents:* Narottam Chandulal & Co., Ltd.; Near Khokhara, Ahmedabad; *No. of Spindles:* Ring 17080; Total 17080; *No. of Looms:* 448.
81. AHMEDABAD NEW STANDARD MILLS CO., LTD.; Nr Suraspur Gate, Railway Pura Post, Ahmedabad; *Agents:* S. Naranlal & Co., Ltd.; Mill Premises, Ahmedabad; *No. of Spindles:* Ring 16608, Total 16608; *No. of Looms:* 458.
82. AHMEDABAD NEW TEXTILE MILLS CO., LTD.; Nos. 1 & 2; Outside Raipur Gate, Ahmedabad; *Managing Agents:* Jivanlal Girdarlal & Sons; Out Raipur Gate, Ahmedabad; *No. of Spindles:* Ring 25488, Total 25488; *No. of Looms:* 1008.
83. AHMEDABAD SARANGPUR MILLS CO., LTD.; Outside Raipur Gate, Ahmedabad; *Agents:* Himatlal Motilal & Co., Ltd.; Out Raipur Gate, Ahmedabad; *No. of Spindles:* Ring 30928; Total 30928; *No. of Looms:* 582.
84. AHMEDABAD SHRI RAMKRISHNA MILLS CO., LTD.; Gomtipur, Ahmedabad; *Agents:* Chimanlal Maneklal & Co.; Gomtipur, P. O. Railway Pura, Ahmedabad; *No. of Spindles:* Ring 16428, Total 16428; *No. of Looms:* 451.
85. AHMEDABAD SPINNING & WEAVING CO., LTD.; Shahpur, Ahmedabad; *Agents:* Runchhodlal Chhotalal & Co.; Shahpur, Ahmedabad; *No. of Spindles:* Ring 30532, Total 30532; *No. of Looms:* 800.
86. AJIT MILLS, LTD. (The); Rakhial Road, Ahmedabad; *Agents:* C. Naranbhai & Co.; Rakhial Road, Railway Pura Post, Ahmedabad 2; *No. of Spindles:* Ring 16004, Total 16004; *No. of Looms:* 466.
87. AMBICA MILLS, LTD. (Shri) No. 1; Near Suskar Tank, Kankaria Road, Ahmedabad 2; *Agents:* H. Kalidas & Co.; Kankaria Loco Siding, Ahmedabad 2; *No. of Spindles:* Ring 16016, Total 16016; *No. of Looms:* 470.
88. AMBICA MILLS, LTD. (Shri) No. 2; Near Siskar Lake, Ahmedabad. *Agents:* Balabhai Girdharlal & Co.; Mill Premises, Ahmedabad, Ring 16016, Total 16016; *No. of Looms:* 470.

89. ANANTA MILLS, LTD.; Rakhial Road, Gontipur, Ahmedabad; *Agents:* J. Amratlal, Ltd.; c/o Ahmedabad Laxmi Cotton Mills Co., Ltd.; *No. of Spindles:* Ring 21992, Total 21992; *No. of Looms:* 450.
90. ARYODAYA GINNING & MANUFACTURING CO., LTD.; Asarwa, Ahmedabad; *Agents:* Mangaldas & Brother; Mill Premises Ahmedabad; *No. of Spindles:* Ring 48540, Total 48540, *No. of Looms:* 908.
91. ARUNA MILLS, LTD. (The); Naroda Road, Ahmedabad; *Agents:* P. M. Hutheesing & Sons, Ltd.; Naroda Road, Ahmedabad; *No. of Spindles:* Ring 38448, Total 38448; *No. of Looms:* 960.
92. ARVIND MILLS, LTD. (The); Naroda Road, Ahmedabad; *Agents:* N. Lalbhai & Co.; P. O. Box No. 56, Ahmedabad; *No. of Spindles:* Ring 54528, Total 54528; *No. of Looms:* 1210.
93. ARYODAYA SPINNING & WEAVING CO., LTD.; Asarva Road, Railway Pura Post, Ahmedabad 2; *Agents:* Mangaldas & Balabhai & Co.; Asarva Road, P. O. Box 40, Ahmedabad; *No. of Spindles:* Ring 53280, Total 53280; *No. of Looms:* 1365.
94. ASARWA MILLS; Railway Pura Post, Ahmedabad 2; Under Mortgage to the Provident Investment Co., Ltd., Bombay; Mill Premises Ahmedabad 2; *No. of Spindles:* Ring 20564, Total 20564; *No. of Looms:* 458.
95. BARODA SPINNING & WEAVING CO., LTD. (No. 1); Pani Gate, Baroda; *Agents:* Javerchand Laxmichand & Co.; Mill Premises, Baroda; *No. of Spindles:* Ring 18060, Total 18060; *No. of Looms:* 495.
96. BARODA SPINNING & WEAVING CO., LTD. (No. 2); Pani Gate, Bhadra, Baroda; *Agents:* Javerchand Laxmichand & Co.; Mill Premises, Baroda; *No. of Spindles:* Ring 12028, Total 12028; *No. of Looms:* 244.
97. BECHARDAS SPINNING & WEAVING MILLS CO., LTD.; Raikhad, Ahmedabad; *Agents:* Durgaprasad S. Laskari & Co.; Raikhad, Ahmedabad; *No. of Spindles:* Ring 18092, Total 18092; *No. of Looms:* 496.
98. BHALAKIA MILLS CO., LTD. (The); Kankaria Road, Post Box No. 29, Ahmedabad; *Agents:* Chandulal & Co., Ltd., *Managing Agents:* Seth Jethalal Purshotamdas, Bhalakia; Mill

- Premises, Ahmedabad; *No. of Spindles*: Ring 15696, Total 15696
No. of Looms: 806.
99. BHARAT LAXMI COTTON MILLS CO., LTD.; Mithipur, Ahmedabad; *Agents*: C. Parakh & Co.; Mill Premises, Ahmedabad; *No. of Spindles*: Ring 18492, Total 18492; *No. of Looms*: 432.
100. BHARAT SURYODAYA MILL CO., LTD.; Kankaria Road Ahmedabad; *Agents*: Manilal Sankalchand & Co., Ltd.; Kankaria Road, near Jagnath Mahadeva; *No. of Spindles*: Ring 9916, Total 9916; *No. of Looms*: 361.
101. BHARAT VIJAYA MILLS, LTD.; Kalol, N. Gujarat; *Agents*: Ramanlal Champaklal & Co.; Kalol, N. Gujarat; *No. of Spindles*: Ring 15552, Total 15552; *No. of Looms*: 320.
102. BHARATKHAND COTTON MILLS CO., LTD.; Naroda Road Railway Pura, Ahmedabad; *Agents*: Moolchand Jeykishandas & Co.; Railway Pura Post, Ahmedabad 2. *No. of Spindles*: Ring 24396, Total 24396; *No. of Looms*: 573.
103. BHARAT KHAND TEXTILE MANFG. CO., LTD.; Camp Road, Ahmedabad; *Agents*: Jibanlal Girdharlal & Co., Mill Premises, Ahmedabad; *No. of Spindles*: Ring 32492, Total 32492; *No. of Looms*: 1316.
104. BIHARI MILLS, LTD. (The); Mithipur, Nr. Khokhra, Mehmedabad Railway Pura P. O. Ahmedabad; *Agents*: M. Harilal & Co., Ltd.; Nr. Khokhra, Mehmedabad, Ahmedabad; *No. of Spindles*: Ring 16116, Total 16116; *No. of Looms*: 440.
105. BROACH FINE COUNTS SPIN. & WEAV. CO., LTD., Broach; *Agents*: Brijlal Bilasrai & Co.; Agakhan Bldg. Dalal St., Fort, Bombay; *No. of Spindles*: Ring 28896, Total 28896; *No. of Looms*: 500.
106. CAMBAY STATE MILLS; Cambay, Ahmedabad; *Managing Agents*: Sheth Chamanbalbhai G. Parikh, (Cambay); *No. of Spindles*: Ring 18828, Total 18828; *No. of Looms*: 356.
107. CHANDRODAYA MILLS, LTD. (The); Viramgam; *Agents*: C. Khushaldas & Co., Ltd., Manckchowk, Bombay; *No. of Spindles*: Ring 27292, Total 27292; *No. of Looms*: 628.
108. CHHOTALAL MILLS, LTD.; Kalol (Baroda State); *Agents*: Chhotalal Hirachand & Co.; Kalol (North Gujarat); *No. of Spindles*: Ring 17600, Total 17600; *No. of Looms*: 456.

109. CITY OF AHMEDABAD SPG. & MANFG. CO., LTD.; Kankaria Road, Ahmedabad; *Agents:* Chamanlal Mangaldas & Sons, Kankaria Road, Ahmedabad; *No. of Spindles:* Ring 27036, Total 27036; *No. of Looms:* 543.
110. COMMERCIAL AHMEDABAD MILLS, CO., LTD.; Railway Pura Post, Ahmedabad 2; *Agents:* Dhaunjibhai & Tricumal & Co., Ltd.; Mill Premises, Ahmedabad 2; *No. of Spindles:* Ring 27788, Total 27788; *No. of Looms:* 620.
111. FINE KNITTING CO., LTD. (The); Naroda Road, Nr. Chamunda Mata, Railway Pura Post, Ahmedabad 2; *Agents:* H. Keshavlal & Co.; Mill Premises, Ahmedabad 2; *No. of Spindles:* Ring 9000, Total 9000; *No. of Looms:* 96. Knitting Machines.
112. GAEKWAR MILLS, LTD. (The); Bilimora, Ahmedabad; *Agents:* H. M. Mehta & Co., Ltd.; Bilimora, Ahmedabad; *No. of Spindles:* Ring 24808, Total 24808; *No. of Looms:* 520.
113. GENDALAL MILLS, LTD. (Formerly the Bhagirath Spg. & Wvg. Mills); Jalgaon, East Khandesh; *Managing Director:* Mr. S. G. Badjatia; Mill Premises, Ahmedabad; *No. of Spindles:* Ring 11000, Total 11000; *No. of Looms:* 352.
114. GIRDHADAS HARI VALLAVDAS MILLS, LTD.; Outside Prem. Darvaja, Ahmedabad; *Agents:* C. Mangaldas & Co., Parekh; Mill Premises, Ahmedabad; *No. of Spindles:* Ring 19792, Total 19792.
115. GIRDHARDAS HARI VALLVDAS MILLS, CO., LTD.; Nr. Gomtipur Overbridge, Ahmedabad; *Agents:* Chamanlal Mangaldas & Co.; Mill Premises Ahmedabad; *No. of Looms:* 242.
116. GOKAK MILL, LTD.; Gokak Falls, S. M. C.; *Agents:* Forbes, Forbes, Campbell & Co., Ltd., Forbes Building, Home Street, Fort, Bombay; *No. of Spindles:* Mule 1326, (Waste spindles), Ring 74328 and 2640 (Doubling), Total 78294.
117. GOPAL MILLS CO., LTD.; White Road, Broach; *Agents:* N. Harridas & Co.; White Road, Broach; *No. of Spindles:* Ring 22980, Total 22980; *No. of Looms:* 652.
118. GUJARAT COTTON MILLS CO., LTD.; Naroda Road, Ahmedabad; *Agents:* P. S. Bhagwandas & Co.; Railway Pura Post, Naroda Road, P. O. Box No. 41 Ahmedabad; *No. of Spindles:* Ring 30864, Total 30864; *No. of Looms:* 544.

119. GUJARAT GINNING & MANUFACTURING CO., LTD.: Out Kalupur Gate, Nr. Prem. Gate, Ahmedabad; *Agents:* Jamnabhai Mansukhbhai & Co.; Railway Pura Post or G. P. O. Box 38, Ahmedabad; *No. of Spindles:* Ring 74088; Total 74088; *No. of Looms:* 1667.
120. GUJARAT HOSIERY FACTORY; Rakhjal Road, Ahmedabad; *Owners:* C. C. Dalal & Co., Mill Premises, Ahmedabad; *No. of Spindles:* Ring 10620, (Dbg. 3080), Total 13700; *No. of Looms:* 90 Knitting Machines.
121. GUJARAT SPINNING & WEAVING CO., LTD.; Outside Kalupur Gate, Ahmedabad; *Agents:* Jamnabhai Mansukhbhai & Co.; Mill Compound, Ahmedabad; *No. of Spindles:* Ring 28792, Total 28792; *No. of Looms:* 679.
122. HARIVALLABHDAS MULCHAND MILLS CO., LTD.; Out Dariapur Gate, Ahmedabad; *Agents:* Girdharlal Harilal & Co.; Mill Premises, Ahmedabad; *No. of Spindles:* Ring 18204, Total 18204; *No. of Looms:* 448.
123. HATHISING MANUFACTURING CO., LTD.; Saraspora Railway Pura, Post No. 2, Ahmedabad; *Agents:* Maneklal Mansukhbhai & Co.; Saraspora; *No. of Spindles:* Ring 15092, Total 15092.
124. HIMABHAI MANUFACTURING CO., LTD.; Nr. Saraspur Gate, Railway Pura Post, Ahmedabad; *Agents:* Dhirajlal Khushaldas & Bros.; Mill Premises, Ahmedabad; *No. of Spindles:* Mule 1920 Doubling, Ring 16760, Total 18680; *No. of Looms:* 436.
125. JAYANTI MILLS, LTD.; Viramgaum; *Agents:* G. Nathalal & Co., Ltd.; Revdi Bazar, Latiff Bldg. Ahmedabad; *No. of Spindles:* Ring 22216, Total 22216; *No. of Looms:* 559.
126. JEHANGIR VAKIL MILLS CO., LTD.; Outside Delhi Gate Ahmedabad; *Agents:* Rustomjee Mangaldas & Co., Ltd.; Outside Delhi Gate, Ahmedabad; *No. of Spindles:* Ring 29940, Total 29940; *No. of Looms:* 785.
127. KALYAN MILLS, LTD.; Naroda Road, Railway Pura Post, Ahmedabad 2; *Agents:* K. M. Mehta & Sons Ltd.; Gontipur Road, Ahmedabad 2; *No. of Spindles:* Ring 12060, Total 12060; *No. of Looms:* 393.

128. KESHAV MILLS CO., LTD. (The); Petlad, Via Anand, Baroda State; *Agents:* Chandulal Keshavlal & Co.; Mill Premises, Baroda; *No. of Spindles:* Ring 12780, Total 12780; *No. of Looms:* 256.
129. KHANDESH SPIN. & WEAV. MILLS CO., LTD.; Jalgaon East Khandesh; *Agents:* Moljee Jaitha & Co.; Ewart House, Tamarind Lane, Fort, Bombay; *No. of Spindles:* Ring 22664, Total 22664; *No. of Looms:* 459.
130. KRISHNA KUMAR MILLS CO. (The); Mahuva (Kathiawar) *Agents:* S. S. Maganlal & Co.; Mahuva (Kathiawar); *No. of Spindles:* Ring 8496, Total 8496.
131. LALBHAI TRICUMLAL MILLS, LTD. (Own dyeing plant); Rakhial Road, Ahmedabad; *Agents:* C. Lalbhai & Bros. Ltd.; Mill Premises, Ahmedabad; *No. of Spindles:* Ring 29568, Total 29568; *No. of Looms:* 738.
132. MAFATLAL FINE SPG. & MANUFG. CO., LTD.; Railway Pura, Ahmedabad; *Agents:* Navinchandra Purshotamdas & Co. Ltd.; Vejalpur Road, Navsari, B. B. & C. I. Ry.; *No. of Spindles:* Mule 2304 Doubling Ring 25620, Total 27924; *No. of Looms:* 896.
133. MAHALAXMI MILLS, LTD. (The) Bhavnagar Kathiawar; *Agents:* H. Jivandas & Sons, Ltd., Mill Premises, Bhavnagar; *No. of Spindles:* Ring 12648, Total 12648; *No. of Looms:* 396.
134. MAHARANA MILLS, LTD.; Porbandar Kathiawar; *Agents:* Seth Nanji Kalidas Mehta, Porbandar, Kathiawar; *No. of Spindles:* Ring 12832, Total 12832; *No. of Looms:* 308.
135. MANECKCHOCK & AHMEDABAD MANFG. CO., LTD.; Railway Pura Post, Nr. Idga Chowky, Ahmedabad; *Agents:* Hiralal Tricumlal; Railway Pura Post, near Idga Chowky, Ahmedabad; *No. of Spindles:* Ring 34582, Total 34582; *No. of Looms:* 832.
136. MANEKLAL HARILAL SPIN. & MANFG. CO., LTD.; Saraspur Road, Ahmedabad; *Agents:* Harilal Hariwallabhadas & Co., Saraspur Road, Railway Pura Post, Ahmedabad 2; *No. of Spindles:* Ring 31072, Total 31072; *No. of Looms:* 750.
137. MANOR MILLS, Nadiad, Ahmedabad; Prop. J. Kaniyal Parekh; Nadiad, Ahmedabad; *No. of Spindles:* Ring 17000, Total 17000.

138. MARSDEN SPG. & MANUFACTURING CO., LTD.; Gontipur, Ahmedabad; *Agents:* Marsden Bros. & Co., Ltd.; Railway Pura Post; Ahmedabad *No. of Spindles:* Ring 1232 (Doubling) 22240, Total 23472, *No. of Looms:* 482.
139. MONOGRAM MILLS CO., LTD., Rakhial, Ahmedabad; *Agents:* Manilal Marsden & Co., Ltd.; Railway Pura Post, Ahmedabad; *No. of Spindles:* Ring 21000, Total 21000; *No. of Looms:* 528.
140. MOTILAL HIRABHAI, SPINNING, WEAV. & MANUFG. CO., LTD.; Opposite Prem. Gate, Ahmedabad; *Agents:* Motilal Hirabhai & Sons; Railway Pura Post, Ahmedabad; *No. of Spindles:* Ring 30600, Total 30600; *No. of Looms:* 700.
141. NAGRI MILLS, CO., LTD., Jagnath Mahadev Road, Gontipur, Ahmedabad; *Agents:* Papatlal Chimanlal & Co.; Jagnath Mahadev Road, Gontipur P. O. Box No. 36; *No. of Spindles:* Ring 17728, Total 17728; *No. of Looms:* 498.
142. NATIONAL MILLS CO., LTD.; Gontipur Road Ahmedabad; *Agents:* Chimanlal & Govindlal & Co., Ltd., *Managing Agents:* S. P. H. Magri; Gontipur Rd., Railway Pura, Ahmedabad; *No. of Spindles:* Ring 19712, Total 19712; *No. of Looms:* 490.
143. NAVJIVAN MILLS, LTD. (The); Station Road Kalol, North Gujarat, Baroda State; *Agents:* Rustomjee Mangaldas & Co.; Mill Premises, Ahmedabad; *No. of Spindles:* Ring 16760, Total 16760; *No. of Looms:* 419.
144. NEW BARODA MILLS CO., LTD. (The); Nr. Goya Gate, Baroda; *Agents:* Zaverchand Lakhmichand Bros. & Co.; Mill Premises Baroda; *No. of Spindles:* Ring 23296, Total 23296; *No. of Looms:* 608.
145. NEW CHHOTALAL MILLS LTD., Kadi, North Gujarat, Ahmedabad. *Agents:* Chhotalal Hirachand & Sons, Mill Premises, Ahmedabad; *No. of Spindles:* Ring 17488, Total 17488; *No. of Looms:* 374.
146. NEW COMMERCIAL MILLS CO., LTD. (The); Naroda Rd., Ahmedabad; *Agents:* T. Bhogilal & Co., Ltd.; Naroda Road, Ahmedabad 2; *No. of Spindles:* Ring 27760, Total 27760. *No. of Looms:* 792.
147. NEW JEHANGIR VAKIL MILLS CO., LTD.; Bhavnagar; *Agents:* Rustomjee Mangaldas & Co.; Bhavnagar; *No. of Spindles:* Ring 30724, Total 30724; *No. of Looms:* 718.

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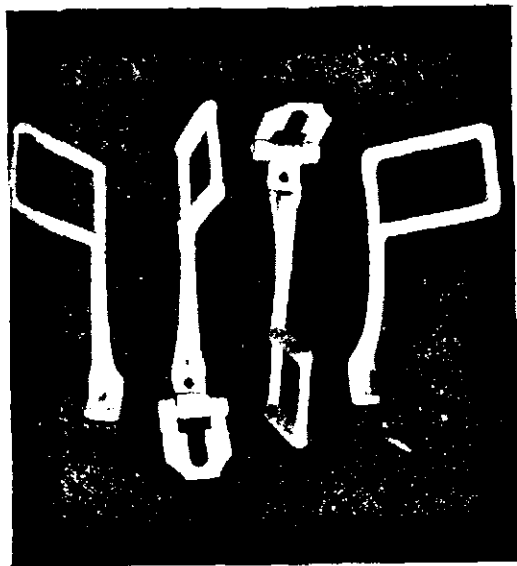
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148. NEW MANECKCHOCK SPG. & WEG. CO., LTD.; Out. Dariapur Gate, Ahmedabad 2; *Agent*: Lalbhai Tricumlal; Mill Premises, Ahmedabad 2; *No. of Spindles*: Ring 27800, Total 27800; *No. of Looms*: 729.
149. NEW NATIONAL MILLS, LTD. (The); Rakhial Road, Ahmedabad 2; *Agents*: P. H. Nagri & Co., Ltd.; c/o The National Mills Co., Ltd., Gontipur Road, Ahmedabad 2; *No. of Spindles*: Ring 11520, Total 11520; *No. of Looms*: 324.
150. NEW RAJPUR MILLS CO., LTD. (The); Gontipur Road, Railway Pura Post, Ahmedabad, *Agents*: B. Jivabhai & Co., Ltd. *Managing Agent*: M. B. Patel; Mill Premises, Railway Pura Post, Ahmedabad 2; *No. of Spindles*: Ring 9840, Total 9840; *No. of Looms*: 320.
151. NEW SHORROCK SPINNING & MANFG. CO., LTD.; Nadiad Dist. Kaira; *Agents*: Mafatlal Chandulal & Co.; Asarwa Rd., Railway Pura Post, Ahmedabad 2; *No. of Spindles*: Ring 44556, Total 44556, *No. of Looms*: 862.
152. NEW SWADESHI MILLS OF AHMEDABAD, LTD.; Naroda Road, Ahmedabad; *Agents*: S. Sheonarain S. Nemani; Naroda Road, Ahmedabad; *No. of Spindles*: Ring 26544, Total 26544; *No. of Looms*: 697.
153. NIRANJAN MILLS LTD.; Falsawadi Road, Surat; *Agents*: Pallonji & Co.; Mill Premises; *No. of Looms*: 320.
154. NUTAN MILLS, LTD. (The); Saraspur. Out. Nicoli Gate, Ahmedabad; *Agents*: J. B. Nanavati & Co. Ltd.; *No. of Spindles*: Ring 20840, Total 20840; *No. of Looms*: 528.
155. OGHADBHAI RAMJI WEAVING FACTORY, Bhavnagar, Kathiawar, *Owners*: G. Julabhdass & Bros. Junavadva, Panwari Road, Kathiawar, *No. of Spindles*: Ring 600 (Dbg). Total 600. *No. of Looms*: 14.
156. PATELL MILLS CO., LTD.; Gontipur Road, Railway Pura Post, Ahmedabad; *Agents*: D. Chunilal & Co.; Gontipur Road, Railway Pura Post, Ahmedabad; *No. of Spindles*: Mule 840, Doubling Ring 13824, Total 14664; *No. of Looms*: 312.
157. PETLAD BULAKHIDAS MILLS CO., LTD. Opposite Railway Station, Petlad; *Agents*: M. Kashandas & Co.; Opp. Station Road, Petlad; *No. of Spindles*: Ring 18576. (1652 dblg.) Total 20228, *No. of Looms*.

158. PRATAP SPIN., WEAV. & MANFG. CO., LTD.; Amalner, East Khandesh; *Agents:* Messrs. Motilal, Manekchand & Co.; Amalner, East Khandesh; *No. of Spindles:* Mule 432, Ring 42488, Total 42920; *No. of Looms:* 1050.
159. PURSHOTUM SPINNING & MANFG. CO., LTD.; Outside Raipur Gate, Ahmedabad; *Agents:* Mansukhbhai Bhagoobhai & Co. Out. Kalupur Gate; *No. of Spindles:* Ring 25600, Total 25600; *No. of Looms:* 860.
160. RAIPUR MANUFACTURING CO., LTD.; Outside Saraspur Gate, Ahmedabad; *Agents:* Lalbhai, Dalpatbhai & Co.; Mill Premises; *No. of Spindles:* Ring 36008, Total 36008, *No. of Looms:* 860.
161. RAJA BAHADUR MOTILAL POONA MILLS, LTD.; Near Railway Station. Poona; *Agents:* Govindlal Mukundlal & Co. 58, 64, Custom House Road, Fort, Bombay; *No. of Spindles:* Ring 14704, Total 14704; *No. of Looms:* 552.
162. RAJKOT COTTON MILLS CO., LTD.; Pura Rajkot; *Agents:* Pranlal K. Trivedi & Co.; Pura Rajkot; *No. of Looms:* 145.
163. RAJKOT STATE COTTON MILLS; Karansinhji Cross Road, Mill Pura, Rajkot; *Mg. Agents:* Talakshi Manekchand Doshi; Karansinhji Cross Road, Mill Pura Rajkot; *No. of Spindles:* Ring 10872, Total 10872; *No. of Looms:* 180.
164. RAJNAGAR SPIN. WEAV. & MFG. CO., LTD. No. 1; Kalupur. Camp Road, Ahmedabad; *Agent:* Sheth Mangaldas Girdhardas Parekh; Kalupur Camp Road, P. O. Box 40, Ahmedabad; *No. of Spindles:* Ring 18264, Total 18264; *No. of Looms:* 646.
165. RAJNAGAR SPINNING, WEAVING AND MANUFACTURING CO., LTD. No. 2; Kalupur, Camp Road; *Agent:* Sheth Mangaldas Girdhardas Parekh; Kalupur Camp Road, P. O. Box 40, Ahmedabad; *No. of Spindles:* Ring 29716, Total 29716, *No. of Looms:* 756.
166. RAJRATNA NARAN BHAI MILLS CO., LTD.; Petlad, via Anand, Baroda State; *Agents:* R. Keshavlal & Co.; Petlad via Anand, Baroda State; *No. of Spindles:* Ring 18560, Total 18560; *No. of Looms:* 252.

167. ROHIT MILLS, LTD.; Mithipur, Nr. Khokhra, Mehmedabad, Ahmedabad; *Agents:* L. Gordhandas, Ltd.; Railway Pura Post, Ahmedabad 2; *No. of Spindles:* Ring 21492, Total 21492, *No. of Looms:* 640.
168. RUSTOM JEHANGIR VAKIL MILLS CO., LTD.; (own dyeing plant.) Outside Delhi Gate, Dudheshwar Road, Ahmedabad; *Agents:* Rustomjee Manilal & Co.; Delhi Gate, Ahmedabad; *No. of Spindles:* Ring 17612 Total 17612; *No. of Looms:* 405.
169. SANTOKBAI WEAVING FACTORY, Bhavnagar, Kathiawar. *Owners:* G. Gandalal Geendigara, Station Road, Bhavnagar, *No. of Spindles:* Ring 1250 (Doubling) Total 1250, *No. of Looms:* 28.
170. SARANGPUR COTTON MANFG. CO., LTD., No. 1 (own dyeing plant); Outside Raipur Gate, Ahmedabad; *Agents:* Sakarlal Balabhai & Co.; Outside Raipur Gate, Ahmedabad; *No. of Spindles:* Ring 21728, Total 21728; *No. of Looms:* 570.
171. SARANGPUR COTTON MANFG. CO., LTD. No. 2; Mr. Jagnath Mahadev, Ahmedabad; *Agents:* Sakarlal Balabhai & Co.; Mill Premises, Ahmedabad 2; *No. of Spindles:* Ring 29828, Total 29828; *No. of Looms:* 828.
172. SARASPUR MILLS, LTD. (The); Saraspur Road, Ahmedabad; *Agents:* L. Dalpatbhai, Sons & Co.; Mill Premises, Ahmedabad; *No. of Spindles:* Ring 33000, Total 33000; *No. of Looms:* 856.
173. SHORROCK SPINNING & MANUFACTURING CO., LTD.; Asarva Rd., Ahmedabad 2; *Agents:* Mafatlal, Chandulal & Co.; Asarva Road, Ahmedabad, No. 2; *No. of Spindles:* Ring 31360 Total 31360; *No. of Looms:* 722.
174. SHREE SAJJAN MILLS, LTD.; Ratlam, C. I.; *Agents:* Gopaldas Liladhar & Co.; Motilal Mansions, Apollo St., Fort, Bombay; *No. of Spindles:* Ring 17000, Total 17000; *No. of Looms:* 351.
175. SHRI AMARSINHJI MILLS, LTD.; Vankaner, Kathiawar; *Agents:* Jayantilal Amratlal & Co., Ltd.; Mill Premises; *No. of Spindles:* Ring 11928, Total 11928; *No. of Looms:* 320.
176. SHRI BALAJI SPINNING & WEAVING MILLS; Extensions, Sangli; *Proprietor:* R. Jaynarayan; Mill Premises; *No. of Spindles:* Ring 3000, Total 3000; *No. of Looms:* 80.

177. SHRI JAGDISH MILLS; Padra Road, Baroda; *Proprietors*: Hari-vallabhdas & Sons; P. O. Box No. 54, Padra Road, Baroda; *No. of Spindles*: Ring 15620, Total 15620; *No. of Looms*: 421.
178. SHRI LAXMI WEAVING & MANFG. CO., LTD.; Gomtipur, Railwaypura Post, Ahmedabad; *Agents*: Munshaw & Co.; Gomtipur, Ahmedabad; *No. of Looms*: 256.
179. SHRINAGAR WEAVING & MANUFACTURING CO., LTD.; Nr. Kalupar Overbridge, Railway Pura Post, Ahmedabad 2; *Agents*: Govinddas Maneklal & Co.; Mill Premises, Ahmedabad 2; *No. of Spindles*: Ring 15640, Total 15640; *No. of Looms*: 718.
180. SHRI SHAHU CHHATRAPATI MILLS; Kolhapur, Shahupuri; *Agents*: James Finlay & Co., Ltd., Chartered Bank Buildings, Bombay; *No. of Spindles*: Ring 15988, Total 15988; *No. of Looms*: 319.
181. SHRI SAYAJI JUBILEE COTTON & JUTE MILLS CO., LTD.; Opposite Railway Station, Sidhpur; *Agents*: Prahladji Sevakram & Co.; Opposite Railway Station, Sidhpur; *No. of Spindles*: Ring 14412, Total 14412; *No. of Looms*: 320.
182. SHRI SAYAJI MILLS CO., LTD.; Near Old Rly. Station, P. O. Box 37, Baroda; *Agents*: Samal Bechar & Co.; Baroda (Post Box 37); *No. of Spindles*: Ring 23756, Total 23756; *No. of Looms*: 600.
183. SHRI VIVEKANAND MILLS, LTD.; Gomtipur Rd., Ahmedabad; *Agents*: Nanubhai Maneklal & Co.; Gomtipur Road, Railway Pura Post, Ahmedabad 2; *No. of Spindles*: Ring 17640, Total 17640; *No. of Looms*: 400.
184. SIDHPUR MILLS CO., LTD. (The); Sidhpur, North Gujarat; *Agents*: M. Parbhudas & Co., Sidhpur; *No. of Spindles*: Ring 19264, Total 19264; *No. of Looms*.
185. SINDH TEXTILE MILLS, LTD.; Country Club, (Behind New Jail, Karachi; *Agents*: Hiranand Choocharmal & Co., New Forbes Building, Bunder Road, Karachi; *No. of Spindles*: Ring 3500, (Runing) 2000 (under erection) Total 5500; *No. of Looms*.
186. SILVER COTTON MILLS CO., LTD. (The); Kankaria Road, Nr. Jagnath Mahadev, Ahmedabad; *Agents*: Gopalbhai Balabhat & Co.; Kankaria Road, Ahmedabad 2; *No. of Spindles*: Ring 20096, Total 20096; *No. of Looms*: 506.

187. SUGAN MILLS, ROHRI (Sind.); Dayaram, Dharamsala, Rohri; *Sole Proprietors:* Seth Sugnichand Dayaram Jotwani; Rohri (Sind.) N. W. Ry.; *No. of Looms:* 40.
188. SURAT COTTON SPINNING & WEAVING MILLS, LTD.; Nawab Wadi, Surat; *Agents:* Mafatlal Gagalbhai; 29, Churchgate St., Fort, Bombay; *No. of Spindles:* Ring 18664, Total 18664; *No. of Looms:* 392.
189. SWADESHI WEAVING FACTORY; Bhavnagar (Kathiawar); *Agents:* Gopaliji Odhavji Thakker; Panvadi Road, Bhavnagar; *No. of Spindles:* Ring 1200 (Doubling), Total 1200; *No. of Looms:* 25.
190. THE ASOKA MILLS, LTD.; Naroda Rd., Ahmedabad; *Agents:* Lalbhai Dalpatbhai & Co.; Railway Pura Post Ahmedabad; *No. of Spindles:* Ring 34512, Total 34512; *No. of Looms:* 972.
191. VASANTA SPINNING & WEAVING MILLS, LTD.; White Road, Broach, *Lessees:* Shakrabhai Sankalchand & Co., Ried Road, Railway Pura Post, Ahmedabad; *No. of Spindles:* Ring 16960, Total 16960; *No. of Looms:* 436.
192. VIJAYA MILLS CO., LTD.; Naroda Rd., Ahmedabad; *Agents:* H. Achratlal & Co.; C/o The Maneklal Harilal Mills Co., Ltd., Ahmedabad; *No. of Spindles:* Ring 22132, Total 22132; *No. of Looms:* 658.
193. VIKRAM MILLS, LTD. (The); Post Railway Pura, Ahmedabad 2; *Agents:* R. Lallubhai Ltd.; Railway Pura Post, Ahmedabad 2; *No. of Spindles:* Ring 26808, Total 26808; *No. of Looms:* 1052.
194. WADHWAN CAMP MILLS, LTD.; Wadhwan Camp (Kathiawar); *Agents:* L. M. Mehta & Co.; Albert Building, Hornby Road, Fort, Bombay; *No. of Spindles:* Ring 15724, Total 15724; *No. of Looms:* 268.

BENGAL

195. ACHARYA PROFULLA CHANDRA COTTON MILLS, LTD.; Khulna (Bengal); *Agents:* Bengal Workers Association, Ltd.; Khulna, Bengal; *No. of Looms:* 50.
196. BANGA SRI COTTON MILLS, LTD.; Sodepore, E. B. Ry.; *Owners. Agents &c.:* Shaha Choudhuri & Co., Ltd.; 137, Canning Street, Calcutta; *No. of Spindles:* Ring 4880, Total 4880; *No. of Looms:* 120.

197. BANGESWARI COTTON MILLS, LTD.; Serampore P. O., District Hooghly, Bengal; *Managing Director*: Dr. N. Law; 63, Radha Bazar St., Calcutta; *No. of Spindles*: 5000; *No. of Looms*: 220.
198. BANGODAYA COTTON MILLS, LTD.; Panihati (24 Parganas) Rly. Station, Sodepore (E. B. Rly.); *Managing Agents*: Jhumermull Vadilal & Co., 16|17, Noormull Lohra Lane, Calcutta; *No. of Looms*: 256.
199. BASANTI COTTON MILLS, LTD.; Panihati, 24 Parganas, Bengal; *Agents*: Calcutta Agency, Ltd.; 3, Lyons Range, Calcutta; *No. of Spindles*: Ring 8000, Total 8000; *No. of Looms*: 200.
200. BENGAL BELTING WORKS, LTD.; Bose Para Lane, Mahesh, P. O. Serampore, Dist. Hooghly; *Agents*: 14, Clive Street, Calcutta; *No. of Looms*: 35.
201. BENGAL LUXMI COTTON MILLS, LTD.; Serampore, Bengal; *Agents*: Bengal Textile Agency, Ltd.; 28 Pollock Street, Calcutta; *No. of Spindles*: Ring 35388, Total 35388; *No. of Looms*: 732.
202. BHARAT ABHYUDAY COTTON MILLS, LTD.—No. 1 & 2; Ghusery Rd., Howrah, Bengal; *Agents*: S. P. K. Prasad; 31, Burtolla Street, Calcutta; *No. of Spindles*: Mule 15456, Ring 32016, Total 47472; *No. of Looms*: 407.
203. BOWREAH COTTON MILLS CO., LTD.; Bowreah, P. O. Bauria, B. N. Ry., Dist. Howrah; *Agents*: Kettlewell, Bullen & Co., Ltd.; 21, Strand Road Calcutta; *No. of Spindles*: Ring 38224, Total 38224; *No. of Looms*: 835.
204. CHITTAGONG DESHAPRIYA JATINDRA MOHAN COTTON MILLS, LTD.; Pahartali, P. O. Pathantooli, Chittagong; P. K. Saha (Managing Director) Office Address; Anderkilla (Luxmi Bhaban) Chittagong; *No. of Spindles*: Ring 10000, Total 10000; *No. of Looms*: 200.
205. CHITTARANJAN COTTON MILLS, LTD.; Godenail, Narayanganj; *Managing Agents*: Keshavlal Industrial Syndicate, Ltd.; 14|15, Patuatuly Street, Dacca; *No. of Spindles*: Ring 3600, Total 3600.
206. DHAKESWARI COTTON MILLS, LTD.; Dhamgarh, Narayanganj, Dacca; *Managing Directors*: A. B. Guha, S. K. Basu, R. M. Basak, 6, Ananda Chandra Roy Street, Dacca; *No. of Spindles*: Mule 29374, Total 29374; *No. of Looms*: 734.

207. DUNBAR MILLS, LTD.; Shamnagar, P. O. Garulia, Dist. 24, Parganas; *Agents*: Kettlewell Bullen & Co., Ltd.; 21 Strand Road, Calcutta; *No. of Spindles*: Ring 41040, Total 41040; *No. of Looms*: 518.
208. HOOGHLY COTTON MILLS CO.: Serampore, E.I.R.; *Mang. Proprietor*: A. K. Sen, A.R.T.C. (Sal.); Rishra E.I.R. Dist., Hooghly, Bengal; under construction.
209. KESORAM COTTON MILLS, LTD.; 42 Garden Reach Road, Calcutta; *Agents*: Birla Brothers, Ltd.; 8, Royal Exchange Place, Calcutta; *No. of Spindles*: Mule 1440, Ring 46848, Total 48288; *No. of Looms*: 1737.
210. LUXMI NARAYAN COTTON MILLS, LTD.; Godenyle, Narayanganj, Dacca; *Agents*: Dacca National Agency, Ltd.; Dacca, Bengal; *No. of Looms*: 222.
211. MAHALAXMI COTTON MILLS, LTD.; Palta District, P. O. Ichapur-Nawabganj. 24, Parganas, Bengal; *Managing Agents*: H. Datta & Sons; 11, Clive Street, Calcutta; *No. of Spindles*: Ring 3676, Total 3676; *No. of Looms*: 150.
212. MOHINI MILLS, LTD.; Kushtia Bazar (Nadia); *Mang. Agents*: Chakravarti Sons & Co.; P. O. Kushtia Bazar (Nadia); *No. of Spindles*: Ring 19288, Total 19288; *No. of Looms*: 556.
213. NEW RING MILLS CO., LTD.; Fuleswar, P. O. Ulubaria, Dist. Howrah; *Agents*: Kettlewell, Bullen & Co., Ltd.; 21, Strand Road, Calcutta; *No. of Spindles*: Ring 23904, Total 23904.
214. RAMPOORIA COTTON MILLS & CO.; Mahesh, Serampore; *Proprietor*: Hazareemull Heeralall; 148, Cotton Street, Calcutta; *No. of Looms*: 780.
215. SHREE RADHA KRISHNA COTTON MILLS, LTD.—No. 1; 122, Old Ghusery Road, Ghusery, Howrah; *Managing Agents*: Sadhuram Tularam Head Office; 29, Banstolla Street, Calcutta; *No. of Spindles*: Ring 23232, Total 23232.
216. SHREE RADHA KRISHNA COTTON MILLS, LTD.—No. 2; 175, Girish Ghosh Lane, Belur, Howrah; *Managing Agents*: Sadhuram Tularam; 122, Old Ghusery Road, Ghusery, Howrah; *No. of Spindles*: Ring 18732, Total 18732; *No. of Looms*: 567.
217. SREE NATH MILLS; 10, Chitpur Bridge Approach, Bagbazar, Calcutta; *Agents*: S. K. Das; 10, Sree Nath Das Lane, Bowbazar, Calcutta; *No. of Looms*: 16.

218. SRI DURGA COTTON SPINNING & WEAVING MILLS, LTD.; Konnagor, E. I. Ry.; *Agents*: Barendra Krishna Silpa Samity, Ltd.; 167, Old China Bazar Street, Calcutta; *No. of Looms*: 250.
219. VICTORIA COTTON MILLS LTD.; 22, Karunapukur Lane, Ghusery, Salkea, Howrah, Bengal; *Managing Agents*: Shaw Wallace & Co.; 4, Bankshall Street, Calcutta; *No. of Spindles*: Ring 12304, Total 12304.

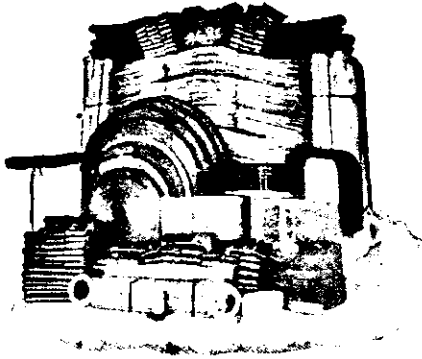
BIHAR

220. BIHAR COTTON MILLS, LTD.; Phulwari Sharif (Patna), Bihar; *Agents*: Kashinath & Co., Ltd.; P. O. Phulwari Sharif (Patna) Bihar; *No. of Spindles*: Total 7500; *No. of Looms*: 200.
221. GAYA COTTON & JUTE MILLS, LTD.; Gaya; *No. of Spindles*: Ring 18352, Total 18352; *No. of Looms*: 300; *Agents*: Mr. Gur Suran Lal, P. O. Guraru.

CENTRAL INDIA

222. BINOD MILLS CO., LTD. (The); Ujjain (Gwalior State); *Agents*: Seth Binodiram Balchand; Ujjain; *No. of Spindles*: Ring 34892, Total 34892; *No. of Looms*: 861.
223. DEEPCHAND MILLS (The), owners: The Binod Mills Co., Ltd.; Ujjain (Gwalior State); *Agents*: Seth Binodiram Balchand; Ujjain; *No. of Spindles*: Ring 16776, Total 16776; *No. of Looms*: 439.
224. HIRA MILLS, LTD. (The); Ujjain (Gwalior State); *Agents*: Sir Sarupchandji Hukumchand; Mill Premises, Ujjain; *No. of Spindles*: Ring 25964, Total 25964; *No. of Looms*: 864.
225. HUKUMCHAND MILLS, LTD.; Indore, Central India; *Agents*: Sarupchand Hukumchand & Co.; Indore, C. I.; *No. of Spindles*: Mule 468, Ring 40320, Total 40788; *No. of Looms*: 1185.
226. INDORE MALWA UNITED MILLS, LTD.; Indore City, C.I.; *Agents*: Govindram Seksaria; R. B. Motilal's Mansion, 2nd Floor, Bruce Street, Fort, Bombay; *No. of Spindles*: Mule 2182, Ring 48980, Total 51162; *No. of Looms*: 1426.
227. JIYAJEERAO COTTON MILLS, LTD.; Gwalior State, C. I.; *Managing Agents*: Birla Bros., Ltd.; 8, Royal Exchange Place, Calcutta; *No. of Spindles*: Ring 35912, Total 35912; *No. of Looms*: 1108.

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228. KALYANMAL MILLS, LTD. (The); Indore, C. I.; *Agents:* Tillockchand Kalyanmal & Co.; Mill Premises, Indore; *No. of Spindles:* Ring 36412, Total 36412; *No. of Looms:* 1110.
229. MOTILAL AGARWAL MILLS; Morar Road Gwalior, G. I. P. Ry.; *Proprietors:* Mithanlal Agency & Sons (Partners) Mill Premises; *No. of Spindles:* Ring 15240; *No. of Looms:* 25 (not working).
230. NANDLAL BHANDARI MILLS, LTD.; Indore, C. I.; *Agents:* N. Bhandari & Sons; Mill Premises Indore; *No. of Spindles:* Mule 580, Ring 27724, Total 23304; *No. of Looms:* 717.
231. NAZERALLY MILLS (The); Ujjain, Gwalior State (C. I.); *Man. Proprietor:* K. S. S. Luqmanbhai; Nijatpura, Ujjain; *No. of Spindles:* Ring 20000, Total 20000; *No. of Looms:* 400.
232. RAJKUMAR MILLS, LTD. (The) Indore, C.I.; *Agents:* Sir S. Hukumchand & Co.; Indore; *No. of Spindles:* Ring 19728, Total 19728; *No. of Looms:* 584.
233. STATE MILLS, INDORE (Lessees—Pannalal Nandlal Bhandari & Co., Ltd.); Indore City, C.I.; *Agents:* N. Bhandari & Sons; State Mills Indore; *No. of Spindles:* Ring 17540, Total 17540; *No. of Looms:* 512.
234. SWADESHI COTTON & FLOUR MILLS LTD., Indore, C. I.; *Managing Agents:* T. Narayan & Co., Sibnath Camp, Indore; *No. of Spindles:* 13840, *No. of Looms:* 324.

CENTRAL PROVINCES

235. BENGAL NAGPUR COTTON MILLS, LTD.; Rajnandgaon, C. P.; *Agents:* Shaw, Wallace & Co.; 4, Bankshall Street, Calcutta; *No. of Spindles:* Ring 31476; Total 31476; *No. of Looms:* 624.
236. BURHAMPUR TAPTI MILL, LTD.; Burhampur R. S. (Nimar Dist.); *Agents:* C. Dinshaw & Bros.; 121 Meadows St., Fort, Bombay; *No. of Spindles:* Mule 416, Ring 30104, Total 30520, *No. of Looms:* 498.
237. CENTRAL INDIA SPIN. WEAV. & MFG. CO., LTD.; The Empress Mills, Nagpur, Cent. Provinces; *Agents:* Tata Sons, Ltd. Bombay House, 24, Bruce St., Fort, Bombay; *No. of Spindles:* Ring 115136, Total 115136; *No. of Looms:* 2166.

238. MODEL MILLS NAGPUR, LTD. (The); Umrer Road, Nagpur City, C.P., *Agents*: Bansilal Abirchand Dadabhoy & Co.; Kent House, Sir Phiroze Shah Mehta Road, Fort, Bombay; *No. of Spindles*: Ring 52408, Total 52408; *No. of Looms*: 952.
239. PULGAON COT. SPIN., WEAV. & MFG. CO., LTD.; Pulgaon C. P., Dist. Wardha; *Agents*: A. V. Datar; Pulgaon, C. P.; *No. of Spindles*: Ring 19580, Total 19580; *No. of Looms*: 227.
240. RAI BAHADUR BANSILAL ABIRCHAND SPINNING AND WEAVING MILLS, Hinganghat (C. P.); *Owners*: Sir Bisesar-dass Daga, Kt., K.C.I.E. & Bros.; "Sir Kasturchand Building," Civil Lines, Nagpur, C. P.; *No. of Spindles*: Ring 31600, Total 31600; *No. of Looms*: 394.
241. RAI SAHEB REKHCHAND GOPALDAS MOHOTA SPINNING AND WEAVING MILLS; Akola (Berar); *Proprietor*: Seth Gopaldas Mohota; *Representative*: S. M. Singh Akola, (Berar); *No. of Spindles*: Mule 1068, Ring 21408, Total 22476, *No. of Looms*: 459.
242. RAI SAHEB REKCHAND MOHOTA SPINNING AND WEAVING MILL; Hinganghat (C. P.); *Proprietor*: Seth Mathuradas Mohota; Hinganghat; *No. of Spindles*: Mule 442, Ring 21672, Total 22114; *No. of Looms*: 413.
243. RAJA GOKULDAS MILLS LTD.; Rāni Tal, Jubbulpore, C. P.; *Agents*: Mangaldas Mehta & Co., Mubarak Manzil, Apollo St., Fort, Bombay; *No. of Spindles*: Ring 20568, Total 20568, *No. of Looms*: 463.
244. SAVATRAM RAMPRASAD MILLS CO., LTD. (The); Tajnapeth, Akola (Berar); *Agent*: S. S. Ramprasad; Tajnapeth, Akola (Berar); *No. of Spindles*: Ring 12360, Total 12360; *No. of Looms*: 288.
245. VIDARBHA MILLS (BERAR) LTD. (The); Ellichpur Dist., Amraoti; *Agents*: Deshmukh & Co., Mill Premises; *No. of Spindles*: Ring 10684, Total 10684; *No. of Looms*: 273.

CEYLON

246. WELLA WATTA SPINNING & WEAVING MILLS, Have-lock Road, Colombo; *Owners*: The Provident Investment Co., Ltd., 54, Esplanade Road, Fort, Bombay; *No. of Spindles*: Mule 468, Ring 19276, Total 19844, *No. of Looms*: 572.

DECCAN

247. AURUNGABAD MILLS, LTD. (The); Aurungabad (H. E. H. The Nizam's Dom.); Doraswami Iyer & Co.; 52 Victoria Buildings, Parsi Bazar St., Fort, Bombay; *No. of Spindles:* Mule 2640 Ring 15676, Total 18316; *No. of Looms:* 270.
248. AZAN JAH I MILLS, LTD.; WARANGAL (H. E. H. The Nizam's Dom.); *Agents:* Industrial Trust Fund (H. R. H. The Nizam's Govt.); 1920 Khairatabad Road, Hyderabad—Deccan, Bombay; *No. of Spindles:* Ring 19944, Total 19944; *No. of Looms:* 416.
249. BARS I SPINNING AND WEAVING MILLS, LTD.; Barsi Town (Sholapur Dist.); *Agents:* Desai, Sons & Co., 15-16 Nanjee Buildings, 17 Elphinstone Circle, Fort, Bombay; *No. of Spindles:* 10900, Total 10900; *No. of Looms:* 280.
250. BERAR MANUFACTURING CO., LTD.; Badnera (Sholapur Dist.); *Agents:* Sir Kasturchand Dadabhoy & Co.; Kent House, Sir Phiroze Shah Mehta Road, Fort, Bombay; *No. of Spindles:* Ring 21736, Total 21736; *No. of Looms:* 368.
251. BHARAT SPINNING AND WEAVING CO., LTD. No. 1.; Hubli (Dharwar Dist.); *Managing Agents:* Purshottam Govindjee & Co.; 9|19 Bank St., Fort, No. 1, Bombay; *No. of Spindles:* Mule 2558, Ring 28336; 684 Dblg. 270 Chapon, Total 31848; *No. of Looms:* 600.
252. CHALISGAON SHRI LAXMI NARAYAN MILLS CO., LTD., Chalisgaon; *Agents:* Narayan Bankat, Chalisgaon (East Khandesh); *No. of Spindles:* Ring 21700, Total 21700; *No. of Looms:* 604.
253. DEWAN BAHADUR RAMGOPAL MILLS, LTD. (The); Elchiguda, Hyderabad; *Agents:* Lachminarayan, Ramgopal & Son, Ltd.; Elchiguda, Hyderabad; *No. of Spindles:* Ring 16376, Total 16376; *No. of Looms:* 303.
254. HYDERABAD (DECCAN) SPIN. & WEAV. CO., LTD.; Hyderabad, Deccan; *Agents:* R. Bhoomiah & V. Kristniah; Secunderabad, Deccan; *No. of Spindles:* Ring 16680, Total 16680; *No. of Looms:* 247.
255. JAMSHRI RANJITSINGHJI SPINNING & WEAVING MILLS CO., LTD.; Sholapur; *Agents:* Lalji Naranji & Co.; Ewart House, Tamarind Lane, Fort, Bombay; *No. of Spindles:* Mule 868, Ring 19952, Total 20820; *No. of Looms:* 511.

256. JAYA SHANKAR MILLS BARSII, LTD.; Barsii Town; *Agents:* Zadbuke & Co.; Mill Premises, Barsii Town, Bombay; *No. of Spindles:* Ring 10556, Total 10556.
257. LAKSHMI COTTON MILL MANUFACTURING CO., LTD.; Sholapur; *Agents:* The Bombay Co., Ltd. 9, Wallace Street, Bombay; *No. of Spindles:* Ring 45792, Total 45792; *No. of Looms:* 1158.
258. LOKAMANYA MILLS, BARSII, LTD. (The); Barsii Town (Dist. Sholapur); *Agents:* D. V. Sulakhe, B.A., for Sulakhe & Co., Mill Premises, Barsii; *No. of Spindles:* Ring 8896, Total 8896.
259. MAHABOOB SHAHI GULBURGA MILLS CO., LTD.; Gulburga (Deccan); *Agents:* D. S. Lahoti; 1727, Gunj Bazar, Secunderabad, Deccan; *No. of Spindles:* Ring 29156, Total 29156; *No. of Looms:* 428.
260. NARAYANDAS CHUNILAL SPINNING AND WEAVING MILLS; Gadag City, Dharwar, Dist., Mill Premises; *No. of Spindles:* Mule 1440, Ring 17600, Total 19040; *No. of Looms:* 250.
261. NARSINGGIRJI MANUFACTURING CO., LTD.; Sholapur; *Agents:* Raja Bahadur Narsinggirji Gyangirji; Station Road, Sholapur; *No. of Spindles:* Ring 58368, Total 58368; *No. of Looms:* 1034.
262. OSMANSHAI MILLS, LTD.; Nanded, Deccan, N. S. Ry.; *Agents:* The Industrial Trust Fund (H. E. H. The Nizam's Govt.); 1920 Khairatabad Rd., Hyderabad; *No. of Spindles:* Ring 24708, Total 24708; *No. of Looms:* 469.
263. SHOLAPUR SPINNING AND WEAVING CO., LTD.; Station Road, Sholapur; *Agents:* Morarka & Co., Standard Buildings, Hornby Road, Fort, Bombay; *No. of Spindles:* Mule 10772, Ring 100588, Total 111360; *No. of Looms:* 2234.
264. SHREE MADAV SPG. & WEAVING MILLS, LTD.; Mandsaur, C. I.; *Agents:* L. Basdeo & Co.; Mandsaur, C. I.
265. SHRI BALAJI SPINNING & WEAVING MILLS, Sangli (S. M. C.) *Proprietor:* R. Jainarayan, Mill Premises, *No. of Spindles:* Ring 3000, Total 3000; *No. of Looms:* 101.
266. SHRI GAJANAN WEAVING MILLS; Sudampuri, Sangli (S.M.C.); *Managing Proprietor:* V. R. Velankar; Mill Premises; *No. of Looms:* 244.

267. VISHNU COTTON MILLS, LTD.; Sholapur; *Agents:* The Bombay Co., Ltd.; 9, Wallace Street, Fort, Bombay; *No. of Spindles:* Ring 49392, Total 49392; *No. of Looms:* 1458.

MADRASS PRESIDENCY

268. ANDHRA COTTON MILLS (The); Kistna Canal Stn., (Taddepalli) Guntur Dist.; *Agents:* R. Laxminivas & Co.; 139, Oxford Street, Padma Vilas, Secunderabad; *No. of Looms:* 290.
269. BUCKINGHAM & CARNATIC CO., LTD. (BUCKINGHAM MILL) (The); Perambore Barracks, Madras, *Managing Agents:* Binny & Co. (Madras), Ltd.; 7, Armenian Street, Madras; *No. of Spindles:* Ring 46216, Total 46216; *No. of Looms:* 1400.
270. BUCKINGHAM & CARNATIC CO., LTD. (CARNATIC (MILL) (The); Perambore Barracks, Madras, *Agents:* Binny & Co. (Madras), Ltd.; 7, Armenian Street, Madras; *No. of Spindles:* Ring 53976, Total 53976; *No. of Looms:* 1315.
271. CAMBODIA MILLS, LTD. (The); Ondiputhur, Nr. Singanallur Ry. Stn., Coimbatore Dist.; *Agents:* Peirce, Leslie & Co., Ltd., Coimbatore; *No. of Spindles:* Ring 25600, Total 25600.
272. COCHIN TEXTILES LTD. (The), Amballur Village, Pudukad Ry. Stn.; *Agents:* Ramal & Co., Ltd.; Indian Bank Buildings, P. Box No. 173, Madras; *No. of Spindles:* Ring 10864, Total 10864.
273. COIMBATORE COTTON MILLS, LTD., (The); Singanallur, Coimbatore Dist.; *Agents:* R. B. Naidu & Co.; Singanallur, Coimbatore Dist.; *No. of Spindles:* Ring 12000, Total 12000.
274. COIMBATORE KAMALA MILLS, LTD.; Uppilipalayam, Singanallur, Coimbatore Dist.; *Agents:* R. V. Lakshmaiah Naidu & Co., Uppilipalayam, Singanallur Post, Coimbatore Dist., *No. of Spindles:* Total 6000.
275. COIMBATORE MURUGAN MILLS LTD. (The). Mettupalayan Road, Coimbatore; *Agents:* T. A. R. Chettiyar Sons & Co., Coimbatore; *No. of Spindles:* Ring 11480, Total 11480.
276. COIMBATORE PIONEER MILLS LTD. (The), Peelamedu, Coimbatore; *Agents:* T. R. N. Naidu & Co. Peelamedu, Coimbatore, *No. of Spindles:* Total 12320.
277. COIMBATORE SPINNING & WEAVING CO., LTD.; Mill Road, Coimbatore; *Agents:* The Coimbatore Mills Agency, Ltd., Palmgrove Road, Coimbatore; *No. of Spindles:* Ring 45808, Total 45808; *No. of Looms:* 202.

278. COMMONWEALTH WEAVING FACTORY; Cannanore, Malabar, South India; General Manager in India, F. Ferrelly; *Agents:* The Commonwealth Trust, Ltd. Calicut, Malabar, South India; *No. of Looms:* 298.
279. DHANALAKSHMI MILLS, LTD.; Uttukuli Road, Tirupur; *Agents:* M. Nanjappa Chettiar & Sons; Uttukuli Tirupur; *No. of Spindles:* Ring 21748, Total 21748; *No. of Looms:* 126.
280. GHATALAH ELECTRIC WEAVING FACTORY; Bangalore City; *Proprietor:* Dr. M. H. P. Ghatalah; Bangalore City; *No. of Looms:* 12.
281. GNANAMBIKAI MILLS LTD. (The), Vellakkinar, Tudyialur S. I. Ry. *Agents:* V. C. V. Gounder & Bros. Mill Premises, Vellakkinar, P. O. Coimbatore, *No. of Spindles:* Ring 11200, Total 11200; *No. of Looms:* Nil.
282. JANARDANA MILLS, LTD.; Uppilipalayam, Singanallur Post, Dist. Coimbatore; *Agents:* G. V. Naidu & Co.; Mill Premises; *No. of Spindles:* Ring 12000, Total 12000.
283. KALESWARAR MILLS, LTD.; Anupperpalayam Coimbatore; *Agents:* P. S. Sathappa Chettiar; Coimbatore; *No. of Spindles:* Ring 37088; *No. of Looms:* 294.
284. LAKSHMI MILLS CO., LTD.; Pappanaickenpalayam, Coimbatore Dist.; *Agents:* G. Kuppaswamy Naidu & Co.; Mill Premises, Avanashi Road; Coimbatore; *No. of Spindles:* Ring 25440, Total 25440.
285. LOTUS MILLS LTD. Podanur, Coimbatore Dist.; *Agents:* Lotus Agency Ltd., Podanur; *No. of Spindles:* Ring 5792, (Throstle) 6720, (under erection); Total 12512.
286. ROYAL MILLS, LTD.; Kovilpatti, Tinnevely Dist., South India; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Road, Ballard Estate, Fort, Bombay; *No. of Spindles:* Ring 24242, Total 24242; *No. of Looms:* 224.
287. MADURA MILLS CO., LTD. Ambasamudram; *No. of Spindles:* Ring 141356, Total 141356.
288. MADURA MILLS CO., LTD., Madura; *No. of Spindles:* Mule 1152, Ring 266988, Total 268140.
289. MADURA MILLS CO., LTD., Tuticorin; *No. of Spindles:* Ring 66684, Total 66684.
290. MADRAS UNITED SPIN. & WEAV. MILLS CO., LTD.; No. 2 De Mellow's Road, Choolai, Madras, P.O. Box 527, Park

- Town; *Agents*: Karsandas, Mooljee, Jaitha; Ewart House, 3, Tamarind Lane, Fort, Bombay; *No. of Spindles*: Ring 40164, Total 40164; *No. of Looms*: 774.
291. MAHALAKSHMI TEXTILE MILLS, LTD.; Pasumalai P. O. Madura; *Agents*: S. S. N. L. Chettiar & Co.; Pasumalai P. O., Madura; *No. of Spindles*: Ring 8640, Total 8640.
292. MALABAR SPINNING AND WEAVING CO., LTD.; Kallai, Malabar Dist.; *Secretaries, Treasures and Agents*: A. L. A. R. V. & P. S. S. Chettiar and A. K. T. K. M. N. Namboodripad; Kallai, Malabar; *No. of Spindles*: Ring 19856, Total 19856.
293. METTUR INDUSTRIES LTD., Mettur Dam, Salem Dist., *Agents*: W. A. Beardsell & Co., Ltd., 2nd Line Beach, Madras, *No. of Spindles*: Total 10000, *No. of Looms*: 300.
294. PADMA MILLS LTD. (The) Coimbatore; *Agents*: S. V. Krishna Iyer.
295. PALANI ANDAVAR MILLS, LTD.; Udamalpet; *Agents*: Baghyalakshmi & Co.; Coimbatore; *No. of Spindles*: Ring 21160, Total 21160.
296. PANKAJA MILLS LTD.; Puliakulam, Coimbatore, South India; *Agents*: C. S. R. Mudaliar & Sons; Mill Premises, Coimbatore; *No. of Spindles*: Ring 21200, Total 21200.
297. RĀDHAKRISHNA MILLS, LTD.; Peelamedu, Coimbatore, Dist., *Managing Agents & Bankers*: A. G. Gurusamy Naidu & Co.; Peelamedu, Coimbatore; *No. of Spindles*: Ring 35904, Total 35904.
298. RAJALAKSHMI MILLS, LTD.; Uppilipalayam, Singanallur Post, Coimbatore Dist.; *Agents*: B. Rangaswamy Naidu & Co.; Mill Premises, Coimbatore; *No. of Spindles*: Ring 25120 (including 1472 Dblg. spindles), Total 25120.
299. RAJAPALAYAN MILLS, LTD. Rajapalayan; *Managing Agent*: P. A. C. Ramasamy Raja; Ramamandiram, Tenkashi Road, Rajapalayam; *No. of Spindles*: Ring 12000, Total 12000.
300. SALEM RAJENDRA MILLS; LTD.; Gandhinagar, Salem, S. India; *Agents*: Visvanatham & Co., Ltd.; Gandhingar, Salem; *No. of Spindles*: Ring 12000, Total 12000.
301. SAROJA MILLS, LTD.; Singanallur, Coimbatore Dist.; *Managing Director*: E. B. Naidu, B.A.B.L., Mill Premises; Singanallur Post; *No. of Spindles*: Ring 11760, Total 11760.

302. SITARAM SPINNING & WEAVING MILLS, LTD.; Pushpagiri, Trichur, Cochin State; *Agents:* T. R. Anantharama Iyer & Co., Ltd.; Pushpagiri, Trichur, Cochin State; *No. of Spindles:* Ring 13860, Total 13860; *No. of Looms:* 362.
303. SOMASUNDARAM MILLS; Mill Road, Coimbatore; *Agents:* M. R. Ry. P. S. Sathappa Chelliyar Avl. Mill Road, Coimbatore; *No. of Spindles:* 6000; *No. of Looms:* 350.
304. SREE MEENAKSHI MILLS LTD.; Tirupparankunram Road, Madura; *Agents:* T. Chetty & Co.; Tirupparankunram Road, Madura; *No. of Spindles:* Ring 25600, Total 25600.
305. SREE RAMA WEAVING SHED; Shankarapuram, Bangalore City; *Agents:* P. S. Chetty & Bros. Sree Rama Weaving Shed, Hardinge Road, Bangalore City; *No. of Spindles:* 500; *No. of Looms* 33.
306. SREE RAMACHANDRA SPG. & WEAVING MILL; Pandalapakka, East Godavari; *Agents:* K. Bhamireddi & D. Subbireddi; Pandalapakka, East Godavari District; *No. of Spindles:* Ring 7044, Total 7044.
307. SREE SURYANARAYANA SPG. & WVG. MILLS (Regd.); Pandalapakka, East Godavary Dist.; Pandalapakka, East Godavary Dist.; *No. of Spindles:* Ring 6176, Total 6176.
308. SREE BALASUBRAMANIA MILLS, LTD.; Singanallur, Coimbatore; *Agents:* K. Krishna Swami Naidu & Brother, Singanellur, Coimbatore; *No. of Spindles:* 12096.
309. SRI PALAMALAI RANGANATHAR MILLS, LTD.; Perianaickenpalayam, P. O. Coimbatore Dist.; *Agents:* S. K. R. Naidu & Co., Mill Premises; *No. of Spindles:* 5600, Total 5600.
310. SRI RAMALINGA CHOODAMBIKA MILLS, LTD.; Tiruppur, Coimbatore Dist.; *Agents:* S. Kulli Chetti & Bros.; Uttukuli Road, Tiruppur; *No. of Spindles:* Ring 10996, Total 10996.
311. SRI RANGAVILAS GIN., SPG. & WEAV. MILLS, LTD.; Peelamedu, Coimbatore; *Managing Agents and Bankers:* P. S. G. Naidu & Sons; Peelamedu, Coimbatore; *No. of Spindles:* Mule 468, Ring 26496, Total 26964.
312. SRI SARADA MILLS, LTD.; Podanur, Coimbatore Dist.; *Agents:* V. S. Sengottaiah & Bros. Mill Premises; *No. of Spindles:* Ring 8644, Total 8644; *No. of Looms:* 144.

313. SRI VENKATESA MILLS, LTD. (The); Udumalpet, Coimbatore Dist.; *Agents:* G. V. Govindaswami Naidu & Co.; Mill Premises; *No. of Spindles:* Ring 11200, Total 11200.
314. TIRUMURTHI MILLS, LTD.; Bodipath, Udumalpet; *Agents:* Jayalakshmi & Co., Mill Premises; *No. of Spindles:* Ring 11200, (Throttle), Total 11200.
315. TRICHINOPOLY MILLS, LTD. (The); Kalligudi, Trichinopoly; *Agents:* Morjee Ramjee & Sheshasayee, Mill Premises, Trichinopoly; *No. of Spindles:* Ring 12000, Total 12000.
316. UMayambikai MILLS, LTD. (The); Coimbatore; *Agents:* A. R. L. V. Natarajan Chettiar & Co.
317. VASANTA MILLS, LTD.; Singanallur, Coimbatore; *Agents:* R. K. Shanmukham Chetty & Bros.; Singanallur, Coimbatore; *No. of Spindles:* Ring 15464, Total 15464; *No. of Looms:* 270.
318. VIMALA MILLS, LTD. (The); Podanur; *Agents:* M. Melrose Brown & Co.
319. VYSYA MILLS, LTD. (The); 4th Mile 2nd Furlong on the Grand Trunk Road, to Calicut; *Agents:* Gupta & Co., Ltd.; *Managing Director:* T. L. R. Chettiar, Kuniyamuthur; *No. of Spindles:* Ring 5200, Total 5200.

MYSORE

320. BANGALORE WOOLLEN COT. & SILK MILLS CO., LTD., Bangalore City; *Agents:* Binny & Co. (Madras). Ltd.; No. 1 Agraram Road, Bangalore City; *No. of Spindles:* Mule 2804 woollen, Ring 41271 cotton, Total 41271 cotton 2804 woollen; *No. of Looms:* 1100 cotton 56 woollen.
321. DAVANGERE COTTON MILLS, LTD. (The); Chitaldrug Road, Davangere; *Managing Agents:* R. Hanumanthappa & Son, Hanumanthappa's Buildings, Chitaldrug Road, Davangere; *No. of Spindles:* 1200.
322. KAISER-HIND WOOLLEN, COT. & SILK MILLS, LTD. Hebbal, Bangalore; *Agents:* Pioneer Industrials, Limited; Hebbal Post, Bangalore; *No. of Spindles:* Mule 3275, Total 3275; *No. of Looms:* 103.
323. MINERVA MILLS LTD.; Magadi Road, Behind City Railway Quarters, Bangalore; *Agents:* N. Sirur & Co.; Temple Bar Buildings, 70, Forbes St., Fort, Bombay; *No. of Spindles:* Ring 34016, Total 34016; *No. of Looms:* 440.
324. MYSORE SPINNING & MANUFACTURING CO., LTD.; Venkatranga Iyengar Road, Malleswaram, Bangalore; *Agents:*

N. Sirur & Co.; 70, Forbes St., Fort Bombay; *No. of Spindles:* Ring 46660, Total 46660; *No. of Looms:* 500.

325. SHREE SURYODAYA MILLS; Yesvantapur, M. & S. M. Ry.; *Agents:* The Advance Trading Co., Chickpet, Bangalore City; *No. of Looms:* 76.
326. SRI KRISHNARAJENDRA MILLS, LTD.; Bangalore Road, Mysore; *Agents:* N. Sirur & Co.; 70, Forbes St., Fort, Bombay; *No. of Spindles:* Ring 25200, Total 25200; *No. of Looms:* 216.

PONDICHERRY

327. ANGLO-FRENCH TEXTILE CO., LTD., RODIER MILL; Pondicherry, South India; *Agents & Managers:* Best & Co., Ltd.; Post Box 63, Madras; *No. of Spindles:* Ring 42656, Total 42656; *No. of Looms:* 1000.
328. ETABLISSEMENT TEXTILE DE MODELIARPETH, S.A.; Pondicherry, South India; Pondicherry; *No. of Spindles:* Ring 19000, Total 19000; *No. of Looms:* 420.
329. SAVANA MILL; Pondicherry, South India; Pondicherry; *No. of Spindles:* Ring 2300, Total 2300; *No. of Looms:* 575.

PUNJAB

330. BANKTESHWAR COTTON MILLS; Grand Trunk Road, Amritsar; *Owners:* Hurgobindrai Mathradras, 69 Cotton Street, Calcutta; *No. of Spindles:* Mule 13552, Ring 8200, Total 21752; *No. of Looms:* 252.
331. BIRLA COTTON SPINNING & WEAVING MILLS, LTD.; Subzi Mundi, Delhi; *Agents:* Birla Bros., Ltd., 8, Royal Exchange Place, Calcutta; *No. of Spindles:* Ring 28608, Total 28608; *No. of Looms:* 728.
332. DELHI CLOTH AND GENERAL MILLS CO., LTD.; Bahadurgarh Road, Delhi; *Agents:* S. L. B. Ram & Co.; Mill Premises, Delhi; *No. of Spindles:* Mule 2928, Ring 61428, Total 64356; *No. of Looms:* 1752.
333. GOENKA COTTON SPINNING & WEAVING MILLS CO., LTD.; Azadpur Grand Trunk Road, Delhi; *Agents:* Parasram Harnandrai, Katra Tobacco, Khari, Baoli, Delhi.
334. GOVERNMENT WEAVING FACTORY; Shahdara, Near Lahore; *Agents:* Punjab Government Commercial Concern; Shahdara, Near Lahore; *No. of Looms:* 110.
335. GURU RAMDAS COTTON SPINNING & WEAVING MILLS, LTD.; Near Chhearta Station, Amritsar; *Proprietors:* Jowahar Singh Sunder Singh Babbar; Guru Ram Das Mills, Post

Office, Amritsar; *No. of Spindles*: Mule 10000, Ring 10000, Total 20000; *No. of Looms*: 200.

336. KUNDAN CLOTH MILLS, LTD.; Daulatpura (Civil lines); *Agents*: Kundan Agencies Ltd., Daulatpura, Ludhiana; *No. of Looms*: 40.
337. LAKHMI CHAND JEIPORIA SPINNING AND WEAVING MILLS; Subzimundi, Delhi; *Proprietor*: S. Lakhmi Chand Ram Cowar Jeiporia; Subzimundi, Delhi; *No. of Spindles*: Ring 5472, Ring 5984, Total 11456; *No. of Looms*: 235.
338. LYALLPUR COTTON MILLS; Lyallpur; *Proprietors*: The Delhi Cloth & General Mills, Co., Ltd.; Mill Premises; *No. of Spindles*: Ring 20112, Total 20112; *No. of Looms*: 554.
339. MELARAM COTTON MILLS; 5, Melaram Road, Lahore; *Owners*: Hon. R. B. Ram Saran Das, C. I. E., M. C. S.; 5, Melaram Road, Lahore; *No. of Spindles*: Mule 5200, 254 (Dbg. frames), Ring 9476, Total 14676; *No. of Looms*: 148.
340. PUNJAB TEXTILE MILLS; Ravi Road, Lahore; *Agents*: Narain Das Ram Lal; Ravi Road, Lahore; *No. of Looms*: 12.
341. SHRI BANKTESHWAR COT. SP. & WVG. MILLS; Bhiwani, Punjab; Lease Holder C. Shaim Behari Lal, Banker, Bhiwani; *No. of Spindles*: Mule 3648, Ring 10736, Total 14384; *No. of Looms*: 287.
342. SUTLEJ COTTON MILLS, LTD.; Okara, Punjab; *Agents*: Birla Bros. Ltd., Mill Premises, Okara; *No. of Spindles*: Ring 17312, Total 17312; *No. of Looms*: 512.

RAJPUTANA

343. BIJAI LAXMI CLOTH MILLS CO.; Anasagar Ghati, Ajmer; *Secretary*: H. C. Raikhanna, Mill Premises, Ajmer; *No. of Spindles*: 740; *No. of Looms*: 72.
344. EDWARD MILLS CO., LTD.; Beawar; *Agents*: R. S. K. Motilalji & S. G. M. Lodha; Diggi Street, Beawar, Rajputana; *No. of Spindles*: Mule 4200, Ring 14112, Total 18312; *No. of Looms*: 376.
345. KRISHNA MILLS, LTD. (The); Beawar, Merwara; *Agents*: Thakurdasji Khinvraj & Co.; Beawar, Rajputana; *No. of Spindles*: Mule 3522, Ring 16824, Total 20346; *No. of Looms*: 636.

346. MAHALAKSHMI MILLS CO., LTD.; Beawar, Merwara; *Agents:* S. L. Kothari & S. V. Rathi, Beawar, Rajputana; *No. of Spindles:* Ring 13728, Total 13728; *No. of Looms:* 416.
347. MAHARAJA KISHANGARH SOMYAG MILL CO. (Transformed), Ltd.; Madanganj, Kishangarh, Merwara; *Lessees:* Rai Bahadur Seth Tikamchand Bhagchand Soni; Madanganj, Kishangarh, *No. of Spindles:* Mule 4320 Ring 26120, Total 30440; *No. of Looms:* 414.
348. VIJAYA LAXMI COTTON MILLS. Anasagar Ghati, Ajmer, *Financiers:* Rai Bahadur Seth Tikamchand Bhagchand & Co., Anasagar Ghati, Ajmer; *No. of Looms:* 72.

TRAVANCORE

349. A. D. COTTON MILLS, LTD. (The); Quilon, Travancore (S. I. Ry.); *Agents:* Girdharlal Amritlal Ltd., Quilon (S. I. Ry.); *No. of Spindles:* Ring 12000, Total 12000; *No. of Looms:* 300.

UNITED PROVINCES

350. AGRA SPINNING & WEAVING MILLS CO., LTD. (The); Rajghat Jeoniki Mandi, Agra, I. B. Banerjee, A. H. Khan (Official liquidators) Mill Premises; *No. of Spindles:* Mule 13992, Total 13992.
351. ATHERTON MILLS; Anwargunj, Cawnpore; *Agents:* Atherton, West & Co., Ltd.; P. O. Box No. 67, Cawnpore; *No. of Spindles:* Ring 38500, Total 38500; *No. of Looms:* 900.
352. BENARES COTTON & SILK MILLS, LTD.; Chowkaghat, Benares, Cantt.; *Agents:* Sital Prasad Kharag Prasad; Chowkaghat, Benares Cantt.; *No. of Spindles:* Mule 2720, Ring 22460, Total 25180; *No. of Looms:* 480.
353. BHARATI COTTON MILLS, LTD.; Narghat, Mirzapur; *Agents:* Kumar Weaving Concern Ltd., 9, Clive Row, Calcutta; *No. of Looms:* 102.
354. BIJLI MILLS (The); Hathras City, U. P.; *Agents:* E. D. Sassoon & Co., Ltd.; Dougall Road, Ballard Estate, Fort, Bombay; *No. of Spindles:* Ring 13092, Total 13092.
355. CAWNPORE COTTON MILLS CO.; Couperganj & Juhi Cawnpore; *Owners:* British India Corporation, Ltd.; Couperganj, Cawnpore; *No. of Spindles:* Mule 40752, Ring 33408, Total 74160; *No. of Looms:* 966.

356. CAWNPORE TEXTILES. LTD.; Couperganj & Juhi, Cawnpore; *Managing Agents:* Begg. Sutherland & Co., Ltd.; *Cawnpore;* *No. of Spindles:* Mule 15840, Ring 15488, Total 31328; *No. of Looms:* 334.
357. ELGIN MILLS CO., LTD.; Civil Lines, Cawnpore; *Agents:* Beg Sutherland & Co., Ltd.; *Cawnpore;* *No. of Spindles:* Mule 10752, Total 10752; *No. of Looms.*
358. JOHNS' CORONATION SPINNING MILL; Rajghat, Agra; *Agents:* Govindaram Ramnath & Co., Jeoni Mandi, Agra; *No. of Spindles:* Mule 24216, Total 24216.
359. JOHNS' PRINCESS OF WALES SPINNING MILL; Rajghat, Agra; *Agents:* Govinda Ram Ramanath & Co., Jeoni Mandi, Agra; *No. of Spindles:* Mule 16392, Total 16392.
360. JOHNS' SPINNING MILL; Rajghat, Agra; *Agents:* Govindaram Ramnath & Co., Jeoni Mandi, Agra; *No. of Spindles:* Mule 30000, Ring 27000, Total 57000; *No. of Looms:* 1225.
361. JUGGILAL KAMLAPAT COTTON MANUFACTURERS, LTD.; Cawnpore; Darshan Purva Kalpi Road, Cawnpore, P. O. Box 45; *No. of Spindles:* Ring 10800, Total 10800.
362. JUGGILAL KAMLAPAT COTTON SPINNING & WEAVING MILLS CO., LTD.; Anwarganj, Cawnpore; Kamla Tower, Cawnpore; *No. of Spindles:* Ring 45636, Total 45636; *No. of Looms:* 1071.
363. LALLAMAL HERDEODASS COTTON SPG. MILL CO., Sadabad Gate, Hathras City; *Agents:* Lala Bankey Lal, Sadabad Gate, Hathras City; *No. of Spindles:* Mule 13176, Ring 7224, Total 20400.
364. MORADABAD SPINNING & WEAVING MILLS CO., LTD.; Kundanpur, Moradabad; *No. of Spindles:* Mule 10080. Total 10080.
365. MUIR MILLS CO., LTD.; Cawnpore; P.B. No. 33, Cawnpore; *No. of Spindles:* Mule 35160, Ring 53692, Total 88852; *No. of Looms:* 1624.
466. MUNNA LAL SPINNING & WEAVING MILLS; Sachendi, Cawnpore; *Proprietor:* L. R. Garg; Cawnpore; Mill in course of erection.

367. NARAYAN COTTON MILLS; Bansmandi, Cawnpore; *Proprietor:* H. Bevis & Co.; Bansmandi, Cawnpore; *No. of Spindles:* Mule 456, Ring 11866, Total 12322; *No. of Looms:* 225.
368. NEW KRISHA MILLS, LTD.; Aligarh, Near Sarsob; *Agents:* B. J. Singhal, M.A.L.L.B., Mill Premises, Aligarh—under construction.
369. NEW RAMCHAND COTTON MILL CO.; Hathras (Aligarh) District U.P.; *Agents:* Harcharandas, Purushottamdas; Mursan Gate, Hathras; *No. of Spindles:* Mule 2118, Ring 15112, Total 17230; *No. of Looms:* 115.
370. NEW VICTORIA MILLS CO., LTD.; Cawnpore; *Secretaries:* J. P. Srivastava & Sons; P. O. Box 46, Cawnpore; *No. of Spindles:* Mule 39453, Ring 55616, Total 95069; *No. of Looms:* 1615.
371. PREM. SPG. & WVG. MILLS CO., LTD. (The); Ujhani (Dist. Budaun) United Prov.; *Agents:* Messrs. Kirparam Brijlal; Ujhani (Dist. Budaun), U.P.; *No. of Spindles:* Ring 18336, Total 18336.
372. R. G. COTTON MILLS CO., LTD.; Talkatora, Lucknow; *Agents:* Mr. Ranjitsingh, M.A., LL.B. (Managing Director); Talkatora, Lucknow; *No. of Spindles:* Mule 420, Ring 17784, Total 18204; *No. of Looms:* 310.
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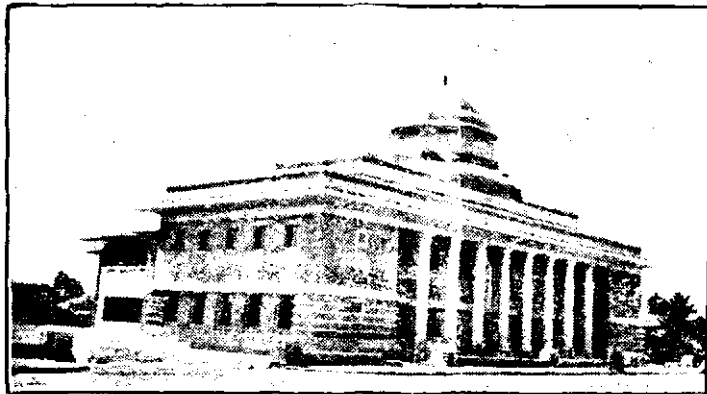
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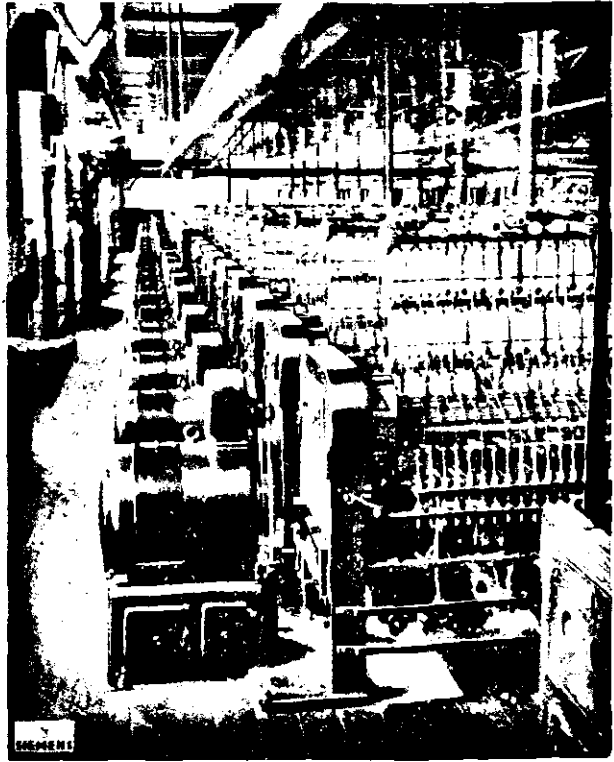
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