

ECONOMICS OF THE
HANDLOOM INDUSTRY

IN INDIA

BY

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P R E F A C E.

By the regulations governing the thesis for the degree of Doctor of Philosophy, a candidate is required to state (1) in what respects his investigations appear to him to tend to the advancement of knowledge; (2) the portion of ~~the~~ work he claims as original and (3) whether the research was conducted independently or under ~~advice~~ or in ~~co~~-operation with others. Hence this prefratory note.

The present thesis consists of a Reprint from the Journal of the University of Madras and a type-written Annexure. In the former the different problems of the handloom industry are dealt with. The history and the present magnitude and the importance of the industry, its technical, financial and organisational structure, its merits and defects, the assistance it receives from the State are discussed. The thesis of the writer being that the handloom industry will remain for a long time to come a commercial machine in India, that it can solve the Indian Economic Problem more satisfactorily than the powerloom, and that it can capture much of the ground that it has lost provided the industry is properly organised, the writer discusses to what extent, at what cost and under what circumstances the handloom can increase its production and strengthen itself against powerloom competition.

The Annexure purports to bring the statistical data upto date. Since the first publication of the Reprint, events have moved rapidly and new data are now available as a result of a number of enquiries that were made; and in the light of them certain chapters are revised and certain additional notes are now put in.

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Note I of the Annexure on "The growth, nature and extent of the powerloom competition" is intended to supplement Chapter II of the Reprint. Note IV, supplementing chapters X and XIII, describes the recent progress of the Cooperative organisations for the weavers and the forms of state assistance given to the industry in the different provinces in India; and in the light of assistance given by the Central and Provincial Governments to other industries and of the State policy towards handicrafts in foreign countries the note further discusses on what lines the State should foster the handloom industry.

The more important object of the annexure is to strengthen some of the arguments in the Reprint. Firstly, more attention is paid to the competitive efficiency of the handloom. A small note now explains ~~the significance of Statements A and B appended to~~ Chapter XVII (pages 210-14). The comparative position of the handloom and the powerloom in regard to the manufacturing cost is investigated more fully in Note II of the Annexure and the extent of the advantage the powerloom has over the handloom is indicated. It explains how the cost is reduced on the powerloom. It further discusses the significance of the term "efficiency" and points out the criterion for its measurement. Chapters XVI to XIX can be more intelligible if read after Note II. Note III of the Annexure on the Economic Condition of the handloom worker must be read in continuation of Chapter XV. It describes the economic and social condition of the weaver with reference to size and composition of his family, his income from weaving and other sources, his indebtedness, the problem regarding drink, housing, absenteeism, labour turn-over etc. The standard of life of the weaver is studied

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and the factors governing the fluctuations in the prosperity of the weaver are noted. The note attempts to compare the standard of life of the weaver on the basis of income and on the basis of standard of consumption indicated by family budgets with the standard of life of the mill operative, of the agriculturist, and of the ordinary labourer. The data are not sufficient ; yet it seems that the hand-weaver does not suffer very much by comparison. He is better off than the agriculturist and the general labourer; and though as compared to the mill operatives of Bombay and Ahmedabad the handloom worker occupies a slightly inferior position, he is no worse than mill operatives in upcountry mills.

Note V of the Annexure discusses the claims of the handloom industry to substantive protection. And what is very briefly given as the "Problem" on pp. 235-237 of the Report, is discussed at length in Note VI. It presents ^{nt ex} the point ^{view} that the study of the handloom industry suggests. It states the Indian Industrial policy and shows that the handloom can realise those objectives much better than the powerloom.

This is the general plan of the work. Now to come back to the requirements of the University Regulations mentioned at the outset. (i) The writer owes much to Sir Alfred Chatterton and his ideas which formed the basis of the activities of the Madras Department of Industries. Besides exploring the economics of the handloom industry as a whole and working out the details of the plan of its reconstruction to meet powerloom competition, the writer claims for the handloom that in the present circumstances the handloom can solve the Indian Economic problem more satisfactorily and

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therefore it deserves state assistance. Further the conception of economic efficiency, what constitutes its satisfactory measurement the grounds on which state protection can be legitimately claimed for the handloom - these, though not entirely original, bring a very important modification to our economic beliefs and values, to our policies and practices.

(ii) The writer owes much to all those who have worked on the problem of the handloom industry. He has drawn liberally from them and has invariably acknowledged his obligations to them in footnotes. Yet it will not be too much to claim that the present thesis embodies mostly the results of his independent investigations and new interpretations he places on facts observed by others and the new relations he discovers from them. To cite a few instances, his note on the growth, extent and nature of powerloom competition (Note I of Annexure) the analysis of cotton fabrics, (chapters XVIII) his study of the comparative efficiency of the handloom and the powerloom as measured by the manufacturing cost or costs of production of certain fabrics on the handloom and the powerloom respectively etc (Note II of the Annexure) represent the manner in which the writer has sifted and used the available statistical data to establish new relations and to draw independent conclusions.

More important than this however is his field work the results of which are fully used in the present study. A comprehensive survey of the economic aspect of the technical structure of the industry (Chapters XI and XII) and its organisational structure (Chapters VI to IX) would have been impossible without a personal investigation. His intensive study of the handloom industry Salem District (Appendix 1 pages 267-276) is a case in point.

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Besides, the writer claims to have furnished new data particularly in respect of (a) the economic condition of the handloom worker (Note III) and (b) the manufacturing cost on the handloom in certain centres (Note II). These notes furnish data which throw a new light on the problem of the handloom reconstruction. Moreover, the present thesis is the first of its kind which attempts to study the economics of a handicraft industry in all its aspects and to piece together all data now found scattered and unrelated.

(iii) The present work is mainly the result of eight years of independent investigation. However, as a research student of the University of Madras, during 1926-29 the writer received valuable guidance from Dr. P.J.Thomas, Dr. P.S.Lokanathan and Mr. K.C.Ramakrishna Ayyar of the Department of Economics, University of Madras. The Department of Industries of the Government of Madras, particularly Mr. Amalsad, Textile Expert, helped the writer a great deal. More important, however, is the advice and guidance the writer had the good fortune to receive from Dr. Gilbert Slater and Dr. Vera Anstey of the London School of Economics and Political Science and from Prof. D.R.Gadgil of the Gokhale Institute of Economics and Politics. They have patiently gone through all the manuscripts and have made valuable suggestions regarding the improvement in the quality of the thesis and the useful lines of investigations. But for their constructive criticism and kind guidance the present work would not have been possible.

However, none is more conscious than the writer of the numerous short comings of this work. It has assumed disgusting proportions due partly to the lack of a plan and partly to the necessity to make each chapter complete by itself so that it could appear in the Madras University Journal. This also explains the

frequency of repetition of thoughts which in a book could have been avoided. Further it lacks unity and continuity as the writer, by force of circumstances, was compelled to study the different aspects of the industry, not in one and the same area but at different centres in the Madras Presidency and in the Bombay - Deccan*. Certain discrepancies in details on account of the diversity of the conditions under which the industry is organised in the different areas must have crept in, but the central problem remains unaffected. While care is taken to be intelligible even at the risk of repetition, while many points have been elaborated and strengthened with arguments and factual data, it is possible that the readers of this book may think that there are still many more which could have been usefully elaborated. To the writer perhaps they have appeared obvious but he will be grateful if he is told where there is need for more elaboration and intelligibility. Further the writer had some difficulties in the choice of a title for the present work. In the Reprint it is "The Handloom industry in the Madras Presidency". It is now changed into "The Economics of the Handloom Industry in the light of investigations carried on in certain centres in the Madras Province, and in the Bombay - Deccan". Even this may suggest, it is feared, that the study comprises all types of hand-weaving. It does not make any such claim. It refers to the cotton handloom industry alone. Even written in the tracts chosen, all the centres are not covered**. It is also regretted

* The Bombay-Deccan comprises the following districts :- Poona, Ahmednagar, Nasik, Malegaon, Sholapur and Satara.

** At this stage the writer may be permitted to state that the more he has investigated the problems of the handloom industry the more it seems to him that the industry is not one of local importance; its problems can be solved only if they are tackled on an all-India scale).

that the writer had not made clear the meaning of certain terms. The term "all textiles" refer^s to cotton, silk, woollen, jute etc and when the term is read ^{with} with reference to industries, it includes handicrafts and factory industries. The term "cotton only" refers to manufactures made purely of cotton and a slight mixture of rayon, silk and wool or gold thread. Used with reference to industries, the term refers to all processes connected with the conversion of raw cotton into finished goods and it includes cottage and factory industries as well. When specific processes are referred to, the appropriate terms such as winding, warping, and sizing and weaving are employed. But weaving generally includes preparatory processes and weaving proper and finishing. The greatest defect^s of which the writer is painfully conscious, is the unsatisfactory character of the literary presentation. It shall be his endeavour to improve it before the book is published as the writer thought of submitting the thesis only in January, particularly ^{as} the annexure had to be prepared within a short time, ^{and as} Further he could not get relief from his work in the College, it was not possible to put in his best. This explains the un^{pleasant} presentation, innumerable pencil markings. He had not enough time even to revise the Reprint and the Annexure. Therefore, to the writer this preface is not so much an opportunity to blow his trumpet as it is to recognise his short-comings and plead for charity of his readers and to acknowledge his indebtedness to others.

K. S. Venkatraman.

Annexure to
The Economics of the Handloom Industry.

C O N T E N T S.

- Note I The growth and extent and nature of powerloom competition.
- Note II A comparative study of the Manufacturing cost of certain fabrics in the handloom and the powerloom.
- Note III The Economic Condition of the handloom weaver.
- Note IV. State Assistance to the handloom Industry.
- Note V. The History of Cotton Tariffs and the claims of the handloom to protection.
- Note VI. The Handloom suggests a point of view.
- Appendices.