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AN ECONOMIC SURVEY OF THE WEAVING INDUSTRY OF ICHALKARANJI (1954)

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PREFACE

Ichalkarnji was a feudatory Jahagir in the Kolhapur State until its merger in the Bombay State on 1st March 1949. It is situated midway between Kolhapur and Miraj, and six miles to the south of the railway line connecting these two cities. It has an outlet which runs north to Hatkanagale, its railway station, which is six miles away. It is connected with Kolhapur, Miraj and Hatkanagale by motorable roads.

Although Ichalkaranji had made rapid progress in handloom weaving towards the close of the 19th century under the enlightened leadership and patronage of its ruler, Shrimant Narayanrao Babasaheb Ghorpade, who ascended the Gadi (throne) in 1892, it came into prominence as an important powerloom weaving centre during the decade 1930-40.

The main purpose in undertaking an economic survey of the weaving industry of this town was to attempt a descriptive and analytical study of the main influences governing the growth and development of a small town into a highly flourishing weaving centre of Southern Maharashtra. The choice of this centre for the survey was dictated by the fruitful possibilities it offered for the study of a number of important problems connected with the industry, such as the factors governing the location of the industry, the impact of the spirit of initiative and enterprise on the structure of the industry, the problems created by the existence of a technically advanced and more

efficient sector side by side with the comparatively backward sector of the industry, the problems of transition and the effects of governmental policies and controls on the pattern of development of the industry. With the data collected in the survey, these problems have been analysed and discussed. In the light of their analysis an attempt has been made to indicate the lines along which the future development needs to be reorientated.

The study of the industry which relates to the calender year 1954 is divided into 8 chapters.

The first chapter traces the main stages in the evolution of the weaving industry at Ichalkaranji from its modest beginings to the advanced stage which it had reached at the time of the survey and attempts an analysis of the main factors governing its location at Ichalkaranji.

The second chapter deals with the sources from which the industry secures its raw-materials. It also attempts a description of the processes through which yarn has to pass for being converted into marketable fabrics.

The third chapter is mainly based on the statistical data collected for the survey. It seeks to attempt an estimate of the size of the industry and deals with its various aspects such as labour structure, technical structure, capital structure, marketing structure, types of goods produced etc. It also briefly summarises the main conclusions derived from the study of the statistical data.

The fourth chapter attempts a critical analysis of the problem of conflict between the handloom and powerloom and indicates the lines along which the conflict should be resolved.

The fifth chapter analyses the working of the co-operative associations and other bodies working in the field of the industry. The sixth chapter deals with governmental controls and policies in relation to the industry and attempts to review their effects on it.

The seventh chapter indicates the lines along which the reconstruction of the industry must be attempted in the future.

The final chapter is intended to sum up briefly the changes which came about in the powerloom industry while I was completing the main thesis. The beginnings of these changes were broadly indicated by the statistical data collected for the survey. But the changes that actually occurred after the completion of the survey were on such a large scale that I thought it desirable to indicate their nature at least in a broad way.

The English translation of the questionnaire used for the survey has been appended as Appendix A. Bibliography has been given at the end.

I express my grateful thanks to Shri K.A. Bhosale, the then chief officer of the Ichalkaranji Borough Municipality[1]

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[1] In the chapters that follow the shorter form 'Ichalkaranji Municipality' has been used.

who helped me in carrying out the census of the handloom and powerloom karkhanas by placing at my disposal the services of an experienced clerk and a peon from his office. I also take this opportunity of thanking the Textile Commissioner, Government of India, the Collector, Kholhapur District, the various Associations at Ichalkaranji connected with the industry for having supplied to me the information available with them.

It is really impossible to name all the persons and agencies who helped me in different ways in connection with the survey. In addition to the statistical data collected from the completed questionnaires, I had to collect a good deal of non-questionnaire information from local persons connected with different aspects of the industry - yarn merchants, owners of dyeing houses, itinerant dyers, manufacturers of handlooms, owners of repair workshops, wholesale dealers in sarees, trade union leaders, members of the Managing Committees of the various Associations in the industry, small and big handloom and powerloom karkhandars and elderly people connected with the industry. My discussions with them were highly useful to me in meaningfully interpreting the statistical data. To all these persons are due my grateful thanks for having given me the benefit of their ideas and views regarding the industry.

Finally, I take this opportunity of expressing my deep sense of gratitude to my guide, Prof. N.V. Sovani, for the valuable suggestions and guidance he gave me in completing this work.

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CHAPTER I

HISTORICAL BACKGROUND

"Ichalkaranji has a dry climate, a large population, a weekly bazzar day, a big trade and the most important thing is that it has an educated and cultured ruler in Shrimant Babasaheb to look after its interests; as a result of all these factors, there is no doubt that Ichalkaranji will become, in the near future, a centre of flourishing and important trade. And other towns in the Kolhapur State will derive considerable benefit by emulating the example of Ichalkaranji."[1]

— B. P. Modak, 1895.

EARLY BEGINNINGS OF THE INDUSTRY

How very remarkably has the prophecy come true! Growing from small beginnings, step by step, Ichalkaranji with its 1521 powerlooms and 1409 handlooms[2] and many other ancillary activities connected with the weaving industry, was humming with great industrial activity in 1954 and had rightly come to be known as the

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[1] B. P. Modak, A Report on the Industrial Survey of the Kolhapur State, 23rd January, 1895, p. 27. (The Report is in Marathi).

[2] The handlooms at Ichalkaranji were of the automatic type, the take-up and let-off motions being automatic. Their technical structure is described in Chapter III; see pp. 121-122.

'Little Manchester of Maharashtra'. But things were very different nearly a century ago. In 1848 Major Graham reported that the population of Ichalkaranji was 7152 and that, in common with other dependencies of the parent State (Kolhapur), the population was agricultural, the manufactures being restricted to a few cumblees (woollen blankets of coarse variety used particularly by the agriculturists) and cotton cloths some of which were exported.[1] The following quotation from James M. Campbell throws some light on the size and nature of the weaving industry in the Kolhapur State including Ichalkaranji about the year 1882. "Weaving goes on in towns and most large villages. The chief industries connected with weaving are the weaving by Devang and Lingade Koshties of coarse cloth or Khadi, large and small waist-cloths or dhotars and panchas, women's robes or lugades (old-fashioned saree) with or without silk borders, and loincloths or rumals; the weaving of Musalman Momins of turbans and Kachas or thigh-cloths; and the weaving by Sangars of blankets. Of 3102, the total number of weaving looms, 2444 belong to cloth weavers, 2238 to Hindu Koshtis, and 206 to Musalman Momins; and the remaining 658 belong to Sangars or blanket-weavers. Of these looms 688 are in Alta, 654

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[1] Major D. C. Graham, 'Statistical Report on the Principality of Kolhapur', 1854, p. 553.

in Gadinglaj, 422 in Karvir, 397 in Shirol, 350 in Ichalkaranji, 236 in Panhala, 179 in Kagal, 86 in Bhudargad, 58 in Bavda, and 32 in Vishalgad. Besides these, seventeen looms in the Kolhapur Jail factory weave all sorts of cloth including towels and table cloths. Of cloth weavers the Koshtis chiefly use the coarse and strong hand-spun thread which is bought locally and the Momins use the better and cheaper steam-spun thread which is brought from Bombay. Of 2238 looms owned by Koshtis, 1008 use coloured thread and 1230 use white thread. Coloured thread is chiefly used in weaving women's robes. Black thread is obtained locally; it is generally brought from Nilari dyers and sometimes white thread is given to them to be dyed black. Red thread is bought from Lingayat Bangars who bring it from Chikodi, Gokak, and Sirgaon, sometimes from Bombay... Of late, imports of machine-made Bombay and Manchester cloth have greatly reduced the number of hand-looms."[1] It can be seen from this quotation that according to Campbell there was nothing unique about the weaving industry at Ichalkaranji about 1882. In fact, the

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[1] James M. Campbell, "Bombay Gazetteer, Karnatak, Kolhapur", Vol. XXIV, pp. 211-212.

Although the date of publication of this volume of the Gazetteer is given as 1886, Shri B.P. Modak compares his estimate of the number of handlooms with the number of handlooms estimated by Campbell in 1882. It is obvious, therefore, that Campbell must have collected the information for the Gazetteer in 1882.

Ichalkaranji Jahagir with its 350 handlooms[1] ranked fifth in the Kolhapur State in respect of the size of the weaving industry, although Ichalkaranji town might have a larger number of looms than most other places in the Kolhapur State. But Campbell who dealt with the weaving industry of the Kolhapur State as a whole did not give any other particulars relating to the industry at Ichalkaranji. It is the Report of Shri B. P. Modak that gives the detailed information about the condition of the weaving industry at Ichalkaranji in 1894.[2] The same Report gives a clue to some of the factors that were to play a part in the development of Ichalkaranji into a prominent weaving centre.

FACTORS FAVOURING THE DEVELOPMENT OF THE INDUSTRY AFTER 1892

During the period intervening between 1882 and 1895 one important change had taken place at Ichalkaranji. The change was the ascending of the Gadi of Ichalkaranji by Shrimant Narayanrao Babasaheb Ghorpade in 1892. Although the change was political,

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[1] Out of these 350 handlooms, 13 were used for blanket-weaving. See James M. Campbell, "Bombay Gazetteer, Karnatak, Kolhapur, p. 212.

[2] Although Modak's Report was published in 1895, the information collected for the purpose relates to the year 1894.

it had far-reaching economic consequences. Shri Modak has been almost lavish in his tributes to the ruler for the active encouragement which he gave to the industrial development in general, and weaving industry in particular, of Ichalkaranji. The dry climate, the large population, the big trade were certainly important assets of Ichalkaranji. The silk required for the lugade (old-fashioned saree) of the coarse variety was also dyed at Ichalkaranji. This was another asset. But the importance of the active help given by the ruler to the weaving industry could hardly be overestimated. He gave much encouragement to the dyers to dye fine silk with a view to making available in Ichalkaranji itself the dyed silk required for the lugade of finer counts. He also encouraged the skilled weavers to manufacture cloth of superior quality. By 1895 about 25 looms at Ichalkaranji had begun manufacturing superior sarees ~~of the~~ of the Shahapur[1] variety. He also took a number of steps to solve the problems facing the industry and to place it on a sound footing. for a few months, to begin with, he started bringing from outside cotton yarn and silk of finer counts and selling them at cost price to the weavers. And a cloth

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[1] A town near Belgaum, but part of the then princely State of Sangli. The handloom industry of this town produced a distinctive type of saree which came to be called the Shahapur Saree. See B.P.Modak, p. 27.

merchant was induced, by advancing money to him on a loan-basis, to make arrangements to purchase the entire cloth produced by the weavers.[1] With the main difficulties of raw material and marketing out of its way, the industry could make good progress under the benevolent guidance of the ruler.

PLIGHT OF THE INDUSTRY BEFORE 1892

The condition of the industry, which had been none too happy, had begun to improve slowly and signs of change and progress could be seen after 1892. An idea of the sad plight of the industry before 1892 can be had from Modak's Report. Ichalkaranji was the only place in the Kolhapur State which possessed more than 300 looms, the exact number being 303. The industry had expanded significantly in quantitative terms during the course of a decade since 1882. For, the number of looms working on cotton cloth in the Ichalkaranji Jahagir, had increased from 337 in 1882 to 477 by 1895.[2] But the fabrics turned out by these looms were of the coarse variety. The lugades produced by the looms were particularly in demand among the womenfolk belonging to the lower strata of society. Some of the weavers,

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[1] B. P. Modak, p. 31.

[2] Ibid., p. 20.

however, as a result of the royal encouragement had begun to switch over to fabrics of finer counts. The monthly earnings of the weaver ranged from Rs. 8 to 10. If the earnings of the women and children who helped the weaver were deducted from the total earnings, the daily earning of the weaver amounted to about 3 as. Because of the low earnings, moneylenders were not prepared to invest their money in this industry, or enter this industry. Such a state of things acted as a drag on the industry and hampered its growth and progress. The weavers in the Kolhapur State mainly manufactured coarse dhoties, turbans, chits (for women's garments) and coarse lugades. For dhoties and turbans hand-spun yarn or mill yarn ranging from 6^s to 10^s was used, while for chits and lugades mill yarn ranging from 16^s to 20^s was used.

DIFFICULTIES OF THE INDUSTRY BEFORE 1892

According to Mr. Modak, the main difficulties confronting the weavers were three. In the first place, their poverty drove them to raise loans at exorbitant rates of interest for the purchase of raw materials. Secondly, raw materials were not easily available near the place of working. Thirdly, the manufactured fabrics could not be readily sold and did not fetch a fair price even when they were sold. They had to carry on

their business in the face of all such difficulties. Consequently, their earnings were so poor that they could hardly make both ends meet and the result was that a majority of them had to run into debts.[1] The weaving industry at Ichalkaranji was no exception to the general plight into which the weaving industry in the Kolhapur State found itself. But as indicated earlier, the fortunes of the industry had slowly begun to improve as a result of the active encouragement and assistance given to it by the ruler. The year 1892 in which the ruler ascended the Gadi may, therefore, be said to mark an important milestone in the progress of the weaving industry at Ichalkaranji.

FIVE PHASES IN THE DEVELOPMENT OF THE INDUSTRY

For purposes of clearer understanding the history of the development of the weaving industry at Ichalkaranji may be divided into five well-marked periods as follows :

1. The pre-1892 period - The period of depression and stagnation.
2. 1892 to 1925 - Period of slow change and the beginning of the power-loom industry.

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[1] Modak's Report, p. 28.

3.	1925 to 1939	- Period of powerloom expansion and qualitative progress.
4.	1939 to 1950	- Period of prosperity accompanied by qualitative deterioration.
5.	1950 onwards	- Period of adjustments and the beginning of the switchover to grey fabrics on the part of the powerlooms.

First period :- We have already referred to the sorry plight of the industry before 1892.

Second period :- The second period was full of promise for the future; yet it saw no spectacular progress. The year 1904 marks an important landmark in the development of the industry at Ichalkaranji. An enterprising Brahmin, Shri Vyankatrao Datar, set up in that year a few powerlooms and started weaving grey cloth on them. It was certainly a risky venture to set up powerlooms in an out-of-the-way place with no facilities for processing the grey cloth and for repairs to machinery. And yet, he struggled on in the face of great odds until the general prosperity of the First World War created a favourable climate for the experiment to succeed. The war-time success was assured by the rise in cloth prices. The success, however, was a short-lived one as the experiment of 'manufacturing' grey cloth did not survive the depression that followed

the end of the war. The main factors responsible for the failure of this experiment to manufacture grey cloth were the dependence on the outside supply of yarn with consequent increase in its price and the absence of processing facilities. This small unit could not have the advantages which the large unit could hope to enjoy in these respects.

Third period :- The third period witnessed the slow but steady development of the powerloom sector. The expansion of the powerloom sector in terms of output, if not of size, completely overshadowed the handloom sector during this period. It was during this period that Ichalkaranji shot up into prominence as a flourishing weaving centre. The transformation of the weaving industry - powerloom as well as handloom - was of so radical and revolutionary nature that the weaving industry of this period could hardly seem to have anything in common with the old handloom industry.

BEGINNINGS OF THE SAREE MANUFACTURE ON THE POWERLOOM

About 1925-26, two enterprising men set up two powerloom establishments for manufacturing sarees which later on came to be popularly known as 'Patals'.[1] One

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[1] There was no distinction between a saree and a 'Patal' but some karkhandars from Ichalkaranji advertised their sarees as 'Patals' and thus they came to be widely known as Patals. We have, however, used the more general term saree in this work.

of them, a Brahmin was a Science graduate and had served an apprenticeship in the dyeing department of the Gajanan Mills at Sangli which is only 16 miles distant from Ichalkaranji. The other man was not educated but knew the trade secrets of weaving as he belonged to the weaving caste of Devang Koshti. The Gajanan Mills at Sangli had specialized in the manufacture of coloured sarees on the powerlooms for quite some time before 1925. What the Gajanan Mills had done with success was now sought to be done at Ichalkaranji. The small unit was not a handicap in the case of a fashionable product like a saree with its appeal to individual tastes. Moreover, as the sarees could be sold in the loom-stage and did not require any processing facilities to make it marketable, the absence of these facilities could not put the small unit at a disadvantage as compared with the large units.

FACTORS CONTRIBUTING TO THE ESTABLISHMENT OF THE INDUSTRY ON A FIRM FOOTING

Once the two pioneering units showed great promise of success, others, inspired by a desire to increase productivity and consequently the earnings gradually entered the field. Just about this time, two important factors gave a completely new turn to the industry by

transforming the entire look of the old-fashioned lugade. One factor was the use of German colours which were fast to bleach and light. These colours were available in different shades. The second factor was the use of Art silk in the borders and headings of the sarees. The use of fast colours in various fancy and light shades and of Art silk gave a completely new and pleasingly attractive appearance to the saree which came to be more popularly known as the 'Patal'. It was no longer the old-fashioned lugade with monotonous and stereotyped borders and lacking variety in colours. With the use of the German colours and Art silk in the border and the heading, the 'Patal' became an ever-changing and attractively beautiful thing capable of appealing to the rapidly changing tastes in colours and borders.

FAVOURABLE EFFECT OF THE 1929 DEPRESSION ON THE INDUSTRY

The depression of 1929 which adversely affected the fortunes of the Cotton Textile Industry in great industrial centres like Bombay and Ahmedabad had also a mildly stimulating effect on the progress of the powerloom industry at Ichalkaranji. The depression had led to the closure of some mills and to the partial working in many

cases with the consequent emergence of the problem of idle looms. As a result old and second-hand powerlooms were available at these centres at very cheap prices. The price of a powerloom at the rate of Rs.2 to 3 per inch would work out to about Rs. 150 to 175. Many enterprising individuals in Ichalkaranji who were already operating handlooms seized this opportunity to set up powerlooms at comparatively low capital cost. The fact that the looms were very old did not deter them from purchasing them. They had resourcefulness enough to repair, recondition and adapt them to their requirements. The Great Depression thus quite unexpectedly contributed to the expansion of the powerloom industry at Ichalkaranji. The Depression had a favourable effect on the qualitative aspect of the industry also.

OTHER FACTORS CONTRIBUTING TO THE QUALITATIVE DEVELOPMENT OF THE INDUSTRY

About this time the cheaper availability of Japanese mercerised yarn induced the powerloom owners to use it for the warp of the sarees. This mercerised yarn had a glaze and a shine which made the saree a very attractive thing. Moreover, it was a more durable product than the saree using indigenous yarn for warp and weft. Again,

the buyer's market during the depression period worked in the direction of screwing up the efficiency of these units. In a falling and shrinking market everybody tried to hold his own against the competition of rivals by increasing his efficiency, by lowering his cost of production and by trying to build up a secure market for his products by offering ever-new body patterns, border designs and colour shades. The forces of price and quality competition thus contributed in no small measure to the qualitative progress of the powerloom sector and indirectly of the handloom sector. The handlooms were shaken out of their traditional lines of production by the changes that were occurring in the powerloom sector.

CONDITION OF THE INDUSTRY IN 1934

By 1934 the weaving industry in general and the powerloom industry in particular had come to acquire a respectable place in the life of the town. Writing in 1934, Mr. J. L. Gohen, the then Administrator of Ichalkaranji graphically described in a small booklet entitled 'Glimpses of Ichalkaranji', many aspects of the development of weaving industry at Ichalkaranji. We can do no better than reproduce his observations relating to the industry of that period.[1] "While taking this hurried

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[1] J.L.Gohen, "Glimpses of Ichalkaranji" - A small Domain located in the Southern Maratha Country, p. 18.

trip through the town of Ichalkaranji one may not have had the occasion to catch the real atmosphere of the place. For instance, one has little idea of the fact that there are located in this town 276 handlooms, which turn out each week about 1400 sarees of fast colour and beautiful design; also that there are 14 different powerloom factories, big and little, running 132 looms, which have a daily output of about 450 sarees. The fame of Ichalkaranji sarees has gone far and wide, and the demand for them is growing. This means steady employment of a good many hundred people. There are at least two carpentry shops turning out handlooms, for which there is a growing demand both locally and elsewhere. The processes of dyeing are well understood, fast colours being used, and many of the powerloom factories, and even some of the smaller operators, do all of their own colouring. A visit to some of the establishments, both power and handloom, will be amply worthwhile. After having paid such a visit one is impressed with the spirit of <u>industry</u> and <u>enterprise</u> which pervades this place." This rather long quotation clearly brings out the fact that the handloom and powerloom industry had been soundly established by about 1934 and had become not only an important source of employment but also a nucleus round which a number of

ancillary activities like dyeing and manufacture of handlooms had come to be developed.

ARRIVAL OF THE MARWARI MERCHANTS ABOUT 1934 AND THEIR CONTRIBUTION TO THE DEVELOPMENT OF THE INDUSTRY

About the same time another important development took place which had far-reaching effects on the industry. This development was the arrival of the Marwari merchants who were attracted to the place by the prospect of developing a lucrative trade in sarees. Until about 1934 there was hardly any specialisation of functions so far as manufacturing and marketing were concerned. The manufacturers themselves had to make arrangements with merchants in other towns for marketing their sarees. Apart from the distraction of attention which it involved, it meant the locking up of funds in stocks of sarees. The resulting shortage of working capital for the activity of manufacturing proper had acted as a drag on the progress of the industry. The arrival of the Marwari merchants was helpful to the progress of the industry particularly in two ways. In the first place, their specialisation in marketing enabled the manufacturers to concentrate their energies as well as resources solely on manufacturing activity. These new merchants had commercial connections with mer-

chants in the distant towns and cities. Their experience in marketing was also a great asset. As a result they soon developed a market for the type of sarees manufactured at Ichalkaranji. They became an important agency through which the manufacturers could come into contact with the changing tastes of the consumers. Secondly, in many cases they advanced part of the working capital to manufacturers in order to get from them as large a production as possible of the particular types of sarees which happened to be in demand at the time. These advances in the form of working capital helped to relieve at least partially the shortage of working capital which had been acting as a major handicap to the expansion of the industry. The manufacturers possessed enterprise, skill and technical know-how required for the manufacture of sarees. The Marwari merchants possessed capital, commercial connections and experience of marketing. The contact between the enterprising manufacturers and merchant capitalists thus proved to be fruitful from the point of view of the industry particularly during its formative stage. Thus, in spite of the depressed economic conditions elsewhere the powerloom industry at Ichalkaranji was making slow but steady and sustained progress, both quantitatively and qualitatively.

CHANGES IN THE TECHNICAL STRUCTURE OF THE HANDLOOM

It was during this period that the handloom sector at Ichalkaranji was pulled out of its traditional stagnation and forced to improve its productivity by adopting new improvements. The handloom sector underwent an important change about this time as a result of the widespread replacement of the fly-shuttle looms by the locally manufactured handlooms equipped with take-up motion attachments. They were popularly called 'automatic' looms, as the take-up and let-off motions were automatic.[1] The handlooms had also begun to use German colours and Art silk.

Thus by 1940 the weaving industry at Ichalkaranji had made considerable progress, both qualitatively and quantitatively.

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[1] We have used in this work the comprehensive term 'handloom' without making a distinction between the different types of handloom used at different periods in Ichalkaranji. Roughly speaking up to about 1920 the handlooms were of the throw-shuttle (pit-loom) type. Then up to about 1936 they were replaced by fly-shuttle looms. About 1936 the switch-over to the 'automatic' type of looms had begun. At the time of our survey, however, all the handlooms at Ichalkaranji were of the 'automatic' type.

FACTORS FAVOURING THE LOCATION OF THE INDUSTRY AT ICHALKARANJI

The foregoing account of the progress of the weaving industry at Ichalkaranji throws light on some of the factors which helped it to take root there. But a reference to certain other factors which contributed to the location of the powerloom industry and saree-manufacturing activity may be appropriate at this stage. For, at first sight, the location of the powerloom industry at a small and out-of-the-way place like Ichalkaranji appears rather intriguing. The small town of Ichalkaranji with its population of 10,240 in 1921 hardly possessed any natural advantages to be able to attract the industry to itself. It did not enjoy any advantages in respect of availability of raw-materials, transportation facilities, power-supply, skilled labour, etc. Nor did it possess banking facilities, commercial services or marketing facilities. The development of Ichalkaranji, therefore, into a flourishing powerloom weaving centre even in the absence of the usual factors influencing the location of an industry deserves a word of explanation. In the first place, the tradition of handloom weaving was already there. The switch-over from the handloom to the powerloom required resourcefulness, initiative and enterprise. The fact that there were people gifted with these qualities has already been referred to.[1] These

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[1] See page 15.

assets might have been wasted had it not been for the actively encouraging and paternalistically sympathetic attitude of the late ruler of Ichalkaranji, Shrimant Narayanrao Babasaheb Ghorpade. He was very deeply interested in the industrial development of Ichalkaranji and this interest of his dated as far back as 1892.[1] With the limited resources of the Jahagir at his disposal he did assist the industrial development of the town in every possible way he could. Every enterprising and innovating man received from him active encouragement. He gave plots of land for industrial purposes at concession prices. Frequently, he advanced money through the Treasury to the weavers when they badly required it for the purpose of keeping their industry running. He did not burden the industry with any taxes but allowed them to grow unhampered by any restrictive legislative measures. He sent a weaver to Japan at the expenses of the Jahagir to study the weaving and other small industries there. It was largely through his initiative and support that the first Bank at Ichalkaranji - The Ichalkaranji Central Co-operative Bank, Ltd. (now converted into Ichalkaranji Urban Co-operative Bank, Ltd.) - was started in 1929. The Powerloom Weavers' Co-operative Association, Ltd. in its various annual reports and memoranda has gratefully recorded its appreciation of the great services rendered by the late ruler[2] to the weaving industry at Ichalkaranji.

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[1] See page 4.

[2] He passed away on 21-10-1943.

In our interviews with many weavers belonging to the older generation we found a number of them gratefully acknowledge the important contributions made by the late ruler to the development of the weaving industry. Although these factors helped the industry considerably in its initial and infant stages, it soon came to have a number of acquired advantages which helped it spread its roots far and wide in the soil. Commercial services like banking and marketing grew up and developed. The Marwari merchants built up a market for the powerloom sarees. Labour became familiar with the technique of the industry and in course of time a high standard of workmanship was developed. The powerloom weavers formed themselves into an Association for discussing problems of mutual interest. Through their closer association the less efficient ones were pulled into line with the more efficient and progressive powerloom weavers. The town acquired a name and a prestige which bound customers to it. In course of time the industry could enjoy the advantages of the vertical disintegration. As the industry became well established and grew in size, the process of manufacture began to differentiate. The different stages in the process of production were taken over by specialist agencies. The supply of yarn, the supply of machinery, the dyeing of yarn, the organization of marketing were undertaken by

specialist agencies. These acquired advantages further tended to strengthen the powerloom industry at Ichalkaranji. The example of the few enterprising men who started powerloom establishments and made a success of them inspired others to follow in their footsteps. Some of the owners of powerloom establishments were originally wage-earners in other powerloom establishments. In some cases the enterprising workers who decided to give up their job and start a powerloom or two of their own were sympathetically helped by their employers in many ways. Thus it was the experience and enterprise of the people, the availability of technical know-how relating to the powerloom industry rather than the availability of commercial ability or abundance of capital which influenced the location of the industry at Ichalkaranji particularly in its initial stage of growth.

FACTORS FAVOURING THE SAREE PRODUCTION BY THE POWERLOOMS AND HANDLOOMS

The foregoing discussion relating to the location of the industry, however, still leaves unanswered the question why the powerloom was used for weaving sarees to the exclusion of other varieties of cloth. The following factors deserve to be emphasised in this

connection. In the first place, the weavers at Ichalkaranji had long been familiar with the process of dyeing and consequently they did not have any difficulty in getting their yarn dyed as they liked. Secondly, the powerlooms at Ichalkaranji having a reed width between 56" to 60" were eminently suitable for the manufacture of sarees which had a width ranging between 48" to 52". Other varieties of cloth like shirting, towels, lungis, handkerchiefs, etc. could better be manufactured on looms having a shorter width. Thirdly, the coloured saree could be marketed in the loomstage because like grey cloth it did not require any processing to make it a marketable product. Fourthly, the saree was meant to satisfy the ever-changing demand of the consumers for new designs and patterns. The small units possessed an advantage over large units in respect of goods which did not lend themselves to standardisation. The small powerloom units which could not compete with large mills in respect of standardised varieties of cloth, therefore, turned to the production of sarees.

BEGINNING OF WORLD WAR II AND THE FOURTH PERIOD

The outbreak of the World War II brought about significant changes in the size, character and condition of the industry. By about the middle of 1942, the

on industries

prices and consequently profit margins began to show significant increases. The weaving industry was no exception to this general trend of prices and profits. Induced by the prospect of making easy profits because of the emergence of the seller's market many people set up new powerlooms and handlooms. Although no accurate figures of handlooms and powerlooms relating to the war period were available, a rough idea of the extent of expansion could be had from some figures relating to certain years during this period. A Report[1] relating to 1944 stated that there were 80 mills at Ichalkaranji for weaving sarees. The numbers of handlooms and powerlooms in Ichalkaranji in 1945-46 were 1940 and 1357 respectively according to the Report[2] prepared by the Planning and Development Department of the Kolhapur State in 1946. According to the statistics collected by the Powerloom Weavers' Co-operative Association, Ltd., Ichalkaranji, the number of powerlooms in 1950 was 1482. An idea of the enormous expansion in the handloom sector can be had from the increase in the membership of the different handloom Associations at

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[1] J. P. Naik, "Preliminary Report on the Reorganization of Ichalkaranji Municipality", 29.8.1944, p. 2 (A typed copy is available in the Ichalkaranji Municipality).

[2] A typed copy of the Report was obtained from Prof. S. D. Vankudre, Rajaram College, Kolhapur, who was entrusted with the preparation of the Report.

Ichalkaranji even when sufficient allowance is made for the fictitious element involved in it.[1] There is no doubt that much of the increase in the size of the handloom sector was of a fictitious character. In the context of acute yarn shortage it was not possible to work these handlooms all through the year but the ownership of a handloom gave a title to the yarn quota. Naturally many people, so said the knowledgeable persons connected with the industry, hastened to set up a loom or two, at least the frame of the loom and joined some handloom co-operative society with a view to securing the yarn quota.[2] Even after making allowance for the inflated statistics relating to the handlooms the fact remains that the war period gave a very great impetus to the weaving industry at Ichalkaranji. The growth in the population of the town during this period also indirectly bears testimony to the expansion of this industry. The weaving industry being the only major economic activity of the town, the rapid increase in its population must be explained in terms

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[1] See the Chapter "Associations in the Industry", pp. 203-204.

[2] "Textile Enquiry Committee Report", para 50, "It is common knowledge, however, that many of these inactive looms were acquired during a period of control as an article which would create a title for a yarn quota .... There are no means of estimating how many of 3.5 lac idle looms were looms genuinely set up for the purpose of carrying on the profession of weaving".

of the growth of the industry. The population of the town in 1921 was 10,240.[1] It had increased to 11,904 in 1931[2] and to 18574 in 1941.[3] According to a rough calculation[4] in 1944 the population had been 22,000, in that year, and by 1951 it had risen to 27,423.[5] The rapid increase in the population during the decade 1940-50 was mainly the result of immigration from outside. Weavers from neighbouring villages and other towns were attracted to the place by the increasing employment opportunities which the expanding weaving activity offered. The Report by J. P. Naik referred to above (P. 24) also refers to this aspect of the rapid increase in the population of the town. "This weaving industry," states the Report, "has attracted a large number of skilled weavers from various places and made them settle down in Ichalkaranji." The expansion of the handloom weaving industry stimulated the manufacture of handlooms in the local handloom workshops or Kalagrahas as they were called. It also created almost a boom in the building activity. The immigrants who came from outside and could not find

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[1] Census of India, 1921, Vol. VIII, Bombay Presidency, Part II Tables, p. 13.

[2] Census of India, 1951, Vol. I, p. 86. The 1931 Census Report did not give separate figures for towns in the 10000-20000 group. A reference to the population figure in that year is found in the 1951 Census Report.

[3] Census of India, 1941, Vol. III, Bombay (Tables), p. 72.

[4] J. P. Naik, p. 2.

[5] Census of India, 1951, Vol. I, Part. II-A, Demographic Tables, p. 86.

accommodation in the already overcrowded town purchased small plots of land and set up their looms in the cottages built on them. Similarly, others who had made fortunes during the wartime phase of prosperity moved their business in more spacious structures built on the new plots of land. As a result of the increased industrial activity, the demand for land suitable for building purposes increased to a very great extent. The periphery of the town moved forward to the west and to the north, for it was there that land for building purposes was available. The major part of the development of Ward Nos. 9 and 10 with their 363 and 499 houses and with their populations of 4,659 and 5,448 respectively, belonged to the decade 1940-1950.[1] The building activity provided large employment opportunities to carpenters, smiths as well as to unskilled workers. Similarly, the demand for land led to almost phenomenal rise in its price. Land which could not be sold for more than Rs. 500 per acre before 1940 was in demand at the price of Rs. 10,000 per acre. As a result many landowners who had lands on the outskirts of the town to the west and the north could make much money by selling lands in the form of small plots. Thus the years between 1940 and 1950 were years of prosperity not only for the millowners but also for

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[1] Source - The Municipal Record, Ichalkaranji

many other sections of population. The workers engaged in the weaving industry also enjoyed higher earnings which more than offset the increase in the cost of living. For example, the earnings of an average skilled weaver which were not more than Rs. 15 per month before 1940, had increased to anywhere between Rs. 80 to Rs. 100 per month after 1944.

QUALITATIVE DETERIORATION OF THE INDUSTRY

Although the war period brought prosperity to the town and to the weaving industry in particular, there was a marked deterioration in the qualitative aspect of the industry. There were particularly two factors which contributed to the deterioration of the quality of the sarees produced during this period. Firstly, the non-availability of vital raw-materials formerly imported from foreign countries adversely affected the quality of the sarees. It was the mercerised yarn of Japan, the German colours and the Art silk imported from Italy that had given the Ichalkaranji's 'Patal' its pleasing look and tempting shine. The Japanese mercerised yarn being twofold yarn did not require any sizing. Moreover, because of the greater tensile strength of the yarn the mercerised saree was far more durable than the saree using single yarn of the Indian make during the war period.

Similarly, the shortage of imported colours with the consequent increase in their prices meant that they could not be used in required quantities. There was a tendency to use small quantities of colours. In particular, the German colours which had a uniqueness about them so far as fastness and shine were concerned altogether went out of use. They were gradually replaced by colours of other countries like England, Switzerland, etc. As a result of all these factors, Ichalkaranji could not maintain its pre-war reputation in regard to fastness and brilliance of colours and durability of sarees. Secondly, the growth of the seller's market also contributed to the neglect of quality. In the period of seller's market, there was hardly any pressure on the weavers to maintain the quality of the sarees.

UNPLANNED GROWTH OF THE TOWN

Another unfortunate result of the very rapid growth of the industry was the utter neglect of the needs of town-planning. The unplanned growth of the town which occurred particularly during the war-period aggravated the problems in respect of sanitation and hygiene. There were neither building regulations nor factory regulations, to check the haphazard growth of the industry. Many weaving establishments carried on dyeing within their

premises and even the dyeing houses ~~houses~~ were situated in the town itself. All these allowed the dirty waste water with its nauseating smell to flow on to the streets or into the open gutters nearby. These gutters became the breeding places of mosquitos. Similarly, no attention was paid to the hygienic and sanitary considerations by the owners of buildings because of lack of building regulations. In general, the rapid and uncontrolled growth of the town resulted in overcrowding, slums, water shortage and pollution of the atmosphere by the putrefying smells of dirty and waste water.

FIFTH PERIOD, THE REVIVAL OF THE OLD PROBLEMS AND THE BEGINNING OF THE SWITCH-OVER TO GREY FABRICS

The end of the war-time and post-war phase of prosperity revived the age-old problems besetting the handloom industry. The handloom industry was adversely affected by the depressed conditions in 1949. In response to the repeated requests from the handloom interests for protection, the Government of India issued a Notification[1] reserving certain varieties for the handlooms only. This Notification which imposed a number of restrictions on

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[1] Government of India, Ministry of Industry and supply, Textile Commissioner's Notification No.9(9)-Tex.1/49 dated the 15th April 1950, regarding the Reservation of Fields of Production of Cotton Textiles for Handloom Industry.

the powerloom factories considerably narrowed down the market for powerloom sarees with the result that the powerlooms found themselves in a very difficult position. Hard on the heels of this came the fall in the prices of yarn and cloth in 1952. The fall in the prices of yarn and cloth involved weaving industry and the weavers in heavy losses. Consequently, during the major part of the year 1952 the vast majority of the handloom and powerloom Karkhanas at Ichalkaranji were closed down. Many people connected with the industry feared that the industry would never recover from the effects of the depression. The industry was thrown into doldrums and the handloom and powerloom karkhandars found themselves utterly weak and helpless to face up to the problem of reorganizing the industry on a sound footing. So distressing was the situation in that year that the owners of small handloom Karkhanas and labourers in powerloom Karkhanas had to suffer pangs of starvation.[1] During the latter half of 1953, however, the industry began to show signs of recovery and by the beginning of 1954 the industry was said to have resumed its working with renewed vigour.

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[1] A number of weavers gave us a very pathetic account of the hardships and sufferings through which the weavers had to pass during those difficult days of enforced idleness.

It was about 1953 that a few big powerloom Karkhandars tried to adjust their working to the new situation by switching over to the production of grey fabrics. The absence of processing facilities was a great handicap to any such change-over on a large scale. But the few big Karkhandars who could avail themselves of the processing facilities at Bombay preferred to switch over to the production of grey fabrics for three reasons. In the first place, the market for grey fabrics was more stable than the market for sarees. Secondly, the grey fabrics could be sold on cash terms while the sarees had to be sold on credit. The Karkhandars who had suffered losses in 1952 and consequently found themselves short of working capital were attracted to the production of grey fabrics by the possibility of effecting sales on cash terms, thus avoiding the necessity of locking up the meagre working funds in the marketing of sarees. And, thirdly, the manufacture of grey fabrics meant less trouble because of the elimination of much work connected with the preliminary processes.

It was in April 1955 that we carried out the survey with a view to investigating the nature of the problems connected with the industry at Ichalkaranji and exploring the possible ways in which they could be tackled.

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CHAPTER II

RAW MATERIALS AND PROCESSES

SOURCES OF YARN SUPPLY

The raw-materials required for the fabrics produced at Ichalkaranji were cotton yarn, Art silk or chamak,[1] mercerised yarn, doubled yarn, dyestuffs and chemicals. The weavers obtained their yarn requirements from one of the three sources. One of these sources was the local yarn merchants who sold yarn on a retail basis. There were, in all, nine local yarn merchants. The yarn was sold in boxes[2] of 10 lbs. Usually the yarn merchants allowed their customers credit for a period ranging from a fortnight to a month. But in the case of new customers or customers whose creditworthiness was doubtful according to them, no credit was allowed and transactions with them were done on a cash basis. If the customers failed to pay their bill within the period for which they were allowed credit they were charged interest on the amount due from them at the rate of 9 per cent from the date of

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[1] Art silk was more popularly known as 'chamak' at Ichalkaranji.

[2] A box of 10 lbs. was popularly called 'Gaddi' at Ichalkaranji.

the transaction. The fact that the weavers could obtain their yarn requirements locally was a great convenience, particularly to the small weavers who could not afford to lock up their meagre resources in storing up their requirements of raw materials. Secondly, the bigger manufacturing units whose requirements were large imported yarn bales directly from Bombay. The third source was the middlemen. There were some six middlemen who also carried on the business of supplying yarn to the weavers on a small scale. They went from establishment to establishment and tried to get an idea of the particular count of yarn required by the establishment. If they possessed the required type of yarn, they offered to deliver the yarn at the weaver's establishment. They usually sold the yarn at the market rate but sometimes even at slightly lower rates. They could afford to do so because they had no establishment costs and were prepared to do business on the basis of a very low profit margin.

COMPLAINT ABOUT THE QUALITY OF THE YARN

One of the complaints of the weavers was that they were not able to get quality yarn with the result that there occurred frequent breakages in the process of

weaving causing a loss in the productive efficiency of the worker. This was primarily due to the fact that they had to depend for yarn supply mostly on the composite mills which consumed the best yarn they produced and disposed of the surplus quantity in the market.

TYPES OF YARN USED

The bulk of the yarn supply imported into Ichalkaranji consisted of medium, fine and superfine counts. Yarn below 18^s was not used at all in Ichalkaranji. The counts of yarn used ranged from ~~20~~ 18 to 80. No yarn above 80^s was used.

PRICES OF YARN

The prices of yarn had increased by more than 400 per cent over the prices prevailing in 1939. Table 1 gives a comparative idea of the prices of yarn in 1939 and 1954 December.

Table 1 : COUNTWISE YARN PRICES PER BOX OF 10 lbs.[1]

Count of yarn	Year 1939 Rs. As. P	Year 1954 December Rs. As. P.
20^s	3 -10- 0	18 - 0- 0
26^s	3 -14- 0	20 - 0- 0
30^s	4 - 6- 0	23 - 0- 0
40^s	4 -12- 0	30 - 0- 0
60^s	5 -12- 0	58 - 0- 0
80^s	8 - 0- 0	72 - 0- 0

The Japanese mercerised yarn which was used for warp before 1939 was far superior in shine, texture and durability to the indigenous warp yarn used in 1954. The most widely used Japanese yarn before 1939 was $2/64^s$ and $2/84^s$. This mercerised yarn being two-fold yarn and having sufficient tensile strength did not require any sizing. Moreover, it was subject to few breakages. The price of yarn of $2/64^s$ was about Rs. 7 As. 8 per box of 10 lbs. while that of $2/84^s$ was about Rs. 10 per box of 10 lbs.

[1] Strict comparison between the prices of yarn in 1939 and 1954, however, was not possible because the quality of yarn available in 1939 was much superior to the quality of yarn available in 1954. There were slight variations in prices of yarns of the same count of different mills. But the variations were negligible.

SOURCES OF SUPPLY OF ART SILK AND MERCERISED YARN

The requirements of mercerised and doubled yarn and Art silk were obtained from the same agencies from which cotton yarn was obtained. The mercerised and doubled yarn were mainly used for preparing the base for the border design in the fine, superfine, and medium-count sarees respectively. Art silk was used for heading and design in the border of the saree. The main varieties of Art silk used were $2/120^{s}$, $2/150^{s}$ and 200^{s} their prices being Rs.6-4-0; Rs. 5; and Rs. 3-12-0 respectively, per lb. of 40 tolas.

TYPES OF DYESTUFFS AND CHEMICALS AND THE AGENCIES SUPPLYING THEM

There were 11 shops dealing in dyestuffs and chemicals. Until the outbreak of the World War II, the German colours and chemicals of English companies were widely used. Although there were agency shops of the Imperial Chemical Industries, Ltd. and CIBA, Ltd., the colours of these companies were not as popular as the German colours. With the cessation of imports of dyestuffs and chemicals during the World War II, the industry at Ichalkaranji experienced an acute shortage of dyestuffs and chemicals.

Some established companies like the Imperial Chemicals Industries, Ltd., CIBA, etc. had appointed their agents at Ichalkaranji. These agents on their personal responsibility allowed credit to their regular customers for a period of a month or two depending upon the standing and the creditworthiness of the customer. If the weavers found any difficulty in the use of the colours, their difficulties were reported by the agents to their companies whereon the companies sent their technical representatives to Ichalkaranji to give demonstrations, to offer guidance and to solve other difficulties connected with the use of their dyestuffs. There were three types of customers for dyestuffs and chemicals. Firstly, there were weaving establishments or karkhanas that purchased the dyestuffs and chemicals for their own requirements. Secondly, there were specialist dyeing establishments which purchased their requirements. And, thirdly, there were itinerant dyers going from karkhana to karkhana to do the work of dyeing, who also required dyestuffs and chemicals.

SUPPLY OF MILL-STORES[1]

The mill-stores and other accessories required by the handlooms and the powerlooms such as reeds, shuttles, etc. were available at local shops which specialised in

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[1] This was the comprehensive term used at Ichalkaranji for all types of accessories required for working a loom.

this branch. There were about 10 such shops.

PRELIMINARY PROCESSES

TYPES OF LOOMS

There were two types of looms in Ichalkaranji at the time of this survey: (1) The powerloom and (2) the handloom equipped with the take-up motion attachment which was popularly called the automatic loom. Before the World War II there were pit-looms or throw-shuttle looms and fly-shuttle looms at Ichalkaranji. But under the impact of rapidly changing conditions, these looms symbolic of the outmoded technology seemed to have disappeared from Ichalkaranji. The preliminary processes in powerloom weaving were the same as in the case of handloom weaving, except for the fact some of the big powerloom establishments carried out some of the preliminary processes with the help of machinery for reasons of economy as well as speed and convenience.

YARN DYEING BEFORE 1925

In the case of saree-weaving the first important process was that of dyeing the yarn. The dyeing industry had a long and well-established tradition in Ichalkaranji. The weavers from other weaving centres within a radius of about 25 miles came to Ichalkaranji to get

their yarn dyed. Before the German colours came into wide use at Ichalkaranji, the dyers at Ichalkaranji had specialized in two colours - black and red. The chief ingredients used for developing the black shade were lime, the seeds of Taroda tree which were imported from Gokak and Belgaum, the ashes of the trunk of the plantain tree which used to be imported from Raibag and indigo imported from Madras. The mixture of these ingredients was boiled and kept undisturbed for nearly 4 days until it began to give out putrefying smell. Once the dye was prepared, it was put in 21 earthen vessels and the yarn to be dyed was dipped in each of these vessels. The black shade thus developed possessed the quality of fastness to a remarkable degree. The dyeing charges for the black shade were Rs. 6 per box of 10 lbs. The process was so lengthy and clumsy that on an average one man could dye only one box of 10 lbs. in a day.

The red colour was prepared in a different way. The main materials used in preparing the red colour were lime, Savalkhar, Papadi[1] and the German yellow dyestuff. The dyeing charges for the red shade were much higher, viz.

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[1] The bark of a tree whose name was not known.

one rupee for a box of 10 lbs. This process of dyeing was also equally lengthy and clumsy and the average speed of dyeing was one box of 10 lbs. per day.

The process of dyeing silk used for borders was different. The yellow-coloured silk was used in the borders of the lugade or the old-fashioned robe for women. The materials used in preparing the yellow colour for dyeing the silk were Savalkhar, lime, karadi oil and the fruits called Kapila which used to be imported from the Konkan area. The dyeing process was quite normal and did not require as much time as was required in the case of black and red shades. A batch of two workers could dye about 4 boxes of 10 lbs. each per day. The dyeing charges were Re. 1 for 10 lbs. of silk.

These processes had fallen into disuse after the German dyestuffs had come into wide vogue at Ichalkaranji. It was one old establishment that still clung partially to this process. The survival of this outmoded process in the context of modern process of dyeing that prevailed in Ichalkaranji can be explained only in terms of the innate conservatism and bias in favour of the ancestral ways of doing things.

YARN DYEING SINCE 1925

Since 1925 the dyestuffs of German companies and

later on those of English, Swiss and other foreign companies came into wide use. There were a dozen specialist dyeing establishments, which used these dyestuffs. The equipment used in these establishments consisted of a steel cistern with the dimensions of 2 1/2' x 1 1/2' x 1 1/2', earthen pots each with a capacity of about 10 gallons, wooden buckets with a capacity of 10 gallons each, 4 bamboos measuring about 10 ft. in length, 4 to 5 iron bars of about 3 ft. in length, a pair of hand gloves and a Farenheit thermometre. The main processes of dyeing followed in Ichalkaranji were three viz. the Vat process, the Napthol process and the Diazo process. The direct process which was followed by a few weavers during the world war II was no longer in use at the time of the survey.

THE VAT PROCESS

The Vat process was carried out in the following way. To begin with, the yarn to be dyed was wetted out in the Turkey Red oil and then it was washed and squeezed in water. This was considered necessary in order to make the yarn fit for absorbing the colour. After washing the yarn, it was bleached by squeezing it in some mixture containing some bleaching agent, particularly when light shades or fancy shades like pink, orange, lemon, light blue etc. were to be developed. Then the colour solution

was prepared by pasting the colour in Turkey Red oil. Caustic soda and hydro-sulphide were added to the solution. The solution was then boiled for 10 to 15 minutes and poured into water at the required temperature ranging from 120°F. to 140°F. The bleached yarn was placed on the iron bars and dipped in the mixture for about half an hour. Then it was taken out, rinsed and hung on the bamboos in the open air for oxidation. Oxidising was considered necessary for developing the required shade. Then finally the oxidised yarn was washed and dried. This process was used primarily for indantherene colours which were fast to bleach and light.

DIAZO PROCESS

The diaso process was used for such colours as black, brown, olive, etc. The yarn after being wetted out in Turkey Red oil and washed and squeezed in water, was boiled in a dyeing vessel with the addition of colour and salt. Then the yarn was washed and developed in a wooden or cement vessel with the addition of sodium nitrate and sulphuric acid for half an hour. After that the yarn was squeezed and diazotised in a second vessel with the addition of a developing material like developer H or developer C. Then the yarn was washed twice or thrice and dried. The colours thus developed were fast to washing and light.

NAPTHOL PROCESS

In the Napthol process, the Napthol colour was pasted in Turkey Red oil. This solution was put in the boiling water and caustic soda was added to the boiling mixture. The yarn, wetted out in Turkey Red oil was impregnated in the Napthol solution and then squeezed. Then the base solution was prepared by pasting the base in cold water. After that hydrochloric acid was mixed with the base solution. Then alumina sulphate and the solution of sodium nitrate prepared in cold water were added to the base solution and stirred. At the time of dyeing common salt was added and the yarn was dyed. The dyed yarn was then washed and dried by keeping it hanging in the open air where oxidizing developed the desired shade. The process was easier and quicker than the Vat process.

The dyed yarn had to go through various other processes before it was considered to be ready for being woven into a saree. These other processes comprised loosening and winding, sizing, warping, drawing-in and pirn-winding. All these processes are common to handloom as well as powerloom weaving. Weaving consisted of the close interlacing of the warp and the weft. And both the warp and the weft yarn had to go through various processes before they became suitable for being used for weaving on the loom.

SIZING

As stated earlier[1] before the World War II no sizing process was required for warp yarn because it was two-fold yarn and possessed sufficient tensile strength. Since the cessation of the imports of the Japanese mercerised yarn from about 1940, sizing became an essential preliminary process. Yarn was sized by impregnating it with a preparation known locally as size mixing. The size mixing comprised starch, gum, and some oily substance like castor oil or groundnut oil. The starch was used for laying down the protruding fibres of the hairy yarn, the gum for imparting strength to the fibre and the oily substance for imparting elasticity to the yarn with a view to avoiding frequent breakages. The sizing process made the yarn smoother and stronger and enabled it to resist more effectively the tensile strain and abrasive friction to which it was subjected chiefly by the chafing action of the healds and also of the reed.

LOOSENING AND WINDING

The yarn available at Ichalkaranji being in the

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[1] See page 36.

form of boxes which consisted of hanks or tobas,[1] had to be first transferred to cones. And from cones it was transferred to reels for being placed on the creel. The handloom as well as small powerloom establishments entrusted the work of winding the warp yarn to women workers who carried it out in their own houses with the help of a chain wheel operated by hand. The chain wheel was locally prepared and cost about Rs.25 to Rs. 30. The big powerloom establishments having about 20 or more looms carried out this process with the help of the winding machines. The charges for the winding of the warp yarn by hand were about one anna per hank. On an average, a woman could finish the winding of one hank of warp in 30 to 45 minutes. The work provided a good source of supplementary income to a large number of families. As the work was not heavy and did not involve any great physical strain or effort, almost the entire work of this type was done by women and children. Moreover, the fact that the work could be done at home during spare-time and did not require the worker's presence in the factory was a great convenience to the women who had to devote a major part of their time to domestic duties.

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[1] Hanks were called tobas in popular usage at Ichalkaranji.

W A R P I N G

The reels were then placed on the creel. The creel was a wooden frame with a number of small wooden pegs fixed to it. The number of pegs varied from 100 to 300. The creel cost about Rs.200. The number of reels to be fixed on the creel was determined with reference to the reed count and the width of the cloth to be woven. For example, when a reed of 40^s (i.e. 20 dents per inch of the reed with two warp ends to be put through each dent of the reed) was used for weaving a saree of 50" in width, 2000 warp ends were put on the beam. But they could not be put on the beam at one and the same time for the simple reason that there were no big enough creels to accommodate 2000 reels at one time. Hence warping was done in sections. If 2000 warp ends were to be put on the beam, then 8 sections of 250 warp ends were made and warping was done by sections, one after another. The warp yarn was taken from the reels and wound on the beam which was moved round its own axis by the warper with his own hands. A skilled warper could prepare a warp beam of about 60 sarees of 9 yards in length. That was about the maximum length of the warp that could be wound round the beam with the help of hand. When larger beams of 80 to 100 sarees or even larger beams of dhoties or grey cloth had to be prepared, warping was done only with the help of the warping machine. The bigger handloom units and even

some small powerloom units with 7 to 8 powerlooms employed a warper on monthly wages, for dependence on the outside warpers frequently meant delay in the replacement of exhausted beams with consequent loss of production. In the case of bigger powerloom units the process of sizing which was done with the help of machinery followed the preparation of warp beams and did not precede it as in the case of handloom and small powerloom units where sizing as well as warping were done with the hand. In these bigger powerloom units, the warp yarn beams[1] with their warp ends were taken to the back side of the sizing machine and the number of ends on all of them were pulled together and sized on the machine. The sizing process on machine was known as slasher sizing or tape sizing because the sizing machine was called the slasher sizing machine.

In the case of saree manufacture, the border was then separately wound on either side of the warp beam by hand and then the beam was ready for drawing-in. As the two-fold yarn and Art silk were used for the border no sizing was required for them.[2]

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[1] At one time six beams were sized.

[2] The two-fold yarn as well as the art silk already possessed sufficient tensile strength and, therefore, did not require sizing.

DRAWING-IN

This process consisted in the passing of warp threads through the eyes of the healds and the dents of the reed. The entire process was done by drawers and reachers. The warp beam and the healds (a set of 4 healds was used at Ichalkaranji) were suspended on a vertical stand which was placed suitably for the purposes of supporting the warp beam in an elevated position. The drawing-in was commenced on the leftside of the healds when facing it. The reacher with his right hand proceeded to select the threads from the bunch in his left hand and delivered them in a consecutive rotation to a reed-hook which was inserted through the successive eyes of the healds by the drawer who drew the warp threads through the dyes of the healds.[1] Two warp ends were passed through the eyes of the first and the third healds and through a dent of the reed. Two other warp ends were passed through the eyes of the second and the fourth healds and through the second dent of the reed, if a double count reed was used. In fact the normal way was to put two warp ends

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[1] The reed and the heald perform the very important functions in the process of weaving. The reed beats up each of the weft inserted by the shuttle and helps to keep warp threads in their proper position. The function of the healds is to separate the warp threads in proper groups with a view to forming a shed for the passage of the shuttle.

through a single dent of the reed but many times for competitive purposes the practice of passing one warp end through one dent of the reed was followed. As a result of the upward and downward motion communicated simultaneously to the two sets of healds by a mechanism called treadles, alternate warp threads were pulled up by the first and the third healds, while the other alternate ends were pulled down by the second and the fourth healds. These simultaneous movements of the two sets of healds in the opposite directions formed the 'shed' along which the thread of the weft was shot by means of the shuttle.

The steel reed cost about Rs. 8 and its life depended upon the length of the working period and the count of yarn for which it was used. The coarse yarn caused greater damage to it by friction than the yarn of the finer counts. Normally, its life was for one year when it was used round the clock for weaving yarn of the finer counts. Formerly, the steel reeds were imported from foreign countries. Recently, steel reeds manufactured in India had begun to be used at Ichalkaranji. The healds were of two types - wire healds and cotton healds. A set of four wire healds cost about Rs. 40 while a set of cotton healds cost about Rs. 20. Wire healds were more durable and economical in the sense that the damaged wires in the heald could be replaced and the life of the healds could be prolonged. In the case of the cotton heald the noses of the heald

could not be replaced and the damage to one of the noses put the whole heald out of use. The normal life of a cotton heald is six months while that of the wire heald is two years.

The bigger units employed workers specialised in the drawing-in process on monthly wages while the smaller units got the work done by the itinerant workers. These workers required to have good eye-sight to do the work efficiently. The work of the drawer required greater skill than that of the reacher and naturally his remuneration was higher than that of the reacher. For instance, if the charges for drawing-in were Rs. 3 per beam, the share of the drawer ~~were~~ was as high as Rs. 2- 4- 0, the share of the reacher being only 12 annas ~~eight~~.

Once the drawing-in process was complete, the beam was ready for being gaited up on the loom. So far we have described the processes through which the warp had to go. It is necessary to explain the processes through which the weft yarn had to pass before being used on the loom.

THE WEFT PROCESSES

Just as the warp yarn was subjected to the winding process twice, the weft yarn also had to pass through this process twice. In the bigger powerloom units the yarn

was transferred in the first place from the hanks to the cones withthe help of the winding machine and then it was transferred from the cones to the pirns with the help of the pirn-winding machine. The handloom and small powerloom karkhanas did both the processes with hand-operated chain-wheels. The first process viz. transferring the yarn from the hanks to the cones was entrusted by these karkhanas to women workers who carried it out in their own homes. The second process viz. transferring the yarn from the cones to the pirns was done in the karkhana itself, for the weft-pirns required in saree manufacture had to be used on the loom in the wet condition straight from the hands of the boy or child entrusted with the work of pirn-winding. The yarn in the process of being transferred from the cone to the pirn was passed through water mixed with gum with a view to imparting finish, stiffness as well as tensile strength to the weft yarn. In the manufacture of grey cloth, however, this process of passing the yarn through gum-water was not required, as the grey cloth was subsequently processed.

WEAVING ON THE POWERLOOM

In the case of saree-weaving on the powerloom one weaver attended to one powerloom, while in the case of grey cloth one weaver generally managed two powerlooms

at a time.[1] The weaver had merely to be in attendance at the loom to supervise the working of the loom, to piece together the broken warp yarn thread and to replace the exhausted weft-pirn. The piecing together of the broken warp yarn thread had to be done carefully, otherwise the knots in the warp found difficulty in passing through the dents of the reed and the texture of the cloth also suffered from unevenness. The efficient working of the power loom depended on five important motions - the let-off motion, the shedding motion, the picking motion, the beating-up motion, and the take-up motion. The let-off motion pushed forward the warp threads on the beam for being woven. This motion was imparted by the lever arrangement in the loom. The shedding motion was communicated by the shedding tapet fixed on the tapet shaft which controlled the upward and downward motion of the healds, through the action of the treadle levers and bowls. The picker which was operated by a complicated mechanism at the base of the loom struck the shuttle from the shuttle box and the shuttle carrying the weft-pirn travelled to the other shuttle box at the other end of the race-board which was fitted to the sley. Although the picker imparted

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[1] In the case of saree-manufacture one-loom system was prevalent, right from the beginning. In the case of grey-cloth manufacture, however, the two-loom system prevalent at other centres had come to be generally adopted at Ichalkaranji.

the motion to the shuttle, it was the sley[1] which controlled the shuttle during its flight from box to box. After the weft-yarn was inserted in the shed by the movement of the shuttle, the reed at its forward motion struck each pick of the weft to the fell of the cloth, thus imparting uniformity to the texture of the cloth. If, by some mistake, the shuttle got trapped in the shed, there was an arrangement by which the reed was pushed back thus avoiding the breakage and consequent damage to the warp yarn. The woven cloth was wound on a wooden roller through the action of the take-up motion. There were two types of take-up motion : (a) five-wheel take-up motion and (b) seven-wheel take-up motion. The defect in the adoption of the five-wheel take-up motion was that a change in the pick-wheel[2] necessitated a change in the other wheels also. On the other hand, in the seven-wheel take-up motion a change in the picks in the cloth directly varied with the change in the pick-wheel and no further adjustments in other wheels connected with it were necessary. Hence

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[1] The sley is a beam of wood carrying a reed and has a reciprocating motion and plays the most important part in controlling the movements of the shuttle.

[2] The device used for regulating the number of picks per inch was called pick-or change-wheel. A large wheel gave fewer picks to an inch than a small wheel. A small number of teeth in the pick-wheel meant a large number of picks per inch.

the seven-wheel motion was found to have been widely adopted at Ichalkaranji in preference to the five-wheel take-up motion.

MECHANISM FOR THE WEAVING OF COMPLICATED PATTERNS

For weaving checked patterns the looms were fitted with 'drop boxes'.[1] When the yarn of two different colours was to be used in the weft, two boxes and two shuttles were fitted up at one end of the loom while at the other end there was only one box for receiving the shuttle. The drop boxes were operated by levers so as to bring the boxes alternately in line with the race-board of the loom, thus allowing the picker to act upon the shuttle contained in the box. For more intricate patterns three or four boxes and shuttles carrying weft of different colours would be required. But in Ichalkaranji such intricate patterns requiring the use of more than two drop boxes were not woven. For plain weave no drop box mechanism was required. The use of the drop box reduced the speed of the loom and consequently the production. For introducing designs in the border, steel dobbies and wooden dobbies were used on the powerloom and the handloom respectively.

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[1] Since the Notification regarding reservations in favour of handlooms (Notification, Bombay, the 15th April 1950 referred to on page 30) the drop box in powerloom Karkhanas with more than 4 looms had gone out of use.

When a design was to be introduced, the particular design was, in the first instance, prepared on the lattice,[1] by fixing small pegs in the lattice which was attached to the dobby above the loom. For more intricate designs with figures of various types, jacquard harness used to be fitted on the powerloom. Since it was ~~too~~ very heavy it could be used only on the powerloom. But, since the imposition of various restrictions on the width, patterns, etc. of coloured sarees in 1950, the jacquard harness had gone out of use at Ichalkaranji. The borders woven with the help of jacquard harness were called jacquard borders. These borders used to be more than 2 1/2" in width in order to make possible the introduction of more elaborate and intricate designs. The speed of the looms fitted with jacquard harness was slowed down and consequently production was lower.

WEAVING ON THE HANDLOOM

The weaver on the handloom had to exert himself physically in order to weave the fabric. He sat on a plank of wood and pulled the key, popularly called 'Natya' to the right and to the left, thus imparting motion to the shuttle. At the same time he pressed the foot-boards in order to transmit motion to the set of healds. The handlooms were fitted with drop boxes and wooden dobbies.

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[1] The lattice consisted of a number of wooden pieces of about $\frac{1}{2}$" to $\frac{1}{8}$" with a number of holes in every piece.

FINISHING PROCESSES

As the saree was a finished product at the loom-stage no further processing was required to make it marketable. The saree was folded, wrapped up in the brown paper and sold to the customer.

PRELIMINARY PROCESSES IN GREY CLOTH WEAVING

The preliminary processes in the case of grey cloth weaving were very few and were all done with the help of machinery. Some of the powerloom karkhanas that had switched over to grey cloth before 1955 obtained ready-made sized warp beams from some spinning mill and, therefore, no preliminary processes had to be done. But the larger amongst them, which possessed adequate resources to prepare beams of 1000 to 2000 yards in length did the preliminary processes of warping, sizing and pirn-winding on the warping, sizing and pirn-winding machines respectively.

FINISHING PROCESSES

The grey cloth could not be sold in the loom-stage as the saree could be. It could be sold either in the calendered form or in the completely finished form which included bleaching and calendering. The grey calendered fabrics had a very narrow market. The grey fabrics in the coarse and

medium counts being cheap and more durable were demanded only by the very conservative farmers. The grey cloth, therefore, required to be subjected to the finishing processes before being marketed. In October 1954, a Processing Plant called the Arvind Processors with a daily capacity of 2000 lbs. had been established by a partnership firm. But it was not a well-equipped unit. Actually, however, it worked only for a couple of days every week for lack of enough work. The dhoties manufactured from yarn of 18^s were not bleached but simply calendered. Calendering imparted glaze to cloth. It was basically a process of ironing the cloth. There was one calendering plant owned by a powerloom karkhana but it did the calendering work for others also at the rate of 3 annas per 8 to 10 yards.

The grey cloth in higher counts was processed as follows. It was first of all desized and washed. Then the cloth was boiled in a mixture of water, washing soda, sodium silicate and some wetting out agent like, Turkey Red oil or Lisapol N for about 8 hours. The cloth was then washed in rope form and circulated through hypochloride solution. Afterwards it was washed in cold water and aired. Then it was boiled in water mixed with hydrogen paroxide and subjected to souring. Sulphuric acid was used in the souring process in order to eliminate the smell of chlorine. The cloth was then passed through

a whitening agent such as Tinopal BVN. The cloth was then scrutched, i.e. the cloth in the rope form was unwound. Then it was starch mangled. The starch mangle contained Anilose E (crude type of glucose) and paraffin. Anilose E was used for finishing while paraffin was used for imparting gloss to cloth. The cloth was then stretched out or stentered. The charges of processing for fine, superfine and medium cloth were 7 annas and 6 annas per lb. of cloth respectively in the case of cloth of the partners of the Processing Firm. The charges for those who were not partners of the firm were higher by one anna.

In conclusion, it may be said that the various types of raw-materials required for the industry at Ichalkaranji were available in the local shops. The yarn, however, was available in the hank form and not in the required form with the result that the double process of loosening and winding unnecessarily added to the cost of preliminary processes. The preliminary processes, except in the case of big powerloom karkhanas, were all carried out with the help of hand. A remarkable change had taken place in the way of carrying out preliminary processes since 1925. Since the switch-over to grey fabrics on the part of the powerlooms, many preliminary processes were eliminated, while the rest were done by machinery. A processing plant for carrying out post-weaving processes had also been set up.

Chapter III

SIZE AND STRUCTURE OF THE INDUSTRY

EARLIER ATTEMPTS TO ESTIMATE THE SIZE OF THE WEAVING INDUSTRY AT ICHALKARANJI.

Until the introduction of the system of yarn distribution in 1945 the idea of estimating the size of the weaving industry at Ichalkaranji had not engaged the attention of either the government or some other agency. Consequently there had hardly been any systematic effort at a comprehensive collection of statistical data relating to the size and structure of the industry in the present century.[1] It was only about 1945 when the problem of devising a system of yarn distribution arose because of the shortage of yarn supply, that the need for estimating the size of the industry began to be appreciated. In 1946 the Planning and Development Department of the Kolhapur State had carried out a comprehensive survey of the cottage industries in the Kolhapur State and the statistical data relating to the handlooms and powerlooms in Ichalkaranji had been collected for the purpose. According to the

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[1] It must be said to the credit of Shri B.P.Modak that as early as 1892 he had collected the statistics relating to the handlooms in the Kolhapur State by undertaking a house-to-house census. According to him, Ichalkaranji was the only town in the Kolhapur State to possess more than 300 handlooms, the exact number being 303. See Modak's Report, p. 21.

Report[1] the number of handlooms and powerlooms in Ichalkaranji in 1946 were about 2000 and 1357 respectively, while according to the estimates of the yarn section of the Supply Department of the Government of Kolhapur State for the same period, the numbers of handlooms and powerlooms were 1391 and 1357 respectively.[2] Similarly, the weavers' cooperative societies which had come into existence during war-time for the purpose of securing yarn supplies through organised effort also possessed some statistics relating to the looms of their members. These societies showed a sudden and big increase both in their membership and in the number of looms registered with them by their members. We were, however, told by the members of the Managing Committees of these societies that the figures with them could not be considered to be completely reliable as they had not been collected by house-to-house inquiry. According to knowledgeable circles, there was a large fictitious element in these figures in view of the fact that there was a natural tendency on the part of the weavers to register with their societies as large a number

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1 'A Survey of Small-scale and Cottage Industries in the State of Kolhapur (excluding the city of Kolhapur)' (A typed copy of the Report was available with Prof. S. D. Vankudre of Rajaram College, Kolhapur, who had been entrusted with the work of carrying out the survey). pp. 93-94. The Report, however, states 'Inspite of their best possible efforts, the investigators could not get the correct figure-thanks to the quota-system, at present followed, in the matter of supplying the yarn."

2 Ibid., p. 94.

of looms as possible in order to secure as large a yarn quota as possible. In 1951, the District Magistrate's office of the Kolhapur State had carried out a census of handlooms registered before 1.5.1946. According to the census the number of looms registered with the societies before 1.5.1946 were as follows[1]:

Name of the Society	No. of members	No. of looms.
1. Udyogic Sahakari	50	355
2. Shri Swakul Sali Sahakari Vinkar Sangh, Ltd.	221	356
3. The Ichalkaranji Handloom Cooperative Association, Ltd.	617	1274
4. Madhyavarti Sahakari (Handloom) Hatmag Vinkar Sangh, Ltd.	808	2116

These figures also suffered from a degree of unreliability according to knowledgeable persons because they had not been collected by a systematic inquiry but from the societies themselves. Moreover, the depression of 1952 had severely affected the fortunes of the handloom and the powerloom industry at Ichalkaranji. Besides, the earlier estimates had become rather out of date.

[1] The figures of this census were obtained from the Register of the Central Union of Hatmag (Handloom) Vinkar Sahakari Societies Sangh, Ltd., Head Office, Ichalkaranji.

NEED FOR A COMPREHENSIVE CENSUS

In order, therefore, to have an up-to-date and realistic picture of the size and structure of the industry we decided to carry out a comprehensive census of the handlooms and powerlooms at Ichalkaranji instead of depending upon earlier estimates which were admitted to be thoroughly un realiable by the knowledgeable persons in Ichalkaranji.

ACTUAL ORGANISATION OF THE CENSUS

After a good deal of thinking regarding the problem of how best to carry out the census, the idea of approaching the Ichalkaranji Borough Municipality for help in this work occurred to us. Fortunately for us, the then Chief Officer of Ichalkaranji Municipality, Shri K. A. Bhosale, was keenly interested in a survey like this. He appreciated the object we had in view and offered to give us every help in carrying out the census. We required for this work the services of somebody who knew every nook and corner of the town. On our request for the services of such a person, he readily made available to us the services of a clerk Mr. Shahane, who was in charge of the Shops and Establishments Department of the Municipality. The Ichalkaranji Powerloom Weavers' Co-operative Association, Ltd. also made available to us the services of a peon for this purpose. We also took his help whenever required but the work of completing the census cards was finished by the clerk of

the Municipality. In all there were four entries to be made in the census card viz. the name of the owner of the karkhana,[1] the caste of the owner, the number of the municipal ward in which the karkhana was located and the number of active looms in the karkhanas.[2] In case a karkhandar owned handlooms as well as powerlooms, the handlooms and the powerlooms were treated as different units. The work of census was begun on 2nd February, 1955 and was completed by the end of the month. As the person who filled in the census cards and his assistants knew every nook and corner of the town the work of collecting the information became considerably easy. We occasionally accompanied the person carrying out the census in order to see that the work was being done correctly. Every house was visited and an inquiry was made as to whether any looms were worked in it.

THE CENSUS RESULTS

The census thus carried out revealed that there were

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[1] All handloom and powerloom units at Ichalkaranji, irrespective of their size, were called karkhanas or factories and their owners were called karkhandars. Even one-loom unit was called a karkhana or a factory. We have used the term 'karkhana' in this sense everywhere in this work. The terms 'unit' meaning an establishment and 'karkhana' have been used interchangeably.

[2] Instructions were given to the clerk entrusted with the work of census not to count looms which had not been worked anytime since the beginning of 1954. In many places there were dismantled parts of looms as well as frames of looms which had been idle. As there was no means of knowing whether such looms were genuine looms or simply frames of looms set up to create a title for the yarn quota, it was decided to leave such looms out of calculation altogether.

385[1] handloom karkhanas with a total of 1409 looms and 152 powerloom karkhanas with a total of 1521 looms. There were 29 karkhandars who operated handlooms as well as powerlooms.[2] For purposes of estimating the number of handloom and powerloom karkhanas, the handlooms and powerlooms of such karkhandars were treated as separate units. Table No. 2 gives wardwise distribution of the number of powerloom and handloom karkhanas and the number of looms worked in them.

Table No. 2 : DISTRIBUTION OF THE POWERLOOM AND THE HANDLOOM KARKHANAS AND THE LOOMS WORKED IN THEM IN THE DIFFERENT WARDS.

Ward No.	No. of powerloom karkhanas	No. of powerlooms	No. of handloom karkhanas	No. of handlooms
1	-	-	1	4
2	-	-	4	10
3	1	5	-	-
4	-	-	-	-
5	-	-	1	2
6	4	39	10	28
7	2	9	5	14
8	23	317	106	368
9	36	256	77	261
10	86	895	181	722
Total	152	1521	385	1409

[1] Out of these, 2 were cooperative societies whose working has been described in greater detail in the chapter 'Associations in the Industry', see pp. 202-214.

[2] Shri G. S. Satpute, Advocate, Member of the Bombay State Handloom Board stated in his reply to the questionnaire of the Textile Enquiry Committee (p. 8 of the typed copy of the reply) that there were 125 mixed establishments operating handlooms as well as powerlooms. The Ichalkaranji Powerloom Weavers' Cooperative Association, Ltd. in its reply to the same questionnaire stated, "there are a few mixed establishments. It would be about 10 as against 149 powerloom factories (see p. 7 of its typed reply).

It can be seen from Table No. 2 that there were 1521 powerlooms in 152 karkhanas and 1409 handlooms in 385 karkhanas. Further it can be observed that the weaving industry -- powerloom and handloom -- at Ichalkaranji was concentrated mainly in ward Nos. 8, 9 and 10. In the case of powerlooms, a little over 96 per cent of the karkhanas with a total of 1468 looms were located in these 3 wards, while in the case of handlooms a little over 94 per cent of the karkhanas with a total of 1351 looms were located in them. Of these 3 wards, ward No. 10 accounted for a little over 55 per cent of the powerloom karkhanas and a little less than 50 per cent of the handloom karkhanas. The 3 wards may together be said to have constituted the industrial zone of the town.

WEAVING COMMUNITIES AND THE POWER-LOOM AND HANDLOOM SECTORS

The data also revealed that out of 152 powerloom karkhanas only 56 were owned by persons belonging to the weaving communities such as the Devang Koshtiøs, Swakul-Salis, Lingayat-Hatagars, Pandhare Koshtiøs and Lingayat Koshtiøs, while, out of the 385 handloom karkhanas, as many as 256 karkhanas were owned by persons belonging to the weaving communities. In terms of percentage it meant that less than 40 per cent of the powerloom karkhanas were owned by persons belonging to the weaving communities, while more

than 60 per cent of the handloom karkhanas were owned by persons belonging to the weaving communities. In the last quarter of the 19th century the handlooms at Ichalkaranji were owned only by the Koshtiés i.e. traditional weavers. Several references from the Report by Modak[1] testify to the fact that the handloom industry in the last decade of the 19th century was a monopoly of the weaving community. It was clear, therefore, from the census data that although the weaving communities still dominated the field of the handloom industry, the non-weaving communities had entered the field on a significant scale, thus challenging the monopolistic position of the weaving communities in the handloom sector. The powerloom industry was at no time a monopoly of the weaving communities. In fact, as stated earlier, it was a Brahmin who started the first powerloom karkhana at Ichalkaranji.[2] The non-weaving communities had entered the powerloom industry on a significant scale.

SELECTION OF THE SAMPLE

In order to attempt an intensive study of the industry, however, it was decided to select a 25 per cent stratified random sample of the powerloom and handloom units by arranging the karkhanas in different groups according to size, each group being divided into sub-groups based on the caste of the owner of the karkhana.[3]

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1 See Modak's Report, pp. 20, 21, 27 and 31.

2 See Chapter I, p. 9.

3 In the case of handloom units, in some cases only one unit was selected as the sample unit for a group of 5 units although the exact 25 per cent sample would have meant

Continued on next page.

COMPLETION OF THE QUESTIONNAIRES

We then personally visited 40[4] powerloom and 95 handloom karkhanas selected as sample units and completed the questionnaires[5] relating thereto by the end of April, 1955. In the case of the vast majority of the units that we visited the questionnaires had to be filled in by putting different questions to the owner of the unit concerned because of the absence of any systematic record. The owners of many units viewed our work rather suspiciously and we had to spend some time in convincing them that the information relating to the karkhanas was being collected not on behalf of any governmental agency but for purposes of academic study. Even then in many cases we had to approach some owners through some influential weavers in order to convince the owners of our bonafides. The vast majority of the owners looked askance at the questions relating to income, output, prices

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1.4 units. This explains why the 25 per cent sample of 385 units amounted to 95 units instead of 96.4 units.

In the case of powerloom units there were 9 units with more than 23 looms each of a different size. With a view to having an adequate idea working of these bigger units, it was decided to select a larger sample from these units. Instead of selecting therefore, 2 units from these 9 units, it was decided to select 4 units. That was how the number of sample units in the case of 152 powerloom units in the census came to be 40 instead of 38.

[4] Out of these 40 karkhanas 6 were unregistered partnerships, while the rest were individual proprietorships. In the case of handloom karkhanas in the sample all the karkhanas were individual proprietorships. The working of the cooperative societies has been described in Chapter III - "Associations in the Industry".

[5] A copy of the English translation of the questionnaire used is appended as Appendix A.

at which the production was sold. Many of the owners told us that as the conditions everywhere were the same, the visit to one or two karkhanas could serve our purpose and there was no necessity of obtaining the same information from different persons. In addition to the statistical data collected from the questionnaires, a good deal of non-questionnaire information regarding the various aspects of the industry was gathered through personal interviews and discussions with a number of individuals connected with the different aspects of the industry viz. yarn merchants, owners of dyeing establishments, manufacturers of handlooms, owners of mill-stores, wholesale dealers in sarees, salesmen of dyestuffs and chemicals, trade union leaders, members of the Managing Committees of various Associations in the industry, small and big karkhandars and elderly people who had seen the various phases of development through which the industry had evolved. Such of the annual reports of the various Associations and their records as were available were also consulted.

Table No. 3 shows the distribution of handloom units by wards and the number of looms. It can be observed that out of 95 units, 91 units were concentrated in ward Nos. 8, 9 and 10.

Table No. 4 shows that out of 40 powerloom units all but one were located in ward Nos. 8, 9 and 10.

Table No. 3 : HANDLOOM KARKHANAS IN THE SAMPLE CLASSIFIED BY WARDS AND THE NUMBER OF LOOMS

No. of looms	Ward Numbers 1	2	3	4	5	6	7	8	9	10	Total units
1 loom	-	-	-	-	1	-	-	8	5	8	22
2 looms	-	-	-	-	1	-	-	2	3	13	19
3 looms	-	-	-	-	-	1	-	4	3	5	13
4 looms	-	1	-	-	-	-	-	4	3	6	14
5 looms	-	-	-	-	-	-	-	5	-	3	8
6 looms	-	-	-	-	-	-	-	4	1	3	8
7 looms	-	-	-	-	-	-	-	3	1	-	3
8 looms	-	-	-	-	-	-	-	3	1	1	5
9-12 looms	-	-	-	-	-	-	-	-	1	-	1
15-19 looms	-	-	-	-	-	-	-	-	1	1	2
Total	-	1	-	-	2	1	-	33	18	40	95

Table No. 4 : POWERLOOM KARKHANAS IN THE SAMPLE CLASSIFIED BY WARDS AND THE NUMBER OF LOOMS

No. of looms	Ward Numbers 1	2	3	4	5	6	7	8	9	10	Total units
1 loom	-	-	-	-	-	-	-	-	3	-	3
2 looms	-	-	-	-	-	-	-	-	-	5	5
3 looms	-	-	-	-	-	-	-	-	1	2	3
4 looms	-	-	-	-	-	-	-	-	-	6	6
5 looms	-	-	-	-	-	-	-	-	1	1	2
6 looms	-	-	-	-	-	-	-	-	-	2	2
7 looms	-	-	-	-	-	-	-	1	-	-	1
8 looms	-	-	-	-	-	-	-	-	-	2	2
9 looms	-	-	-	-	-	-	-	-	-	2	2
10-20 looms	-	-	-	-	-	-	-	4	-	4	8
21-40 looms	-	-	-	-	-	-	1	1	1	2	5
41-105 looms	-	-	-	-	-	-	-	-	1	-	1
Total	-	-	-	-	-	-	1	6	7	26	40

Table Nos. 5 and 6 present the castewise classification of the handloom and powerloom karkhanas respectively in the sample. Table No. 5 shows that the weaving communities such as the Devang Koshtis, the Swakul Salis, etc. accounted for as many as 64 out of 95 handloom karkhanas in the sample. The Mahrattas were also found to figure in a prominent way in the handloom sector. In the case of the powerloom sector, however, the weaving communities accounted for only 17 out of 40 karkhanas. The non-weaving communities such as the Mahrattas, the Brahmins, etc., held an important place in the powerloom weaving industry. The bigger role played by the non-weaving communities in the powerloom sector seemed to be due to the fact that the powerloom industry required different type of qualities from those required by the handloom industry. The powerloom industry required larger capital, a progressive outlook, a readiness to break new ground and a desire to venture out into a new field, while the handloom industry required small capital and some manual skill. The powerloom industry, therefore, attracted persons possessing the qualities required by it, whatever the caste to which they belonged. On the other hand, the handloom industry required greater manual skill and consequently attracted persons from weavers' families in which manual skill could be easily received.

Table No. 5 : HANDLOOM KARKHANAS IN THE SAMPLE CLASSIFIED ACCORDING TO THE CASTE OF THE OWNER

Ward number	Devang *	Linga-yat Hatagar *	Mah-ratta	Swakul sali *	Brah-min	Jain	Moham-medan	Linga-yat Koshti *	Linga-yat Mali	Ling--ayat Pan-dhare Koshti *	Nam-deo Shim-pi	Lin-ga-yat	Bhoi (Fish-er man)	To-tal
1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	1	-	-	-	-	-	-	-	1
3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	1	-	-	-	1	-	-	-	-	-	-	-	-	2
6	-	-	-	1	-	-	-	-	-	-	-	-	-	1
7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	8	8	7	-	-	2	-	1	2	-	2	1	1	32
9	6	1	2	5	1	1	-	1	1	-	-	-	-	18
10	19	8	4	3	2	-	3	1	-	1	-	-	-	41
Total	34	17	13	9	4	4	3	3	3	1	2	1	1	95

* Weaving communities. The Mohammadans at Ichalkaranji did not belong to the class of Momins who could be classed among the traditional weaving communities.

Table No. 6 : POWERLOOM KARKHANAS IN THE SAMPLE CLASSIFIED ACCORDING TO THE CASTE OF THE OWNER

Ward Nos.	Devang	Swakul sali	Mah- ratta	Brah- min	Moham- medan	Marwadi	Jain	Linga- yat	Linga- yat Hatagar	Linga- yat Pandhare Koshti	Koli (Bhoi)	Total
1 to 6	-	-	-	-	-	-	-	-	-	-	-	-
7	-	-	-	-	-	-	-	-	-	-	1	1
8	2	-	1	-	-	-	1	-	1	1	-	6
9	1	2	1	2	1	-	-	-	-	-	-	7
10	8	1	5	4	3	1	1	2	1	-	-	26
Total	11	3	7	6	4	1	2	2	2	1	1	40

PRODUCTION STRUCTURE

It can be seen from Table No. 3 that in the handloom sector the small-sized[1] units accounted for an overwhelmingly large percentage of the total number of units. Thus out of the 95 handloom units in the sample, as many as 92 units had less than 10 looms. This preponderance of the small units in the field of handloom industry was in striking contrast with the predominance of comparatively big units in the powerloom sector. For example, as Table No. 4 reveals, out of the 40 powerloom units in the sample as many as 14 units had 10 or more looms. This meant that while the percentage of units with 10 or more looms was only a little over 3 in the handloom sector, it was as large as 35 in the powerloom sector. We discussed the problem of the influences governing the size of the weaving unit with a number of weavers who told us that the main influences limiting the size of the handloom unit were the low profits available for being ploughed back into the industry, the poor production potential in relation to the space required and the efforts involved in organising large

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[1] The words 'small' and 'big' here and elsewhere in this work are used in a very general way without attempting a strict definition thereof. These terms have only a relative significance here. Here the 10-loom unit has been taken as the dividing line between small and big units. But a unit of any other size may serve the purpose of comparison equally well. The only point to be emphasised is that the proportion of the small-sized units to the total number of units is greater in the handloom sector than in the powerloom sector.

establishments and the shortage of skilled and well-disciplined labour force. But the most important factor which tended to operate as a check on the growth of a handloom unit was its poor earning capacity. Because of the poor earning capacity the handloom karkhanas had little margin for savings which could be ploughed back for their expansion. We were told by a number of owners of powerloom karkhanas that they had increased the size of their karkhanas by gradual stages by ploughing back their profits into their karkhanas. A scrutiny of the history of many powerloom karkhanas in the sample revealed that the vast majority of powerloom units had started small and grown to a bigger size by gradual stages as their resources permitted. In fact, the biggest powerloom karkhana with its 105 looms at the time of the survey had begun its career with only 2 looms.

STATUS OF THE KARKHANAS

The handloom and powerloom karkhanas, with a few exceptions, worked as independent units. They purchased the raw-materials from the yarn dealers, manufactured the fabrics, sold them to the merchants and assumed all the risks associated with the working of an industry. Less than 10 per cent of the handloom weavers worked under the sowcar-weavers.[1] Such handloom owners were, in fact, no

[1] The term 'sowcar-weaver' is used here in the sense in which it is used in the Fact-Finding Committee's Report on page 72, where it is stated that 'the sowcar-weaver gives yarn and other raw-material to be worked up in the homes of workers, and takes back cloth after paying wages or the prices contracted for. Such a system was known in Ichalkaranji by the popular term 'Kharchi' system. In Ichalkaranji the cloth was taken back after paying the wages, and not the prices, contracted for.

better than wage-earners working in their own houses with their own equipment. It was only in the case of small units that the 'Kharchi' system was found to be prevalent. Thus 7 units out of the 22 one-loom handloom units and 2 units out of the 19 two-loom handloom units worked under the 'Kharchi' system. The rest of the units were worked by weavers on their own. In the case of the powerloom also, the percentage of saree-producing units which worked under the 'Kharchi' system was less than 10 and all those units were one-loom units. In the case of the powerloom units manufacturing grey cloth the percentage of units which worked under the 'Kharchi' system was 28.57. This was due to the large amount of capital required for manufacturing grey cloth. Apart from the larger capital required for preparing warp beams of a length running into 1200 to 2000 yards, a large amount of capital remained locked up until the grey fabrics were bleached and made marketable.

Table Nos. 7 and 8 set out the longevity or the period of business standing of the handloom and powerloom karkhanas classified by their size.

It can be seen from Table No. 7 that out of 95 handloom karkhanas as many as 79 karkhanas had been established during the years 1940-52 which coincided with the period of war-time and post-war controls on yarn distribution. There was no unit which had more than 20 years' standing.

Table No. 7 : HANDLOOM KARKHANAS IN THE SAMPLE CLASSIFIED ACCORDING TO THEIR SIZE AND THE PERIOD OF BUSINESS STANDING

Number of looms	Below one year	1 to 3 years	3 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years and above	Total
1 loom	-	3	1	10	6	2	-	-	24
2 looms	-	2	-	6	8	3	-	-	19
3 looms	-	2	3	4	3	1	-	-	13
4 looms	-	-	3	8	3	-	-	-	14
5 looms	-	1	-	4	3	-	-	-	8
6 looms	-	1	3	1	1	-	-	-	6
7 looms	-	1	-	-	2	-	-	-	3
8 looms	-	-	-	4	1	-	-	-	5
9 to 12 looms	-	-	-	1	-	-	-	-	1
15 to 19 looms	-	-	-	1	1	-	-	-	2
Total	-	10	10	41	28	6	-	-	95

Table No. 8 : POWERLOOM KARKHANAS IN THE SAMPLE CLASSIFIED ACCORDING TO THEIR SIZE AND BUSINESS STANDING

Number of looms	Below one year	1 to 3 years	3 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 and above	Total
1 loom	-	-	2	1	-	-	-	-	3
2 looms	-	2	2	1	-	-	-	-	5
3 looms	-	-	1	2	-	-	-	-	3
4 looms	-	1	-	4	1	-	-	-	6
5 looms	-	-	-	-	-	1	1	-	2
6 looms	-	-	1	1	-	-	-	-	2
7 looms	-	-	-	-	-	-	1	-	1
8 looms	-	-	-	1	-	1	-	-	2
9 looms	-	-	-	-	1	1	-	-	2
10 to 20 looms	-	1	-	-	1	5	-	-	7
20 to 40 looms	-	-	-	-	-	1	3	-	4
41 to 105 "	-	-	-	-	-	1	-	2	3
Total	-	4	6	10	3	10	5	2	40

This particular feature offered a striking contrast to the powerloom industry which as can be seen from Table No. 8, had as many as 7 units with a standing of 20 or more years. It can further be seen from Table No. 8 that out of 40 units 20 units had more than 10 years' standing and all of these 20 units had had 4 or more looms. It seemed that there was some correlation between the size of the karkhana and its longevity. The larger the size the higher was longevity. Thus out of 7 units with more than 20 years' standing as many as 5 units had more than 20 looms each and of these 5 units 2 had more than 40 looms each. These data were further tested by classifying them by the caste of the owner in order to find out whether any correlation between the caste of the owner and the size of the karkhana could be established. No such correlation could be discovered from the data. In the case of handlooms the size of the karkhana seemed to have very little bearing on its longevity. For out of 75 karkhanas with more than 5 years' standing as many as 43 karkhanas were comparatively small units with less than 4 looms. The data relating to the handlooms were also tested by classifying the karkhanas by the caste of the owner but the results, as in the case of the powerlooms, did not show any correlation between the caste of the owner and the size of the karkhana.

From the data relating to the history of the handloom

and powerloom karkhanas it was observed that the majority of the relatively big karkhanas had grown to their size existing at the time of the survey from very modest beginnings. Moreover, the vast majority of the powerloom karkhanas had started their career as handloom karkhanas.[1]

MIXED UNITS

Out of the 95 handloom and 40 powerloom karkhandars chosen as sample, 10 karkhandars were found to be operating mixed units in the sense that they operated handlooms as well as powerlooms. These mixed units, however, did not represent a stage in the process of transition from the handloom to the powerloom as did the mixed units at the beginning of the powerloom industry at Ichalkaranji. About 1930 the powerloom industry was quite in an infant and experimental stage at Ichalkaranji. Attracted by the superior productivity of the powerloom some of the progressive handloom weavers set up a few powerlooms side by side with the handlooms. Once, however, they felt

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[1] This feature of the evolution of the powerloom industry has been referred to by the Ichalkaranji Powerloom Weavers' Co-operative Association, Ltd. in its various memoranda submitted by it to the governmental authorities. See the 1st page of the appendix to the 3rd and the 4th Annual Reports of the Association, as also the 2nd page of the memorandum submitted by it to the Textile Enquiry Committee on 30th April, 1953. It has been stated there that out of the 149 members of the Association who were having small proprietorship concerns of powerlooms, nearly 130 owners were formerly working on handlooms.

confident that the powerlooms could be worked successfully they gave up handloom weaving in favour of the more productive and consequently more profitable powerloom weaving.[1] The existence of the mixed units at the time of our survey, however, could be traced to a different set of causes. During the Second World War a number of powerloom owners had set up handlooms for the purpose of obtaining as large a quota as possible.[2] According to the knowledgeable circles the vast majority of handlooms which had been set up for this purpose had been closed down or sold out after the fall in yarn prices in 1952. There were, however, two other factors which had led to the emergence of mixed units. In the first place, the

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[1] This was the course of evolution from the handloom weaving to powerloom weaving, according to the elderly persons connected with the industry at Ichalkaranji.

[2] Installation of a handloom was the cheapest method of creating a title for a yarn quota during the period of controlled distribution of yarn supply. There was great difficulty in obtaining the Texmark for a new powerloom and moreover, the powerloom cost about Rs. 1500 as against the cost of Rs. 225 of a handloom. And when, in view of the yarn shortage, there was no possibility of operating the powerloom regularly, the installation of a handloom at a low cost seemed to be the best way of obtaining a yarn quota.

reservations[1] in favour of the handlooms since 1950 had narrowed down the range of varieties of coloured saree which the powerloom factories could manufacture. Consequently a few powerloom karkhanas had set up a few handlooms as a second string to the bow. Thus, 6 owners of the powerloom karkhanas in the sample had set up a few handlooms with a view to availing themselves of the reservations in favour of the handlooms, their original activity being powerloom weaving. Secondly, a few handloom karkhandars who had accumulated some savings had used them for adding a few powerlooms to their karkhana with a view to increasing their earnings by operating a more productive loom. Thus, 4 owners of the handloom karkhanas in the sample had installed a few powerlooms with a view to augmenting their production, and income. We discussed with these handloom and powerloom karkhandars who operated mixed units the question whether there were any special economies or advantages associated with the mixed units. We were, however, told by them that the mixed unit did not give them any cost advantage or special economies. The existence of mixed units could, therefore, be explained in terms of a desire on the part of the owners to derive benefits which powerlooms as well as handlooms

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[1] Government of India, Ministry of Industry and Supply Notification No. 9(9)-Tex I/49 dated the 15th April, 1950 regarding the Reservation of Fields of Production of Cotton Textiles for Handloom Industry.

seemed to offer in the context of the changing governmental policy. The powerloom possessed the advantage of higher productivity and lower cost of production, while the handlooms enjoyed the advantage of a sheltered market created by the reservations in their favour.

LABOUR STRUCTURE

The labour structure depends primarily on the size of the unit of production. In a small-sized unit, much of the work can be done by family members. In a large unit, however, the entire work can hardly be done by family members only. Consequently hired labour has to be employed in order to carry out the work. Moreover, the size of the unit can be regarded at least in a general way, as an index to its financial position. The owner of a larger unit is usually in a better financial position than owner of a small-sized unit. Naturally enough, the owner can afford to employ hired labour for the entire work connected with the industry, leaving only, supervision and management to the family members. Moreover, in a big unit, the work of supervision, management and organisation is heavy enough to need the services of the owner as well as family members so that hired labour has to be employed for all other types of work. Table No. 9 reveals how, in the case of handloom units, the number of units working entirely with family

labour dwindled as the size of the unit increased. Out of 22 one-loom units 21 were found to be working with family labour. In the case of units with 3 or more looms not a single unit was found to be working entirely with family labour.[1] The number of units working partly with family labour and partly with hired labour was fairly large. Thus out of a total of 95 units 30 belonged to the category of such units. The table further reveals that in units with more than 8 looms the entire weaving work was carried out with the help of hired labour.

Table No. 9 : HANDLOOM KARKHANAS (OF DIFFERENT SIZES) IN THE SAMPLE CLASSIFIED BY SIZE AND BY THE STATUS OF LABOUR ENGAGED IN THE WEAVING PROCESS ONLY.

Size of the handloom unit	Working only with family labour	Working partly on family labour and partly with hired labour	Working exclusively with hired labour	Total Number of units
		No. of Units		
1 Loom	21	-	1	22
2 looms	3	12	4	19
3 looms	-	4	9	13
4 looms	-	7	7	14
5 looms	-	4	4	8
6 looms	-	1	7	8
7 looms	-	1	2	3
8 looms	-	1	4	5
9 to 12 looms	-	-	1	1
15 to 19 looms	-	-	2	2
Total	24	30	41	95

[1] In two cases it was found that persons employed as clerks under some merchant or in a karkhana had started small handloom karkhanas with 3 looms each. During their off-hoeurs they looked after the organisation and management of the unit while the routine supervision was entrusted to one of the trusted employees.

Table No. 10 throws some light on the status of labour employed in the handloom karkhanas on the preliminary processes. It must be remembered that some of the processes such as dyeing and warp-winding were entrusted to outworkers. The warp-winding in particular was entrusted to women workers who took away the yarn from the karkhanas and did the work of transferring the yarn to reels in their homes. This work was entrusted to the women outworkers at intervals as need arose. There was no means of estimating their exact number. Table No. 10, therefore, relates to the workers employed on the preliminary processes carried out on the premises of the karkhanas. Certain important facts are observable from Table No. 10. Thus out of 95 units selected as many as 68 worked partly with family labour and partly with hired labour so far as the preliminary processes were concerned, while only 27 units entrusted all the preliminary processes to hired labour. The Table further shows that there was not a single unit which carried out all the preliminary processes at home with domestic labour. This was so because some of the preliminary processes such as dyeing, warping, etc. required special training and skill and they could not be done at home by an ordinary weaver. While the simpler preliminary processes such as loosening and winding of warp-yarn, weft-winding, etc. could be entrusted to family members, particularly women and children,[1] the more skilled and specialised preliminary

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[1] These processes did not involve either great strain or skill as other processes did.

Table No. 10 : HANDLOOM KARKHANAS IN THE SAMPLE CLASSIFIED BY THEIR SIZE AND BY THE STATUS OF LABOUR ENGAGED IN THEM ON PRELIMINARY PROCESSES.

Size of the handloom unit	Working with hired labour only	Working partly with family labour and partly with hired labour	Total No. of units.
	No. of Units		
1 loom	2	20	22
2 looms	3	16	19
3 looms	2	11	13
4 looms	6	8	14
5 looms	3	5	8
6 looms	2	6	8
7 looms	1	2	3
8 looms	5	-	5
9 to 12 looms	1	-	1
15 to 19 looms	2	-	2
Total	27	68	95

processes had to be entrusted to specialist workers outside the karkhana.[1] As the financial condition of the karkhandar improved, he naturally thought of giving leisure

[1] A small handloom karkhana had not enough work relating to such specialised preliminary processes to justify the employment of full-time paid workers for them.

to his family members by entrusting the entire work connected with preliminary processes to hired labour. If the size of the karkhana can be taken as a rough index to the financial standing of the karkhandar then one would naturally expect the bigger karkhanas to entrust all the preliminary processes to hired labour. Table No. 10 seems to support such a conclusion with respect to the comparatively big handloom units. Thus there was no unit having 8 or more looms which employed even partly domestic labour for carrying out preliminary processes.

Table Nos. 11 and 12 present the data regarding the status of labour employed in the powerloom karkhanas in the weaving and preliminary processes respectively. Table No. 11 shows that out of 40 units only 2 worked with family labour. As compared with the handloom weaving, the number of units working with family labour only was very small in the powerloom industry. Thus, while the percentage of units which carried on weaving exclusively with family labour was 25.26 in the handloom sector, it was as low as 5 in the powerloom sector. The reason is to be found in the fact that as the pace of production was much more rapid in the case of powerlooms than in the case of handlooms, the work in connection with organisation and management was almost a full-time job.[1] In order to ensure continuous

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[1] Assuming that a warp beam consisted of 40 full-length sarees of 40^s x 40^s, approximately a period of 10 days would

Continued on next page.....

and smooth working it was necessary to arrange for a regular supply of raw-materials to coordinate and organise the work in connection with preliminary processes and to contact the various agencies for marketing the finished fabrics. If there was only one able-bodied family member, the work of organisation and management was too heavy to leave him any time for operating the powerloom.

In the case of preliminary processes as Table No. 12 shows, the percentage of units which worked at least partly with family labour was as large as 60. It reveals that, except in units with more than 9 looms, the preliminary processes were at least partly entrusted to family labour. As table Nos. 11 and 12 show all the units with more than 9 looms depended exclusively on hired labour both for weaving as well as preliminary processes. This feature also can be explained in the same way in which the dependence of comparatively big handloom units on hired labour was explained.[2]

Foot-note continued from previous page.

be required to manufacture 40 sarees and a fresh beam to replace the exhausted one would have to be kept ready during that period. This work kept the owner engaged all the time particularly when more than 4 looms had to be managed leaving no time for operating the powerloom. In the case of handlooms, on the other hand, roughly a month would be required to manufacture 40 sarees. This period left the weaver enough time for looking after the processes connected with the preparation of a warp beam. Moreover, a weaver on handloom could take some time off for management as and when he liked for he was his own master. On the other hand, in the case of a powerloom it was not possible to stop the loom now and then to look after the work connected with management, as such stoppage meant wastage of power.

[2] See page 87.

Table No. 11 : POWERLOOM KARKHANAS IN THE SAMPLE CLASSIFIED BY SIZE AND BY THE STATUS OF LABOUR EMPLOYED IN THEM IN THE WEAVING PROCESS ONLY.

Size of the power-loom unit	Working with family labour only	Working partly with family labour and partly with hired labour	Working with hired labour only	Total number of units.
	No. of units			
1 loom	2	-	1	3
2 looms	-	2	3	5
3 looms	-	1	2	3
4 looms	-	-	6	6
5 looms	-	-	2	2
6 looms	-	-	2	2
7 looms	-	-	1	1
8 looms	-	1	1	2
9 looms	-	-	2	2
				26

The remaining 14 karkhanas out of the 40 karkhanas in the sample, with more than 9 looms worked exclusively with hired labour.

Table No. 12 : POWERLOOM KARKHANAS IN THE SAMPLE CLASSIFIED BY THEIR SIZE AND BY THE STATUS OF LABOUR EMPLOYED IN THEM IN THE PRELIMINARY PROCESSES

Size of the powerloom unit	Working exclusively with hired labour	Working partly with domestic labour and partly with hired labour	Total No. of units
	No. of units		
1 loom	-	3	3
2 looms	1	4	5
3 looms	-	3	3
4 looms	-	6	6
5 looms	-	2	2
6 looms	-	2	2
7 looms	-	1	1
8 looms	1	1	2
9 looms	-	2	2
Total			26

The remaining 14 units having more than 9 looms worked with hired labour only.

LABOUR FORCE ENGAGED IN DIFFERENT TYPES OF WORK IN THE HANDLOOM AND POWERLOOM KARKHANAS.

Table Nos. 13, 14 and 15 present the data regarding the labour force employed in different categories of work in the handloom and powerloom karkhanas. The labour force engaged in the industry could be divided into three categories viz. the managerial staff, the weavers operating the looms and those carrying out the various preliminary processes on the premises of the karkhanas. Table No. 13 shows that the 95 handloom karkhanas selected with a total of 349 looms employed 502 persons in the three categories put together. Out of them 45 persons were connected exclusively with managerial work,[1] while 349 were engaged in the weaving process, the remaining 108 being engaged in the preliminary process. Handloom weaving involved a good deal of physical exertion and consequently only adult males were found engaged in it. All the preliminary processes except dyeing, sizing and warping and drawing in were quite simple and did not require either physical effort or specialised training. They were, therefore, entrusted to women and children. Only in one karkhana of

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[1] The owners of many one- or two-loom units not only operated the looms but also looked after the organisation of the work connected with management. As their organisational and managerial work, however, was incidental to their primary work of weaving, they were put in the category of unpaid weavers along with their other family members who also were engaged in weaving but did not receive any wages as such.

Table No. 13 : HANDLOOM KARKHANAS IN ... THE SAMPLE AND THE LABOUR FORCE EMPLOYED IN THEIR PREMISES

Size of the Unit	No.of units	Total No.of looms	Managerial work		Weaving process		Preliminary Processes						Total		Total No.of work-ers
			Paid male	Unpaid male	Paid male	Unpaid male	Paid male	Unpaid male	Paid female	Unpaid female	Paid child-ren	Unpaid child-ren	Paid	Unpaid	
1 loom	22	22		1	1	21	-	-	-	15	1	6	2	43	45
2 looms	19	38		2	21	17	-	-	4	15	-	1	25	35	60
3 looms	13	39		9	34	5	-	-	-	8	4	1*	38	23	61
4 looms	14	56		9	45	11	-	-	4	8	-	2	49	30	79
5 looms	8	40		5	34	6	-	-	2	3	3	-	39	14	53
6 looms	8	48		5	44	4	-	-	-	5	6	-	50	14	64
7 looms	3	21		3	20	1	-	-	-	1	-	3	20	8	28
8 looms	5	40		5	38	2	-	-	1	-	5	-	44	7	51
11 looms	1	11	1	1	11	-	-	-	-	-	2	-	14	1	15
15 looms	1	15	1	1	15	-	-	-	-	-	2	-	18	1	19
19 looms	1	19	1	1	19	-	3	-	-	-	3	-	26	1	27
Total	95	349	3	42	282	67	3	-	11	55	26	13	325	177	502

* One two-loom handloom karkhana producing grey cloth has also bee included in the Table because its labour structu did not differ from that of the saree-producing units except for the fact of the absence of the dyeing process.

All the labourers being in continuous service for 3 months were regarded as permanent.

Child means a person who has not completed his 15th year.

Table No. 14 : POWERLOOM KARKHANAS (PRODUCING COLOURED SAREES) IN THE SAMPLE AND THE LABOUR FORCE EMPLOYED ON THEIR PREMISES

Size of the unit	No.of units	Total No. of looms.	Managerial work		Weaving Process.		Preliminary Processes						Total		Total No.of workers
			Paid male	Unpaid male	Paid male	Unpaid male	Paid male	Unpaid male	Paid female	Unpaid female	Paid children	Unpaid children	Paid	Unpaid	
1 loom	3	3	-	-	1	2	-	-	-	1	1	-	2	3	5
2 looms	5	10	-	-	8	2	-	-	2	2	4	1	14	5	19
3 looms	3	9	1	3	8	1	1	-	2	-	2	-	14	4	18
4 looms	6	24	2	4	24	-	-	-	2	-	6	-	34	4	38
5 looms	1	5	-	2	5	-	1	-	-	-	2	-	8	2	10
6 looms	2	12	1	2	12	-	3	-	-	-	6	-	22	2	24
7 looms	1	7	-	1	7	-	1	-	-	--	3	-	11	1	12
8 looms	2	16	1	2	14	2	1	-	--	-	6	-	22	4	26
9 looms	2	18	2	2	18	-	1	-	-	--	6	-	27	2	29
10 looms	1	10	-	2	10	-	1	-	-	-	5	-	16	2	18
11 looms	1	11	1	1	11	-	-	-	2	-	-	-	14	1	15
12 looms	1	12	1	1	12	-	-	-	-	-	4	-	17	1	18
14 looms	1	14	1	1	14	-	1	-	-	-	4	-	20	1	21
16 looms	1	16	2	2	16	-	1	-	-	-	2	-	21	2	23
17 looms	1	17	3	2	17	-	1	-	-	-	2	-	23	2	25
21 looms	1	21	2	3	21	-	3	-	-	-	2	-	28	3	31
39 looms	1	39	2	1	39	-	3	-	-	-	8	-	52	1	53
Total	33	244	19	29	237	7	18	-	8	3	63	1	345	40	385

19 looms were 3 adult male workers ~~were~~ found to be employed on time-rates for carrying out such specialised processes as dyeing and warping. The table further shows that out of 45 persons engaged in managerial work as many as 42 belonged to the karkhandars' families. Out of the 349 weavers, 67 belonged to the category of family labour, while out of 108 persons engaged in the preliminary processes 68 belonged to the category of family labour. Out of the 108 persons engaged in the preliminary processes, 66 were women, 39 were children and 3 were adult males.

Table No. 14 shows that the 33 powerloom karkhanas producing only coloured sarees with a total of 244 looms provided work to 385 persons on their premises. Of these, 48 were engaged in the managerial work, 244 were engaged in the work of weaving and the remaining 93 in the work connected with preliminary processes. Further, out of the 48 persons connected with the work of management as many as 29 belonged to the karkhandars' families. In the case of weaving, however, only 8 out of 244 persons belonged to the karkhandars' families. Similarly in the case of preliminary processes only 4 out of 93 persons belonged to the karkhandars' families. A comparison of the figures in Table Nos. 13 and 14 brings out some notable facts. In the first place, the work of organisation and management in the 32 powerloom karkhanas required the services of as many as 48 persons, while in the 95 handloom karkhanas only 45 persons

were exclusively looking after managerial work. This was mainly due to two factors. First, as the number of big powerloom karkhanas was much greater than the number of big handloom karkhanas, the work of management and organisation naturally required the services of a larger number of people. And secondly, the pace of production of a powerloom karkhana being much greater than that of a handloom karkhana of the corresponding size the work of management and organisation was much greater in a powerloom karkhana than in a handloom karkhana. The second notable fact was that the number of family members engaged in the weaving process in the powerloom karkhanas was almost negligible as compared with the number of family members engaged in that process in the handloom karkhanas. Thirdly, in the preliminary processes, the number of women workers was larger than the number of children in the handloom karkhanas, while the number of children was much larger than the number of women workers in the powerloom karkhanas.[1] Fourthly, comparatively a large number of adult male workers were employed in the preliminary processes in the powerloom karkhanas. This was due to the fact that many powerloom karkhanas employed specialised workers such as dyers, jobbers,[2] etc. on their

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[1] This was due to the fact that the preliminary processes of winding and weft-winding were done by the family members in a number of handloom karkhanas. In the case of the powerloom karkhanas, the owners entrusted such work to women outworkers rather than to the family members.

[2] Persons entrusted with the repair work of looms and other mechanical equipment in the karkhana were popularly called 'jobbers' at Ichalkaranji.

own premises. Obviously the work connected with specialised processes of this type was sufficient enough particularly in the big powerloom karkhanas to provide full-time employment to such specialist workers on their premises.

Table No. 15 presents the data relating to the labour force employed in the grey-cloth-producing powerloom karkhanas. It can be seen from the Table that the number of persons engaged in the work of management was as large as 27 for 7 units with a total of 237 looms. Out of these 175 looms were worked for two shifts. As there was the two-loom system with the exception of one unit in the grey-cloth-producing karkhanas, the number of weavers was much smaller as compared with the number in the saree-producing powerloom karkhanas, making allowance for two-shift working in the karkhanas in the former category. The number of male workers connected with the preliminary processes was 39. This was due to the fact that specialised workers were employed on the premises on a full-time basis for carrying out specialised processes such as sizing, warping, repairs, etc. Moreover, shift working involved employment of double staff in some categories of workers like jobbers. As warp beams were prepared by machinery, the processes of loosening and winding were eliminated and there was hardly any work suitable for women. The children were employed primarily for the purpose of operating the pirn-winding machines and other incidental work.

Table No. 15 : POWERLOOM KARKHANAS (WEAVING GREY FABRICS ONLY) IN THE SAMPLE AND THE LABOUR FORCE EMPLOYED ON THEIR PREMISES

Size of the unit	Number of units	Total number of looms	Managerial work		Weaving Process		Preliminary Process				Total		Total No. of workers
			Paid male	Unpaid male	Paid male	Unpaid male	Paid male	Unpaid male	Paid children	Unpaid children	Paid	Unpaid	
5 looms	1	5	-	2	6	-	-	-	-	-	6	2	8
18 looms	1	18	2	1	18	-	4	-	5	-	29	1	30
19 looms	1*	19	1	2	9	-	1	-	1	-	12	2	14
22 looms	1	22	2	1	22	-	6	-	3	-	33	1	34
28 looms	1*	28	3	2	28	-	6	-	4	-	41	2	43
40 looms	1+	40	2	3	32	-	7	-	5	-	46	3	49
105 looms	1	105	4	2	105	-	15	-	10	-	134	2	136
Total	7	237	14	13	220	-	39	-	28	-	301	13	314

* The asterisked units operated one shift, while the rest of the units in this Table worked two shifts.

+ This unit, in addition to operating 40 looms for one shift, operated 25 out of the 40 looms for a second shift. The unit with 28 looms operated one-loom system.

MANAGERIAL STAFF

It comprised invariably the owners of karkhanas and their male family members. Where the work of organisation and management was too heavy to be attended to by the owner and his family members, clerks were employed on fixed salary basis to keep accounts and look after correspondence and other incidental work. But the important work of organisation and management was always done by the owners in the handloom as well as the powerloom sector. The work of an owner-manager was to purchase raw-materials, to get the preliminary processes done, to keep himself informed about the requirements of the market in respect of quality, design, colour, fashion, etc., to assign jobs to the workers, to exercise general supervision over the entire work connected with weaving and to arrange for the sale of his finished goods. In the case of small units in the handloom and powerloom sectors which could not afford to employ a clerk, the owner was the manager, clerk and accountant, all combined in one. In the case of very small units, such as one- or two-loom units, the owner-weaver did in addition many odd jobs such as bringing the raw-materials from the market, folding the sarees, carrying them to the market, etc.

The conditions of service of the clerical staff were not uniform. Full-time clerks were employed on a fixed salary ranging from Rs. 60 to Rs. 80, the exact salary

depending upon the ability of the clerk, the length of his service, his capacity to get on well with the owner, and the financial condition of the employer. There were no regular hours of work in the small karkhanas which were not subject to any factory regulations. In the karkhanas subject to the Factories Act[1] the clerks worked for 8 hours from 8 A.M. to 6 P.M. with a couple of hours' rest from 12 noon to 2 P.M.

WEAVERS

Only adult males were engaged in the work of weaving. Neither children nor women were employed to ply the looms. The weavers were paid by piece-rates. Table No. 16 shows the generally prevalent piece-rates paid for full-length sarees of different counts. The piece-rates in saree-weaving were determined by such factors as the length of the saree, the count of yarn used, the picks used per inch. The count of yarn and the number of picks used per inch were important factors, apart from the length of the saree, governing the wage-rates because they influenced the speed of production.[2]

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[1] The Factories Act, 1948.

[2] "The speed of production is faster for plain cloths than for more complicated cloths. The speed of production is slower for fine counts than for medium or coarse counts. This is so because production of cloth is the interspersing of wefts into the alternate sheds of warps, and the number of such interspersions (or picks) is fewer when fabrics are made from the thicker or coarse count fabrics and greater when cloth is made from the finer (thinner) counts of yarn." Vide S.D.Mehta, The Indian Cotton Textile Industry, p. 93.

Table No. 16 : PIECE-RATES FOR SAREES OF DIFFERENT COUNTS IN THE HANDLOOM KARKHANAS.

$20^s \times 20^s$ 8 1/2 yards x 48" Reeds per inch 48/1 Picks per inch 30.	Rs. 0-12- 0
$20^s \times 26^s$ 8 yards x 46" Reeds per inch 56/1 Picks per inch 36	Rs. 0-12- 0
$26^s \times 26^s$ 8 1/2 yards x 46" Reeds per inch 56/1 Picks per inch 36	Rs. 0-14- 0
$26^s \times 30^s$ 8 1/2 yards x 48" Reeds per inch 60/1 Picks per inch 40	Rs. 1- 0- 0
$30^s \times 30^s$ 8 1/2 yards x 48" Reeds per inch 56/1 Picks per inch 36	Re. 1- 0- 0
$40^s \times 40^s$ 9 yards x 50" Reeds per inch 68/1 Picks per inch 44	Rs. 1- 8- 0
$40^s \times 40^s$ 5 yards x 30" Reeds per inch 48/1 Picks per inch 36	Rs. 0- 9- 0
$60^s \times 60^s$ 9 yards x 50" Reeds per inch 56/2 Picks per inch 56	Rs. 2- 0- 0
$60^s \times 80^s$ 9 yards x 50" Reeds per inch 64/2 Picks per inch 56	Rs. 2- 4- 0
$80^s \times 80^s$ 9 yards x 50" Reeds per inch 64/2 Picks per inch 60	Rs. 2- 8- 0

An average weaver turned out one full-length saree of $60^s \times 60^s$ in a day of 8 effective working hours and could thus earn about Rs. 2 per day. The output naturally depended upon many factors such as the condition of the warp, the count of the warp, the number of picks used per inch and above all on the skill and energy of the weaver. But, on an average, the monthly earnings of a handloom weaver of average skill amounted to around Rs. 50.

Some of the owners of small units complained that they found it difficult to attract skilled weavers to their units at the widely prevalent and generally accepted rates and, consequently, they had to pay one or two annas more than the normal rates. The skilled workers were attracted to the bigger units by the prospect of greater security of employment and regularity in payment of wages which they offered. Barring such slight variations in a few units the piece-rates listed in Table No. 16 were the generally accepted and prevalent rates in the handloom sector. Table No. 17 gives the details regarding the piece-rates given to the weavers working under the 'Kharchi' system. These rates were inclusive of the labour cost of weft-winding[1] which was done by the sub-contractor's family members.

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[1] The sowcar-weavers gave to the weaver working under the 'Kharchi' system warp-beam as well as yarn in the hank form for weft-winding.

Table No. 17 : PIECE-RATES RECEIVED BY SUB-CONTRACTORS OR WEAVERS WORKING UNDER THE KHARCHI SYSTEM

Description of the saree	Piece-rate per saree
(80^s x 80^s (9 yards x 50" (Reeds per inch 64/2 (Picks per inch 56	Rs. 2-12- 0
(60^s x 60^s (9 yards x 50" (Reeds per inch 56/2 (Picks per inch 56	Rs. 2- 4- 0
(40^s x 40^s (9 yards x 50" (Reeds per inch 68/1 (Picks per inch 44	Rs. 1-12- 0

All the sub-contractors whom we interviewed were found to be producing high-count sarees. The explanation for it given by them was that the karkhandars who contracted out part of their work were usually men with better financial resources and hence they specialised in high-count sarees.[1] We discussed the causes of the genesis

[1] A number of karkhandars told us that the profit-margin in the case of high-count sarees was much greater than in the case of low-count sarees. (Sarees of 60^s and higher counts were usually regarded as high-count sarees at Ichalkaranji). The high-count sarees, however, had a narrow market in as much as they were purchased only by the higher classes. Moreover, because of the fastidious tastes of such classes very exacting demands were made by them in respect of colour, design, quality, etc.

of this system with persons connected with it and we were told by them that the system had come into existence mainly for two reasons. In the first place, the karkhandars with good financial resources, who wanted to get the advantages of increased production without exposing themselves to the labour restrictions associated with large size and risks involved in investment in fixed capital, resorted to it. Secondly, those who could not expand their scale of production for want of space also practised it.

The working hours of the hand-weavers were usually from 7 A.M. to 6 P.M. As the plying of the handloom involved physical exertion, continuous plying of the loom even for 2 to 3 hours was very rare. The weavers frequently stopped their work, went to a nearby hotel for a cup of tea, visited a beetle-nut shop for beetle-nut or bidi. In consequence of such intervals of rest, the effective hours of working were said to be not more than 7 to 8 at best, although the weaver might be nominally engaged in his work for 10 to 12 hours. The enforcement of discipline in respect of hours of work was difficult because of the strain on human muscles and physical exertion involved in the weaving process. Moreover, as the weavers were paid by results, the karkhandars did not care to be very strict with regardto the regulation of hours. All the weavers took a complete holiday on every Friday which was the local bazzar day and on important Hindu holidays such as the

Dassera, the Diwali, etc. as well as on National days such as 15th August and 26th January. The vast majority of weavers, particularly those belonging to the traditional weaving communities took a holiday on every 'amavasya'[1] day. In general, therefore, the working days of the year were about 300. No holiday was a paid holiday.

Table No. 18 gives the piece-rates obtained by the weavers in the powerloom karkhanas not subject to the Bombay Industrial Relations Act.

It can be observed from Table No. 18 that the higher the count of the saree the higher the rate that had to be paid. Because as already indicated[2] the speed of production depended upon the number of picks per inch. In high-count sarees the number of picks used was necessarily larger than that used in low-count sarees. Again, as in the case of handloom weaving, barring slight variations here and there caused by the same factors,[3] the piece rates paid by different powerloom units[4] showed remarkable uniformity. The average weaver could turn out 3 full-length sarees of $60^s \times 60^s$ in the course of a day of 8 hours and could thus earn about Rs. 2-10-0. The output naturally depended upon many factors such as the count of the warp, the picks used

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[1] Last day of every month according to Hindu calendar.

[2] See p. 99, 2nd Footnote.

[3] See p. 99

[4] Units not subject to the B.I.R. Act.

Table No. 18 : PIECE-RATES FOR SAREES OF DIFFERENT COUNTS GIVEN BY THE POWERLOOM KARKHANAS NOT SUBJECT TO THE B.I.R. ACT.

Description of the saree	Piece-rate per saree
80^s x 80^s 9 yards x 50" Reedsper inch 64/2 Picks per inch 60.	Rs. 1- 2- 0
60^s x 60^s 9 yards x 50" Reedsper inch 56/2 Picks per inch 56	Rs. 0-14- 0
40^s x 40^s 9 yards x 50" Reedsper inch 68/1 Picks per inch 44	Rs. 0-12- 0
40^s x 40^s 8 1/2 yards x 48" Reedsper inch 68/1 Picks per inch 44	Rs. 0-10- 0
40^s x 40^s 5 yards x 30" Reedsper inch 60/1 Picks per inch 40	Rs. 0- 5- 0
30^s x 30^s 8 1/2 yards x 48" Reedsper inch 56/1 Picks per inch 40	Rs. 0-10- 0

per inch, the condition of the warp, the condition of the loom and above all on the skill of the weaver. But on an average the monthly earnings of the average weaver on the powerlooms amounted to around Rs. 65.

The working hours were from 8 A.M. to 5 P.M. with one hour's interval for meals from 12 noon to 1 P.M. As it was not economical to keep only a few of the total looms in the karkhana working because of the fixed overhead costs in terms of the consumption of diesel oil by the oil engine supplying power, strict adherence to the working hours by the weavers was desired by the karkhandars. Weavers who came 15 minutes late could be treated as absent but we were told by the karkhandars that in practice it was very difficult to take disciplinary action against the workers. Resort to legal processes was costly and productive of bitterness. Moreover, difficulties were also encountered in proving a case. Consequently it was very rarely that legal processes were resorted to for enforcing punctuality.

The powerloom weavers who worked under the 'Kharchi' system received piece-rates which were higher by about 4 as., than those obtained in the powerloom karkhanas because the piece-rates were inclusive of the cost of weft-winding.

The powerloom karkhanas which were subject to the B.I.R. Act had accepted the following schedule of rates.

The schedule of rates was originally accepted as an interim arrangement by the Ichalkaranji Girani Kamgar Samiti in its negotiations with the Marathe Textile Mills[1] on 23rd February, 1953. The rates of wages for weavers inclusive of dearness allowance were as follows[2]:

(A) For Grey (Double-loom System)

Picks	Rates of wages per yard
40	9-1/2 pies.
44	10-1/2 "
48	11-1/2 "
50	12 "
52	13 "
56	14-1/2 "
60	16 "

The difference for picks above or below these picks was one pie for every 4 picks per yard.

(B) For coloured sarees (Single-loom System)

Picks	Rate per piece of 9 yards
60	Rs. 1- 3- 0
56	Rs. 1- 1- 9
52	Rs. 1- 0- 6
50	Rs. 0-15- 0
48	Rs. 0-14- 0
44	Rs. 0-13- 3
40	Rs. 0-12- 0

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[1] The biggest karkhana in Ichalkaranji which possessed 105 powerlooms.

[2] The schedule of rates is reproduced from the interim agreement, a copy of which was obtained from the Marathe Textile Mills.

The difference for every pick below or above per 9 yards was 3 1/2 pies per pick.

(C) In case of one-loom system for grey cloth only :-

The rates per 9 yards were to be 70 per cent of that for sarees in 'B' above.

It can be easily observed that the rate of wages went on increasing with an increase in the number of picks used.

As a result of the application of labour legislation to the bigger powerloom units, the tendency towards uniformity of rates, was being strengthened. If any big powerloom unit was forced by its workers to concede their demand and in respect of wages or conditions of service, labourers in other units subject to the same Labour Acts made similar demands. The acceptance of demands thus resulted in the uniformity of wage-rates and conditions of service in all the big powerloom units.

All the saree-producing units and two grey-cloth-producing units worked only one shift, their working hours being 8 A.M. to 5 P.M. with an hour's interval of rest for meals from 12 noon to 1 P.M. Five grey-cloth-producing units worked two shifts, the working hours in their case being 8 A.M. to 4 P.M. with an hour's interval of rest and 4-30 P.M. to 12-30 P.M. midnight. Wages were paid once a month. But payment in the nature of an advance was made on every Thursday, i.e. on the day preceding the bazzar day.[1] These

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[1] Friday was the weekly bazzar day at Ichalkaranji.

weekly payments were finally adjusted against the wages when they were paid. In the vast majority of units wages were paid on the first day of every month according to the Gregorian calendar. In big units subject to the B.I.R. Act wages for the preceding month were paid on a date fixed by the karkhandars but not later than the 7th day of the month. Friday was a weekly holiday for the powerloom weavers also. In addition, the most important Hindu holidays as well as days of national importance were also enjoyed as holidays by them. They were not, however, paid holidays.

The average weaver who operated two looms produced about 60 yards of cloth on both the looms put together, assuming the number of picks per inch used in the cloth to be 40. At the rate of 9 1/2 pies per yard, the daily earnings would amount to Rs. 2-15-6. On an average the monthly earnings of the weaver producing the grey fabrics amounted to around Rs. 75.

LABOUR FORCE IN THE PRELIMINARY PROCESSES

So far as the preliminary processes were concerned, some processes such as dyeing, warping, drawing-in, etc. required a good deal of skill.

STRUCTURE OF THE DYEING INDUSTRY

Three classes of dyers could be distinguished in the

dyeing industry at Ichalkaranji. First, there were dyers who worked in the karkhanas on fixed monthly wages. The wages of the skilled dyers ranged from Rs. 70 to 90 per month. The assistants working under them also got fixed monthly wages ranging from Rs. 50 to 60. Secondly, there was a class of itinerant dyers who went from karkhana to karkhana seeking work and did the work on a contract basis. The terms of contract however varied according to the wishes of the karkhandar. In some cases the karkhandar supplied everything required for the dyeing process including water, fuel, dyestuff and chemicals and paid the dyers pure wages for their work by piece-rates. The usual piece-rates under the terms of such a contract were Rs.1-8-0 to Rs. 2-0-0 in the case of indantherene dyes and Re. 1 in the case of Napthol dyes per bundle of yarn.[1] On the other hand, when the karkhandars agreed to supply only dyes and chemicals to the dyers while water and fuel were supplied by the dyers themselves, the piece-rates were Rs. 2-8-0 and Rs. 2- 0- 0 per bundle of yarn in the case of

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[1] Every box or bundle of yarn or 'Gaddi' as it was popularly called at Ichalkaranji weighed 10 lbs. irrespective of the count of yarn. A 20^s bundle of yarn contained 20 hanks or tobas, as they were popularly called at Ichalkaranji. A bundle of 60^s yarn contained 60 hanks. Thus a bundle of yarn contained as many hanks as the number of yarn count. But every bundle of yarn weighed 10 lbs.

indanthrene and Napthol dyes respectively.[1] Such a system enabled the karkhandars to supervise the work personally and was said to be generally cheaper. Moreover, there was no scope for fradulent and unfair practices under such a system. These dyers moved in pairs of two and the number of such pairs was about 25. But the small units which could not afford to employ dyers on fixed monthly wages or to take the trouble of providing dyes and chemicals to itinerant dyers entrusted the work to the specialised dyeing establishments which numbered 10. These dyeing establishments constituted the third agency in the dyeing industry. Table No. 19 gives the piece-rates charged for quality dyeing by the biggest dyeing establishment. There were slight differences in the rates charged by other dyeing establishments. In the case of some dyes they were slightly higher and in others they were slightly lower. The differences in piece-rates in the 4 dyeing establishments which we visited differed only slightly by a margin of a/ rupee in either direction so that the rates in Table No. 19 may be taken as the generally prevalent rates in the dyeing

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[1] As the indantherene process was more elaborate than the Napthol process, the rates of payment were higher in the case of indantherene dyes than in the case of Napthol dyes. The pots for dyeing and the hearth for heating were provided by the karkhandars within their premises.

No. 19 : RATES OF DYEING PER BUNDLE OF YARN FOR DIFFERENT COLOURS

f the colour		Count of yarn 80^s	Count of yarn 60^s	Count of yarn 40^s	Count of yarn 30^s - 20^s
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
harada	(V)	16 (Shade of 7 tolas)	16 (Shade of 7 tolas)	13 (Shade of 5 tolas)	-
Sharda	(V)	12 (3 tolas)	12 (3 tolas)	10 (3 tolas)	-
Orange)* Blue)* Majenta er)*	(V)	10 to 12 (Shade from 2 to 5 tolas) *These were fancy colours All fancy colours were in light shades and were used only for high counts of yarn.	10 to 12		
	(V)	20 (10 tolas)	20 (10 tolas)	16 (5 tolas)	12 (4 tolas)
	(V)	16 (11 tolas)	16 (11 tolas)	14 (5 tolas)	10 (4 tolas)
	(N)	16 (8 tolas)	16 (8 tolas)	14 (6 to 7 tolas)	11 (5 tolas)
late	(N)	8 (8 tolas)	8 (8 tolas)	7 (6 tolas)	5 (3 tolas)
	(N)	8 (8 tolas)	8 (8 tolas)	7 (6 tolas)	5 (3 tolas)
Brown	(N)	13 (8 tolas)	13 (8 tolas)	10 (6 tolas)	8 (4 tolas)
l Brown	(N)	13 (8 tolas)	13 (8 tolas)	10 (6 tolas)	8 (4 tolas)
	(D)	8 (30 to 40 tolas)	7 (30 to 40 tolas)	7 (30 to 40 tolas)	6 (30 tolas)

establishments. A shade[1] of anything between 7 to 10 tolas was generally used for higher counts of yarn, i.e. for 80^s, 60^s and 40^s, while shades of 3 to 6 tolas were used for yarn of 30^s and 20^s. For fancy colours light shades ranging from 2 to 5 tolas were used.

Out of the 95 handloom units, only one unit employed dyers on fixed monthly wages, 11 units depended on family labour, 6 engaged itinerant dyers and the rest, excluding 9 units which worked under the 'Kharchi' system,[2] entrusted the work to the dyeing establishments.

Out of the 33 powerloom units producing coloured sarees, only 2 depended on family labour, 9 engaged itinerant dyers, 2 employed dyers on fixed monthly wages and the rest excluding 3 units which worked under the 'Kharchi' system, entrusted the work to the dyeing establishments.[3]

RATES OF PAYMENT FOR WARP BEAMS

Table No. 20 shows the rates charged for the work of preparing the warp beams by hand. We were told by knowledgeable circles that there were about 50 persons who had set up their own small establishments for warping. The

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[1] A shade of 7 tolas meant ~~that~~ the use of 7 tolas of dyestuffs for one bundle of yarn of 10 lbs.

[2] Those who worked under the 'Kharchi' system received ready-made warp-beams and consequently no question of dyeing process arose in their case.

[3] The tendency on the part of the karkhandars seemed

Continued on next page

equipment required for warping was quite simple. It consisted of a wooden reel and a wooden stand for supporting the beam. A small room with 15' x 10' dimensions could suffice for hand warping.

Table No. 20 : RATES OF WAGES FOR PREPARING WARP BEAMS OF DIFFERENT LENGTHS AND OF YARNS OF DIFFERENT COUNTS.

Count of yarn	Length of the beam	Length of the beam	Length of the beam
	60-saree beam	40-saree beam	20-saree beam
80^s	10	8	5
60^s	8	6	4
40^s	6	5	3 1/2
30^s	5 1/2	4 1/2	3
26^s	5	4	3

It can be seen from table No. 20 that the rates charged for preparing a high count warp beam were higher than those charged for low-count warp beams of the same length. This was so because as the fine yarn of higher count had to be handled with care for fear of breaking it, warping of high

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Foot-note continued from previous page

to be to entrust as many preliminary processes as possible to outside workers with a view to reducing the labour force employed on their premises. Many karkhandars whom we interviewed expressed their fear of the various Labour Acts and did not wish to increase the labour force on their premises for fear of being subjected to them.

count yarn required longer time. Secondly, the rates did not increase in the same proportion in which the length of the warp beam did. It meant that the warping cost in the case of beams with greater length was comparatively lower than that of shorter warp beams. Except in the case of very poor weavers who could not afford to have larger warp beams, the usual tendency was to have 40-saree and 60-saree beams. There was an advantage in having beams of larger size, for the wastage of yarn in the case of small-sized beams was greater. Although the warp beam was prepared for a given number of sarees, a few odd yards of cloth always remained in addition to the number of full-length sarees woven per warp beam. But karkhandars with adequate financial resources alone could afford to have big-sized i.e. 60-saree warp beams. The karkhandars who could not afford to lock up large amounts of working capital in having big-sized beams preferred to have small-sized beams, even though the cost of warping per saree on that account was slightly higher. There was, however, a compensating advantage which the smaller warp beams enjoyed over bigger warp beams. As variety was the secret of success in the saree-weaving industry, a small-sized beam meant the possibility of more rapid change in design, border or the body of the saree. Except in two big handloom units which usually prepared 60-saree beams, all the units used 40-saree beams.

The saree-producing powerloom units, however, used 60-saree or 80-saree warp beams. The powerloom units manu-

-facturing grey fabrics used even bigger warp beams ranging from 1200 yards to 1800 yards in length. As standardised cloth without variety in design was to be woven, the big-sized warp beams were an advantage in the case of grey fabrics. Such big-sized warp beams could be prepared only on the warping machine. In fact, the maximum length of warping that could be done by hand was 540 yards which meant a 60-piece warp beam. Warp beams of larger size than this were prepared on the warping machine. Out of the 33 saree-producing powerloom units, in the sample, 5 units got their work done with the help of warping machines, 2 units employed warpers on fixed monthly wages, and the rest entrusted warping work to specialist warpers who did the work in their own establishments. There was no specialised warping establishment which possessed a warping machine. The whole work in such an establishment was done by hand. A skilled warper could at best prepare one 60-piece warp-beam of 40^s. As the availability of work varied, the earnings could hardly be regular. But, on an average, the earnings of an efficient warper who had regular work for a month ranged from Rs. 80 to 100 per month. In the grey-cloth-producing powerloom units warping was done by machinery except in the units which worked under the 'Kharchi' system.

RATES OF PAYMENT FOR THE DRAWING-IN PROCESS

Table No. 21 gives piece-rates for the process of

drawing-in[1] for warp-beams of different counts.

Table No. 21 : RATES OF PAYMENT FOR THE DRAWING-IN PROCESS.

Count of yarn	Rate of payment
80^s	Rs. 3- 0- 0
60^s	Rs. 2- 8- 0
40^s	Rs. 2- 0- 0
30^s and below	1- 0- 0

The rate of payment in the case of drawing-in process varied according to the count of yarn. The higher the count, the higher was the rate of payment.[2] The process did not involve any physical strain for the workers doing this work were required to get themselves seated on either side of the warp beam. But it required sharp eye-sight and manual skill. The process required one skilled worker and one boy or child assistant to pass on the threads. Out of the 95 handloom units selected 7 units depended on family labour for this process. The rest of the units got the work done

[1] This process was popularly known as 'Wai-fani' at Ichalkaranji.

[2] The length of the warp beam did not matter in this process, for it was concerned mainly with passing the warp ends through the eyes of the healds and the dents of the reed.

from the outworkers who went from karkhana to karkhana seeking and doing this type of work. Out of the 33 saree-producing/power-loom units, 8 units employed workers on fixed monthly wages for doing this work while the rest of the units got it done from the outworkers on the premises of the karkhana and paid them according to the piece-rates given in the Table No. 21. Out of the 7 grey-cloth-producing units, 5 units employed the workers on fixed monthly wages for doing this work while the remaining 2 units entrusted this work to itinerant workers. The rates presented in Table No. 21 relate to the rates charged by the outworkers. They were the rates for the pair i.e. for the skilled worker and the boy or child assistant together. Of course, the lion's share of the payment was taken by the skilled worker and the rest was given by him to his boy assistant. We were told by knowledgeable circles that there were about 70 to 75 pairs of these workers who went from karkhana to karkhana seeking work. Where the skilled worker and his boy assistant were employed by the karkhanas on fixed monthly wages for this process they were given Rs. 60 to 70 and Rs. 30 to 40 respectively. We were told by the persons engaged in this process that one pair - the skilled worker and his boy assistant - could complete the drawing-in process for 2 to 2-1/2 beams with about 2500 ends per warp beam during a day of 8 hours.

WAGES OF JOBBERS

In addition to the above skilled workers there were employed in 18 powerloom units persons called jobbers. The jobber did not possess any conventional qualifications for his job such as a certificate or a diploma in mechanical engineering. Usually a skilled weaver was promoted to be the jobber in view of his long experience. Of course, he possessed a mechanical bent of mind. His mechanical knowledge accumulated over years and his skill in finding out the source of disorder in the machine or loom, acquired in the hard and practical school of experience enabled him to manage all repairs except major breakdowns in machinery. His salary was invariably greater than that of a clerk, ranging from about Rs. 90 to Rs. 125. The small powerloom units which could not afford to employ full-time jobbers paid a small monthly allowance of about Rs. 10 per loom to some other jobber or experienced worker who was employed in another karkhana. Such jobbers would find some time to visit such units to see that they were working smoothly. If there was any complaint, it was attended to after his duty in his karkhana was over. In the handloom karkhanas no jobbers were found to be employed. The whole mechanism of the handloom was so simple that a weaver with some experience set it right if it went out of order. If some part wore out or broke down, a carpenter was sent

for and the necessary repair was carried out.

RATES OF PAYMENT FOR WARP-WINDING AND WEFT-WINDING

Table No. 22 gives the piece-rates for warp-winding and weft-winding for yarn of different counts.

Table No. 22 : PIECE-RATES FOR WARP-WINDING AND WEFT-WINDING PER BUNDLE OF 20 HANKS

Count of yarn	Warp-winding	Weft-winding
20^s to 30^s	1- 0- 0	1-12- 0
40^s	1- 4- 0	2- 0- 0
60^s to 80^s	1-12- 0	2- 8- 0

Payments for these processes were by results in all the units except in those powerloom units which possessed winding and pirn-winding machines. Out of 33 saree-producing powerloom units, 7 units possessed winding and pirn-winding machines. Out of the 7 grey-cloth-producing powerloom units, 5 units possessed winding and pirn-winding machines. These units employed children to operate the machines. It required one child or [1] boy to look after a pirn-winding machine ~~and~~ with a capacity of 20 pirns and the person got a monthly wage of Rs. 40. Where payment was by results, the rates were quoted for a bundle of 20 hanks and not of 10 hanks as in the case of dyeing. It can be noted from the

[1] A person above 15 and below 18.

Table No. 22 that the rates for pirn-winding were higher than those for warp-winding. This was due to the fact that the pirn-winding process involved greater time than the process of warp-winding as the weft had to be slowly passed through the water mixed with gum.

RATES OF PAYMENT FOR FOLDING WORK

This was the last process to which the saree was subjected. The work of folding sarees was done by two persons with the help of two iron bars of about 2 ft. in length and a pair of scissors. Normally two persons could fold about a 100 sarees during a day of 8 hours. Some of the expert folders attained a rate of 125 to 150 foldings per day. The work was everywhere paid by results and the actual piece-rate was Rs. 3-2-0 per 100 foldings for low count sarees and Rs. 4 for high-count sarees. In most of the small handloom units and a few one-loom or two-loom powerloom units this work was done by the owners themselves. The workers engaged in this type of work moved in pairs from karkhana to karkhana seeking work. We were told by many knowledgeable persons that there were about 20 to 25 pairs of these workers.

TECHNICAL STRUCTURE OF THE HANDLOOMS

So far as the handlooms were concerned all the processes

were done by hand. Since 1930, particularly as a result of contact with the progressive powerloom sector, much improvement had taken place in respect of preliminary processes like dyeing, sizing, etc. The pit-looms had been replaced by what came to be known as automatic looms sometime about 1936. Gradually they were equipped with lattice and drop-box attachments. These automatic looms represented a good deal of improvement over the pit-looms so far as productivity was concerned. In fact, the credit for developing this more efficient type of loom was given to a few resourceful individuals at Ichalkaranji. While the pit-loom could at best weave 5 to 6 yards of cloth per day of 8 hours, the automatic loom could weave about 9 to 10 yards of cloth of 60^s yarn. These automatic looms were manufactured at Ichalkaranji itself. There were about 15 workshops or Kalagrahas, as they were popularly called, which manufactured these looms. Everything was done by hand in these workshops. The carpenters in the workshops had acquired much skill in this work. One handloom could be manufactured by two carpenters with the help of a boy assistant in a week.[1] There was great demand for the

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[1] The carpenters manufacturing a loom got about Rs. 75 to Rs. 90 per month and the boy assistant was given about Rs. 35 to 40. The carpenters themselves had set up the workshops. The Kalagrahas or workshops were not big karkhanas as the imposing name is likely to suggest but very small units with 2 to 4 carpenters working in each of them.

automatic looms of Ichalkaranji-make from neighbouring villages like Hupari, Nandani, Rendal and from distant towns and cities like Islampur, Miraj, Belgaum, Nagar, Haldi Khamgao (Nipani District), etc. Everything except iron wheels and other iron attachments connected with the loom was prepared locally. A handloom with dobby attachment could be had at Rs. 225.

TECHNICAL STRUCTURE OF THE POWERLOOMS

The powerlooms in the units in the sample were in the majority of cases second-hand and quite old. They belonged to such companies as Greaves Cotton, Henry Lucy, etc. Inspite of that, however, they were maintained in a working condition, though the karkhandars told us that there were frequent stoppages and breakdowns. But the looms installed during the last ten years were of Indian companies such as Cooper, Gwalior, etc. A new powerloom cost about Rs. 1500.

Although the bigger powerloom units carried out many preliminary processes with machines, the smaller units could not afford them and had to depend on manual labour and manual labour cost much more than machine power.

The managers of dyeing establishments told us in our discussions with them that there was hardly any tendency on the part of the karkhandars to try out new processes and scientific methods. Many a time specialised training and advice of the dyers were of no avail against the in-

-sistence on the traditional methods by the karkhandars.

In the case of powerloom weaving of grey fabrics, however, rapid changes had begun to take place. The most notable change was the elimination of many preliminary processes such as dyeing, winding, etc.; because of the availability of warp in the proper form. Everything was done by machinery in the powerloom units producing grey cloth. The greatest need in the case of such units was the processing plant.

CAPITAL STRUCTURE

The capital requirements of an industry are of two types. Firstly, it needs capital for the purchase of land, construction of building, purchase of equipment, etc. A going concern needs fixed capital for the expansion of its activities and replacement of old and worn-out machinery. Capital required for these purposes may be called fixed capital. Secondly, it needs capital for the purchase of raw-materials, for payment of wages, for marketing and other recurring items of expenditure. This may be called working capital.

The fixed capital required by the handlooms and powerlooms at Ichalkaranji was contributed mainly by the karkhandars themselves. The requirements of fixed capital of a handloom unit were quite moderate. For example, one handloom with its attachments could be had at Rs. 225. A new powerloom cost about Rs. 1500. Almost all the big powerloom karkhanas at Ichalkaranji had grown to their present size

from quite modest beginnings, by continuously ploughing back a part of their earnings into the industryfor adding a few looms to the existing number.

The real financial difficulties related to the problem of working capital. The paucity of working capital was all the more acutely felt because the difficulties in connection with marketing had grown as a result of occasional spells of slack business, recession and depression, particularly since 1949.

Prior to 1939, the main agencies supplying working capital to the weaving industry at Ichalkaranji were three - the Ichalkaranji Central Cooperative Bank, Ltd.; moneylenders working with their own funds and the Marwari merchants. The Second World War, however, witnessed a rapid expansion of banking facilities at Ichalkaranji. Five banks had started their branches at Ichalkaranji during the period of World War II. The banks provided credit facilities to the karkhandars in three ways. Firstly, they made loans usually for a period of one year against the security of real assets such as land, building, etc. The rate of interest on such loans was about 7 1/2 per cent per annum. Secondly, they provided cash credit facilities to the karkhandars, the rate of interest charged on cash credit being about 7 1/2 per cent per annum. Thirdly, they advanced money against goods hypothecated with them to the extent of 75 per cent of the value

of goods so hypothecated. The interest charged on such loans being 6 per cent per annum. The established karkhandars with a fairly long standing and sound financial position did not find much difficulty in obtaining their working capital requirements in these ways from the banks. The difficulty arose particularly in the case of comparatively younger and smaller units whose credit standing was not and could not be very high. A number of karkhandars of small handloom and powerloom units complained to us that the shortage of working capital was their main difficulty. The shortage of working capital affected their earnings as well as production. Whenever the market was dull, the stocks of goods began to pile up, with consequent pressure on their limited funds. As a result, sometimes some looms had to be kept idle for sometime or partially worked until sufficient funds became available for the preparation of new warp beams. Moreover, they were forced to dispose of their goods even at less than remunerative prices in order to get the necessary funds for keeping their looms working. The moneylenders did not figure prominently as a source of working capital owing to increased restrictions on money-lending business. There were no moneylenders of repute who were engaged in the business of supplying capital to the karkhandars.

The Marwari merchants, however, supplied quite a large amount of working capital, although it was possible to estimate it correctly. They supplied this capital on the

condition that the karkhandars sold their production to them at prices fixed at the time of supplying capital. This condition operated to the disadvantage of the weaver as it laid himself open to exploitation by the merchants. The merchants invariably paid lower prices for the goods so purchased. It was his poverty and helplessness that drove him to seek accommodation from the Marwari merchants on terms dictated by them. For, without capital, he would be out of business; with it, he hoped to be able to earn at least a bare living. Since 1952 the relations between the Marwari merchants and the powerloom karkhandars had become somewhat strained. Yet the poor and needy powerloom karkhandars continued to deal with them. The handloom karkhandars were heavily indebted to the Marwari merchants.

It was difficult to arrive at any precise estimate of the extent of indebtedness. The extent of indebtedness was a thing about which the karkhandars seemed to be rather secretive. But from our discussions with knowledgeable persons connected with the industry as well as with banks it was evident that a very large sector of handloom and powerloom industry was really controlled by the banks and the Marwari merchants and but for their help the industry would find itself in great difficulties in respect of finance.

The Powerloom Weavers' Cooperative Association and two Handloom Cooperative Associations advanced loans to their members to a very small extent against the goods hypothecated

with them by their members.[1] This system had come into existence during the difficult period that followed the depression of 1952. It was a modest effort on the part of the Associations to help their members tide over that difficult period. Their part in providing the capital needs had become almost negligible in 1954.

Under the Handloom Relief schemes also two Handloom Cooperative Societies and through them a few weaver-members received some financial help from the government in 1953 and 1954.[2]

Lastly, there were a few sowcar-weavers who supplied working capital in the form of ready-made warp beams and wages to the weavers who accepted the warp-beams on the condition that the manufactured goods were returned to them.

To sum up, the fixed capital and a part of the working capital was contributed by the karkhandars themselves, while the working capital was supplied by different agencies in different proportions. These agencies were the karkhandars themselves, the banks, the Marwari merchants, the moneylenders, the Powerloom and Handloom cooperative Societies, the government and the sowear-weavers.

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[1] See the Chapter "Associations in the Industry", pp. 207, 211, 215.

[2] See the Chapter "Associations in the Industry", pp. 208, 211.

ABSENCE OF RESERVES

The industry was without any reserves on which it could draw in times of difficulty. This absence of reserves had reduced industry to great financial straits, particularly since 1949. The prosperity phase of World War II could have been utilised by the karkhandars for building up a sound reserve position of their karkhanas. The huge fortunes made by the karkhandars, particularly the power-loom karkhandars, during World War II had, however, been invested in such assets as lands, buildings, motor cars, etc. The investment of funds in such unproductive ways had landed the industry after 1949 into the unhappy situation which resulted in strengthening the financial grip of the banks and the Marwari merchants on the industry. Had the profits of the period of World War II been utilised for building up reserves, the industry might have been able to withstand the impact of the recession of 1949 and depression of 1952. When the depression of 1952 led to a steep fall in yarn and saree prices to the extent of 40 to 50 per cent from the war-time and post-war price-levels and involved the karkhandars in huge losses of working capital, they found themselves without any reserves which they could draw upon. This was the main factor responsible for the very straightened circumstances in respect of working capital.

Table No. 23 is intended to give an idea of the capital investment (Fixed and Working) in the handloom karkhanas in the sample classified according to size. The figures of fixed capital represent the estimated value of the looms, other auxiliary equipment such as the chain wheel, creel, etc. and building in 1954.[1] In the absence of any systematic records relating to the value of fixed capital, it was decided to accept the worth of the capital assets estimated by the karkhandars themselves at the market value in 1954.[2] The figures of working capital represent the amount of capital in terms of raw-materials, goods in process, unsold finished goods and payments to workers. Table No. 23 reveals very many variations in the amount of fixed capital required by a loom in each group. The variations were due to the fact of differences in the estimated value of the capital assets, depending upon the condition of assets including building.

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[1] In the case of small one or two-loom units which were set up in the houses of karkhandars, the value of that part of the building used for the karkhana was included. This procedure was followed also in the case of small powerloom karkhanas similarly situated.

[2] The same procedure was followed in estimating the amount of fixed capital employed in the saree-producing and grey-cloth-producing powerloom karkhanas.

Table No. 23

Capital Investment (Fixed and Working) in the handloom karkhanas of different sizes in the sample.

Number of looms	Total No. of looms	Total Fixed Capital (Rs.)	Average fixed capital per loom (Rs.)	Total working capital (Rs.)	Average working capital per loom (Rs.)
1 loom	21(1)	5335	254.05	4700(3)	313.33
2 looms	36(2)	9200	255.56	8550(4)	237.50
3 looms	39	8900	228.21	13500	346.15
4 looms	56	17900	319.64	15100	269.64
5 looms	40	9150	228.75	21000	525.00
6 looms	48	13500	281.25	23500	489.58
7 looms	21	5500	261.90	8500	404.76
8 looms	40	14500	362.50	20000	500.00
11 looms	11	2000	181.82	6000	545.45
15 looms	15	4000	266.67	5000	333.33
19 looms	19	10000	526.32	20000	1052.63
	346				

Capital Investment (Fixed and Working) in the grey-cloth-producing handloom unit in the sample.

Number of looms	Total No. of looms	Total Fixed Capital (Rs.)	Average fixed capital per loom (Rs.)	Total working capital (Rs.)	Average working capital per loom (Rs.)
2 looms(5)	2	300	150	It did not employ its working capital as it worked under a sowcar-weaver.	

(1) In calculating the average fixed capital per loom only 21 out of 22 one-loom units were taken into account as one loom had been hired by the weaver and no fixed capital could be estimated by him.

(2) Out of 19 two-loom units, one unit was working on grey cloth. Its fixed and working capital is shown separately.

(3) This figure represents the working capital for 15 looms only as 7 one-loom units working under the sowcar-weavers did not employ any working capital of their own.

(4) This figure represents the working capital for 17 units only as 2 units working under sowcar-weavers did not employ any working capital.

It can be seen from the Table No. 23 that the average fixed capital employed per loom in units with more than 5 looms was higher, with one exception, than in units with 5 or less looms. This was due to the fact that the bigger units had larger capital investment in such fixed assets as building, chain wheels, creels, and other equipment. The Table also shows many variations in the working capital per loom. This was due to the differences in the financial standing of the different karkhanas. Column No. 6 of the Table further shows that the working capital required per loom was, with the exception of two groups, higher than the fixed capital required per loom. It is evident from the Table that the majority of handloom units had an average working capital of less than Rs. 500. If we assume that the cost of production of $40^s \times 40^s$ saree of 9 yards was Rs. 9[1] in round figures, then the weaver required about Rs. 1080 as working capital per loom on the assumption that one 40-saree beam was required per month. This estimate is based on the assumption that he required two beams for two months and one beam on the loom until the sale proceeds of the goods produced from the first two beams were realised and were available for preparing a fresh warp beam. If we compare

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[1] This approximate cost is inclusive of the cost of dyeing.

the figure of actual working capital employed per loom with the figure of optimum working capital derived in the above way, we will find that the working capital actually employed per loom was much below the required level. In the case of high-count sarees, the requirements of working capital were higher still. Moreover, additional working capital would be required particularly in the slack season from July to October.

Table No. 24 shows the capital investment - fixed and working - per powerloom in the coloured saree-manufacturing units in the sample classified according to size. The differences in fixed capital requirements per loom in each group based on size can be explained in terms of the factors already referred to in connection with the handlooms.[1] In the case of one-loom group the working capital employed per loom seemed to be very small. This was due to the fact that all the 3 units in the one-loom group worked under the sowcar-weavers and did not require much working capital. Comparing the figures in columns 4 and 6 in Table No. 24 with corresponding figures in Table No. 23, it can be observed that the fixed and working capital employed per powerloom was much greater than the fixed and working capital employed per handloom. Assuming in round

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[1] See the present Chapter, p. 132.

Table No. 24 : CAPITAL INVESTMENT (FIXED AND WORKING) IN THE SAREE-PRODUCING POWERLOOM KARKHANAS OF DIFFERENT SIZES IN THE SAMPLE

Number of looms	Total No. of looms	Total Fixed Capital (Rs.)	Average Fixed Capital per loom (Rs.)	Total working capital (Rs.)	Average working capital per loom (Rs.)
1	3	3100	1033.33	300	100.00*
2	10	15000	1500.00	7500	750.00
3	9	17500	1944.44	16000	1777.78
4	24	41000	1708.33	29500	1229.17
5	5	10000	2000.00	8000	1600.00
6	12	25000	2083.33	14000	1166.67
7	7	25000	3571.43	10000	1428.57
8	16	30000	1875.00	20000	1250.00
9	18	39000	2166.67	25000	1388.89
10	10	10000	1000.00	10000	1000.00
11	11	10000	909.09	10000	909.09
12	12	12000	1000.00	10000	833.33
14	14	52100	3721.43	25000	1785.71
16	16	30000	1875.00	30000	1875.00
17	17	24500	1441.18	30000	1764.71
21	21	40000	1904.76	60000	2857.14
39	39	150000	3846.15	80000	1538.46
	244				

* All the one-loom units worked under the 'kharchi' system. Hence the working capital employed by them was very small.

figures that the cost of production per full-length saree of $40^s \times 40^s$ and Rs. 8- 6- 0[1] and further assuming roughly that the average production per loom per day was four full-length sarees and the working days per month were 25, the total requirements of working capital per loom for storing the production of two months and still keeping the loom working would be around Rs. 2500. The column of working capital shows that in the majority of units the actual amount of working capital employed per loom was much less than this amount. This paucity of working capital affected the productivity as well as the earnings of the powerloom units for much the same reasons as were indicated in the case of handlooms.[1a]

INCREASING GRIP OF THE MARWARI MERCHANTS ON THE INDUSTRY.

Many small karkhandars in the handloom and the power-loom sectors complained to us that because of the inadequacy of working capital they had to sell their goods at what they would fetch in the market. They also brought to our notice a new factor which had been annoying them particularly since 1949. Since the recession of 1949 the saree-

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[1] This approximate cost is inclusive of the cost of dyeing.

[1a] See the present Chapter, p. 126.

weaving industry at Ichalkaranji never enjoyed steady and continuous demand for its goods all through the year. The July-October season was extremely slack, with the result that the smaller karkhandars with very little working capital either kept part of their installed capacity idle or operated the full installed capacity intermittently during this season as their resources permitted. As few karkhandars could afford to close down their business for the entire season, they went on producing, though on a lower scale, just in order to make a bare living. Such a situation reduced considerably the profit margin of the karkhandars and their helplessness was exploited by the Marwari merchants who had had resources enough to store goods in -the slack season at lower prices. We were told by knowledgeable persons concerned with the industry that the lion's share of the profits of the small units in the industry even in the busy season was absorbed by the Marwari merchants leaving nothing more than decent wages to the karkhandars. The slack season further entrenched the merchants in a strong position as a result of the weak staying and bargaining power of the smaller karkhandars.

Table No. 25 shows the amount of fixed and working capital invested in the grey-cloth-producing powerloom karkhanas in the sample.

The terms fixed capital and working have been used

Table No. 25 : CAPITAL INVESTMENT (FIXED AND WORKING) IN THE GREY-CLOTH-PRODUCING POWERLOOM KARKHANAS IN THE SAMPLE 1/

Number of looms	Total number of looms	Total Fixed Capital (Rs.)	Average Fixed Capital per loom (Rs.)	Total working capital (Rs.)	Average working capital per loom (Rs.)
5	5	20000	4000.00	2000	200.00
18	18	100000	5555.56	75000	2083.33
19*	19*	45000	2368.42	10000	526.32
22	22	50000	2272.73	60000	1363.64
28*	28*	150000	5357.14	100000	3571.43
40	40	75000	1875.00	100000	1538.46
105	105	300000	2857.14	200000	952.38
	237				

* The asterisked units worked only one shift while the rest of the units worked two shifts, each shift being of 8 hours' duration. The unit with 40 looms, however, worked 40 looms for one shift and 25 looms for a second shift.

1/ While calculating the fixed capital per loom, the total amount of fixed capital employed by the karkhana was divided by the number of looms worked in it. While calculating the working capital per loom, the total amount of working capital employed by the karkhana was divided by the number of looms worked in both the shifts together, for the total working capital represents the working capital for both the shifts together. In the case of karkhanas working on a single-shift basis no such adjustment was necessary.

in the same sense in which they have been used in connection with Table Nos. 23 and 24. It can be observed from Table No. 25 that two karkhanas, one with 5 looms and the other with 19 looms, employed much less working capital per loom than the rest. This was due to the fact that both these karkhanas worked under sowcar-weavers or under the 'Kharchi' system. Consequently, they required small working capital. In the case of two other karkhanas, one with 18 looms and the other with 28 looms, the amount of fixed capital employed by them per loom seemed to be much larger than in the case of other karkhanas. This was due to the fact that the amount of fixed capital in the case of these two karkhanas included heavy capital investment made by them in costly buildings for housing the karkhanas.

Table No. 25 further reveals that with the exception of one, all the units engaged in the manufacture of grey fabrics were comparatively large units with more than 15 looms. This was due to the fact that the production of grey fabrics was required to be on a large scale because there were no buyers for small amounts of grey cloth. And production on a large scale could be undertaken only by karkhanas possessing a sufficiently large number of looms and prepared to work more than one shift. The one small karkhana was able to enter this field because of the absence of the marketing problem as a result of its dependence on the sowcar-weaver.

MARKETING STRUCTURE

PURCHASES OF RAW MATERIALS

The sources from which raw-materials were obtained by the handloom and powerloom karkhandars have already been referred to.[1] A large majority of karkhandars made their purchases partly on a cash and partly on a credit basis. With the improvement in the means of communication there were no complaints regarding inconvenience caused by delays in getting the ordered requirements. A karkhandar who wanted yarn of a particular quality could give a phone message to a yarn merchant at Bombay and hope to receive the ordered requirements of yarn within a couple of days. The big karkhandars availed themselves of the private operators of truck transport service in order to get their requirements from Bombay. There were 4 or 5 owners of motor trucks. They operated the truck service between Ichalkaranji and other centres in connection with business. They frequently visited the big karkhandars and inquired whether any goods were to be brought from Bombay or other places or anything was to be carried to Bombay or other places. They collected the orders from the karkhandars and approached the dealers and merchants with a letter from the karkhandar

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[1] See Chapter II 'Raw-Materials and Processes', pp. 33-38.

concerned and brought the ordered raw-materials like yarn bales, art silk, on their return trip. Strictly from the point of view of freight rates, railway transport was cheaper than truck transport, the truck transport being about one and a half times costlier than railway transport. For instance the transport costs of a package of sarees weighing 100 lbs. from Ichalkaranji to Bombay by railway were about Rs. 6 while they were Rs. 9 by truck service. Transport of raw-materials and finished goods by railway was said to be inconvenient because of the delay and the possibilityof damage and pilferment of goods which it involved. Private operators' truck transport was found to be a great convenience because of its speed and lack of bureaucratic rigidity in its method of dealing with its customers. The raw-materials were brought to the doorstep of the karkhanas and the finished goods were also carried from the doorstep of the karkhanas.

It was clear from the replies to the questionnaire that there was not a single unit either in the handloom or the powerloom sector which kept with itself a stock of raw-materials sufficient for a period of more than a month. The vast majority of units lived on a hand-to-mouth basis as they did not possess the resources required for purchases at the right time, i.e. when there was a price advantage. The owners of small units bringing their yarn requirements on the bicycles as the need arose were a common sight.

Such a hand-to-mouth process frequently resulted in delays in the preparation of warp beams, with the result that the loom remained idle for some time and production suffered. There were 8 powerloom units in the sample which imported their yarn and Art silk requirements from Bombay, the rest of the units purchased their requirements from local dealers.

The dyestuffs, chemicals and other mill-stores and accessories were, however, purchased from local dealers.

MARKETING OF THE FINISHED GOODS

The marketing of the finished goods constituted the crux of the problem. "It is the merchant rather than the maker who is the hub of the modern economic system with its dependence on the mechanism of price."[1] As indicated earlier[2] the Marwari merchants rendered an important service to the development of the weaving industry at Ichalkaranji by advertising the Ichalkaranji sarees and creating and cultivating a market for them. They did not merely act as unloaders of what was already produced, but to some extent acted as arbiters of the pattern of production. They performed the function of forecasting, stimulating and interpreting the desires of consumers. In some cases they

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[1] D. H. Robertson,'The Control of Industry', p. 43.

[2] See Chapter I, 'Historical Background', p. 16

made suggestions and even gave instructions to the karkhandars regarding the type of sarees to be produced. The Marwari merchants performed these functions so well that the karkhandars, in course of time, lost all direct touch with consumers as well as outside merchants and came to depend wholly on the local Marwari merchants for the marketing of their fabrics. Once, however, the merchants were firmly entrenched in this business, they began to exploit the helplessness of the karkhandars.[1] The Marwari merchants charged to the karkhandars commission on their purchases from them at the rate of Rs. 1 1/8 per cent from 1938 to 1943. As their grip over the marketing process tightened they began to charge higher and higher commissions on their purchases from the karkhandars. From 1943 to 1945 the rate of commission was 3 1/8 per cent. From 1945 to 1950 it was Rs. 4 9/16 per cent. It was increased to 6 1/4 per cent from 1950. This rate of commission was a heavy charge on the meagre earnings of the karkhandars, particularly after the slump of 1952. The powerloom karkhandars who were better organised than the handloom karkhandars decided in their meeting in September 1953[1a] not to do any business with the Marwari merchants

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[1] A number of karkhandars expressed their resentment at the exorbitant commission charged by the Marwari merchants, particularly in the post-1950 period although their services to the industry before 1939 were acknowledged by many of them.

[1a] Exact date of the meeting was not available in the absence of any record regarding the meeting.

on the commission basis, but to reestablish direct contacts with the consumers and outside merchants. Thereafter, the system of Safi[1] rates was followed by the big powerloom karkhandars who could afford to do without the help of the Marwari merchants. The small karkhandars in the handloom and powerloom sectors continued to pay the commission charged to them by the merchants. The exact rate of commission charged to the karkhandars depended upon their bargaining strength, but in 1954 different rates of commission ranging from Rs. 3 1/8 to Rs. 6 1/4 per cent were in force. The general feeling among the karkhandars was that the Marwari merchants were fully exploiting the helplessness due to the poverty of the karkhandars by charging a prohibitively high commission for their marketing services. As a result, the relations between the karkhandars and the merchants were found to be strained.[2] Consequently the business of the Marwari merchants had suffered in volume by anything between 40 to 50 per cent.[3] Even then, however, many of the merchants from other towns and cities who came to Ichalkaranji for making purchases of sarees continued to stay with the Marwari merchants as before,

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[1] This was a local term which meant rates without any commission or net rates.

[2] The fact of strained relations was acknowledged both by the karkhandars and the merchants whom we interviewed.

[3] This was the estimate given by the Marwari merchants.

purchased their requirements from them and also visited the different karkhanas, with their help, for making a choice of sarees. The outside merchants availed themselves of the Marwari merchants' knowledge of local conditions, quality of goods, etc. Moreover, if the particular patterns of sarees required by them were not ready at the moment, they instructed the Marwari merchants to get them manufactured. The Marwari merchants did not charge any special commission for their services to these customers. The prices which the Marwari merchants charged to these customers for the purchases made by them from their stocks, however, contained a commission element.

The Marwari merchants maintained lodging and boarding arrangements in their own shop building for the visiting merchants. A special cook was employed by every Marwari shop for the purpose of preparing and serving food to these visiting customers. The 'chokha'[1] system was maintained by every Marwari merchant doing the saree business on a wholesale scale. The merchant shops maintained a pressman and a coolie for packing and baling the sarees for being sent to the outside merchants. They also employed clerks to maintain their accounts. Since the introduction of

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[1] 'Chokha' in Marwari language means hospitality. As a result of a drop in the business of the Marwari merchant shops, some of them expressed the fear that they might have to discontinue the 'chokha' system, for the cost of the system was becoming very heavy in the context of declining business.

the Safi rates the volume of their business had dwindled. In order to strengthen their stocks of goods these merchants were found visiting handloom and powerloom units for making purchases. Moreover, one Marwari merchant shop or Pedhi had started its own handloom unit to make good the loss in its business with powerloom karkhandars. The marketing of sarees was primarly a deeply entrenched monopoly of the Marwari merchants. There were no big merchants in this business except Marwaris. About 1950 two marketing shops had been opened by two Brahmins, but they had to close down their shops because of their inability to withstand the competition of the long-established Marwari merchants with huge resources. Most of these merchants had, on an average, an annual turnover of Rs. 8 to 10 lakhs.

The second important agency of marketing was the outside merchants who went from Karkhana to karkhana in order to see the goods at first hand,make a choice of designs and place the orders direct with the karkhandars.

There was a third agency of small traders who marketed the sarees in a small way in the neighbouring towns on their respective bazzar days. They went to small karkhandars, -spent some time in hard bargaining and after making the purchases with a cash went to the neighbouring towns and villages on their respective bazzar days. There were about 15 to 20 such persons and most of them belonged to the Namdeo

Shimpi caste and were makers of caps. They made it their business to go to the neighbouring places on their bazzar days for selling the caps. And they tried to increase the range of their business activity by selling some sarees also. But this agency, however, accounted for a very small part of the total turnover.

MARKETING OF GREY GOODS

The problem of marketing grey goods presented much difficulty because they were not marketable like the sarees, in the boom stage. Unless the grey fabrics are processed they cannot attract the customers. The grey fabrics therefore had to be sent to Bombay for getting them processed. But because of the pressure of work on the processing plants at Bombay, there were delays in getting them processed which meant locking up of capital for a long time. The karkhandars at Ichalkaranji with their limited resources could not afford to lock up their meagre capital resources in this way. They had, therefore, to sell the grey goods in an unprocessed form to big businessmen with the result that the net difference between the price of the processed goods and that of the unprocessed goods was pocketed by the big businessmen who purchased these grey goods on a large scale and sold them in a processed form. The establishment of a Processing Plant towards the end of 1954 had slightly eased the situation. But the Plant was not a complete or

up-to-date unit. It was not quite useful for perfect finishing which is essential for high-count fabrics.

THE SIZE OF PRODUCTION

In the case of 95 handloom units only one unit of 2 looms was found manufacturing grey cloth. It produced grey cloth because it depended for its working on a cooperative society which supplied to it grey warp beams. Thus the handloom production of grey fabrics to total handloom production was almost negligible. The handlooms at Ichalkaranji had never taken to the production of grey fabrics because of the absence of market for unprocessed grey fabrics. The reservations made in favour of the handlooms in 1950 had not brought about any change in the pattern of handloom production. Table No. 26 gives the classification of coloured sarees in different counts produced by handloom karkhanas of different sizes in the month of December 1954.[1] Table No. 27 summarises briefly the data in Table No. 26 so that, at a single glance, an idea can be had of the total production of grey cloth and sarees in different counts for the month of December 1954. It can be observed from Table No. 26 that a little over 58 per

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[1] Classification of data relating to December, 1954 was attempted because the month being quite near to the survey period, the karkhandars could give us countwise data of production of that month. No reliable data of countwise production for the whole year were available in the absence of systematic record.

Table No. 26: COUNTWISE CLASSIFICATION OF FULL-LENGTH COLOURED SAREES PRODUCED IN DECEMBER, 1954 IN THE HANDLOOM KARKHANAS IN THE SAMPLE.

Number of looms	80^s x 80^s			80^s x 60^s			60^s x 60^s			40^s x 40^s			30^s x 30^s			Short-length 6/ sarees 40^s x 40^s (5 yds.x30")		
	Looms No.	Volume No.of sarees	Value Rs.	Looms No.	Volume No. of sarees	Value Rs.	Looms No.	Volume No. of sarees	Value Rs.	Looms No.	Volume No. of sarees	Value Rs.	Looms No.	Volume No. of sarees	Value Rs.	Looms No.	Volume No. of sarees	Value Rs.
1 looms	4	95	-	-	-	-	7	240	1985[2]	7	290	2550[4]	2	90	540	-	-	-
2 looms	2	50	-	-	-	-	-	-	-	18	780	6895	8	400	2700	-	-	-
3 looms	3	80	1300	3	80	1000	6	220	2700	18	615	6750	3	130	800	-	-	-
4 looms	-	-	-	-	-	-	20	600	6750	12	385	3500	16	585	3575	-	-	-
5 looms	5	125	2000	-	-	-	15	375	4700	10	300	3000	5	175	1000	-	-	-
6 looms	12	355	4840	-	-	-	12	325	4100	18	615	5400	-	-	-	-	-	-
7 looms	-	-	-	-	-	-	14	440	5600	-	-	-	-	-	-	7	450	1100
8 looms	8	240	3600	-	-	-	24	860	10000	8	300	2400	-	-	-	-	-	-
11 looms	-	-	-	-	-	-	-	-	-	-	-	-	11	550	4600	-	-	-
19 looms	-	-	-	-	-	-	-	-	-	19	650	6000	-	-	-	-	-	-
Total	34	945	11740[1]	3	80	1000	98	3060	35835[3]	110	4035	36495[5]	45	1930	13315	7	450	1100

Number of looms	30^s x 26^s			30^s x 30			26^s x 26^s			20^s x 26^s			20^s x 20^s			Grey Cloth 20^s x 20^s		
	Looms No.	Volume No. of sarees	Value Rs.	Looms No.	Volume No. of sarees	Value Rs.	Looms No.	Volume No. of sarees	Value Rs.	Looms No.	Volume No. of sarees	Value Rs.	Looms No.	Volume No. of sarees	Value Rs.	Looms No.	Volume No. of sarees	Value Rs.
1 loom	1	50	300	1	50	300	-	-	-	-	-	-	-	-	-	-	-	-
2 looms	2	100	550	-	-	-	2	120	750	2	80	400	2	90	450	2	100	750
3 looms	6	210	1300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 looms	8	290	1700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 looms	-	-	-	-	-	-	5	170	1000	-	-	-	-	-	-	-	-	-
6 looms	-	-	-	6	225	1400	-	-	-	-	-	-	-	-	-	-	-	-
7 looms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 looms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 looms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 looms	-	-	-	15	800	4400	-	-	-	-	-	-	-	-	-	-	-	-
19 looms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	17	650	3850	22	1075	6100	7	290	1750	2	80	400	2	90	450	2	100	750

[1]This figure represents the value of production of 28 looms, as 4 one-loom units and one 2-loom unit producing 80^s x 80^s sarees were working under sowcar-weavers, the value of their production was not available.

[2]This figure represents the value of production of 5 one-loom units producing 60^s x 60^s sarees, because the value of production in the case of the two one-loom units producing 60^s x 60^s sarees and working under sowcar-weavers was not available.

[3]This figure represents the value of production of 96 looms.

[4]This figure represents the value of production of 6 looms as one loom producing 40^s x 40^s sarees was working under sowcar-weaver. [5]This figure represents the value of production of 109 looms. In all these cases the No. of sarees produced was available

6 These short-length sarees with a width of 30^s were called 'Chiradis'. Full-length sarees were 8 to 9 yards in length and 46" to 50" in width. The length and width of sarees of 30^s and below were about 8 to 8 1/2 yards and 46" to 48" respectively. Sarees of 40^s and above were 9 yards in length and 50" in width.

Table No. 27 : SUMMARY OF THE DATA IN TABLE NO. 26

Total No. of looms	Count of yarn	No. of sarees	Percentage to the total No. of sarees	Average No. of sarees per loom	Value of production (Rs.)	Average value per loom (Rs.)
34	80^s x 80^s	945	7.69	27.79	11740	419.28[1]
3	80^s x 60^s	80	.65	26.67	1000	333.33
98	60^s x 60^s	3060	24.90	31.22	35835	378.43[2]
110	40^s x 40^s	4085	33.25	37.14	36495	334.81[3]
45	30^s x 30^s	1930	15.71	42.89	13315	295.89
17	30^s x 26^s	650	5.29	38.23	3850	226.47
22	30^s x 20^s	1075	8.75	48.86	6100	277.27
7	26^s x 26^s	290	2.36	41.43	1750	250.00
2	20^s x 26^s	80	.65	40.00	400	200.00
2	20^s x 20^s	90	.73	45.00	450	225.00
		12285			115405	
			Grey Cloth (8 yds. x 48")			
2^4	20^s x 20^s	100 (dhoties)		50 dhoties		
			Short-length sarees (5 yds. x 30")*			
7	40^s x 40^s	450		64.28	1100	157.14
349						

1, 2 and 3 : The average value per loom in all these cases was derived by dividing the total value of production by the number of looms which accounted for it. See the footnotes 1, 4 and 5 on page 148.

* These short-length coloured sarees were called 'chiradis'.

cent of the total production of full-length sarees of handlooms was accounted for by sarees of 60^s and 40^s put together.

Table No. 28 presents the classified data relating to production of coloured sarees in the powerloom karkhanas during the month of December, 1954.[1] It can be observed from this table that the production of short-length sarees as in the case of handlooms was almost negligible. Secondly, the production was confined primarily to counts higher than 30^s, and in almost all the cases yarn of the same count was used for both warp and weft.

Table No. 29 summarises the data in Table No. 28 so that, at a single glance, an idea can be had of the production of sarees in each count during the month of December, 1954. The data presented in this table show that more than 90 per cent of production consisted of sarees in 60 and 40 counts. The production of 80^s as well as 30^s sarees was quite small as compared with the total saree production of the powerloom karkhanas.

It can be observed from Table No. 30 that the production of grey fabrics consisted of yarn of 20^s and 18^s.

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[1] The production figures for this month were chosen for the reason already mentioned in the case of handlooms. See the footnote on page

Table No. 28 : COUNTWISE CLASSIFICATION OF FULL-LENGTH COLOURED SAREES PRODUCED IN DECEMBER, 1954 IN THE POWERLOOM KARKHANAS IN THE SAMPLE.

No. of looms	Total No.of looms	$80^s \times 80^s$ No.of looms	Volume of prod. (No.of sarees)	Value of prod. (Rs.)	$60^s \times 60^s$ No.of looms	Volume of prod. (No.of sarees)	Value of prod. (Rs.)	$40^s \times 40^s$ No.of looms	Volume of prod. (No.of sarees)	Value of prod. (Rs.)	$30^s \times 30^s$ No.of looms	Volume of prod. (No.of sarees)	Value of prod.
1	3	-	-	-	2[1]	147	-	1[2]	50	-	-	-	-
2	8	-	-	-	2	100	1200	6	350	2860	-	-	-
3	9	3	200	2500	3	200	2300	3	178	1600	-	-	-
4	24	-	-	-	12	917	9800	4	250	2200	8	700	5000
5	5	-	-	-	3	230	3000	2	120	1200	-	-	-
6	12	-	-	-	6	300	4000	6	700	5000	-	-	-
7	7	7	420	5880	-	-	-	-	-	-	-	-	-
8	16	-	-	-	8	400	5200	8	600	4200	-	-	-
9	18	-	-	-	-	-	-	18	1000	9000	-	-	-
10	10	-	-	-	-	-	-	10	750	7500	-	-	-
11	11	-	-	-	-	-	-	11	900	9000	-	-	-
12	12	-	-	-	12	600	7000	-	-	-	-	-	-
14	14	-	-	-	-	-	-	14	1000	11500	-	-	-
16	16	-	-	-	16	1200	15000	-	-	-	-	-	-
17	17	-	-	-	17	1100	14500	-	-	-	-	-	-
21	21	-	-	-	21	1500	19000	-	-	-	-	-	-
39	39	-	-	-	39	2000	25000	-	-	-	-	-	-
Total	242	10	620	8380	141	8694	106008[3]	83	5998	54060[4]	8	700	5000
					Short-length coloured sarees (5 yds. x 50")								
2	2	-	-	-	-	†	-	2	350	1000	-	-	-

1 and 2 : These looms worked under sowcar-weavers. Hence their value of production was not available.

3 This figure represents the value of production of 139 looms.

4 This figure represents the value of production of 82 looms.

Table No. 29 : SUMMARY OF TABLE NO. 28

Total number of looms	Count of yarn	Volume of production (No. of sarees)	Percentage of sarees in each count to the total number of full length sarees.	Average number of sarees per loom	Value of production (Rs.)	Average value per loom (Rs.)
10	80^s x 80^s	620	3.87	62.00	8380	838.00
141	60^s x 60^s	8694	54.30	61.65	106000	762.58[1]
83	40^s x 40^s	5998	37.46	72.26	54060	659.26[2]
8	30^s x 30^s	700	4.37	87.50	5000	625.00

[1] This average was derived from the value of production of 139 looms.

[2] This average was derived from the value of production of 82 looms.

See footnotes 3 and 4 on page 151.

Table No. 30 : COUNTWISE CLASSIFICATION OF GREY FABRICS PRODUCED IN DECEMBER 1954 IN THE POWERLOOM KARKHANAS IN THE SAMPLE

Number of looms	Number of shifts	$20^s \times 20^s$			$18^s \times 18^s$		
		Number of looms	Volume of production (Yds.)	Value of production (Rs.)	Number of looms	Volume of production (Yds.)	Value of production (Rs.)
5*	2	10	6800	-	-	-	-
18	2	36	25600	26000	-	-	-
19*	1	-	-	-	19	12600	-
22	2	44	30400	31000	-	-	-
28	1	28	20800	21000	-	-	-
40[1]	2	65	52000	52000	-	-	-
105	2	-	-	-	210	168750	160000

The 19-loom and 28-loom units worked one shift only. The rest of the units operated two shifts.

$ This unit operated 25 out of the 40 looms for a second shift in addition to operating the 40 looms for the first shift. Hence the number of looms accounting for the production of the month of December was estimated at 65.

* The asterisked units worked under sowcar-weavers and therefore, the value of production in this case was not known.

This production consisted of dhoties. The units with 105 and 19 looms respectively produced dhoties having a length of 9 yards while the rest of the units produced dhoties having a length of 8 yards.

Table No. 31 : SUMMARY OF TABLE NO. 30

Total No.of looms	Count of yarn	Volume of production (yards)	Percentage of production in each count to total production	Average volume of production per loom (yds.)	Value of production (Rs.)	Average value per loom (Rs.)
183	$20^s x 20^s$	135600	42.79	740.98	130000[1]	751.45
229	$18^s x 18^s$	181350	57.21	791.92	160000[2]	761.90

[1] While finding out the value of production, the production of the unit working under the sowcar-weaver was not calculated as the value of production was not available. Thus it represents the value of production of 173 looms only.

[2] For the same reason as above the value of production was not available in the case of one unit with 19 looms. Hence this represents the value of production of 210 looms only.

Table No. 31 briefly summarises the data in Table No. 30, so that, at a single glance, an idea can be had of the total production of grey cloth produced by the

powerloom karkhanas in the sample in the month of December 1954. It can be seen from the Table that the production consisted of dhoties of 18^s and 20^s and a little over 57 per cent of total production of grey fabrics consisted of fabrics of 20^s.

One striking feature that struck us while completing the questionnaires was the glancing disparity between the production figures for the month of December 1954 and those of the monthly average of the whole year in the handloom and powerloom karkhanas producing sarees. The data relating to these production figures of the handloom karkhanas, powerloom karkhanas producing coloured sarees and the powerloom karkhanas producing grey fabrics are presented in Table Nos.32, 33 and 34 respectively.

Table No. 32: PERCENTAGE RELATIONSHIP OF THE MONTHLY AVERAGE PRODUCTION OF SAREES FOR THE YEAR 1954 TO THE PRODUCTION IN DECEMBER 1954 IN THE HANDLOOM KARKHANAS IN THE SAMPLE CLASSIFIED ACCORDING TO SIZE.*

Number of looms	Total No. of looms	Production in Dec.'54 (No.of sarees)	Monthly average production for the whole year (No. of sarees)	Monthly average production for the whole year as percentage of production in Dec.54
1	22	815	681.67	83.64
2	34 *	1450	1208.33	83.33
3	39	1435	1066.67	74.33
4	56	1860	1420.83	76.39
5	40	1145	983.33	85.88
6	48	1520	1291.67	84.98
7	14	444	375.00	85.23
8	40	1400	1166.67	83.33
11	11	550	500.00	90.91
15	15	800	666.66	83.33
19	19	650	541.67	83.33
Short-length sarees	7	450	375.00	83.33
Grey cloth	2	100	75.00	75.00
2	2			
	347			

[1] One two-loom unit which worked only for part of the year has not been included and the other unit producing grey fabrics is shown separately. Hence the total No. of looms in the group of two-loom units is shown to be 348.

Table No. 33 : PERCENTAGE RELATIONSHIP OF THE MONTHLY AVERAGE PRODUCTION OF SAREES FOR THE YEAR 1954 TO THE PRODUCTION IN DECEMBER 1954 IN THE POWERLOOM KARKHANAS IN THE SAMPLE CLASSIFIED ACCORDING TO SIZE.*

Number of looms	Total No. of looms	Production in Dec. '54 (No. of sarees)	Monthly average production for the whole year (No. of sarees)	Monthly average production for the whole year as percentage of production in Dec. 1954.
1	3	197	162.92	82.70
2	6 (1)	380	330.00	86.84
3	6 (2)	400	366.67	91.67
4	24	1867	1465.83	78.51
5	5	350	186.67	53.33
6	12	1000	958.33	95.83
7	7	420	416.67	99.21
8	16	1000	833.33	83.33
9	18	1100	966.67	87.88
10	10	750	625.00	83.33
11	11	900	833.33	92.59
12	12	600	583.33	97.22
14	14	1000	666.67	66.67
16	16	1200	1000.00	83.33
17	17	1100	750.00	68.18
21	21	1500	1200.00	80.00
39	39	2000	1250.00	62.50
	237			

(1) Only 3 units worked throughout the year. Hence for purposes of comparison their production was taken into account.

(2) Only two units worked throughout the year. Hence for purposes of comparison, their production was taken into account.

* ~~The production of one two-loom unit producing grey cloth is not taken into account.~~

Table No. 34 : PERCENTAGE RELATIONSHIP OF THE MONTHLY AVERAGE PRODUCTION OF GREY FABRICS FOR THE YEAR 1954 TO THE PRODUCTION IN DECEMBER 1954 IN THE GREY-CLOTH-PRODUCING POWERLOOM KARKHANAS IN THE SAMPLE CLASSIFIED ACCORDING TO SIZE.

Number of looms	Total number of looms	Production in Dec.54 (No. of yards)	Monthly average production for the whole year (No.of yards)	Monthly average production for the whole year as percentage of production in Dec.1954 (No. of yards)
5	10	6800	6000.00	88.24
18	36	25600	17066.67	66.67
19*	19	12600	12000.00	95.24
22	44	30400	29333.33	96.49
28*	28	20800	15000.00	72.12
40[1]	65	52000	52000.00	100.00
105	210	168750	147438.75	87.37

* The asterisked units operated one shift only.

1 This unit operated 25 out of 40 looms for a second shift in addition to operating the 40 looms for one shift.

It can be observed from Table Nos. 32 and 33 that the monthly average production of the whole year was much less than the production in December, 1954 in the handloom and powerloom karkhanas producing sarees. We discussed the causes of this striking feature of the saree-producing karkhanas with a number of karkhandars. We were told that

this was due to the fact that the month of December was part of the busy season. Particularly, since the depression of 1952 the saree-weaving industry at Ichalkaranji did not work at the same level of activity all through the year. Many karkhandars told us that the July-October period was an extremely dull and slack period from the point of view of business activity. In the absence of demand for goods, the karkhandars whose financial resources were not adequate enough to enable them to store their production during the slack period operated their units at less than full capacity either by operating some of the looms intermittently, or keeping some looms idle for some time or by delaying the replacement of the exhausted beams or by granting leave, etc. to the workers. The karkhandars paid greater attention to production during the November-June period which was said to be the busy season. The harvest time and the marriage season fell during this period and naturally this season witnessed a revival of demand. Production was, therefore, sought to be increased by every means in order to meet the increased demand. That was the main reason to which the disparity referred to above could be attributed. The handloom karkhandars complained of the adverse influence of the climatic factor on production. We were told that owing to the damp climate during the rainy season, the yarn fibres lost their stiffness and became rather loose and fluffy. As a result they found some difficulty in smoothly passing through the dents of

the reed. Consequently, the handloom weaver had to exert himself to operate the loom. As a result the output was adversely affected. This factor, however, was not said to be of great importance, although its influence on the pace of production could not be denied.

In the case of powerloom karkhanas producing grey fabrics, however, the disparity between the production in December, 1954 and the monthly average production of the whole year was not as great as in the case of handloom and saree-producing powerloom karkhanas. This can be seen from Table No. 34. This was said to be due to the steady and continuous demand and ready market for grey fabrics. The big merchants from Bombay contracted, well in advance of production, to purchase the entire production at a fixed rate. With such an assured demand at a fixed rate, the karkhandars tried to produce as much as they could all through the year and most of them operated two shifts. Moreover, the market for grey fabrics being a cash market (in the sense that the sale proceeds were immediately realised) there was no necessity of locking up the meagre resources in credit sales.

DISTINCTIVENESS OF ICHALKARANJI SAREES

The sarees of Ichalkaranji were well-known for their variety in designs in the border and their fancy colours.

There was no particular border or design associated with sarees produced at Ichalkaranji. The borders and headings associated with well-known types of sarees like Ilkal, Maheshwari, etc. were imitated at Ichalkaranji, but the imitation extended only to the design and not to the raw-material used in those sarees. For, in that reputed type of saree known as Ilkal, pure silk is used in the border as well as the heading. In the Ilkal type of saree produced at Ichalkaranji Art silk was used in the border as well as the heading. Even in the sarees of the highest quality no pure silk was used either in the border or the heading, not to speak of the body of the saree. The uniqueness and distinctiveness of the Ichalkaranji sarees lay in their changing patterns of designs in the border. Since the beginning of the powerloom industry at Ichalkaranji, literally hundreds of border designs had been produced by the powerloom and handloom karkhandars. The specimens of these border designs had been preserved by a few karkhandars in the border design albums.

The border designs current at the time of our survey were Shobha, Rekha, Meena, Saptadhar, Piping, Ilkal, etc. The first three were named after the cine actresses with those names. The karkhandars saw some designs in the sarees or apparel used by actresses in the pictures and tried to imitate them as best as they could. Sometimes they intro-

-duced slight modifications but retained the name. If a design developed by a particular karkhandar became popular and was found to be in great demand, it was imitated by others and it soon became the current fashion. In fact, when we asked the karkhandars what type of border design they produced, the reply was 'current' border design, i.e. the border design that was being commonly used by the karkhandars at the time.

There were no specially trained or qualified designers who possessed the conventional qualifications in the form of a diploma or certificate. The persons who introduced designs in the borders were quite uneducated. They had picked up the art in the practical school of experience. In small units the work of designing was entrusted to some experienced weaver who was paid a small monthly allowance ranging from Rs. 5 to Rs. 10. In the bigger units the work was entrusted to jobbers.

SUMMARY OF CONCLUSIONS

We may sum up, at this stage, the main conclusions in a brief way.

1. Although persons belonging to the non-weaving communities had entered the handloom sector, the majority of handloom weavers belonged to the weaving communities.

In the case of the powerloom sector, however, there was a preponderance of persons belonging to non-weaving communities. It seemed that where manual skill, which was handed down by tradition, was a great asset, the weaving communities still held the field. On the other hand, where capital, business ability, initiative and ideas played a decisive role as in the case of the powerloom industry, the weaving communities did not enjoy any special competence or hereditary advantages and consequently members of the non-weaving communities had entered the field on a large scale.

2. The number of small units was very large in the handloom sector. This was not due to any special advantages or economies enjoyed by the small units. Indeed, it was clear from our discussions with the handloom karkhandars in the sample that the small size was the result of financial weakness. Inspite of the many handicaps, however, the small units persisted. This persistence was due to the fact that many persons, instead of seeking employment on a wage basis, preferred to have the position, the prestige and the status, which a self-employed person enjoyed, though it meant smaller earnings. Self-employment gave them a sense of independence, freedom to work as they liked and when they liked in their own places and also enabled them to provide some work to their family members. The tenacious survival of small units in the handloom sector could be

explained in these terms rather than in terms of their economic viability.

3. The biggest unit in the sample (19 looms) in the handloom sector was much smaller than the biggest unit in the sample (105 looms) in the powerloom sector. This was so because, the production potential of the handloom being much smaller than that of the powerloom, the handloom weaver, who wished to increase his earnings by expanding his business turned to the powerloom industry instead of expanding the number of handlooms. The production potential and consequently the earnings of a handloom were not attractive enough to induce the karkhandars to undertake the effort and trouble involved in organising and operating a large unit.

4. Longevity, in general, was higher in the powerloom sector than in the handloom sector. In the handloom sector a little over 6 per cent of the units had a longevity of more than 15 years, while in the powerloom sector 42.5 per cent of the units had a longevity of more than 15 years. Moreover, in the powerloom sector there were a few units with a standing of more than 20 years, but in the handloom sector there was no unit with a standing of more than 20 years.

5. Except in the big powerloom units producing sarees and the units producing grey fabrics, almost all the preli-

minary processes were done by hand in the powerloom sector. In the handloom sector also all the processes were done by hand.

6. The capital requirements, both fixed and working, were higher in the case of a powerloom unit than in the case of a handloom unit of the same size.

7. The output capacity of a powerloom was more than double that of a handloom. Although, therefore, the piece-rate wage offered to a handloom-weaver was higher than what was offered to a powerloom weaver, the daily earnings of a powerloom weaver were higher than that of a handloom weaver, even when the powerloom weaver worked only for 8 hours while the handloom weaver worked for longer hours. Moreover, the earnings of a powerloom weaver employed in a grey-cloth-producing powerloom karkhana were higher than the earnings of a powerloom weaver in a saree-producing karkhana, because of the two-loom system.

8. It was found that a little over 58 per cent of the total production of full-length sarees of handlooms was accounted for by sarees of 40^s and 60^s, while in the power-loom sector a little over 91 per cent of the production of sarees consisted of sarees of 40^s and 60^s. The reservations in favour of handloom had not brought about any change in the pattern of production.[1] The handloom units with the

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[1] This was clear from the replies of the handloom weavers whom we interviewed, to the question whether they had made any changes in the pattern of production in order to avail themselves of the reservations.

exception of one two-loom unit produced nothing but coloured sarees, while as many as 7 units out of 40 powerloom units produced grey fabrics only. The saree-producing handloom as well as the powerloom units operated one-shift only and one-loom system. In the case of grey-cloth producing powerloom karkhanas, 5 out of the 7 units operated two shifts while 6 out of 7 units operated the two-loom system.

9. It was the powerloom sector that had set the pace of progress of the weaving industry at Ichalkaranji. It was the powerloom karkhandars who had introduced new designs, new colours, new materials like art silk and mercerised yarn into the borders. The sarees or 'patals', as they were popularly called, manufactured by these powerloom karkhandars were a distinctive product which had attracted the Marwari merchants to Ichalkaranji. Once these merchants built up a market for the powerloom sarees, the handlooms were forced to adopt the improvements initiated by the powerlooms. It was the powerloom sector which had made Ichalkaranji into a progressive and prosperous weaving centre.

10. It was clear that the crux of the problem was the marketing of finished goods. The lack of steady and continuous demand for the coloured sarees during the whole year adversely affected the production. Moreover, the market for coloured sarees was not a cash market. The customers

had to be allowed credit for a couple of months which meant locking up funds for the period. The grey fabrics enjoyed steady and continuous demand and commanded a ready market with the result that sale proceeds were immediately realised. Further, the sales transactions of sarees were on a small scale as compared with those of grey fabrics which ran into lakhs of yards.

11. Capital shortage as well as lack of a steady and continuous demand had adverse effects on the production of handloom as well as the saree-producing powerlooms. The production of grey fabrics over the whole year was more stable because of continuous and steady demand for them.

12. Small-sized karkhanas suffered, apart from the usual difficulties connected with raw-materials, finance and marketing, from two main handicaps. First, they could not provide sufficiently large variety in colours and designs to be able to attract the merchants to themselves. The small karkhandar had to approach the Marwari merchants to sell his production. This fact along with the weak financial position laid himself open to exploitation. Secondly, they could not afford to employ skilled workers on their premises to carry out the preliminary processes because there was not sufficient work to keep them fully employed. This rendered the work of organisation and coordination of different processes more difficult with consequent delays in

the replacement of exhausted beams.

Finally, the comparatively bigger power-loom units had begun to switch over to new lines of production as a result of the restrictions imposed on them by the reservations in favour of the handlooms.

CHAPTER IV

HANDLOOM VERSUS POWERLOOM

It is proposed in this chapter to analyse the nature of the conflict between the handloom and the powerloom sectors and to indicate the lines along which an attempt may be made to resolve it.

A BRIEF HISTORY OF THE PROBLEM

While the handloom industry has an old tradition dating far back into the past, the powerloom sector of the textile industry has been a growth of comparative recency. It can be said to date mainly from the depression of 1929. The powerloom industry was a growth from the handloom industry, representing an attempt on the part of the progressive section of the handloom weavers to increase the earnings by operating a more efficient and productive loom. The Fact-Finding Committee referred in unmistakable terms to the conflict of interests between the handloom and the powerloom sectors. "Wherever," stated the Committee, "these little powerloom units have grown - e.g. Surat, Bhiwandi, Malegaon, Burhanpur, Ichalkaranji, - the number of handlooms has declined and, in certain Bombay centres this has seriously affected the handloom industry..... These small powerloom workshops carefully observed the

changes coming over women's dress and they had even greater facilities than the mills in the supply of certain speciality fabrics not suitable for mass production. Hence the loud complaints of hand-weavers in areas where powerlooms have increased."[1] At Ichalkaranji, however, the problem of conflict between the two sectors did not seem to have assumed serious proportions before the Second World War. There were no representations on the part of the handloom weavers for securing protection against the powerloom industry before the War. This rather peaceful coexistence of the two sectors might have been due partly to the imperceptibly slow growth of the powerloom industry, partly to its small size, and partly to the fact that the powerloom karkhanas were in many cases started by persons who were once handloom weavers. Possibly many handloom weavers might have entertained the hope that someday they would also be able to set up powerlooms. Anyway, the complaints of the handloom weavers against the powerloom industry did not seem to have been very loud.

The outbreak of the Second World War, however, thrust the whole problem into the background. As the War created conditions of shortage of cloth, there was enough room for every sector of the textile industry to exist and prosper, the only obstacle to the expansion of the industry being the

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[1] Report of the Fact-Finding Committee (Handloom and Mills), 1942, p.20.

acute shortage of yarn. With the end of the Second World War, however, the artificial stimulus which the war had given to the industry had disappeared and the old weaknesses of the handloom industry had begun to assert themselves. In 1949 the handloom industry was adversely affected by a sharp decline in the demand for its products. Ever since that time it has been overtaken by one crisis after another in spite of the ameliorative measures adopted by Government to rehabilitate the industry. Consequently, the handloom industry had been demanding protection against the progressive and technically more efficient sectors of the industry.

NATURE OF COMPETITION BETWEEN HANDLOOM AND POWERLOOM

It was obvious from our survey that the handlooms and powerlooms at Ichalkaranji produced the same type of fabrics viz. coloured sarees. According to the Powerloom Enquiry Committee there was, by and large, already some demarcation of varieties of production between the handloom and the powerloom industries.[1] At Surat, for example, the handlooms chiefly produced pure silk and jari cloth and cotton cloth like sarees, bed sheets, whereas most of the powerlooms were engaged in the production of cloth out of arti-

[1] Report of the Powerloom Enquiry Committee, p. 33.

-ficial yarn. At Dhulia and Belgaum, the distinction was not so pronounced. But at Ichalkaranji the distinction almost did not exist, although towards the end of 1955 there was a pronounced shift on the part of the powerlooms towards the production of grey cloth.[1] In particular, the bulk of production of the handloom and the powerlooms at Ichalkaranji consisted of coloured sarees of 40^s and 60^s. And the cost of production of the powerloom saree being much lower than that of a handloom saree, as is revealed by a comparison of Table Nos. 35, 36 and 37, the handlooms found it difficult to hold their own against the competition of the powerlooms. We were told by the handloom weavers, that but for the reservations in their favour, they would have been forced to close down their looms.

Table No. 35 presents the details regarding the cost of production of the handloom sarees of different counts of yarn. Table Nos. 36 and 37 give the details of the cost structure of sarees of different counts of yarn produced by the small and big powerloom units respectively.

The cost per saree under each head was derived from the total cost of the warp beam prepared for producing 40 sarees. In calculating this cost, however, some items

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[1] See the chapter 'Postscript - New Horizons', p.300.

Table No. 35 : DETAILS OF COST OF PRODUCTION OF SAREES OF DIFFERENT COUNTS OF YARN IN THE HANDLOOM KARKHA

	$20^s \times 20^s$	$30^s \times 30^s$	$40^s \times 40^s$	$60^s \times 60^s$	$80^s \times 80^s$
Counts in warp and weft	$20^s \times 20^s$	$30^s \times 30^s$	$40^s \times 40^s$	$60^s \times 60^s$	$80^s \times 80^s$
Counts in Border and Heading	$2/150^s$, $2/40^s$ and 20^s	$2/150^s$, $2/40^s$ and 20^s	$2/150^s$, $2/40^s$ and 20^s	$2/150^s$, $2/60^s$ and 20^s	$2/120^s$, $2/60^s$ and $2/150^s$
Length	8 1/2 yards	8 1/2 yards	9 yards	9 yards	9 yards
Breadth : Ground	46"	46"	47"	47"	47"
Border	2"	2"	3"	3"	3"
Reeds per inch: Ground	48 single drawn	56 single drawn	68 single drawn	56 double drawn	64 double drawn
Border	72 double drawn	72 double drawn	72 double drawn	72 double drawn	80 double drawn
	(80 + 352 ends in all in the design)	(80 + 352 ends in all in the desig)	(288 + 80 ends in all in the design)	(288 + 80 ends in all in the design)	(320 + 80 ends in all in the design)
Picks per inch	36	40	44	56	60

	Cost in Rs.	% to total cost	Cost in Rs.	% to total cost	Cost in Rs.	% to total cost	Cost in Rs.	% to total cost	Cost in Rs.	% to total cost
Warp	1- 2- 0		1- 8- 6		2-13- 0		2-12- 0		3- 8- 0	
Weft	1-13- 0		1-13- 0		3- 3- 0		3- 0- 0		3- 4- 0	
Art silk (1)	0- 7- 0	71.32	0- 7- 0	68.42	3- 3- 0	64.64	1- 3- 0	63.41	1- 8- 0	63.44
Doubled or Mercerised yarn (2)	0-15- 0		0-15- 0		0- 2- 0		0- 2- 6		0- 2- 6	
Preliminary Processes	0-15- 0	15.50	1- 0- 3	15.55	1- 5- 6	16.34	2- 0- 6	18.16	2- 4- 6	17.22
Weaver's wages	0-12- 0	12.40	1- 0- 0	15.31	1- 8- 0	18.25	2- 0- 0	17.87	2- 8- 0	18.87
Folding and wrapping	0- 0- 9	0.78	0- 0- 9	0.72	0- 1- 0	0.77	0- 1- 0	0.56	0- 1- 0	0.47
Total	6- 0- 9	100.00	6- 8- 6	100.00	8- 3- 6	100.00	11- 3- 0	100.00	13- 4- 0	100.00

(1) In the case of sarees of 20^s and 30^s Art silk was used ly for the design, while doubled yarn was used for the ground of the design, while in the case of sarees of 40^s 60^s and 80^s more lavish use was made of Art silk in the the border. In calculating the requirements of Art silk and doubled or mercerised yarn the requirements of the Ilkal border were taken into account in the case of 20^s and 30^s sarees, while in the case of 40^s, 60^s and 80^s sarees the requirements of the 'Shobha' border were tal into account. This holds good even in the case of power-loom sarees. Art silk used for heading was of lower quality than the Art silk used for border.

(2) Footnote continued on next page.

Footnote continued from previous page.

(2) In the case of 20^s, 30^s and 40^s sarees doubled yarn was used for the ground of the border while in the case of 60^s, and 80^s sarees mercerised yarn was used for the border. This was also the case with powerloom sarees.

The prices of coloured sarees (handloom and powerloom) were as follows :-

Saree	Price
$20^s \times 20^s$	Rs. 6 1/2 to 7.
$30^s \times 30^s$	Rs. 7 to 7 1/2.
$40^s \times 40^s$	Rs. 9 to 11.
$60^s \times 60^s$	Rs. 12 to 14.
$80^s \times 80^s$	Rs. 14 to 16.

It would be interesting to know that just before the Second World War, a coloured saree which used $2/84^s$ (Japanese mercerised yarn) for warp and 60^s for weft and had greater durability, shine and finish than the saree of $80^s \times 80^s$ was available for Rs. 2-12- 0 to Rs. 3- 0- 0. The wages of the handloom weaver were about 6 annas per saree of 9 yards while the wages of a powerloom weaver were 2 1/2 annas to 3 annas per saree of 9 yards. It is important to note, however, that there cannot be any fair comparison between the costs of production of the sarees of 1939 and 1954 for they were qualitatively different and, particularly no sizing process was required for the mercerised yarn of the pre-1939 period.

Table No. 36 : DETAILS OF COST OF PRODUCTION OF SAREES OF DIFFERENT COUNTS OF YARN IN THE SMALL POWERLOOM KARKHANAS WHERE ALL THE PROCESSES EXCEPT THAT OF WEAVING WERE DONE BY HAND.

	$30^s \times 30^s$	$40^s \times 40^s$	$60^s \times 60^s$	$80^s \times 80^s$
Counts in warp and weft	$30^s \times 30^s$	$40^s \times 40^s$	$60^s \times 60^s$	$80^s \times 80^s$
Counts in Border and Heading	$2/150^s$ and 200^s $2/40^s$	$2/150^s$, $2/40^s$ and 200^s	$2/150^s$, $2/60^s$ and 200^s	$2/120^s$, $2/60^s$ and $2/150^s$
Length	8 1/2 yards	9 yards	9 yards	9 yards.
Breadth: Ground	46"	47"	47"	47"
Border	2"	3"	3"	3"
Reeds per inch: Ground	56 single drawn	68 single drawn	56 double drawn	64 double drawn.
Border	72 double drawn (80 + 352 ends in all the design)	72 double drawn (288 + 80 ends in all in the design)	72 double drawn (288 + 80 ends in all in the design)	80 double drawn (320 + 80 ends in all in the design).
Picks per inch	40	44	56	60

	Cost in Rs.	% to total cost	Cost in Rs.	% to total cost	Cost in Rs.	% to total cost	Cost in Rs.	% to total Cost.
Warp	1- 4- 6		1-13- 0		2-12- 0		3- 8- 0	
Weft	1-13- 0		2- 3- 0		3- 0- 0		3- 4- 0	
Art silk	0- 7- 0	71.84	1- 3- 0	69.96	1- 3- 0	69.21	1- 8- 0	69.51
Doubled or Mercerised yarn	0-15- 0		0- 2- 0		0- 2- 6		0- 2- 6	
Preliminary Processes	1- 0- 3	16.17	1- 5- 6	17.69	2- 0- 6	19.82	2- 4- 6	18.86
Weavers' wages	0-10- 0	9.95	0-12- 0	9.83	0-14- 0	8.53	1- 2- 0	9.30
Power	0- 2- 0	1.99	0- 2- 0	1.65	0- 3- 0	1.83	0- 3- 6	1.81
Folding and wrapping	0- 0- 9	0.75	0- 1- 0	0.82	0- 1- 0	0.61	0- 1- 0	0.52
Total	6- 4- 6	100.00	7- 9- 6	100.00	10- 4- 0	100.00	12- 1- 6	100.00

Table No. 37 : DETAILS OF COST OF PRODUCTION OF SAREES OF DIFFERENT COUNTS OF YARN IN BIG POWERLOOM KARKHANAS WHERE ALL THE PRELIMINARY PROCESSES EXCEPT THAT OF DRAWING-IN WERE DONE BY MACHINERY.

	$40^s \times 40^s$	$60^s \times 60^s$	$80^s \times 80^s$
Counts in warp and weft	$40^s \times 40^s$	$60^s \times 60^s$	$80^s \times 80^s$
Counts in Border and Heading	$2/150^s$, $2/40^s$ and 200^s	$2/150^s$, $2/60^s$ and 200^s	$2/120^s$, $2/60^s$ and $2/150^s$
Length	9 yards	9 yards	9 yards
Breadth: Ground	47"	47"	47"
Border	3"	3"	3"
Reeds per inch: Ground	68 single drawn	56 double drawn	64 double drawn
Border	72 double drawn	72 double drawn	80 double drawn
	(288 + 80 ends in all in the design)	(288 + 80 ends in all in the design)	(320 + 80 ends in all in the design)
Picks per inch	44	56	60

	Cost in Rs.	% to total cost	Cost in Rs.	% to total cost	Cost in Rs.	% to total cost.
Warp	1-13- 0		2-12- 0		3- 8- 0	
Weft	2-3- 0	75.56	3- 0- 0	76.05	3- 4- 0	77.30
Art silk	1- 3- 0		1- 3- 0		1- 8- 0	
Doubled or Mercerised yarn	0- 2- 0		0- 2- 6		0- 2- 6	
Preliminary processes	0-12- 6	11.11	0-14- 0	9.38	1- 0- 0	9.20
Weaver's wages	0-12- 0	10.66	1- 1- 9	11.89	1- 3- 0	10.92
Power	0- 2- 0	1.78	0- 3- 0	2.01	0- 3- 6	2.01
Folding and wrapping	0- 1- 0	0.89	0- 1- 0	0.67	0- 1- 0	0.57
Total	7- 0- 6	100.00	9- 5- 3	100.00	10-14- 0	100.00

were purposely omitted. In the first place, there was much difficulty in calculating the dyeing charges. The dyeing charges varied from saree to saree according to the colour used as well as the shade of the colour used. Moreover, different methods were followed by the karkhandars for getting the yarn dyed and the charges varied with the methods also. Secondly, some items in the cost of production such as rent, repairing charges, mill-stores, interest on capital, insurance charges, depreciation charges, supervision charges and other overheads could not be precisely ascertained. Moreover, they showed many variations from unit to unit and therefore, they were not included in the cost structure.

It can be seen from a comparison of Table Nos. 35 and 36 that all charges except the weaving charges were identical in the case of handloom and small powerloom units. The preliminary processes in the small powerloom units were done by hand in the same way in which they were done in the handloom units. It was only in respect of weaver's wages that the powerloom units enjoyed an appreciable advantage over the handloom units and the advantage went on increasing as the yarn count of the saree increased. Thus, in the case of sarees of $30^s \times 30^s$, $40^s \times 40^s$, $60^s \times 60^s$ and $80^s \times 80^s$, the handloom weaver's wages were higher than those of the powerloom weaver by 6 annas, 12 annas, 18 annas and 22 annas respectively.

A comparison of Table Nos. 35 and 37 shows that the big[1] powerloom units enjoyed an advantage over the handloom units not only in respect of the weaver's wages but also in respect of the preliminary processes. This advantage was quite large. Thus, the charges in connection with preliminary processes in the case of handloom sarees of $40^s \times 40^s$, $60^s \times 60^s$ and $80^s \times 80^s$ were higher than those of the sarees produced by the powerloom units by 9 annas, 18 1/2 annas and 20 1/2 annas respectively. Although the overhead charges[2] of the big powerloom units were higher than those of the small handloom and powerloom units they were not high enough to wipe out the advantage enjoyed by them over the small units in respect of preliminary processes. It was not only the handloom units which faced the competition of the powerloom units, but within the powerloom sector the small unit was at a disadvantage as compared with the big powerloom unit. At Ichalkaranji, however, the number of big powerloom units which employed machinery for carrying out all the preliminary processes except dyeing and drawing-in and produced sarees was small.[3] Moreover, in the case of an artistic and non-standardised product like the coloured saree, where personal attention to the tastes of the consumers counted

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[1] In this chapter the term 'big powerloom units' is used to refer to those powerloom units which were large enough to be able to employ machinery for carrying out the preliminary processes.

[2] Although they could not be accurately estimated they were said to amount to 1 1/2 to 2 per cent of the wage bill.

[3] There was only one such unit in the sample.

for much, the small powerloom unit could carve out a market for itself. The major conflict, however, was between the handlooms and the small powerloom units. Assuming that the dyeing charges were equal in both the cases, the cost of production of the handloom sarees of $30^s \times 30^s$, $40^s \times 40^s$, $60^s \times 60^s$ and $80^s \times 80^s$ was higher than that of powerloom sarees of the same counts of yarn by 4 1/2 annas, 10 annas, 15 annas and 18 1/2 annas respectively. It was obvious, therefore, that the handlooms, unassisted by any protective measures could hardly be expected to compete with the powerlooms on the basis of equality. If, in spite of this cost disadvantage, the handlooms had continued to be in the field, it was because of two factors. First, in the absence of any other remunerative employment, the handloom, with its small capital requirements, offered the easiest means of earning something. The earnings of the handloom weavers had all the characteristics of profits rather than of wages. Although a handloom weaver could weave a saree of $60^s \times 60^s$ in a day and could thus earn Rs. 2 per day, his total earnings forthe whole year were said to amount to not more than Rs. 300 to 400 or Rs. 25 to 35 per month. His poor earnings were due partly to lack of continuous production because of shortage of capital and partly to his poor bargaining strength which forced him to sell his goods at less than remunerative prices. Secondly, the reservations in favour of the handlooms had helped them by providing an

assured market for their goods. Thirdly, the handloom could provide employment to women and children as well in the house itself and could enable them to make a small contribution to the earnings of the family (ranging from Rs. 10 to 20 per month).

Table No. 38 presents the details regarding the cost structure of the grey fabrics produced by the powerlooms. It can be seen from the Table that in the case of the grey fabrics, the post-weaving processes of bleaching and calendering accounted for a higher percentage of the total cost than did the wages or preliminary processes.

There was no question of competition between the handlooms and the powerlooms at Ichalkaranji so far as the production of grey fabrics was concerned because the handlooms did not produce grey fabrics. Only one handloom unit out of the 95 units in the sample produced grey fabrics. And that unit also worked under a sowcar-weaver and not independently.

WEAKNESSES OF THE HANDLOOM INDUSTRY

It is clear from the preceding discussion that where there is no clear demarcation of fields of production between the handlooms and the powerlooms, the handlooms will not be able to face the competition of the powerlooms, unless they are protected against that competition by positive measures.

Table No. 38 : DETAILS OF THE COST OF PRODUCTION OF DHOTIES OF ~~80~~[18]^{s} AND 20^{s}

Specifications	Dhoties	Dhotie
Counts in warp and weft	18^{s} x 18^{s}	20^{s} x 20^{s}
Border yarn count	2/40^{s} ~~/2~~	2/40^{s} ~~/2~~
Tape length	9.5 yards	8.5 yards
Reeds space	50"	50"
Reeds per inch	48 double drawn	48 double drawn
Picks per inch	44	40
Number of ends for border both sides together	100	100

	Cost in Rs.	% of total cost	Cost in Rs.	% to total cost
Warp	2-13- 0		2- 3- 0	
Weft	2- 4- 0	71.79	1-11- 5	68.92
Border	0-02- 0		0- 2- 1	
Preliminary Processes	0-10- 0	8.65	0- 9- 0	9.62
Wages	0-7-10 1/2	6.81	0- 6- 4	6.76
Power	0- 3- 0	2.59	0- 3- 0	3.21
Post-weaving processes	0-11- 0	9.51	0-10- 0	10.69
Folding, wrapping, etc.	0- 0- 9	0.65.	0- 0- 9	0.80
Total	7-3-7 1/2	100.00	5-14- 7	100.00

The cost tables clearly bring out the fact that the handloom was definitely at a disadvantage as compared with the powerloom and the gap between the cost of production on the handloom and that on the powerloom was rather too wide to be bridged by modest measures of assistance. What the handloom industry seemed to require was not 'a little help' but rather 'bolstering up' at the cost of the more efficient and progressive sectors of the industry. Inspite of the assistance offered to the handloom industry in the form of reservations of fields of production, rebate, exemption from sales tax, from octroi, etc. the position of handloom continued to be precarious. The handloom industry was overtaken by one crisis after another and was unable to provide year-round employment to those who depended on it. The plight of the handloom industry was not only due to the competition of the mills and the powerlooms but also to the inherent weaknesses of the handloom industry. In the last analysis the earnings of the weaver must depend upon his productivity. But the low productivity of the handloom meant poor earnings for the weaver. The low output per unit of time meant either an increase in the unit cost of production of fabrics which compete with similar fabrics produced by the powerlooms, or, as is usually the case, a reduction below the subsistence level of the wage of the handloom weaver in order that the fabric might sell in competition with similar fabrics produced by the other sectors of the industry.

It was only the absence of alternative avenues of gainful employment that drove the people to the handloom industry. We were told by many handloom weavers that the tendency on the part of the younger generation was to shift to occupations which did not involve drudgery and physical strain. Consequently, it was rather difficult to attract skilled workers to the handloom industry which involved considerable strain on muscles and meant monotony, drudgery and physical fatigue.

Moreover, many of the advantages claimed in favour of the handlooms were not found to exist in actual practice. For example, the widely accepted belief that the handloom fabrics are more durable than the powerloom fabrics was said to have little basis in fact.[1] Secondly, the conditions under which the handloom weaver worked left much to be desired. Generally, a part of his cottage was curtained off or separated by a partition and the entire work connected with weaving and preliminary processes was done in that congested place. Thirdly, the handloom weaver worked such long hours just to eke out a living that he was hardly able to enjoy the advantages of 'serenity and beauty of rural life'. In short, all this meant that the handloom industry did not give a fair deal either to the consumers or to the

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[1] We were, however, told by the handloom weavers that the fabrics produced on the pit-looms possessed greater durability because of the particular process of street-sizing to which they were subjected.

producers. Its existence and expansion at the cost of the more progressive sectors of the textile industry meant the imposition of heavy burdens on the consumers in the form of higher prices which they had to pay for their clothing requirements.

CASE FOR THE PROGRESSIVE EXPANSION OF THE POWERLOOM INDUSTRY.

It is obvious from the foregoing discussion that the case for the replacement of the handlooms by the powerlooms is almost unexceptionable. "If Japan's experience teaches any single lesson regarding the process of economic development in Asia, it is the cumulative importance of myriads of relatively simple improvements in technology which do not depart radically from tradition or require large units of new investment..... Much of the real substance of Japanese economic growth, however, is found in the more modest types of improvement which were more easily and pervasively adopted, more economical in cost, and often more productive of immediate returns in income. For any poor country beginning to industrialise, one of the crucial problems is to introduce and spread such innovations as widely as possible."[1] The transition from the handloom to the powerloom will not involve any radical change either in the technique or in

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[1] 'Economic Development of Japan', by Lockwood, p.198.

the organisation of the industry and yet it will mean an appreciable increase in the productive efficiency of the industry. It is true that the organised mill sector may be able to produce the fabrics slightly cheaper than the small powerloom units. But if the small powerloom units can be efficiently organised and served by certain centralised services and integrated with a spinning unit, they will be able to overcome this disadvantage also. But the case for the expansion of the cottage powerlooms rests on a variety of other factors as well. They may be listed as follows :-

1. The powerloom industry organised on a cottage basis will be an ideal means of achieving a decentralised and yet an efficient economic structure. The advantage of decentralisation have come to be widely accepted in recent years and the future economic development needs to be reorientated in the direction of a decentralised society. The powerloom industry is capable of being so organised that it can very well fit in with the pattern of decentralisation. The importance of such decentralised, small-scale industry to the developing economies can hardly be overemphasised. Particularly as a transitional stage, and even thereafter, the decentralised small-scale industry has much to recommend it wherever technical conditions do not rule it out. By comparison with large-scale industry, it economises on the need for large units of capital investment and for those technical

and managerial skills which are most difficult to acquire while spreading incentives to capital formation and modest technical innovations among masses of small producers. It can more easily be dispersed to take advantage of local materials, markets and pools of unemployed labour. And this can be particularly more fruitful where a broad framework of education, bank credit, electric power and distribution facilities can be provided.[1]

2. The concentration of large industry in the cities requires huge social overhead capital expenditure which can be avoided by the wider use of small-scale industry. The powerloom industry can be organised on a small-scale and even on a cottage basis. Thus, it can do without a large part of urban services, and can save for productive purposes that part of capital expenditure which would otherwise be reflected in the cost of urbanisation.

3. The powerloom represents a happy combination of the capital-intensive and labour-intensive methods of production and stands midway between the composite mills on the one hand and the handlooms on the other.

4. The phased conversion of handlooms will facilitate the attainment of the twin objectives of maintaining employ-

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[1] 'Economic Development of Japan', by Lockwood, p. 212.

-ment over the short term and securing the best possible efficiency in the long run.[1]

5. The powerloom, in addition to enjoying the advantage of higher productivity, possesses many of the advantages claimed in favour of the handlooms. For example, the powerloom can be worked in a cottage and is thus a suitable business for one family. With the growing electrification of the rural areas the possibilities of working the powerlooms on a cottage basis will be enormously increased. Although the Fact-Finding Committee referred to the tendency of a powerloom unit to grow into a factory,[2] the tendency can be checked by appropriate legislative measures. The recommendation of the Powerloom Enquiry Committee to foster the growth of the domestic powerloom industry (running, say, 1 to 4 powerlooms) is pertinent in this connection.[3] Moreover, the powerloom will not only preserve the 'severity, poise, dignity, spaciousness, deep-rooted sureness, elemental simplicity and beauty of rural life' but also make these things real by providing greater leisure and by doing away with the drabness, drudgery, and physical fatigue involved in plying a handloom.

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[1] See the Report of the Textile Enquiry Committee, para 91.

[2] See the Report of the Fact-Finding Committee, p. 212.

[3] See the Report of the Powerloom Enquiry Committee, p. 40.

6. By increasing the productivity and consequently the earnings of the weaver, the powerloom will bring about wide diffusion of purchasing power in the rural areas and provide an expanding market for other industries. It will also enable the weaver to enjoy the amenities of modern life.

7. It will help attain standardisation of goods. Standardisation of goods is easier to achieve in the case of machine-produced goods than in the case of hand-produced goods. The machine can exactly repeat a process.

8. The development of such a high-productivity industry on a decentralised basis will facilitate the mitigation, if not complete elimination, of the economic disparities between different regions. It will thus help us in achieving a geographical balance in the economic development of a vast country like India. Moreover, from the strategic point of view, the dispersal of the industry would be a great advantage.

9. Finally, the powerloom industry organised on a decentralised basis may help us in avoiding the social and cultural evils associated with large-scale industrialisation and urbanisation. We need not blindly imitate the pattern of western industrialisation. Countries like Japan and Switzerland may serve as models for our country to follow. They have been able to achieve a fairly high level of

economic development by evolving processes and techniques best suited to their resource situation and their traditional genius.

NEED FOR THE PHASED CONVERSION OF HANDLOOMS INTO POWERLOOMS.

Although the need for the replacement of handlooms by powerlooms is imperative and inherent in the very logic of economic development, problems of a serious nature are bound to arise in the course of implementation of such a policy. Left to itself, the handloom industry is bound to go the way it did in countries like Japan and the U.S.A. But in the peculiar Indian situation characterised by a large degree of unemployment and underemployment, the handloom industry cannot be left to itself without causing great disturbance to the social and economic life of the nation. The problem, therefore, becomes a severely practical one of so adjusting and smoothening the process of transition from the handloom to the powerloom, that the hardships and sufferings that usually accompany periods of transition are minimised.

PATTERN FOR FUTURE DEVELOPMENT

The recent developments in the powerloom sector at Ichalkaranji seem to point the way to a workable solution of the problem.[1] In spite of the introduction of the two-loom

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[1] See the chapter 'Postscript - New Horizons'.

system in the powerloom sector, the volume of employment has considerably increased at Ichalkaranji as a result of the three-shift working. These developments seem to emphasise the fact that if the weavers can be relieved of the uncertainties and difficulties relating to capital and market, the powerloom sector can work at a high level of activity and provide year-round employment to weavers. Moreover, the Spinning Mill, Processing Units and other ancillary services will also create additional employment opportunities.

The development and expansion of the powerloom sector at the important handloom centres by enabling the handloom weavers to convert their handlooms into powerlooms may smoothen the process of transition. With a view to stimulating the expansion of the powerloom sector, we would suggest that all further expansion of the weaving section in the organised mill industry should be banned and all future increases in the internal demand for cloth should be met by expanding the powerloom sector.

Where the weavers are too poor to convert their handlooms into powerlooms with their own capital, we would suggest the establishment of state-partnered cooperative societies which should supply the powerlooms to their members on a hire-purchase basis and perform the functions of the sowcar-weaver. The ownership of the looms, however, should vest in the

individual weavers and not in the cooperative society. If the state is not, however, prepared to undertake this work, industrialist may be induced and encouraged to set up Spinning Mills at the handloom centres; to supply the looms to the poor weavers on a hire-purchase basis and perform the functions of the sowcar-weaver. Such an arrangement will not only meet the increase increase in the demand for cloth at reasonably low prices but also facilitate the switch-over from the handloom to the powerloom without involving much misery and suffering. Where, however, the handloom cooperative societies are already working efficiently and have sufficient funds with them, they may be given necessary financial help to effect the conversion of their handlooms into powerlooms.

If this programme of conversion of handlooms into power-looms is implemented in a phased manner, there need not be any aggravation of the problem of unemployment. Moreover, where the implementation of this programme involves tem-porary displacement of the handloom weavers, theproblem should be tackled by undertaking public works projects near such centres.

The future development of the textile industry should be visualised in terms of a progressive expansion of the powerloom industry organised on a cottage basis. The orga-nised mill industry should be encouraged to adjust its pattern

of production more and more to the needs of export markets. And the handloom industry should concentrate on the production of speciality fabrics, highly prised and keenly demanded for the sake of individuality and distinctiveness of style, and may also be encouraged to tap and develop the foreign markets.

Until the pattern of production of the textile industry, crystallises along these lines, however, we would favour the continuance of the existing reservations in favour of the handlooms, although the reservations should be revised from time to time in the context of the expanding powerloom sector and the declining handloom sector.

CHAPTER V

ASSOCIATIONS IN THE INDUSTRY[1]

With the growth of the weaving industry and particularly with the increasing difficulties experienced by the weavers regarding procurement of yarn supply and other raw-materials required by the industry during the Second World War, the need for some sort of organized effort for the achievement of common ends and the furtherance of common interests began to be acutely felt by the weavers. And as the co-operative agency seemed to be the best means for this purpose, most of the associations came to be established on a co-operative pattern. The establishment of co-operative associations was, therefore, essentially the outcome of the conditions of yarn shortage resulting from the cessation of free market in yarn-supply. The societies served as the channel through which yarn distribution was effected.

THE ICHALKARANJI POWERLOOM WEAVERS' CO-OPERATIVE ASSOCIATION LTD.

It was in the powerloom sector that the first

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[1] This chapter is based primarily on the annual reports of the various Associations. In the case of Associations which had not published any reports, information had to be collected from their offices. In the absence of accurate and systematic records and comprehensive reports, we had to make use of such information as was available.

beginnings of organised effort for the achievement of common ends were witnessed even before the outbreak of the Second World War. The Millowners' Association or Cirani Malak Sangh was established as early as 1938. Its aims and objects were to stimulate the development of the weaving industry, to help promote mutual exchange of ideas and a sense of fellow-feeling among the manufacturers and businessmen, to provide information to the members about the economical ways of marketing their goods at remunerative prices, to maintain the reputation of the fabrics by continuously striving to improve the quality, to offer a united front against the competition of other centres and to collect statistics and other information relating to the industry and disseminate the same among the members. The entrance fee was Rs. 5 and the annual subscription was Rs. 12. The membership at the beginning was 38. The Association had served primarily as a forum for the discussion of the common problems confronting the powerloom owners until the war-time problems forced it into new channels of activity.

It was on 7th August 1948 that the Millowners' Association was transformed into 'The Ichalkaranji Powerloom Weavers' Co-operative Association Ltd.' With a change in the condition of the industry brought about by the Second World War and with the new problems posed

by it, the Association had to make its aims and objects more comprehensive and broaden its sphere of activities. The Association took a more systematic form and began to address itself vigorously to the task of helping its members in facing the problems of the period of economic controls. It began to publish regularly its Annual Reports from 1948, and drew up a body of rules and regulations for facilitating the effective working of the Association.

The main objects of the Association were to foster the spirit of self-help and co-operation among the members, to raise capital for the benefit of members, to act as an agent for the purpose of marketing the fabrics manufactured by the members, to purchase and store the raw-materials, mill-stores, textile machinery and other materials required by the members, to establish sale depots at various centres and encourage members to open their own sale depots, to keep the members informed about the labour legislation passed from time to time, to establish a spinning mill and other industries conducive to the development of the weaving industry.

The expansion of the activities in accordance with the more ambitious aims and objects required larger funds and hence the Authorised capital was fixed at Rs.2,00,000 which was divided into 2000 shares of Rs. 100 each. Every

member had to purchase as many shares as the number of looms owned by him. The Association could also raise additional funds by accepting deposits from its members as well as non-members, by borrowing, and by accepting donations. The entrance fee was kept unchanged at Rs. 5, but the annual subscription was raised to Rs.60. The paid-up capital (only half the amount of the share value was called up) of the Association in 1954 was Rs.80,650 - 0 - 0 and its membership was 166.[1] The Association had a building of its own constructed at a cost of Rs.35,000 in 1953.

ACTIVITIES OF THE ASSOCIATION

The Millowners' Association had facilitated an exchange of views and provided a place for the discussion of the common problems of members up to 1945. From 1945 onwards it accepted the responsibility for the yarn distribution among its members. The Ichalkaranji Powerloom Weavers' Co-operative Association Ltd., however, considerably expanded its activities and enhanced its usefulness to the members. The shortage of yarn and other materials required by the industry, the vacillating policy of the Government towards the powerloom sector,

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[1] The difference between this figure and the census figure of 152 units can be explained by the fact that although some of the units had ceased functioning, their owners had continued their membership of the Association.

the growing volume of labour legislation, the ever-increasing restrictions on the powerloom sector created many difficulties for the powerloom industry. The Association rendered very valuable service during the difficult period by carrying out the work of yarn distribution, by representing to the Government, from time to time, the difficulties faced by the industry, by advising members on various questions including labour legislation, by purchasing in bulk the raw-materials and other goods required by the members and supplying the same to them, and by making loans to members against their goods pledged with the Association.

The work may be summarised in more concrete terms as follows :

(1) The Association had carried out the valuable work of yarn distribution and of supplying other materials such as diesel oil, lubricants, etc. In addition to having the retail agency for yarn distribution among its members, the Association had accepted partnership with the Central Union of Handloom Weavers' Co-operative Societies Ltd., District Wholesaler, Kolhapur, in the body called the Handloom and Powerloom Owners' United Agency, Ichalkaranji, to the extent of As. 7 in a rupee, in 1948. This United Agency was appointed 'The Wholesale Distributor-cum-District Wholesaler' for yarn in Kolhapur in 1948. In that year the Association had borrowed from

the Ichalkaranji Central Co-operative Bank Ltd. an amount of Rs.1,00,000 for handling the yarn distribution business. It also collected for the same purpose deposits from the members on the basis of Rs. 100 per loom. In 1951, however, the Association terminated its partnership with the Central Union of Handloom Weavers' Co-operative Societies, Ltd., because of serious differences with that body. Thereafter it submitted to the Government a plea that the Association's indents should be accepted directly by the Government and the yarn-supply should be made available directly to the Association and not through the Central Union of Handloom Weavers' Co-operative Societies Ltd. The plea was accepted by the Government in 1952. The profits of the Association for the year ended 30th June 1952, were Rs. 25,000, the highest ever upto 1955. An idea of the purchases and sales of yarn made by the Association during the year ended June 1952, can be had from the following figures :

The purchase of yarn amounted to Rs.22,43,712- 3- 6, while the sales amounted to Rs.22,46,078-14- 3.

(2) The appointment of a labour officer on 9th February 1952, by the Association to handle the questions arising out of the growing volume of labour legislation was a significant step. It reflected the increasing awareness on the part of the powerloom factories of the need to adjust their working in accordance with the new

trends in labour legislation. The majority of factory owners being uneducated and at any rate incapable of understanding the complexities of the growing mass of legislation, the Association thought it desirable to appoint a special labour officer for offering guidance to the members on labour problems. The labour officer paid visits to the different factories and made suggestions regarding the arrangements and adjustments required in the factory and its working under the various labour laws. He negotiated agreements on behalf of the mill-owners with the representatives of the trade union. Legal advice was made available to the members in arguing their cases before the industrial and labour courts. Guidance was offered in respect of the completion of the returns to be submitted to the Government under various laws. The Association made available to its members copies, in Marathi and English, of the Standing Orders sanctioned by the Commissioner of Labour for the employees in the Cotton Textile Undertakings at Ichalkaranji.

(3) The Association submitted from time to time detailed memoranda to the Government and other expert committees, stating the hardships caused to the sector by the Government policy towards the powerloom sector. It acted as a watch-dog of the interests of the powerloom sector by representing to the authorities concerned the difficulties experienced by the powerloom units and the

necessity of safeguarding their interests. It had also submitted detailed schemes and estimates regarding the probable cost of installing the Processing and Finishing Plants at Ichalkaranji to the Minister for Industry and Labour, Government of Bombay, in its memorandum dated 9th October, 1950.

(4) The Association became a member of the Deccan Manufacturers' Association, Sangli, and of the Mahratta Chamber of Commerce and Industry, Poona, in April, 1952, in order to co-operate in the efforts, at a higher level of organisation, to safeguard the interests of the powerloom sector.

Other activities of a miscellaneous nature which were indirectly helpful to the industry were also undertaken by the Association. It organised a First Aid Training class for a month from 21st August 1952 to 20th September 1952, in which as many as 79 candidates completed the certificate course. The purpose in starting this class was to turn out trained men who could be put in charge of the First Aid Box in the factories as required by the Factories Act.

It also took the lead in securing the telephone facilities for Ichalkaranji under the 'Own your Exchange' scheme. It was through the efforts of the Association that the telegraphic facilities became available for longer hours, i.e. from 7-30 A.M. instead of upto 9 a.m. and from 1 P.M. to 6 P.M. instead of upto 5 P.M.

The fall in yarn prices in 1952, however, had a serious impact on the activities and, consequently, on the income of the Association. The Report for the year ended 30th June 1953, stated that the activity of yarn distribution almost came to an end as result of lifting of controls on yarn. Yarn supply worth only Rs. 53,000 was purchased and sold to the members during the year. An idea of the severity of the impact can be had from the figures relating to the arrears under different heads. For example, during the year ended June 1953, the subscription fee of the members was in arrears to the tune of Rs. 3,894, while the arrears relating to the sales of yarn, diesel oil, and interest on loans to members amounted to Rs. 26,843- 9- 9.[1]

The fall in the yarn and cloth prices involved the karkhandars in great financial losses. The Association helped the members during the difficult period by undertaking the new activity of making loans against the sarees and grey fabrics pledged with the Association. The usefulness of the activity can be better appreciated if we take into account the extent to which the facility was availed of

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[1] The Annual Report of the Association for the year ended June 1953 stated that the arrears were a consequence of the depression in the industry.

by the members of the Association. Thus, during the year ended 30th June 1953, the total amount of loans made against the security of finished goods pledged with the Association aggregated Rs. 1,72,340-14- 9. By the end of the year loans amounting to Rs. 1,45,387- 0- 0, had been repaid by the members. The amount of loans made during the year ended 30th June 1954, declined to Rs. 60,000, and to Rs. 20,000 during the year ended 30th June 1955. The interest charged on the loans was 7 1/2 per cent including insurance charges of the goods pledged with it. Loans were given to the extent of 60 per cent of the market value of the goods pledged with it.

As a result of the cessation of its profitable activity of yarn distribution to its members since the middle of 1952, the profits of the Association showed a sharp decline from Rs. 25,000 for the year ended 30th June 1952 to Rs. 2,982- 9- 6 for the year ended 30th June 1953.The Association, therefore, retrenched the staff by dispensing with the services of the labour officer, a clerk and a peon. The paid staff of the Association in 1954 consisted of one Secretary, and 2 peons. By 1954, the Association had become primarily a sort of Information and Guidance Bureau, although it still continued the activity of making loans to its members to a certain extent.

The record of work of the Association could be regarded as a testimony to the highly useful role it had played and

had been playing in protecting and promoting the interests of the powerloom industry at Ichalkaranji.

THE MADHYAVARTI SAHAKARI
HATMAG VINKAR SANGH, LTD.

Aims and objects : This co-operative society of the handloom weavers was established on 13th August 1945, with the following objects :

1. To produce and help others produce handloom fabrics.
2. To undertake the purchase and sale of yarn, raw-materials and other accessories of weaving for the use of the members of the Sangh.
3. And to make loans against raw and finished goods pledged with it by the handloom weavers.

It could raise the funds by issuing share capital, by borrowing, by accepting deposits and donations.

Capital : Originally its authorised capital was Rs.15,000 but it was increased to Rs.25,000 during the year 1952-53, in order to meet the increased demand for its shares on account of the increase in the membership. The share capital was divided into 2500 shares of Rs. 10 each. Every member had to purchase one share. The admission fee was Re. 1. No monthly or annual contribution was required to be paid by the members.

Membership : The membership of the Sangh showed a big increase during 1950-51. The membership which was 203 and 249 during 1948-49 and 1949-50 respectively, had increased to 623 and 812 during 1950-51 and 1951-52 respectively. The number of looms registered with the Sangh in 1951-52 was 2,116. A large part of the phenomenal increase in the membership as well as in the number of looms registered with the Sangh was fictitious according to the knowledgeable circles. The period of control on yarn distribution was a golden opportunity for black-marketing. As yarn could be sold in the black-market at fancy prices by purchasing it at the controlled prices through the Sangh, a number of people became the members of the Sangh by purchasing the shares of the Sangh in order to create a title for a yarn quota. After the merger of the Kolhapur State in the Bombay State on 1st March 1949, a census of handlooms was organized by the Textile Branch of the District Magistrate's office at Kolhapur. People thought that the control on yarn distribution was going to be tightened and yarn in the future would be made available only to the weavers who were members of the co-operative societies. A number of persons hastened to get their non-existent looms registered in their names in the societies in order to create a title for the quota of yarn which could be sold at fancy prices in the black-market. This was said to be true of every handloom society at Ichalkaranji. In case any inspector visited the place to check up the looms, hastily assembled

bare frames of the looms used to be put up to satisfy him. Sometimes the same frames were shifted from place to place for being kept ready for inspection. Moreover, corruption was said to have played its part in the matter of registration of non-existent looms. That was how the big rise in the membership and the number of handlooms of all the handloom societies after 1951 was explained by the knowledgeable circles at Ichalkaranji. There was no means of estimating accurately the fictitious element in the abnormal expansion of the handloom industry, but knowledgeable circles put it anywhere between 50 and 60 per cent. of the registered handlooms.[1]

Activities of the Sangh : Upto 1952, the most important activity of the Sangh as of all other co-operative societies in Ichalkaranji had been that of yarn distribution. For example, in the year ended 30th June 1952, the yarn purchases and sales amounted to Rs.9,71,779- 9- 0 and Rs.9,45,276-12- 3 respectively.

During the year 1952, there was a sharp fall in the yarn prices and consequently, the unsold stocks of yarn had to be disposed of at prices which were far below the purchase prices. The Sangh, therefore, suffered a loss in 1952-53. The members refused to lift their quotas from 6th May 1952 onwards. Because of the free availability of yarn at cheaper prices in the open market, the members refused to purchase the quotas received by the Sangh on the basis of the indents

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[1] Registered with the Cooperative Societies.

submitted by it for an earlier period.

Establishment of the Producing Centre : Instead of selling its stocks of yarn supply in the open market at uneconomic prices, the Sangh decided to utilise at least part of the yarn supplies on its hands by starting its own Producing Centre. The Producing Centre, which was started on 12th January 1953, operated 20 looms and thus provided employment to 20 weavers as well as part-employment to 20 other people in the preliminary processes. The Sangh had also farmed out manufacturing work to about 50 looms owned by members. The Sangh had also received orders for the supply of one and a half lakh lakh yards of jaconet cloth from the Government of India through the Bombay Provincial Co-operative Association Ltd., in 1953. In the same year, the Bombay Provincial Co-operative Association Ltd. had also agreed to purchase the entire output of dhoties produced by 50 handlooms in 6 months. Only part of the work required for fulfilling these orders could be done by the Producing Centre; the rest of the work was farmed out to the members who worked about 50 looms for this purpose. The net profits of the Producing Centre for the period of 6 months ended June 1953, were Rs.1,495- 7- 9, while the net profits for the year ended June 1954, were Rs.243-11-2.

By the end of 1953, the Government orders for jaconet cloth had been fulfilled. The jaconet cloth being a ~~low-~~ small

width and low-pick cloth, a weaver could weave 60 to 70 yards, during the course of a day of 10 to 11 hours. The exact number of picks used per inch or the exact width of the cloth were not found on record. Once the order had been fulfilled the Producing Centre concentrated on the production of coloured sarees only. Production of grey cloth could be undertaken only if there was a definite agency prepared to buy it. And as the market demand for grey cloth was for a standardised variety on a large scale, scattered handloom weavers or small producing centres with a few handlooms found it difficult to enter the field of grey cloth production, unless some such agency like the government offered to buy fabrics which did not require much processing. The Producing Centre in the year ended 30th June 1955, had suffered a net loss of Rs.288-15- 0.

Other Activities : The Sangh also tried to serve its members and the public by opening a ration shop in March 1950. The management of the shop was entrusted to a sub-committee of the Managing Committee of the Sangh. The net profits of the shop for the four months ended June 1950, were Rs.1,231-15-1½. After decontrol of food[1] in 1952, however, the shop suffered a loss of Rs.59- 6- 9, for the year ended 30th June 1953. The Sangh had also opened a shop for the sale of kerosene oil and spirit in 1951-52 but suffered a loss of Rs.189-11- 9 and of Rs.66-10- 0 for the years ended 30th June 1952 and 30th June 1953 respec-

1 Jwari and wheat.

tively. These shops had been closed in the latter half of 1953.

Loans to Members : The Sangh also helped its members by making loans against the goods pledged with it. The practice was started in 1949-50, because of the financial difficulties experienced by the members on account of the recession in 1949. The following data give an idea of the loans made as well as the number of members who availed themselves of this facility :

Year	Amount of Loan	Rate of Interest	No.of Members
	Rs. As. Ps.	Rs.	
1949-50	33,357- 0- 0	7.13/16 per cent.	79
1950-51	18,300- 0- 0	" "	47
1951-52	2,700- 0- 0	" "	8
1952-53	18,395- 0- 0	" "	88
1953-54	4,785- 0- 0	" "	31

The amount of loan given was to the extent of 60 per cent of the market value of the goods pledged with the Sangh.

Assistance received from Government and other Sources : The Sangh had accepted interest-free deposits totalling Rs.18,005 from its members during 1948-49. When the amount was returned to the depositors, the Sangh had to secure the

finances from other sources. It was able to secure a loan of Rs. 30,000 at six per cent from the District Central Co-operative Bank, Ltd., Kolhapur, in 1950-51.

The Sangh also availed itself of the facilities available under the Handloom Relief Scheme and obtained two loans of Rs. 10,000 and Rs. 15,000 on the 30th November 1953 and 30th January 1954, respectively. The entire amount of loan with interest thereon at 5 per cent was repaid by the Sangh in two instalments by 30th March 1955. The Society secured for its members an amount of Rs.28892-11-0 as rebate on retail sales effected through it by its members, in 1954.

Although it was started primarily with a view to making available to its members yarn during the period of controls, it gradually enlarged the sphere of its activities with a view to serving the members in different ways. It was complained by some of the members of the Managing Committee that the members had ceased to take much interest in the Sangh after the fall of yarn prices in 1952. The Sangh was in no sense a Produders' Co-operative Society. It was simply a Service Cooperative, in a limited scale. The Producing Centre of the Sangh employed workers on a wage-basis just as any other handloom unit did. We were told

by some of the members of the Managing Committee that the work of the Producing Society, being much more complicated than that of a credit society, required constant control and supervision on the part of an expert staff. It was too much to expect the members of the Managing Committee to devote their time and energy to the administration of the affairs of the Society. In spite of such handicaps, however, the Sangh was doing some useful work in the sphere of the handloom industry. The Sangh was placed in the 'A' category of co-operative societies in 1949-50 by the Auditors. It also secured the prize of Rs.150 and the silver shield for the year 1953-54 instituted by the Government for the most efficient and best-administered co-operative society.

THE ICHALKARANJI HANDLOOM
CO-OPERATIVE ASSOCIATION LTD.

This association was established on 26th July 1945, primarily with a view to securing yarn supplies for its members. Its other objects were to provide other raw-materials required for weaving to its members at reasonable prices, to make loans against the security of pledged goods, to encourage handloom weaving and to try to promote its interests in a general way.

Membership : In the beginning, its membership was 41. It increased gradually to 54 by 1949. There was, however,

a sudden rise in the membership in 1951-52, when it became 563. In 1954, the membership had been 611. The sudden increase in the membership in 1951-52 was due to the reasons already referred to in connection with the Madhyavarti Sahakari Hatmag Vinkar Sangh Ltd. The admission fee for membership was Rs. 2. No monthly or annual contribution was required to be paid by the members.

Capital : Originally the share capital was Rs. 10,000 but during 1952-53 it was increased to Rs. 25,000, in order to meet the growing demand for shares. The share capital was divided into shares of Rs. 10 each. Every member had to purchase two shares for each loom that he possessed. The paid-up capital in 1954 was Rs. 22,160. Besides the share capital, the sources of finance consisted of deposits from members, loans from banks and Government under various schemes. The Annual Report for the year ended 30th June 1949, stated that some of the members were kind enough to keep interest-free deposits with the Association to enable it to obtain the yarn quotas assigned to the Association. In 1953, it received from Government a loan of Rs.15,000 as working capital for its production activities under the Handloom Relief Scheme.

Activities of Association : The main part of the activity of the Association related to the yarn distribution among its members during the period of controls. The Asso-

ciation earned a profit of Rs.8,732- 7- 9, the highest ever in its life, from the purchases and sales of yarn, the purchases amounting to Rs.5,73,371- 3- 9 and the sales being Rs.5,50,546- 4- 6. This activity came to an end after May 6, 1952, when the members refused to lift their quotas of yarn because its price was much higher than that of same quality of yarn available in the free market. The Association suffered a loss of Rs.8,000 for the year ended 30th June 1953.

In 1953-54, the Association had started its Producing Centre with 13 handlooms under the Handloom Relief Scheme. It obtained from the Government of Bombay a loan of Rs. 15,000 at 5 per cent as working capital for undertaking production activities under the Handloom Relief Scheme. It provided working capital of Rs.200 each to 42 members under the scheme, the rest being used for its own Producing Centre. In 1952-53 the Government of India had placed with the Association an order for one lakh yards of jaconet cloth. This order helped the Association to provide employment to about 50 idle weavers. The Producing Centre produced coloured sarees. The details, however, were not available. The Producing Centre itself did most of the preliminary processes in weaving such as dyeing, sizing, warping etc., thus providing employment to 20 persons in all. In 1952-53, the Association had started the practice of making loans to its

members against the goods pledged with it at the interest rate of 6¼ per cent, the margin requirement being fixed at 75 per cent of the market value of pledged goods. The number of members who had availed themselves of this facility was about 12 in its accounting year ended 30th June 1953.

The Association had started a Foodgrains Ration Shop in March 1948. After decontrol of food in 1952, it had to be closed. But between March 1948 and June 1952, it had earned a net profit of Rs.5,948-15-10.

It seemed from the available evidence that the working of the Society left much to be desired. In the first place, the first three annual reports of the Association for the three years ended 30th June 1948, were published in 1948. The reports were extremely brief and sketchy and they gave the impression that the Association just dragged on without any notable activities. Secondly, the relations between one of its former presidents and the members of the Managing Committee were a bit strained. It was alleged by the Managing Committee in its report for the year ended June 1949, that the ex-president had not properly submitted the accounts of the Association and the balance outstanding to his credit was Rs.321- 0- 9. Thirdly, the Association had not been able to come to any understanding with the Government on the question of rebate on handloom fabrics. The Association had availed itself of the Rebate facility

from March 1954. By January 1955, the amount of rebate due to the Association on behalf of its members from the Government had amounted to Rs.61,984- 7- 6. But the Joint Registrar for Industrial Co-operatives and Village Industries, Bombay State, in his letter to the Association dated 18th January 1955, intimated to the Association that the facility of rebate would not be available to the Society in view of the unsatisfactory working of the Society. The relevant part of the Joint Registrar's letter referred to above is reproduced below in as much as it throws some light on the working of the Association. "It is noticed that all the sales of handloom cloth on which rebate has been offered are not sales to genuine consumers. You are requested to prepare fresh bills for the sales made to genuine consumers and re-submit them to the office. As it is observed that the working of your Society is far from satisfactory and that the Managing Committee of your Society is not taking an active interest in the working of the Society, the facility of granting rebate by your Society on the sale of handloom cloth effected by it is hereby withdrawn forthwith".

Another letter from the same Authority dated 3rd February 1955, referred to the failure on the part of the Society to abide by the terms and conditions of the loan advanced by the Government to the Society. The letter stated :

"Your demand for financial assistance to the extent of Rs. 50,000 for production activities under Handloom Development Scheme cannot be conceded.

The Association has failed to credit the sale proceeds of the cloth produced under the Handloom Relief Scheme into Government Treasury as is required to be done under condition No. 6 of the Order".

We were also told by the Chairman of the Association that the Managing Committee of the Association had not met since May 1952. This apathy and indifference on the part of the members to the Association were proof of the fact that the Association had ceased to render any useful service to its members.

SHRI SWAKUL SALI SAHAKARI
VINKAR SANGH LTD.

It was established in 1945 with a view to promoting the interest of the weavers belonging to the Swakul Sali caste. At the time of the Survey the Sangh had begun winding up its office and no adequate information could be had of its activities. Moreover, the two reports of the Sangh which were available were extremely brief, strangely silent and vague on many important matters such as authorized and paid-up capital, profits accruing from different activities, etc.

The membership of the Sangh had been 203 in 1951-52, with the number of their registered looms standing at 336. The available Reports gave the impression that they concealed more than they revealed. The Reports made such vague remarks as 'a good many shares have been sold to the members.' The Reports did not give a correct idea of the profits which had accrued from its main activity of yarn distribution. Nor did they contain any information about its authorized, subscribed and paid-up capital.

The Sangh helped its members on a very small scale by making loans against the pledged goods. In 1950-51 (its accounting year like that of other societies was 1st July to 30th June) the amount of loans made was Rs. 1,000 and the number of members who took advantage of this facility was only 2. In 1951-52, the amount of loans advanced was Rs. 7,875 and the number of members who availed themselves of this facility was only 4. These figures create the impression that a few dominant members dominated the Sangh. Otherwise it is difficult to explain the fact that out of a total membership of 204, only 6 members were able to secure the loans. It is difficult to believe that the rest of the members did not need any financial assistance. In fact, after the recession of 1949, the greatest need of the weavers was finance. The conclusion seems inescapable that the

Sangh was a close preserve for a few dominant members.

The Sangh had run a foodgrains ration shop which had been closed after decontrol of food. After decontrol of yarn, the Sangh had led an anaemic existence for a couple of years and in 1955 wound up itself out of existence.

THE CENTRAL UNION OF THE HANDLOOM WEAVERS' CO-OPERATIVE SOCIETIES LTD., DIST. KOLHAPUR, HEAD OFFICE, I C H A L K A R A N J I .

It was established on 27th August 1948 with the following objects :

1. To supply the affiliated co-operative societies with yarn, dyestuffs, chemicals and mill-stores by purchasing them on a wholesale basis;

2. To supervise the working of the affiliated co-operative societies;

3. To promote the development of weavers' co-operative societies in the Kolhapur State;

4. To effect purchases and sales of the handloom fabrics;

5. To make loans against pledged goods; and

6. To serve as a balancing centre for the excess capital of such societies.

Any Handloom Weavers' Co-operative Society could become a member of this Central Union. The membership of the

Central Union in the beginning was 39. Its authorized share capital of Rs. 1,00,000 was divided into 5,000 shares of Rs. 20 each, and its paid-up capital was Rs. 27,655. Every society had to purchase as many shares as the number of looms possessed by it. The admission fee was Rs. 5.

From 1948 to 1951, the Central Union was a partner with the Powerloom Weavers' United Agency. The Powerloom Weavers' Association was primarily interested in securing its quota through the wholesale agency of yarn distribution for the Kolhapur State, possessed by the Central Union, while the Central Union continued to supply yarn to the member societies.

As a result of the recession in demand for the textile fabrics in 1949-50, a number of member societies did not purchase their quotas of yarn. Consequently, the Central Union had to dispose of the unsold stocks of yarn at the market prices which were lower than the controlled prices in accordance with the instructions from the Provincial Textile Controller, Bombay. The unsold stocks which were disposed of in this way had been valued at Rs.4,18,656-13-6. As a result of the disposal of the yarn stocks at falling prices under instructions from the Collector, Kolhapur District, the Central Union was involved in losses and had made claims on Government in respect of sales amounting to Rs. 68,726- 7- 0. Out of this amount

the Central Union had received Rs. 4,400 in 1951-52. Besides these stocks of yarn, yarn worth Rs.6,25,172-11- 3 was purchased and sold to the member societies on a commission basis, the rate of commission being 6¼ per cent.

In October 1951, Government granted wholesale agency of yarn supply for the Kolhapur District to the Central Union. Immediately after the conferment of the wholesale agency for yarn supply on the Central Union, the Joint Registrar for Industrial Co-operatives and Village Industries recommended the Central Union to the Bombay Provincial Co-operative Bank Ltd. for a loan of Rs.9,00,000 supported by Government guarantee, the purpose of this step being to enable the Central Union to finance its work. The Provincial Co-operative Bank granted the loan at the interest rate of 5½ per cent. The Central Union was involved in heavy losses as a result of the fall in yarn prices in 1952. The Government bore the loss up to the limit of Government guarantee and paid the amount of Rs.1,20,000 to the Provincial Co-operative Bank. The Central Union was in debt at the beginning of 1955, to the Provincial Co-operative Bank to the extent of Rs.1,56,191-2- 3.[1]

On 1st July 1951, the Central Union had started a strategic cloth shop for distribution of cloth on ration cards. During the first year of its working, it had earned

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[1] The Central Union had transformed itself into the Kolhapur District Industrial Co-operative Association Ltd., on 27th May 1952.

a profit of Rs.6,578- 1- 8. After the fall of yarn prices in 1952, however, it was all a story of continuous losses and, therefore, the shop was closed in 1955. On 15th August 1954, the District Industrial Co-operative Association had started a Sale Depot. It also showed a loss and had to be subsequently closed. The Government had a Cottage Industries Emporium at Kolhapur, which was running at a loss. It entrusted the management of the Emporium to this Association on 23rd February 1953. The change in management of the Emporium had not in any way improved the financial position of the Emporium.

The Central Union was converted on 27th May 1952 into Kolhapur District Industrial Co-operative Association, Ltd. with its Head Office at Ichalkaranji, the purpose of the conversion into the larger body with greater functions being to obtain the facilities offered by Government for stimulating the development of cottage industries, in general, and not only that of handloom weaving. Had the Central Union refused to convert itself into the Industrial Co-operative Association, some other Association would have been established and the the Central Union was not going to lose anything by transforming itself into the new body with greater functions. On the contrary, it was bound to gain something in stature and prestige.

The authorized capital of this body was increased to

Rs.10,00,000 divided into 1,00,000 shares of Rs.10 each in conformity with the enlarged scope of its functions. The paid-up capital in 1954 was Rs.68,300. Some other changes also were effected with regard to membership and share-holding. While the membership of the Central Union had been open only to the handloom weavers' co-operative societies in the Kolhapur District, the membership of this new body was open to co-operative institutions as well as individuals. Moreover, it was open not only to handloom co-operatives but also to the co-operatives in the sphere of all cottage industries in the Kolhapur District. The transformation of the Central Union into the new body did not bring about any major change in its working. The membership had increased from 35 to 43 only. Only one individual had become a member of the Association. Every member, whether a co-operative or an individual had to purchase at least one share of Rs. 10. But in order to qualify for the membership of the Managing Committee at least 5 shares had to be purchased.

At the time of our survey the District Industrial was found to exist without performing any useful activity and its financial position was extremely unsatisfactory.

THE OUDYOGIC SAHAKARI LTD.,
ICHALKARANJI.

It was set up in 1945 by a few powerloom karkhandars

who had also added a few handlooms to their karkhanas. At the time of our survey this had been a defunct body. The Society had closed its activity of yarn distribution after decontrol of yarn. As a result of the financial irregularities in the accounts of the Society, some litigation was going on in the law court between the President and the Secretary. No published report of the Society had been available. As the record of the Society had been produced in the court in connection with the litigation, no definite information regarding its activities was available. But we were told by the President that the Society had not undertaken any other activity like running a ration shop or starting a Producing Centre. We were also given some information by the President regarding the capital and membership of the Society. The admission fee had been Rs. 5 and the annual subscription had been As. 8 per handloom. There were 47 members with a total of 383 handlooms registered in their names. The paid-up share capital was Rs.3,680, each share being of Rs.10. Every member had to purchase as many shares as the number of handlooms registered by him. The Society had also raised the funds in the form of deposits on the basis of the number of handlooms, the deposit amount fixed per loom being Rs. 35.

We were told by knowledgeable circles that the Society was formed by a few powerloom karkhandars primarily with a view to securing an additional quota of yarn. It did not

cost much to install a handloom. On the other hand, a handloom created a title to the yarn quota. That was said to be the main reason for the installation of handlooms by the powerloom karkhandars in the period of insufficiency of yarn supplies.

CONCLUDING OBSERVATIONS ON THE WORKING OF CO-OPERATIVE SOCIETIES:

1. The most striking fact about the co-operative societies in the industry at Ichalkaranji was their forced growth. All of them were established during the period of controlled yarn distribution primarily with a view to rendering the service of yarn distribution to their members. They were not formed by members who had been appreciative of the intrinsic advantages of the co-operative agency. They were formed because they seemed to be the suitable agencies for the purpose of securing yarn supplies from the Government.

There was hardly anything which seemed to bind the members in bonds of loyalty and attachment to the societies. The weavers were not drawn to the societies out of any realization of the merits of the co-operative ideal. They were rather driven to the societies by the cessation of a free market in yarn and by the policy of the Government to administer yarn distribution through co-operative bodies. Thus the various societies grew out of sheer necessity rather than out of any loyalty to the co-operative ideal. The

result was that as soon as the necessity was over, the co-operative bodies suffered from an atrophy. Some of the members of managing committees of the co-operative societies complained about the apathy and indifference of the members to the societies after the decontrol of yarn. The members seemed to be interested in the working of their societies so long as there was a prospect of profit from the membership. They were not prepared to support their societies in times of difficulty. In the recession of 1949, the members of some societies even refused to purchase their quotas of yarn because of the depressed demand for sarees. In 1952 the prices of yarn fell precipitously, while the societies had with them stocks of yarn supplies purchased at higher prices. The members of societies refused to purchase their quotas at controlled prices which were higher than the prices in the free market.

The implication of all this was that the co-operative could work successfully only if they could pursue business-like policies. They must be prepared to incur the losses by selling the yarn and other requirements at the market prices. The losses thus incurred must be made good during prosperious periods of rising prices. The societies must also possess an expert staff for making purchases at the right time and of the right quality. The societies must build up substantial reserves in prosperous periods so that the losses incurred from sales at market prices can be written off from them.

2. Bureaucratic delay on the part of Government in providing yarn supply according to the indents submitted by the societies was on many occasions a source of trouble. The societies received their quotas several months after the indents had been submitted. Meanwhile, if the market conditions were depressed, the members refused to lift their quotas on the ground that they did not receive their quota in time.

Similarly, the decision relating to the amount of Rs. 68,726- 7- 0[1] claimed by the Central Union of Handloom Weavers' Co-operative Societies Ltd., from the Government in 1949, had not been finally settled even in 1955. In the interest of a clearer picture of the true financial position of any society, a speedy disposal of such matters was essential. The prompt settlement of such claims one way or the other helps a society to know where it stands. Uncertainty regarding the policy of Government towards such matters makes it impossible for the co-operative societies to have a definite basis for future transactions or planning.

Much could have been done by Government to keep the societies on their behaviour by checking the malpractices in good time. For example, the Ichalkaranji Handloom Co-operative Society was allowed to claim rebate on sales of handloom fabrics from March 1954. By January 1955, the

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[1] See this chapter, p.217.

accumulated amout of rebate due to the society had totalled Rs.61,984- 7- 6. The Joint Registrar for Industrial Co-operatives and Village Industries, Bombay State, intimated to the Society in January 1955, the decision of the Government to withdraw the rebate facility as the sales effected by the Society were not found to be sales to genuine consumers. The sales effected by the Society were intimated to the Assistant Registrar at the end of every month. Instead of allowing the Society to carry on its business from March 1954 to January 1955, had the Assistant Registrar drawn the attention of the Society to the irregularities and withheld payment under rebate at the end of the first month, further irregular sales might have been avoided. Such action might have acted as a deterrent to other irregularities also in its working. We feel that close supervision and quick decisions by Governmental agencies would go a long way in streamlining the management of the co-operative societies. This may mean officialization of the movement and may seem to detract from the ideal of co-operation. We, however, think that the co-operative movement, although old in years, has not as yet been able to stand on its own legs. If co-operation is to succeed, healthy working of the co-operative societies, even if it means some officialisation, needs to be ensured. For, in the long run, the healthy and successful working of the co-operative societies alone can attract the people to the societies and inspire faith and confidence in the ideal. It would be wrong to believe that there is some magic in the

ideal of co-operation which will necessarily ensure the sound working of co-operative bodies. The sound working of a co-operative body requires a training and cultivation of proper attitudes to the movement. They need to be fostered very carefully.

3. The management of the handloom co-operative societies left much to be desired. In the case of the Ichalkaranji Handloom Weavers' Co-operative Association, the Joint Registrar refused to grant a loan on the ground that the Association had not abided by the terms under which an earlier loan had been granted to it. The Joint Registrar had even refused to make the payment due to the Association under the rebate scheme on the ground that the Association had not made its sales to genuine consumers. The Kolhapur District Industrial Co-operative Association Ltd. was in serious financial trouble at the time of our survey. It was heavily in debt to the Provincial Co-operative Bank Ltd. and, the main source of its income viz. yarn distribution, having come to an end because of fall in yarn prices in 1952, was just struggling to maintain itself in existence.

The Swakul Sali Sahakari Vinkar Sangh Ltd. had continued to exist in an anaemic state for a couple of years after decontrol and by the time of our survey had been preparing for winding itself up out of existence.

The Oudyogic Sahakari had been a defunct body at the

time of the survey and litigation was going on in the court of law between its chairman and the secretary.

By its nature the work of an industrial society is much more complicated than that of a credit society and, therefore, the successful working of an industrial society depends upon constant supervision and control by an experienced staff. We were told by some of the members of the managing Committees of the Co-operative Societies that the Honorary Presidents and the members of the managing committees could hardly be expected to devote their time and energy to the administration of the society. The members were so busy and pre-occupied with earning their own livelihood that they could hardly be expected to take an active part in looking after the details of management. Efficiency can be ensured only when an expert and paid staff is appointed to carry on the activities, the managing committee exercising only an over-all control over policy and administration. The danger in filling such posts by honorary appointments lies in the fact that it encourages misfeasance and petty graft.

4. The apathy and indifference of the members were responsible for the anaemic condition and unsatisfactory working of many societies. The peculiar conditions of the period of economic controls had forced many weavers to join the co-operative societies. The co-operative societies had been looked upon merely as the channels through which they could get their requirements not only of yarn but also of

foodgrains, kerosene oil, etc., when their availability through the normal channels of trade had come to an end. Although the shortage conditions of the control period seemed to bring profits and prosperity to the co-operative societies, they had not been able to get into the lives of their members as an integral part of their lives. They were primarily service co-operative societies and as soon as better service was available through the normal channels of trade, they ceased to command the support and loyalty of the members.

5. It was clear from our discussions with weaver-karkhandars that the ability of a handloom co-operative society in winning the loyalty of its members depended upon three factors. Firstly, the society must be in a position to supply the yarn requirements to its members at the market prices. This, in turn, implies that the society must have adequate funds at its disposal and an expert staff which can follow business-like methods in making the yarn purchases. Secondly, the co-operative society must undertake the responsibility of marketing the goods produced by the members. The association of merchants with the marketing section of the society would be desirable in the interest of efficient marketing. Thirdly, the management of the society must carry on its activities in a way that will convince the members of its honesty and integrity. In the last analysis and in the long run the vitality of a co-operative society

depends upon the faith of its members in its ability to serve a useful purpose. This will be possible only if sound working of the co-operative societies is ensured. The importance of imparting systematic training in the principles and practices of co-operation to the people who are to work the co-operative society can hardly be over emphasized in this context.

Out of all the co-operative societies in Ichalkaranji, only two societies — The Madhyavarti Sahakari Hatmag Vinkar Sangh Ltd., and the Ichalkaranji Powerloom Weavers' Co-operative Association Ltd. — showed some vitality during the period under review. And the success of both these societies was primarily due to disinterested service rendered by their members to their societies. In spite of the heavy and adverse impact of the depression of 1952 on the fortunes of these societies, they continued to serve the members in such ways as they could.

It would be obvious from this review that a co-operative society must build up strong financial reserves in order to meet the difficulties caused by the fluctuations in prices. Equally important for its success are sound management and disinterested service and an active interest in its working on the part of the members.

Besides these co-operative institutions there were two other organisations whose working also needs to be

briefly summarised. They were the Merchants' Association and the Ichalkaranji Girani Kamgar Samiti.

THE MERCHANTS' ASSOCIATION

It was not a well-organised or actively functioning body with a constitution or with a staff to carry on its day-to-day activities. There was no capital and no regular subscription of the Association. There were no regular meetings. The members met occasionally at the place of one of the members. Its activities were in the nature of informal discussions on problems concerning the interests of their trade. There were 14 members of the Association, all of whom were Marwaris by caste.

THE ICHALKARANJI GIRANI KAMGAR SAMITI

It was during the period of Second World War that the workers realized the necessity of forming their organisation to protect their interests, particularly against the consequences of an inflationary rise in prices. In the beginning, the workers had to depend upon political leaders for leadership. In 1943[1] was established the Girani Kamgar Samiti with the object of improving the lot of workers. No contribution was expected from the workers

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1 The exact date was not available because the proceedings of this body were found missing. The information relating to this body was collected from persons who had been associated with it.

No regular contribution was required to be paid by members. There was no office or staff of the office which could devote itself to the grievances and problems of the workers. The activities of the Samiti were a by-product of the political agitation carried by the Praja-Sangh against the then Ruler of Ichalkaranji. There were no regular funds of the Samiti and it had, therefore, to depend upon the donations from the public to maintain the workers during the strike period. There was a prolonged strike lasting for a period of about 44 days in 1943.

The situation changed in 1948, when it was reorganised under the new name 'The Ichalkaranji Girani Kamgar Samiti'. There were only 27 members of the Samiti in 1948. The membership had increased to 500 in 1954. Each member had to pay a monthly contribution of 4 as. In 1948, the Samiti was affiliated to the I.N.T.U.C. The Samiti was registered on 16th November 1950, under the Bombay Industrial Relations Act as a representative union for the cotton textile industry at Ichalkaranji, its registration number being 872.

The Samiti had 11 members on its Managing Committee of which 10 were elected and one was co-opted from outside the ranks of labour. The Secretary of the Samiti was elected by the general body of the members. He worked in an honorary capacity from 1948 to 1953. The Secretary was formerly a worker in one of the powerloom karkhanas. But for reasons

of health he had given up his job in the karkhana and had been solely devoting himself to the work of Samiti. Since 1953, he was given a monthly pay of Rs. 30.

The Samiti had been doing useful work in spite of many handicaps. In 1950 and 1951 it had negotiated with the powerloom karkhanas within the purview of the B.I.R. Act bonus agreements on behalf of the workers.

The basis adopted for calculating the bonus was as follows. One-third of the total wage was to be regarded as the basic wage and 1/36th of the basic wage so calculated was accepted as the bonus amount. The idea underlying the formula was that two-third of the total wage was to be regarded as dearness allowance and one-third of the total wage was to be regarded as basic salary. Hence bonus was to be calculated on the basis of one-third of the total wage. In some exceptional cases where the financial position of the karkhana concerned was found to be strong a different formula more favourable to the workers was adopted. In one such exceptional case the bonus amount was fixed to be 1/12th of the basic wage which was to be one-third of the total wage payable during a year. All the bonus agreements were signed by the employer concerned and the Secretary of the Girani Kamgar Samiti in the presence of the conciliator.

The Samiti had also tried to safeguard the interests of the workers in other ways also. In 1951, the shortage

of yarn had caused many karkhanas to close down or work on part-time basis. The Samiti negotiated agreements with 25 karkhanas with a view to spreading the available work over the employed workers and avoiding large-scale unemployment. According to the terms of agreement the employers agreed to work all the looms for four hours a day instead of eight hours and pay the workers on piece-rate basis as usual. The salaried staff was to be paid half the salary. Such an agreement mitigated the hardships of the workers to a certain extent and prevented large-scale unemployment.

The Samiti obtained on 21st January 1952, an Industrial Court Award applicable to 25 karkhanas within the purview of the B. I. R. Act, according to which the dearness allowance and basic wage were separately fixed at Rs. 46 and Rs. 24 respectively, per month of 26 days. The employers soon began to complain of a marked decline in the efficiency of workers. The decline in efficiency was due to the fact that the mere presence of workers in the karkhana entitled them to a dearness allowance. Naturally enough, the incentive to higher production was weakened. The Samiti was reasonably inclined to accept the validity of the plea made by the employers and agreed to accept suitable modification in the terms of the Industrial Court Award. The modified basis of agreement

merged the dearness allowance and basic wage into consolidated piece-rates.[1] Such agreements incorporating the modified basis were concluded with 25 karkhanas between February 1953 and July 1953.

No accurate details regarding the number of industrial disputes and their causes were available in the absence of systematic record. But the most fruitful source of conflict was said to be the question of wage-rates, and bonus payments. It was found that instead of taking an extremist attitude on every occasion, the Samiti followed a conciliatory policy and tried to remove many causes of friction by mutual discussion. Many small conflicts between the employees and employers were amicably settled in 1951-52 through the efforts of the Secretary of the Samiti. This fact was acknowledged by the Ichalkaranji Powerloom Weavers' Co-operative Association in its fourth Annual Report for the year ended 30th June 1952.

PROBLEMS CONFRONTING THE TRADE UNION

One of the problems facing the Samiti was the paucity of funds. This was, in its turn, due to apathy of the workers. There were very few members who paid their subscription regularly. They approached the office, only

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[1] See chapter III, p.107 .

when they had a grievance to get redressed. The paucity of funds meant that the Samiti was not in a position to undertake any ameliorative activities for the benefit of members.

In spite of all this, however, the Samiti depended solely on its own resources for carrying on its activities. It was no longer an instrument of political agitation in the hands of political leaders that it had been before 1948. It had avoided resorting to extreme methods like strike as far as possible for achieving its ends.

One of the complaints of the Samiti was the unresponsive attitude of the Government to the Samiti. The Samiti had been endeavouring to register a Housing Society of workers from 1952. Owing to red-tape and bureaucratic working of Government departments the registration had not been possible even after three years of continuous efforts in that direction.

It was also complained by the Secretary of the Samiti that considerable time and money were wasted in fighting the cases in industrial and labour courts and the paucity of funds at the disposal of the Samiti put it at a disadvantage in its fight with the employers.

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Chapter VI

GOVERNMENTAL CONTROLS AND POLICIES

It is proposed in this chapter to attempt a brief review of the Governmental controls and policies in relation to the weaving industry of Ichalkaranji and to indicate the broad lines along which these policies can be suitably modified with a view to assisting the development of the industry.

PERIOD OF FREEDOM FROM CONTROLS AND RESTRICTIONS

At the time of our survey the weaving industry in general and the powerloom sector in particular was found to be subject to various restrictions. It is worth recalling, however, that the weaving industry at Ichalkaranji had developed in an atmosphere of complete freedom from restrictive legislation and financial burdens. We were told by many powerloom karkhandars that but for the freedom from labour legislation and financial burdens which the industry enjoyed before the Second World War, it could not have established itself at an out-of-the-way place like Ichalkaranji which did not possess any locational advantages. Before the Second World War, there were no labour laws, no taxes, and no building regulations. On the other hand, an enterprising karkhandar received every help

and encouragement from the then ruler of Ichalkaranji. Under these circumstances, the establishment of a karkhana did not involve much trouble, provided the person had the necessary resources. Even uneducated persons with small resources could set up karkhanas without having to go through the vexations and elaborate formalities in obtaining licenses and permits from different agencies and authorities. It was under these circumstances that the powerloom industry of Ichalkaranji had grown, almost from a scratch, to a respectable size by 1939. The period between 1930-40 had given the karkhandars sufficient time to acquire the technical know-how and knowledge of business methods relating to the industry.

PERIOD OF ECONOMIC CONTROLS

The outbreak of the Second World War brought in its wake shortages of raw-materials required by the industry, and with shortages came controls on the distribution of raw-materials in short supply.

In the absence of imported yarn, the industry had to depend upon domestic supplies of yarn. The yarn supply was, for the first time, controlled by the Government of India under the Cotton Cloth and Yarn (Control) Order No. 34 - TEX (1)/43, dated 17-6-1943. Immediately after this the Kolhapur State Government (the then Princely State) followed with the Kolhapur State Cotton Cloth and Yarn

(Control) Order, L.D.[1] No. 22, dated 5-7-1943, published in the Kolhapur Government Gazettee, dated 7-7-1943, Part V, at page 213. The Kolhapur Government, under this order, assumed powers to declare and define classes of specifications of cloth and yarn for the purpose of the Order, to fix the maximum prices, both ex-factory and retail, at which all or any classes or specifications of cloth or yarn may be sold, to prescribe the markings, and the manner of making thereof, which manufacturers shall make upon cloth manufactured by them. Similarly the order decreed that every manufacturer and every dealer must declare not later than 15th August, 1943 the stocks of cloth and yarn held by him on 31st July 1943 in such form and to such authority as may be specified by the Kolhapur Government.

SYSTEM OF YARN DISTRIBUTION[2]

An additional clause 18-B was introduced in the Cotton Cloth and Yarn (Control) order, 1943 by the Government of India under its Notification No. T.B.(1)/32/44 dated 16-12-1944. According to this Notification the Textile Commissioner was authorised to control the distri-

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[1] Legal Department

[2] The information in connection with the general policy of yarn distribution was obtained from the Textile Commissioner's office. The information relating to the system of yarn distribution followed at Ichalkaranji, however, had to be gathered from the proceedings of the Powerloom and Handloom Associations at Ichalkaranji. No systematic records relating

Footnote continued on next page.

-bution of cloth and yarn. The yarn quota was allotted to the Princely States on the same basis on which it was allotted to the British-administered provinces. Circulars under the All India Yarn Distribution scheme were issued from time to time to the British administered provinces as well as to the Princely States. The distribution of yarn to Princely States was done under clause 18-B of the Cotton Cloth and Yarn (Control) Order. Kolhapur and the other Deccan States formed a group (or State) for allocation of monthly quota. The system of yarn distribution from 1943 to 1945 was as follows. The Resident for the Deccan (Princely) States had appointed in 1943 a Yarn Distribution Advisory Committee consisting of the representatives of the various Deccan States to facilitate fair distribution of the yarn quota available to the Deccan States. He also used to appoint the District Wholesaler, by issuing tenders, to distribute the yarn quota among the different States according to the Statewise quotas agreed upon by the Yarn Distribution Advisory Committee. The powerloom owners and groups of handloom weavers used to obtain permits from the Textile Controller to the Kolhapur State and secure their requirements from the District Wholesaler.

Footnote continued from previous page.

to the period of controls were, however, available either at the Collector's office, Kolhapur or with the Powerloom and Handloom Associations and we had to consult the persons actually connected with the work of yarn distribution to supplement the information available from the proceedings.

THE YARN DISTRIBUTION SYSTEM FROM 1945 TO 1948

The yarn distribution scheme, formulated on more systematic lines, was first introduced on 1st April, 1945. On the basis of the estimates made by the Fact-Finding Committee (1942) of the annual consumption of mill-spun yarn by handloom weavers in various States, quotas for the States were fixed. The function of the Textile Commissioner was to ensure that proper percentage out of the available 'free yarn' relative to the needs of each area was delivered to each State. Thereafter, the distribution of such yarn to handlooms, powerlooms and other miscellaneous consumers was left to the Textile Authorities of respective States.

At Ichalkaranji, the work of yarn distribution among the handloom and powerloom karkhandars began to be handled by the handloom and powerloom cooperative associations from 1st June 1945. These Associations submitted the indents received from their members to the District Wholesaler who consolidated all such indents and forwarded them to the Zonal Distributor, Bombay State. The District Wholesaler used to prepare the distribution chart on the basis of the quota received, in consultation with the Yarn Distribution Advisory Committee and the Associations then handled the work of retail distribution of yarn among their members.

YARN DISTRIBUTION FROM 1948-52.

In 1948 the Ichalkaranji Powerloom Weavers' Cooperative

Association Ltd. and the Central Union of Handloom Weavers' Cooperative Societies Ltd., Kolhapur State, formed a partnership called "The Handloom and Powerloom Owners' United Agency" to undertake the work of wholesale distribution of yarn in the Kolhapur State. This partnership agency was appointed 'The District Distributor-cum-District Wholesaler' for yarn in Kolhapur in 1948. Thus, while the work of wholesale yarn distribution in the Kolhapur State was handled by this new Agency, the work of retail distribution of yarn continued to be handled by the various handloom and powerloom Associations. For purposes of fixing the basis of distribution among their members, the handloom and powerloom Associations used to appoint sub-committees of their members. There was no definite rule in the form of a resolution according to which the quota per loom was fixed. The whole thing was done in an ad hoc manner, on every occasion, by these sub-committees according to the availability of yarn quota. For purposes of deciding the quotas for powerlooms and handlooms, one powerloom was regarded as equivalent to three handlooms.

From September, 1950 the system of yarn distribution on the indent basis was replaced by the system of indent-cum-loom basis according to a resolution of the Bombay Government dated 4-9-1950. For purposes of protecting the interests of the small weavers the sliding scale was adopted in distributing the yarn among the members. Thus, when the

yarn quota was received by an Association, its sub-committee, in the light of available yarn quota, decided the quota per loom in such a way that the first loom get a slightly higher quota than the second loom, and the second loom got a slightly higher quota than the third loom. The rest of the looms of an owner were treated on a par with the third loom for purposes of determining the quota. Thus, for example, in 1951, the yarn quotas for the first, second and third and the rest of the handlooms were 30 hanks, 20 hanks and 15 hanks respectively. The powerloom quota was thrice that of a handloom. The exact amount of quota, however, varied from time to time according to the availability of yarn.

In September 1951, the Ichalkaranji Powerloom Weavers' Cooperative Association Ltd. withdrew itself from the Handloom and Powerloom Owners' United Agency because of its differences with the Central Union of Handloom Weavers' Cooperative Societies Ltd. It then requested the Government to accept its indents directly and the request was accepted by the Government in September 1951. Since that time the Powerloom Association began to get its requirements of yarn from the Provincial Industrial Cooperative Association.

The Central Union of Handloom Weavers' Cooperative Societies Ltd., however, obtained the wholesale agency for yarn distribution in the Kolhapur State. The contract was

signed by the Union in October 1951 but the actual work of yarn distribution was begun in November 1951. From November 1951 to March 1952, the work of wholesale distribution of yarn went on smoothly. The supply position of yarn had considerably improved, and consequently the yarn quota available for the first handloom had increased from 20 to 30 hanks in April-May 1951 to 63 1/2 hanks in January, 1952.

All of a sudden, however, the yarn and cloth market was rudely hit by a severe depression in March 1952. There was almost a perpendicular drop in yarn and saree prices to the extent of about 40 to 50 per cent from the level in 1951. Owing to a sudden shrinkage in the demand for sarees karkhandars who had stocks of yarn and sarees suffered very heavy losses. The weavers refused to lift their quotas of yarn from the societies. The work of yarn distribution almost came to a standstill as a result of the cheaper and freer availability of yarn in the market.

DIFFICULTIES AND DEFECTS IN THE OPERATION OF CONTROLS ON YARN DISTRIBUTION.

(1) The most fundamental difficulty relating to yarn distribution related to the inadequacy of supplies. The Memorandum[1] submitted by the Ichalkaranji Powerloom Weavers'

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[1] The Memorandum is appended to the 3rd Annual Report, 1950-51, of the Ichalkaranji Powerloom Weavers' Cooperative Association Ltd., pp. 2-3.

Cooperative Association Ltd. to the Hon. Minister for Industry and Labour, Bombay State, on 7th February, 1951, stated that the yarn quotas received by the Association for the months of September and October 1950 were only 13.6 per cent and 16.4 per cent respectively of the total requirements of the 1373 powerlooms registered before 1946. The same Memorandum stated that because of the utter inadequacy of yarn supplies, about 49 powerloom karkhanas had completely stopped working, about 24 powerloom karkhanas had tried to meet the situation by working some of their looms for 8 hours and the rest of the powerloom karkhanas had been working some of their looms for 4 hours only per day. We were told by knowledgeable circles that as a result of the inadequacy of supplies, black market in yarn flourished on a large scale and the gap between the actual requirements and the official quotas was sought to be bridged by many karkhandars by resorting to black market. It was obvious that black markets were the outcome of the ineffective operation of controls.

(2) The yarn distribution was not made in accordance with the requirements of each place. Instead of allotting, as far as possible, the counts of yarn required by the industry at Ichalkaranji, small quantities of different counts of yarn of different mills were supplied to the Powerloom and Handloom Associations. In fact, on some occasions, the quotas included yarns of as many as 19 different counts. Moreover, counts of yarn which were never used at Ichalkaranji

were also included in the quota. This made it difficult for the karkhandars to obtain the yarn requirements of the desired type. The result was, we were told by knowledgeable circles, that the karkhandars, who could not use such a miscellaneous assortment of yarns ranging from 10^s to 80^s of different mills sold their quotas to the middlemen who collected these yarns in large quantities for being sold in the black market. At Ichalkaranji, many karkhandars used to exchange with other karkhandars the counts of yarn which they did not require for the counts which they wanted. For example, if two karkhandars had each two bundles of yarn - one of 30^s and the other of 40^s - one of the two karkhandars who wanted yarn of 30^s sold his bundle of 40^s to the other karkhandar who wanted yarn of 40^s and obtained in return the bundle of 30^s. Thus one karkhandar after exchange, would have 2 bundles of yarn of 30^s and the other would have two bundles of 40^s. Quite a few middlemen specialised in the work of arranging such exchanges by visiting different karkhandars and collecting information about their requirements. The middlemen obtained some remuneration which varied according to the nature of the transaction.

We may at this stage quote a part of the letter[1] addressed by the Ichalkaranji Powerloom Weavers' Cooperative

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[1] A copy of this letter was available with the Ichalkaranji Powerloom Weavers' Cooperative Association, Ltd.

Association Ltd. to the Provincial Textile Commissioner, Bombay on 13th March 1950, as it throws some light on the defects in the working of controls on yarn distribution.

"(1) The yarn," stated the letter, "kept at the disposal of the State Government by the Textile Commissioner to the Government of India is distributed to various Districts by the Provincial Textile Controller against indents submitted by the District wholesalers through the Provincial nominee (The Provincial Industrial Cooperative Association) as and when the yarn is offered by the Mills under various count groups, the advance of the 10 per cent of the value of the indent being deposited with every monthly indent with the P.I.C.A.

(2) Such distribution is irregular and the fulfilment of one indent is telescoped with that of the following indent, with the result that the District wholesaler (The Handloom and Powerloom Owners' United Agency) with limited finances have very frequently to lock up finances for advance payment to P.I.C.A. for months together. The Association, for instance, with an average large quota of yarn bales required for consumption has at present locked up 70,000 by way of advances which have to accompany the monthly indent.

(3) The warp and weft yarns are not duly tested and classified under various count groups by Mills, leading up to the unfair distribution of warp and weft yarns among

various districts and the local consumers viz. Bombay consumers, getting the benefit of choice of warp and weft yarns with special reference to Mills, which produce such yarns. Thus, for instance, Finlay 40^s and 60^s can be easily secured by the Bombay consumers, while the mofussil distributors and consumers rarely get the yarns of their choice.

(4) Further, locational advantage enjoyed by the Bombay consumers and which is denied to District Wholesalers, Retailers and consumers is that the Bombay consumers, Retailers of yarn, etc. can establish direct contact with Mills of their choice for securing the full requirements of yarn out of the free balances left over by the Textile Commissioner to the Mills for free sales and also with the offices of the State Textile Controller, who very frequently has yarns offered by the Mills in excess of their declared quotas which he can issue 'ad hoc' at short notice to local consumers after having dealt with monthly indent. Thus the local consumers and retailers have a stock-pile of wanted yarns built out of (a) proportionate share of their indent, (b) free balances with the Mills, and (c) stray offers disposed of by the Textile Controller's office, provided they have necessary money and contact with Government offices concerned. Thus ironically enough, while the substantial consumers and distributors in Bombay have a stock-pile of wanted yarns, the marginal firms have only, much to the chagrin, a pile of advances in the books of the P.I.C.A.

(5) The preparation of the distribution chart is not regular or on fixed dates and District wholesalers have no knowledge as to when and how the distribution is effected. The whole system works by fits and starts and proceeds on the basis of 'distribute' as and when mills offer yarns. Further the whole process of completion of indent is a very long-drawn one and is spread over months together. December indent, for instance, may as well go on upto March,[1] resulting in the telescoping of indents."

This long quotation clearly brings out the defects in the operation of the system of yarn distribution. Similarly, there were complaints on the part of the powerloom karkhandars during the period of controls, about the delays in obtaining permits for diesel oil required for operating the oil engines in the karkhanas. There were also complaints about delays in obtaining permits for transporting yarn by trucks from Bombay to Ichalkaranji.

CHECK TO THE EXPANSION OF THE POWERLOOM SECTOR AND GROWTH OF HANDLOOM SECTOR

The difficulty about securing the permission for in-

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[1] This delay in completing the indents was a source of trouble for many Associations, particularly when in the middle of March 1952 yarn was available in the market at less than controlled prices. When the indents submitted for an earlier period were received after March when prices of yarn had started falling, members of the Associations refused to purchase their quota on the ground that the indents were received very late and therefore, they were not bound to accept them. This involved the Association in serious financial difficulties.

stalling the powerloom put an end to the expansion of the powerloom sector during the period of controlled yarn distribution. By Notification No. T.C.(16)44, Department of Industries and Civil Supplies, the powerloom karkhandars were directed not to make any addition to the number of powerloom operated by them on 30-9-1944 and not to increase the hours of working.

The handloom sector, however, experienced remarkable expansion during the period of controls. Even allowing for the fictitious element in the expansion it must be admitted that the handloom sector expanded very rapidly.

The quantitative expansion of the weaving industry, however, was accompanied by the qualitative deterioration of the sarees produced. The cessation of imports of increased yarn from Japan and of dyestuffs and chemicals from Germany had adversely affected the quality of the sarees. The shortage of yarn and of dyestuffs had led the karkhandars to use smaller number of picks per inch and inferior shades of colours which were not fast to bleach and light.

In spite of the handicaps in connection with raw-materials, the weaving industry, and particularly the powerloom sector at Ichalkaranji enjoyed a spell of prosperity during the period of controls. In fact, a class of/the "new rich" had come into existence at Ichalkaranji during the war period. The visible evidence of this period of prosperity was available in the form of increased assets of the

powerloom karkhandars in terms of new buildings, motor cars, purchases of land, etc.

The handloom karkhandars had just managed to earn a decent living. Many of them had expanded the size of their units by ploughing back their profits into the industry; but we were told that not a single handloom weaver possessed a car or owned a big building.

THE RECESSION OF PRICES IN 1949 AND AFTER

The war and immediate post-war phase of prosperity seemed to be coming to an end by 1949. There was a recession of cloth prices in 1949 and the handloom industry in particular was seriously affected by the fall in cloth prices. There was a country-wide demand on the part of the handloom weavers for protection against the competition of the organised mill industry. The whole question was considered by the Standing Handloom Committee of the All-India Handloom Board which recommended to the Government that a suitable field of production should be exclusively reserved for the handloom industry. The recommendation was considered by a joint committee of the Handloom and Textile Mill Industry which agreed upon the desirability of some sort of reservation in favour of the handloom industry. Accordingly, the Government issued a Notification dated, the 15th April 1950 reserving the varieties of cloth mentioned therein for the handlooms. Advance intimation of

this Notification which was to come into force from 1st July, 1950 was given to the interests concerned by the Textile Commissioner, Government of India in his Notification No. HB/5-50. dated 20th February, 1950.

RESERVATION OF FIELDS OF PRODUCTION

This Notification was applicable not only to the mills but also to the powerloom units with more than 4 looms. It came as a shock to the powerloom industry at Ichalkaranji. For it put among other fabrics sarees with (a) borders exceeding 2 1/2" in width, (b) woven with zari or gold coloured Art silk yarn, in borders and (c) woven with coloured yarn in the body i.e. coloured, striped and check sarees into the reserved category. The powerloom industry at Ichalkaranji had specialised in the field of coloured saree-production and saree-production was a field where variety was the secret of success. The reservations in favour of the handlooms almost struck at the very root of its success by considerably restricting the varieties which the powerloom industfy could produce. The complaint of the powerloom industry was that its special problems were not taken into while demarcating the spheres of production. And secondly, the intimation about the restrictions was not given well in advance ^ to give sufficient breathing time to the powerloom karkhandars to make arrangements for switching over to the other varieties. There was much truth in this contention. While

the productive efficiency of the powerloom is greater than that of the handloom, the powerloom does not enjoy the economies of large scale or other advantages of the organised mill industry. It cannot, therefore, be treated on a par with the mill industry. Just as, therefore, the mill industry is consulted in deciding on certain policies affecting the textile industry, the powerloom industry should also be consulted. The Notification regarding reserved varieties had very seriously affected the fortunes of the powerloom industry at Ichalkaranji for there were no other varieties which it could switch over to, particularly because of the absence of processing facilities. But even with processing facilities the competitive capacity of the powerloom sector in general and that of the small powerloom units in particular vis-a-vis the composite mills was bound to be very weak. It was the 40 per cent cut enforced on the Mills in respect of dhoti production[1] that set the powerloom karkhandars thinking about venturing on the new line of production viz. grey fabrics.

The reservations in favour of the handlooms had not brought about any important change in the pattern of production on the handlooms. For the handlooms had already been producing some of the types of sarees in the reserved

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[1] This restriction was imposed primarily with a view to helping the handloom industry which in spite of the reservations, had found itself in the grip of a severe drisis after March 1952. See P. 297.

category. The only effect of the reservations on the handlooms was to put them almost in a monopolistic position in respect of the reserved varieties. But as can be seen from the countwise classification of handloom sarees in December 1954 (Table No. 26) the handloom karkhanas at Ichalkaranji had still continued to produce low-count sarees on quite a large scale. The low-count sarees did not require wide borders or use of zari or gold coloured Art silk yarn in borders or stripes and check patterns. It was only in the case of sarees of 60^s and above that exacting demands in respect of borders, designs, colours and patterns were made by the consumers. One reason why the handloom weavers still clung to their traditional pattern of production was that the production of high-count sarees required large capital and the vast majority of the weavers were too poor to have it. Yet we were told by a number of handloom weavers that but for the reservations they would have been forced to close down.

LIMITATIONS OF THE RESERVATION METHOD

We, however, think the reservation method cannot serve as a permanent cure for the basic ills from which the handloom industry suffers. It can, at best, act as a palliative. It is a rough and ready method of providing temporary relief to the weaker sector by assuring a definite market for its products. And the method is likely to be successful in the

short run where free competition between the strong and weak sectors is likely to threaten the very existence of the weak sector and create a grave social problem by worsening the unemployment situation.

The reservation method is not, however, without its defects. In the first place, it is difficult to achieve a sharp and operable definition of a reserved variety. Consequently the reservations will be difficult to enforce in actual practice. There are likely to be legal as well as illegal evasions of the reservations. There were stray complaints from handloom weavers that the powerloom sarees were being sold as handloom sarees. Secondly, there is no guarantee that the reservation method can ensure an equitable distribution of benefit among the different sectors. Nor is there any certainty that the handloom industry at all places will benefit by any single system of reservations. Different reservations will have to be made in order to protect the handlooms engaged in the production of different varieties. In actual practice the reservations will have to be devised on such an elaborate and detailed way that their effective implementation may become impossible. Thirdly, reservations conceived as a long-term remedy for helping the weaker sector of the industry are bound to result in a stereotyped pattern of production with consequent stagnation of economic activity. Fourthly, the reservations will keep alive the weak sector only at the cost of consumers. Not only will the

consumers have to pay a high price for the fabrics in the category of reserved varieties but they will also lose the freedom of choice. Although freedom of choice and consumers' sovereignty are bound to be circumscribed by the imperatives of planning, a complete denial of certain types of products by an executive fiat is bound to smack of totalitarian control.[1]

We, therefore, think that while the reservations can at best serve as a device for mitigating the temporary hardships of the handloom industry, the permanent solution of the ills of the industry must be sought along different lines. The crux of the problem is the development of a steady and willing market for the handloom fabrics. That can be achieved only by effecting a qualitative improvement of the handloom fabrics and by the reduction in their cost of production to a level that will suit the pockets of poor consumers. The surest way to do this is to increase the efficiency and productivity of the handloom. This means that the handloom must be converted into the powerloom. But until this conversion is effected the existing reservations will need to be continued in order to avoid a worsening of the condition of the handloom industry and of the people engaged in it. We should not, however, think

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[1] For an excellent discussion of the pros and cons of the reservation method, see Dr. R. Balakrishna's Note on Cotton Textile Industry included in his book 'Studies in Indian Economic Problems'.

in terms of extending the range of reservations any further. The results sought to be achieved can better be achieved by other methods such as the overall limitation of production, the licensing system, etc.

THE YEAR 1952 AS AN IMPORTANT LANDMARK IN THE HISTORY OF HANDLOOM INDUSTRY

In spite of the reservations, the condition of the handloom industry did not show much improvement. On the other hand it was severely shaken by the sudden and sharp fall in yarn and cloth prices in 1952. The inherent weaknesses of the industry had begun to show themselves. In spite of the easy supply position of yarn, 1952 was a year of crisis for the handloom industry because of a sharp decline in the demand for cloth. It caused widespread unemployment among the weavers. There was a lot of agitation over the situation and some State Governments lent their support to the demand from the handloom weavers that the production of bordered dhoties and coloured sarees should be reserved to the handloom industry. The Central Government, as a measure of interim relief, restricted the monthly production of dhoties by mills to 60 per cent of their average monthly packings in this variety (not meant for export) during the 12 months ending March 1952. The year also saw the appointment of the Textile Enquiry Committee to examine the question of the rightful place of the three sectors of the cotton textile industry in the

economy of the country. Third, the decision was taken to levy an additional excise duty on cloth produced by the mills for internal consumption for the purpose of creating a special Development Fund (commonly called the Cess Fund) for assisting the Khadi and other handloom industries. And, finally, the All India Handloom Board was reconstituted in 1952 with comprehensive functions. Besides advising the Government generally on all problems relating to the handloom industry, the Board had to examine all schemes for the improvement and development of the handloom industry and to make recommendations for financial assistance from the Cess Fund. The Board decided to 'canalise development expenditure very largely through the medium of cooperatives.' The Board also drew up a list of general principles that should be followed in formulating schemes of development and assistance to the handloom industry. Broadly the general principles, laid down by the Board, permitted giving financial assistance for (1) share capital of the weavers joining cooperative societies, (2) working capital of cooperative societies, (3) setting up of marketing depots and the inter-state depots, (4) provision of mobile vans to serve as sales depots and for propaganda, (5) rebate on sales of handloom cloth, (6) setting up of preparatory and finishing plants, (7) improvement of looms, etc.

ASSISTANCE AVAILABLE TO THE HANDLOOM INDUSTRY AT ICHALKARANJI.

Reference has already been made to the aid received

by the handloom cooperative societies at Ichalkaranji.[1] The rebate facility was also made available from 2nd February, 1954. Exemption from octroi duty on the yarn used by the handlooms was also given from 15-10-1954.[2] The handlooms also enjoyed exemption from sales tax which was levied at the rate of half an anna.

These measures, however, had not brought about any improvement in the condition of the handloom industry. The handloom weavers were still outside the cooperative fold and did not enjoy the benefits available to the handlooms in the cooperative fold. Moreover, the help available in the form of rebate on sales, exemption from octroi, sales tax etc. could hardly be said to have touched the basic weaknesses of the handloom industry. We think that instead of seeking to provide help in different ways to the handloom industry, a frontal attack should be made on the inherent weaknesses of the industry through some such agency as the State-partnered Cooperative. But long-term planning must, of course, be orientated towards the gradual and properly phased conversion of the handlooms into powerlooms.

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[1] See the Chapter, 'Associations in the Industry', pp. 208, 211

[2] Local Self-Government and Public Health Department, Circular No. 1154.

LABOUR LEGISLATION

Until the merger of the Kolhapur State in the Bombay State on 1st March 1949, the weaving industry at Ichalkaranji was not subject to any elaborate labour legislation. It is true that the Indian Trade Unions Act of 1926 was madé applicable on 6th April 1944 and the Factories Act of 1934 was made applicable on 4th May, 1944. But the enforcement of these laws was not strict and most of the conflicts between employers and employees regarding wage increase, working hours, etc. used to be settled amicably through the good offices of some influential persons or by mutual discussion. There was no tendency to resort to legal processes in order to get one's grievances redressed. But since the application of various labour laws, particularly after the merger of the Kolhapur State, in the Bombay State on 1st March, 1949, the tendency to resort to legal processes had become common.[1]

The various labour laws which were applicable to the weaving industry at Ichalkaranji were as follows :-

Name of the Act.	Number of powerloom and handloom units in the sample to which the Act was applicable.	
	Handloom Units	Powerloom Units
1. The Factories Act, 1948	1	19
2. The Bombay Industrial Relations Act, 1946		10

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[1] Vide the Memorandum submitted to the Minister for Labour and Health, Bombay State, by the Ichalkaranji Powerloom Weavers' Cooperative Association, Ltd. on 22-9-1952.

3. The Industrial Disputes Act, 1947.	All units except those governed by the provisions of the B.I.R.Act.	
4. The Employees State Insurance Act, 1952.	-	19
5. The Employees Provident Fund Act 1952.	-	1
6. The Bombay Shops and Establishments Act, 1948 (Bombay Act No. LXXIX of 1948). It was made applicable to Ichalkaranji Municipal area from 27-7-1949.	All powerloom and handloom karkhanas not covered by the Factories Act.	

As the size of the handloom karkhanas were generally very small, the handloom karkhanas did not come within the purview of most of these Acts. The real impact of the labour legislation was on the powerloom karkhanas. The Shops and Establishments Act, which sought to regulate the working hours in small establishments was not strictly enforced. Consequently, the handloom karkhanas worked quite long hours in spite of the existence of this Act.

The powerloom karkhandars seemed to be agreed on the desirability of passing labour legislation aimed at regulating hours of work, wages, sanitary arrangements, etc. They, however, seemed to be annoyed at the way in which labour legislation was sought to be enforced in actual practice. They seemed to be very critical of the method of instituting criminal proceedings against the employers for non-compliance with some of the provisions of some labour laws. Instances[1] were quoted by them to show that failure

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[1] They have also been quoted in the Memorandum appended to the Fourth Annual Report (1951-52) of the Ichalkaranji Powerloom Weavers' Cooperative Association Ltd.

to whitewash a part of the building, to maintain the level of the drinking water in the pot at a particular level, and to close the factory at the exact time had been punished under criminal law. The same Memorandum stated that the karkhanas subject to the Factories Act had to get the factory license renewed every year from the Chief Inspector of Factories, Bombay. Although applications for the license were made in time and receipt obtained therefor, there were delays in receiving the license. Meanwhile the factory inspectors had instituted proceedings against the karkhandars for non-possession of license. In this connection the suggestion made in the Memorandum regarding the procedure to be followed for instituting proceedings against the employers seems reasonable. The Factory Inspector should put all such cases of non-compliance with provisions under various laws with relevant facts relating to them before a District Committee consisting of the Collector, the employers' representative, the workers' representative and the Government Labour Officer, for its consideration. And the Factory Inspector should institute proceedings only in the matters approved by the Committee. Such a procedure will put an end to unnecessary harassment, waste of time and money. The demand on the part of the employers that proceedings against them should be instituted under Civil Law rather than under the Criminal Procedure seemed to be quite reasonable. It is only in cases where there is deliberate defiance of law and rights of the workers on the

part of the employer, criminal procedure may be resorted to. But in many cases the non-compliance with certain provisions might be due to certain practical difficulties or sheer ignorance of the spirit of the law.

The suggestion made by the Powerloom Association regarding the holding of a 15-day session by the Labour Court at Kolhapur every three months is also a reasonable one. That would save time, trouble and money to the karkhandars.

The powerloom karkhandars subject to the Factories Act complained that the karkhanas had been housed in buildings which were constructed when there were no rules and regulations regarding ventilation, height, sanitary arrangements, lay-out of the machinery, etc. They should, therefore, be given sufficient time to make the necessary adjustments in accordance with the regulation under the Factories Act. The sudden enforcement of such regulations would impose heavy financial burdens on the karkhandars. It was all to the good that Regional Tripartite Advisory Committees were appointed to advise the Government on matters relating to the health, welfare and safety of the workers. The Committee for North Satara, South Satara and Kolhapur Districts was set up under Government of Bombay Development Department Resolution 2448/48 dated 6-8-1953. The first meeting of the Committee was held at Kolhapur on 21-5-1954. The Committee can play a useful role by trying to explore the ways of gradual implementation of legislation relating to the matters

within its jurisdiction in the context of practical difficulties of each area so that unnecessary hardships involved in the sudden enforcement of rules may be minimised. The powerloom karkhandars seemed to be satisfied that there was an official agency through which the practical difficulties could be discussed at the Government level.

FINANCIAL BURDENS ON THE WEAVING INDUSTRY

The various labour laws applied to the weaving industry of Ichalkaranji after the merger of the Kolhapur State in the Bombay State, imposed many financial burdens on it.

Under the Industrial Disputes Act, the karkhandars had to pay retrenchment compensation to their workers in case they were retrenched at the rate of 15 days' wages for every completed year of service. Assuming roughly the total working days of the year to be 300, the burden of retrenchment compensation would amount to 5 per cent of the wages. Of course, it was a non-recurring burden. In actual practice small establishments where the workers, because of the personal relations with their employers, did not press for retrenchment compensation for fear of losing the goodwill of the employer and consequently the chance of being re-employed by him. It was particularly the karkhanas subject to the Factories Act that had to pay the retrenchment compensation.

Under the Factories Act, 1948 the karkhanas subject to

it had to grant leave with wages at the rate of one day for every 20 days worked. Assuming the total working days of a year to be 300, the burden under this head amounted to 5 per cent of the wages. Moreover, the Act involved expenditure on sanitary arrangements, and provision of other amenities to workers such as canteens, shelter rooms, etc.

The karkhanas, subject to the Employees State Insurance Act, had to pay a contribution of 3/4 per cent of the wages. The full-pledged State Insurance Scheme on a contributory basis had not as yet been enforced.

The karkhanas within the purview of the Employees Provident Act had to contribute 6 1/4 per cent of the wages and dearness allowance payable to each employee.

Thus the total direct tax burden on the karkhana employing 50 or more persons amounted to 12 per cent of the wages, leaving out of account the non-recurring burden of retrenchment compensation.

The burden imposed by the levy of the excise duty has been referred to in the last chapter, 'Post-script - New Horizons'.[1]

It seemed from our discussions with the karkhandars that they had adjusted themselves to the restrictions and

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[1] See pp. 308-309.

tax burdens involved in the various measures of labour legislation. They, however, seemed to be worried over the climate of uncertainty caused by the vascillating policies of the Government. The impact of labour legislation and financial burdens was primarily on the karkhanas within the purview of the Factories Act. The karkhandars referred to the Notification regarding Reservations, the application of laws like the Employees State Insurance Act and the Employees Provident Fund Act as some of the evidences of the vascillating policies of Government in relation to the power-loom sector. The karkhandars said that as they tried to adjust themselves to a given law, they were subjected to some new restriction or financial burden. The period after the merger of the Kolhapur State in the Bombay State witnessed the imposition of a succession of laws involving some new restriction or financial burden, particularly on the powerloom karkhanas. Such a policy caused a state of uncertainty. We do not think that such uncertainty can be avoided in a dynamically changing economy. And yet everyone, right from the biggest karkhandar down to the owner of one handloom, seemed to be very much afraid of Government. They looked at every attempt to collect information rather suspiciously. Government, everyone thought, was trying to collect information with a view to imposing new restrictions or new taxes. So widespread was the feeling of uncertainty and suspicion that it would be worthwhile doing something to create a climate of confidence so that the

ground for long-range planning can be prepared. We think the establishment of tripartite bodies consisting of representatives of Government, employers and employees may go a long way in creating the needed climate of confidence. It was all to the good that a Tripartite Regional Committee had been constituted in 1954. These committees can discuss the practical difficulties of the parties concerned, and arrive at some agreed solution of those difficulties. They will also provide an opportunity to Government to explain its viewpoint to the karkhandars with a view to securing their support to its policies. The existence of such committees may also serve to dispel the feeling of helplessness among the employers born of the realisation that there is no institutionalised agency through which they can represent their grievances and difficulties to the Government. Moreover, such committees may also enable the Government to consult the interests concerned and to discuss the practical difficulties involved in any scheme of legislation which it is seeking to implement.

While the necessity of progressively conceived legislation cannot be denied, much can be gained by discussing the practical difficulties involved in it with the parties that are likely to be affected by it.

A NOTE ON LABOUR LEGISLATION

The Kolhapur State was merged with the then Bombay State on 1st March, 1949. The Industrial Disputes Act, 1947, The Factories Act, 1948 and The Bombay Industrial Relations Act, 1946 were made applicable to the then Kolhapur State under Kolhapur State (Application of Laws) Order 1949. Notification 6816/45 dated 30-4-1949, The Bombay Shops and Establishments Act 1948 was made applicable to Ichalkaranji Municipal Area with effect from 27-7-1949 (Labour Gazettee, September 1949, p. 39). (This Act is made applicable to Municipal areas and the administration of the Act is made by local authority through inspectors appointed by the Municipality). The Employees State Insurance Act, 1948 and the Employees Provident Fund Act, 1952 were made applicable to the weaving industry of Ichalkaranji in 1952.

THE BOMBAY SHOPS AND ESTABLISHMENT ACT (1948)

It prescribes fixation of working hours and weekly holidays, etc. Registration under this Act is necessary.

THE INDUSTRIAL DISPUTES ACT (1947)

It provides for the investigation and settlement of industrial disputes. It provides for (1) formation of works committee representing workers and employers of a unit to promote good relations and preserve unity between them.

(2) Conciliation, arbitration and adjudication of industrial disputes (3) Imposition of certain restrictions on strikes and lock-outs.

The industrial dispute is first submitted to the Conciliation Officer whose duty is to endeavour to bring about an amicable settlement between the parties to the disputes. In case no settlement is possible, report is sent to Government and the Government then refers the matter, on the strength of the report, to the adjudication of the Labour Court or Industrial Court or the Wage Board as the case may be.

The Act provides for retrenchment and lay-off compensation to the workers - retrenchment compensation at the rate of 15 days' wage for every completed year of service, and lay-off compensation at the rate of 1/2 daily wages for the days be is laid off.

The Act is applicable even to a unit employing only one person.

THE FACTORIES ACT (1948)

The Act is applicable to all concerns employing 10 workmen with the aid of power or 20 or more persons without the aid of power and wherein manufacturing process as defined under this Act is carried on. Registration under this Act is necessary.

The Act provides for regulations relating to :

1. Health: latrines, urinals, drinking water, lighting, white washing, etc.
2. Safety: fencing of machinery, precaution in case of fire, excessive heat, etc.
3. Welfare: facilities for sitting, canteens, shelter rooms, etc.
4. Working hours, weekly holidays, etc.
5. Prohibition of employment of women and children between sunset and sunrise.
6. Annual leave with wages at the rate of one day for every 20 days worked.

THE BOMBAY INDUSTRIAL RELATIONS ACT (1946)

The Act is applicable to the concerns engaged in cotton textile, silk textile, Banking and Sugar industries.

In cotton textile industry, the Act applies to those units wherein weaving and/or spinning of cotton yarn is carried on and where 20 or more persons are employed and where power is used. The Act provides for conciliation, arbitration, adjudication of industrial disputes by conciliators, labour courts, etc.

The Union having 15 per cent or more membership in the employees in the industry in a local area is recognised as a Representative Union and has an exclusive right of repre-

senting the workers in that industry in that area. The Act provides for the settlement of standing orders, formation of joint committee, etc.

THE EMPLOYEES STATE INSURANCE ACT (1952)

The Act as amended on 6th October, 1951 provides for the collection of employer's contribution from employers throughout the country. When the full scheme comes to be implemented the schedule of rates of contribution by workers in different wage-groups will be made applicable. For the present, however, every factory, except seasonal factories, run with power and employing 20 or more persons must contribute 3/4 per cent of the basic wages and dearness allowance.

THE EMPLOYEES' PROVIDENT FUND ACT (1952)

The Act is applicable in the first instance to those factories which employ 50 or more persons and are engaged in the manufacture or production of cement, cigarettes, electrical, mechanical or general engineering products, iron and steel, paper and textiles (cotton, silk and jute). The employers' contribution to the Fund has been fixed at 6 1/4 per cent of the basic wages and dearness allowance payable to employees. The employees are required to contribute the same amount as contributed by the employers in respect of them. However, if they so desire and if the scheme so persists, they can contribute more subject to a maximum of

8 1/3 per cent of their basic wages and dearness allowance.

Under the scheme every person except those declared to be excluded employees is required to become a member of the Provident Fund scheme on completing one year's service. Persons whose monthly basic wage exceeds Rs. 400 or who are employed as apprentices, etc. are regarded as excluded employees.

Labour legislation is a subject on the concurrent list and the Central Government and State Governments can enact legislation on the subject. Where two statutes cover the same ground and where there is no inconsistency between their mandates both the statutes are to be obeyed. Where there is an inconsistency between the provisions of the two statutes the more progressive statute of the two is to be followed.

The Bombay Industrial Relations Act, 1946 is considered to be more progressive than the Industrial Disputes Act and therefore, the provision of the Industrial Disputes Act do not apply to concerns which are governed by the B.I.R. Act barring a few provisions regarding retrenchment, lay-off, etc.

CHAPTER VII

LINES OF REFORM AND RECONSTRUCTION OF THE WEAVING INDUSTRY AT ICHALKARANJI.

It is proposed in this chapter to indicate certain concrete measures for the rehabilitation of the weaving industry at Ichalkaranji. It was clear from the data of the survey that the weaving industry suffered from a number of weaknesses and required to be reconstructed on scientific and progressive lines. Before, however, outlining our proposals for reform and reconstruction of the industry, it would be desirable to sum up briefly the main difficulties and drawbacks from which the industry suffered. Broadly speaking, the handloom and powerloom industry at Ichalkaranji seemed to suffer from all the disabilities and disadvantages to which cottage and small-scale industries are subject, viz. difficulties connected with procurement of raw-materials, technique of manufacture, finance, marketing, organisation, management, etc. Naturally, therefore, our proposals for reform would seem to transgress the narrow geographical limits of Ichalkaranji and develop along general lines.

THREE MAJOR DIFFICULTIES:

Although the handloom and powerloom industry suffered from a number of drawbacks, we may deal, in some detail,

with the three major difficulties which seemed to constitute the crux of the problem. These difficulties related to supply of raw-materials of good quality at reasonable prices, availability of credit facilities at reasonable rates of interest and marketing of products at prices remunerative to the handloom and powerloom owners.

LACK OF RAW-MATERIALS AT REASONABLE PRICES.

One of the main complaints of the handloom and powerloom karkhandars at Ichalkaranji was that they were not able to get yarn of good quality. The composite mills, according to them used the best yarn for their weaving section and marketed only the balance of their yarn supply, which was unsatisfactory from the point of view of quality. In particular, the yarn was not even and smooth but contained knots and lacked sufficient tensile strength. The result was that it suffered from frequent breakages and consequent interruptions in weaving. Moreover, the length of the yarn did not correspond to the exact measurement. For example, the length of a cut,[1] which was popularly called a kali at Ichalkaranji, is expected to measure 840 yards in length. In actual practice, the cut was said to measure even less than 800 yards. Moreover, the small

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[1] A bundle or box of yarn of 10 lb. consists of as many hanks as the number of yarn count, and a hank or a toba consists of 10 cuts or kalis, each cut measuring 840 yards in length.

karkhandars who had to purchase their requirements in small quantities and on a credit basis had to pay prices which were said to be higher than wholesale prices by anything from 10 to 15 per cent. Still another complaint was that because the yarn was not available in cones, it had to be subjected to various preparatory processes with consequent wastage of raw-materials at every stage and addition to the cost of the product. The composite mills were said to possess a great advantage not only in the fact that yarn of good quality was available to them at spindle point but also in the fact that it was available in cones. These were the main factors which led not only to an inferior quality of the fabrics but also to an increase in cost.

We did not hear, however any complaint regarding the inadequacy of yarn supplies. During the period of controls on yarn distribution upto 1952, the industry was said to be handicapped by shortages of yarn supply. Since the lifting of controls on yarn distribution in 1952, however, yarn supply was available in abundance.

FINANCIAL DIFFICULTIES

The second difficulty related to finance. Emphasising the importance of finance the Ford Foundation Team

Report[1] said, "For without proper finance there will be no efficient planning, nor purchase of raw-material nor production nor marketing nor any fair profit, the latter in its turn forming the foundation of finance itself". The Kanungo Committee also stressed the importance of finance in these words: "The dispersed nature of the handloom industry, the small financial resources of the handloom weaver and the precariousness of the market invest the financing agency with a considerable importance".[2]

The comparatively bigger karkhandars with a sufficiently long standing could secure the financial accommodation from the banks without much difficulty. But the small karkhandars found it extremely difficult to secure the financial accommodation from the banks. They were too poor to provide any acceptable security and surety to the banks in order to obtain the loan or cash credit facilities. Naturally, therefore, they were forced to approach either the moneylender who was reported to charge exorbitantly high rates of interest in spite of legislative restrictions on moneylending activity or alterna-tively some Marwari merchant who agreed to lend money on condition

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1 Report on Small Industries in India by the International Planning Team - Ford Foundation, p. 36.

2 Report of the Textile Enquiry Committee, p. 13.

that the karkhandar must sell his goods to him. The Marwari merchants were said to have taken full advantage of the financial difficulties of the karkhandars. The karkhandars were exploited by the Marwari merchants in various ways. They charged to the karkhandars interest on the advances made to them at the rate of 9 to 12 per cent. They also forced the karkhandars to sell their goods at prices which were below market prices and the helpless karkhandars had to accept the terms dictated to them by the Marwari merchants for fear of losing their goodwill and support. Moreover, arbitrary deductions were also made by finding fault with the colour, design, texture, etc.

It was not only the small karkhandars, however, who had to face financial difficulties. The big karkhandars too, had their own difficulties. They also found it difficult to secure their requirements in a full measure. There were no reserves on which they could draw in times of difficulty. The small karkhandar, it is true, was too poor to be able to set aside a decent amount for building up reserves. But even the big karkhandars did not seem to appreciate the need for building up adequate reserves which they could draw upon in times of difficulty. The absence

of a regular system of reserves placed the karkhandars in a very unhappy position of dependence and weak bargaining strength.

MARKETING DIFFICULTIES

The crucial problem of the industry, however, related to marketing. We can do no better than quote the Kanungo Committee's views on the matter. "It needs no emphasis", say the Committee, "that the finding of a market is the fundamental problem of the handloom industry, as it is indeed of all small-scale industries when conditions of a prolonged buyer's market prevail. The problem of the organisation of the weaver is perhaps a derivative problem, the solution of which leads to a satisfactory modus operandi for the most economic purchase of raw-materials, the production of the varieties which are most likely to be consumed, the financing of production and sale, etc".[1]

In the seller's market that existed in the war and the immediate post-war period there was no problem of marketing as such, as there was a ready market to absorb the goods produced. With the emergence of a buyer's market, particularly from 1949, the problem of marketing began to make itself felt. It was quite plain from the replies to the questionnaire that the July-October period was one of

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[1] Report of the Textile Enquiry Committee, p. 18.

dull business. The small karkhandar with his poor holding capacity and weak bargaining strength suffered from serious disadvantages in marketing. In order to carry on production he had to dispose of his goods as soon as they were produced even though prices were not remunerative. In many cases the difficulty of marketing the production during the slack period affected the production and consequently the earnings of the karkhandars. But even during the November-June period which was said to be a comparatively brisk season, the small karkhandar could not avail himself of the market prices because of ~~their~~ his weak bargaining strength.

The market for sarees was not a cash market. The result was that the funds had to be kept locked up in the finished goods for months together. Even the big karkhandars who had direct contacts with outside merchants had to wait for a month or two for recovering the sale proceeds from them. The smaller karkhandars who had to deal with the local Marwari merchants found themselves exploited in various ways. Although the merchants performed an essential function of acting as a link between the outside market and the large number of small karkhandars, the remuneration that they extorted for the service

was excessive. The commission charged by them to the karkhandars on their purchases ranged from Rs. 3 1/8 per cent. to 6 1/4 per cent. Some of the karkhandars told us that the risks involved in selling on credit had increased particularly since 1952. They also told us that in many cases they could recover the sale proceeds from their customers with great difficulty and after a long time, the annual travelling expenditure in connection with the recovery of the arrears from outside merchants amounting to anything between Rs. 400 and Rs. 600.

The market for grey fabrics was a cash market and the demand for grey fabrics was on a wholesale scale. The margin of profit per yard was said to be very low ranging from half an anna to one anna but any amount of cloth could be immediately sold at a slightly reduced price even in depressed times. It was, however, difficult to dispose of large stocks of sarees even at a slightly reduced price, alghough the margin of profit per yard in good times ranged from one anna to two annas. The difficulties involved in the switch-over to grey cloth related mainly to lack of finance and lack of processing and finishing facilities, for the grey fabrics are not marketable like sarees in the loom stage but need to be processed before they can appeal to the tastes of the consumers.

There were other difficulties relating to the lack of power supply, absence of training facilities, lack of market research etc. But unless the main difficulties relating to yarn supply, finance and marketing are solved, the industry cannot be put on a sound footing.

PROPOSALS FOR RECONSTRUCTION

Again and again we were told by a number of karkhandars that the establishment of a spinning mill and a processing plant was a great desideratum in a prominent weaving centre like Ichalkaranji. Small spinning units had been working quite efficiently and successfully at nearby centres like Madhavnagar and Miraj. The establishment of a spinning unit at Ichalkaranji would be desirable from many points of view. In the first place, it would be in keeping with the policy of promoting the pattern of decentralised industrial activity. Instead of allowing new spinning units to be set up in the already congested urban centres, it would be eminently desirable to license them in semi-urban areas. It will serve the double purpose of reducing the congestion in urban areas and developing the rural areas. Secondly, the costs of transport will be reduced. Thirdly, it will mean availability of yarn in the required form. Emphasising the need for the establishment

of spinning mills near the powerloom centres, the Deccan Manufacturers' Association, Sangli, stated this advantage in its Memorandum entitled 'The Second Five Year Plan and the Powerloom Industry', dated 2nd October 1955, in the following words: "It is observed that the cost of powerloom cloth is higher due to the availability of yarn in bundle form as is marketed by the composite mills. If it is made available in the packings in which it is used in the composite mills by establishing co-operative spinning mills near powerloom concentrations, a difference of about 16 to 17 per cent will be wiped out and the powerloom cloth will be only 6 per cent dearer than the mill cloth". And finally, the establishment of a spinning mill will mean the availability of yarn of good quality, for such a mill has no demand of its own.

It would be highly desirable to set up the spinning mill on a co-operative basis. As the handloom and powerloom karkhandars cannot raise the huge capital required for this purpose, the government should participate in the financing of the whole scheme. Already the state-partnered co-operatives have been set up in the field of the sugar industry. We would recommend the establishment of a state-partnered co-operative spinning mill. In case

this is not possible, industrialists may be induced to set up a spinning mill at Ichalkaranji. The possibilities of integrating the spinning mill industry with the handloom and the powerloom industry should be explored. There need be no rivalry or conflict of interests between the mill industry and the unorganised sector of the handloom and powerloom industry, provided such integration is attempted. In the South at least there is no rivalry between the mill industry and the handloom industry. They have been complementary to each other for several decades. In spite of the growth of the indigeneous mills the position of the handloom industry has not altered appreciably during the last 30 or 40 years. The South Indian mills have played the game admirably well by catering to the exact needs of the handloom industry in that part.[1]

The existing processing plant was not up-to-date from the point of qualitative efficiency and the establishment of a complete Processing Unit would enable the powerlooms and also the handlooms ~~if they desire~~ to switch over from coloured sarees to grey fabrics. As a result of the reservations in favour of the handlooms, the powerloom

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1 See 'The Annual Number of 'Commerce', December 1953, 'Textile Industry in the South' -- Its Problems and Prospects, p.103.

units with more than four powerlooms were finding it increasingly difficult to continue the production of coloured sarees. But the switch-over to grey fabrics depended upon the availability of processing facilities. Such of the units as had switched over to the production of grey fabrics complained that they had to sell their production to wholesale merchants at prices which left them with a very low margin of profit or had to keep their funds locked up in goods until they could be processed in processing units at Bombay. They had to wait for months in order to avail themselves of the processing facilities. That was the main reason why the majority of powerloom karkhandars still continued to produce such varieties of coloured sarees as were allowed to be produced by them.

ESTABLISHMENT OF TWO SEPARATE CO-OPERATIVE SOCIETIES FOR HANDLOOMS AND POWERLOOMS WITH COMPREHENSIVE FUNCTIONS.

We have already referred to the problems of raw-materials, finance and marketing confronting the handloom and powerloom industry. These problems must be viewed as different aspects of a single problem and must be tackled simultaneously. We are of the view that co-operatives are the best agency through which a frontal attack on these problems can be made. We are aware of the weaknesses of

the co-operative societies. Indeed, the review of the working of the co-operative societies at Ichalkaranji does not present a very encouraging picture. And yet we believe that, with proper control and organisation, co-operatives can be made to serve the interests of this unorganised sector of the weaving industry. As the interests and problems of the handlooms and the powerlooms are likely to be slightly different, we would suggest the establishment of two separate co-operatives -- one for the handlooms[1] and the other for powerlooms. Instead of dissipating the energies and resources in organising a number of small co-operatives it would be better to have only two co-operatives, one for handlooms and the other for powerlooms. Such a co-operative will possess many advantages. In the first place it will be able to command larger resources. Second, it will be able to employ expert staff for managing its affairs. The functions of an industrial co-operative are much more complicated than that of a credit co-operative. Consequently, its affairs will

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[1] The recommendation is based on the assumption that the phased conversion of the handloom sector into the powerloom sector will take some time and meanwhile the interests of the handloom sector will need to be safeguarded.

have to be managed by a full-time staff specially trained to the job. Such a co-operative will have to conceive its functions positively and comprehensively. It should have a wide base of operations, which should include all the commercial functions of an entire industry; assuring a steady supply of warp beams at reasonable prices; making supplies of equipment available to members on easy terms; instructing members in the use of improved methods and inducing them to make what the market demands in reliable quality; taking over from the members what they manufacture and paying cash or part cash for it; if necessary, finishing inspecting and grading the goods for sale; building up a marketing organisation strong enough to sell all that members make, and carrying buffer stocks for seasonal variations. Such a co-operative by relieving the weaver of the problems connected with the procurement of raw-materials, finance and marketing will be able to guarantee year-round employment and to provide at least a decent standard of living.

Besides solving these main problems, the co-operative will have to do many other things required for increasing the efficiency of the weaver and the industry. As the owners of small industries are too preoccupied with their

immediate work and interests, they have hardly the time for the acquisition of knowledge of their industry as a whole. We think that the Powerloom Enquiry Committee's suggestion[1] to start evening classes with a view to training the small karkhandars in the principles of organisation and management is worth trying. One of the things that struck us in our interviews and discussions with the small karkhandars was their ignorance about the problems relating to the industry. We discovered in our discussion with them that they did not know the markets in which their goods were sold, the financial facilities that were available to them under different schemes of assistance, the rules and regulations by which they were governed. There was nothing like cost accounting even in bigger units.

The co-operative can enhance its usefulness by acting as an information bureau. It can keep the members informed about the developments affecting the industry, such as changes in labour legislation, economic outlook for the industry as a whole, changes in techniques, markets, etc. It can, like the Smaller Enterprise Agency in Japan,[2] publish a paper explaining the actual conditions of the smaller industries in addition to various books and

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1 Report of the Powerloom Enquiry Committee, p.29.

2 'The Smaller Industry in Japan' - Edited and Published by Asia Kyokai, 1957 - p. 95.

pamphlets. Radio programmes, lectures and other available means of promoting the general understanding of the problems of smaller industries may also be employed. It can organise market research, organise shows featuring the information about markets, designs, patterns, etc. It can start a contributory thrift fund and educate the weavers into the ideals and principles of co-operation and train them into the practical working of the co-operatives.

Such a comprehensively organised co-operative may be able to serve the weaving industry in a more efficient way than a mere service co-operative which only occasionally comes into contact with its members. It will possess many advantages. In the first place, it will solve the problems of finance and marketing, ensure year-round employment and continuous production, thus increasing the earnings of the weaver. Secondly, it will help promote the standardisation of quality. The co-operative can set up an inspection department to keep a close watch on the quality of the fabrics produced and stamp a certification mark on them. Thirdly, fears of frequent recessions need not act as a drag on the productive activity of the weaver because of an assured purchaser. Fourthly, such a society may act as a leaven in the surrounding areas. Nothing is more likely

to strengthen the co-operative form of organisation than the ability of the co-operative to provide year-round employment by agreeing to purchase what the weavers produce.

We are aware that the ignorance, conservatism and poverty of the weavers will be the main difficulties in the organisation of such co-operatives. If the co-operative is to carry out its multiple functions efficiently it will need vast resources at its disposal. The weavers will not be in a position to provide all the resources. We would suggest state participation in such a co-operative. It will not only solve the problem of finance but also ensure better and stricter management. Such state participation may detract from the strict theory of co-operation, but in the peculiar conditions of an underdeveloped economy, the exercise of initiative by the State at strategic points becomes essential in the interest of speedier development. We believe that if the All-India Handloom Board can use its funds for financing such co-operatives based on an integrated approach to the problems of supply of raw-materials, finance and marketing, it can contribute more materially to the prosperity of the handloom industry. The protective measures like reservations, facility of rebate, etc. are good so far as they go, but the difficulty is that they do not go

to the root of the problem. They are in the nature of palliatives. What is needed is a promotional rather than a merely protective approach to the problem of small scale weaving industry. Such an approach will require huge resources and we think that the All-India Handloom Board is right, in emphasising that if the handloom industry has to take its rightful place in the national economy within a reasonable period, the financial resources made available from the cess fund are thoroughly inadequate and they must be supplemented substantially by contribution from other sources.[1]

SUPPLY OF ELECTRICITY

The development of the powerloom industry requires cheaper power facilities.[2] As the Karve Committee[3] puts it, "One of the most important factors in transforming Indian economy into a progressive yet decentralised and co-operative structure is the spread and use of electric power all over the country." The power supply was available for industrial purposes from the Ichalkaranji Electric Supply Co. Ltd. But the rate charged was 4 annas per unit which was said to be unduly high. As a result a majority of the powerloom karkhanas used

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1 Indian Handloom Industry, Plan for Development, 1956-61, p. 4.

2 Recently the rates of electricity have been reduced but the supply of electricity is limited as before. See the chapter 'Postscript - New Horizons'. PP. 314-315.

3 Report of the Village and Small Scale Industries (Second Five Year Plan) Committee, p. 23.

the oil engines for the generation of power. The average cost of power generated by the oil engine was roughly estimated to be 3 annas per piece of nine yards. Moreover, the working of more than one shift imposed too great a strain on the oil engine. In the interest of efficient working of the powerloom sector it is necessary to ensure a continuous supply of electric power to the powerloom industry at a rate not exceeding 1 1/2 annas to 2 annas per unit.[1] The position has considerably improved in this respect since 1st April 1956.[2]

REHABILITATION OF MACHINERY

We found that the powerlooms in many karkhanas stood in need of immediate replacement. They were subject to frequent interruptions and stoppages because of their worn-out condition. The powerloom karkhandars, however, were not prepared to invest their money in the purchase of new equipment because of the uncertainty of governmental policy towards the powerloom sector. The possibility of manufacturing the spare parts and other accessories at Ichalkaranji should be explored. There are a number of repair workshops and we were told that they can be equipped to manufacture the spare parts also.

ESTABLISHMENT OF A TRAINING SCHOOL

The weaving centre at Ichalkaranji lacked a training school. The result was that the efficiency of the weaver was low. In many cases a new weaver who tried his hand

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[1] See the Report of the Powerloom Enquiry Committee, p.29.
[2] See the Chapter 'Postscript - New Horizons', p.314

at the loom spoilt the cloth and even when he learnt the art of weaving, the speed remained very low. Systematic training of apprentices will go a long way in enhancing the efficiency of the weavers and consequently their earnings.

ESTABLISHMENT OF A MARKET RESEARCH AGENCY

The importance of market research aimed at studying the changing tastes and preferences of the consumers can hardly be overemphasised. If the results of market research can be made continuously available to the industry the needed adjustments in the pattern of production can be effected with a view to catering more fully to the needs of the consumers.

CONSTITUTION OF A POWERLOOM BOARD

We suggest that the interests of the powerloom sector can better be served by forming a Powerloom Board with comprehensive executive functions.[1] Its main functions should be to act as a liasion between the powerloom industry and the governmental authorities at various levels; to advise the state government and through it the central government in the matter of textile policies affecting the powerloom

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[1] See the Report of the Powerloom Enquiry Committee - p. 25.

sector, and to act as the guardian of the powerloom interests in general. The Board should be appointed by Government and consist of representatives of the smaller as well as larger establishments, labour interests, representatives of the handloom industry, government officials of labour, industry, co-operatives, etc. Such a broad-based body will prevent sporadic legislation or sudden changes in policy which are likely to affect the industry. Such an institutional channel will facilitate free exchange of views, discussion of the problems confronting the industry and will pave the way for better understanding of different points of view. It will also create a climate of confidence born of the assurance that before any vital decision affecting the fortunes of the industry is taken, the views of the industry will receive due hearing and consideration from the powers that be

ESTABLISHMENT OF AN INDUSTRIAL ESTATE

Another important measure that needs to be taken is the establishment of a separate industrial colony. In the interest of clean and healthy life in the town, it is necessary to move the bigger units employing more than four looms beyond the outskirts of the city. The Borough Municipality of the town should make available to the karkhandars suitable plots at concession prices for enabling them

to shift the karkhanas there. In conformity with one of the objectives of the Second Five-Year Plan to set up Industrial Estates with a view to evolving a pattern of industrial activity in which a group of villages converging on their natural, industrial and urban centre form a unit, the Bombay Government has decided to set up a few Industrial Estates. The weaving industry at Ichalkaranji makes it a suitable place for the establishment of an Industrial Estate. It is surrounded by more than 20 villages within a radius of 10 miles. It already possesses an industrial nucleus of considerable potential which can be developed into a flourishing industrial centre in the midst of rural setting.

To sum up, the problems of the handloom and powerloom industry are manifold. Unless an integrated approach to their problems is made through the co-operative agency, it will be difficult to evolve a lasting solution to them. The handloom and the powerloom kharkhandars were unorganised to face the problems confronting them. Only an organised effort can rehabilitate and reconstruct the industry along scientific lines. In spite of difficulties and failures, the co-operative seems to be the best agency through which the effort to reconstruct the industry can best be organised.

CHAPTER VIII.

POSTSCRIPT — NEW HORIZONS

PURPOSE OF THE POSTSCRIPT

Since the completion of our survey of the weaving industry at Ichalkaranji, the powerloom sector at Ichalkaranji has undergone important changes. In order to make the treatment of the subject as up-to-date as possible, it was decided to sum up those changes briefly. We, therefore, revisited quite a large number of units in our sample as well as a few other units and collected some information about those changes at first hand. We also obtained some information from the Ichalkaranji Powerloom Weavers' Co-operative Association, Ltd. We had also had the benefit of discussions with knowledgeable persons in the industry at Ichalkaranji. We do not, however, pretend to attempt a comprehensive and quantitative assessment of those changes. The chief purpose of this chapter is to point out the directions in which changes have taken place upto the end of 1957 and to indicate the lines along which the powerloom industry has developed between May, 1955 and the end of 1957.

THE POSITION OF THE POWERLOOM INDUSTRY BETWEEN 1950 AND MAY 1955

The powerloom industry at Ichalkaranji as the survey

has revealed had developed and flourished by creating a market for its distinctive product, viz. the coloured saree with beautiful shades of colours and attractive border designs. Variety is the secret of success of the saree weaving industry. The Government of India Notification of 1950 regarding varieties of cloth reserved for production on handloom had, however, considerably restricted the varieties it could produce. As a result the powerloom industry had been finding it difficult to continue in its specialised line of production. But it was equally difficult to effect a switch-over to the production of grey fabrics in the absence of processing facilities. Moreover, the powerloom units could not hope to compete with the composite mills because of the advantages which the composite mills enjoyed in respect of the procurement of yarn supply and the economies of scale in respect of goods which lent themselves easily to standardisation. In respect of grey fabrics neither the design nor the pattern nor the colour need change every 400 or 500 yards. As a result, their production on a mass scale is possible. The powerloom industry, therefore, found itself in the unhappy position of having to depend for its existence on such varieties of sarees as were not reserved in favour of the handlooms. Of course, the small powerloom units with less than five looms enjoyed the advantage of reservations but the majority of units in the sample had more

than four looms and particularly that section had been faced with difficulties created by the restriction of the sphere of production on the powerlooms.

Soon after, the powerloom sector along with the handloom sector suffered a severe setback as a result of the depression of 1952 in the sphere of the cotton textile fabrics. The consequent shrinkage of demand meant that larger resources were required to store up production, particularly when the resources had been depleted as a result of the losses caused by the depression. Moreover, the powerloom karkhandars were dissatisfied with the way in which they were being exploited by the Marwari merchants who extorted heavy commissions from the karkhandars. In spite of these difficulties, however, the powerloom industry could not think of changing over to other lines of production because of shortage of capital and the absence of processing facilities. The coloured saree can be sold in the loomstage. Grey goods, however, cannot find a market unless they are processed and presented in a bleached, calendered and finished form.

In spite of the reservations made in favour of the handlooms in 1950, the plight of the handloom sector began to worsen and the demand on the part of the handloom weavers that the production of bordered dhoties and coloured sarees should be reserved for the handloom industry gathered

-loom industry at Ichalkaranji. As a result of the restrictions and the depression of 1952, the position of the powerloom industry had become very difficult. The imposition of the excise duty on top of all this rendered its plight still worse. There was much panic among the powerloom karkhandars, and the powerloom karkhandars were in a quandary. The powerloom karkhandars found it almost impossible to cling to its specialised line of production in the context of this new levy. The imposition of the excise duty forced them to think seriously of a changeover to grey fabrics. Apart from the direct burden of the excise duty there was the problem of finding cash resources to pay the excise duty. The excise duty for a particular month was collected in the preceeding month estimated on the basis of production in the earlier month. For example, the duty payable on the production of January was collected in December on the basis of the average number of looms worked in November. The sales proceeds of the sarees, however, could not be realised immediately. The producers of sarees had to wait for a period ranging from one month to two months for realising the sale proceeds. Consequently, the powerloom karkhandars found it impossible to find the cash resources necessary for meeting the claims of excise duty and for continuing production.

An idea of the burden imposed by the levy of the graded excise duty in the form of compounded levy per loom per

shift per month on 18th May, 1955[1] can be had from the following schedule :

No. of looms	Rate of excise duty per loom per shift per month (Rs.)	Rate per square yard in nP. [2]
1 to 4	Nil	-
5 to 9	18	2.00
10 to 24	20	2.22
25 and above	22 1/2	2.50

The units with more than 4 looms did not enjoy the exemption from duty on the 4 looms. Representations were made to Government by the powerloom owners requesting it to exempt ~~the~~ 4 looms from excise duty in the units with more than 4 looms. In response to these representations, the Government granted the exemption for the 4 looms in power-loom units with less than 25 looms under Central Excise

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[1] Central Excise Notification No. 28, dated 18th May, 1955, Ministry of Finance.

[2] The compounded levy was reduced to square yard basis as follows. The average daily production per loom per shift was taken at 27 yards. Assuming that the width of the cloth was 48", the total yardage in terms of square yards was 36. Moreover, the working days per month were on an average taken to be 25. The compounded levy was divided by the number of working days of the month and thus the rate for a day's production was arrived at. This was further divided by the total cloth in square yards produced by a loom in a single shift.

Notification No. 34, dated 26th July 1955, Ministry of Finance. It also introduced the slab system for calculating the excise duty.

SWITCH-OVER TO GREY FABRICS

It was about this time that the Madhavnagar Cotton Mills saw an opportunity of making a profitable bargain by farming out weaving work to the powerloom karkhanas at Ichalkaranji. It was estimated by the Ichalkaranji Powerloom Weavers' Co-operative Association, Ltd. that by the end of 1957, about 1500 looms out of 1800[1] powerlooms had been working on grey fabrics. Such a large-scale switch-over had become possible because of the readiness of the Madhavnagar Cotton Mills to supply sized warp beams to the powerloom owners and to accept the responsibility for the marketing of the fabrics. The vast majority of the powerloom karkhandars at Ichalkaranji depended for the warp beams on the Madhavnagar Cotton Mills, Ltd. although a few big powerloom karkhandars worked independently. The terms of the agreement were that the Madhavnagar Cotton Mills, Ltd. was to supply warp beams and weft-pern and to take delivery of the production by paying a fixed manu-

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[1] The number of powerlooms was said to be steadily expanding in spite of the difficulties in connection with obtaining the Texmark. People had been purchasing old powerlooms from dismantled factories which had closed down or had gone into liquidation so that there was no difficulty in obtaining the Texmark.

-facturing charge per yard of woven cloth to the karkhandar. Moreover, the karkhandar was to be fully reimbursed for the excise duty if he paid the same on any part of his production. The manufacturing charges offered by the Spinning Mills, Ltd. varied from As. 2 1/2 to As. 3 1/2, according to the picks of the cloth as well as according to the briskness of demand for cloth. The karkhandars were to defray the expenses in connection with payment of wages, power supply, maintenance of the machinery, repairs, etc. out of the piece-rate they got from the Spinning Mills, Ltd. We were told by a few karkhandars whom we met in this connection that out of the piece-rate they got per yard about one anna was absorbed by the wages they had to pay to the weavers, one anna was absorbed by the power charges, mill-stores, repairs and other miscellaneous charges and they could get about half an anna to one anna per yard, the exact amount depending upon the output, overhead charges, repairs, power charges, and the rate they got from the Spinning Mills or sowcar-weaver. Although the majority of karkhandars worked as sub-contractors under the Madhavnagar Spinning Mills, Ltd., a few karkhandars worked as sub-contractors under some other Spinning Mills, on similar terms. Moreover, about half-a-dozen persons had started at Ichalkaranji itself the business of purchasing yarn, preparing warp-beams and supplying them to small powerloom weavers on similar terms. The net result of this development was that the powerloom karkhandars who worked under this system had ceased

to be independent manufacturers in the real sense of the term. They had become merely contractors. It seemed that the powerloom industry at Ichalkaranji was developing along the lines of sub-contracted industry so widely prevalent in Japan. The switch-over had thus increased the dependence of the powerloom sector on the Spinning Mills or on sowcar-weavers who supplied warp beams. The sub-contract factories enjoyed some advantages. In the first place, they got rid of the trouble involved in procuring the raw-materials and subjecting them to various preliminary processes. Secondly, they were relieved of the uncertainties connected with marketing. The fact that they were free from the two problems mentioned above meant the alleviation of financial worries. In fact, this was said to be the main factor that drove the powerloom karkhandars to accept the sub-contract system. A few big powerloom karkhandars who had enough resources required for preparing large-sized warp-beams with a warp length running into 1200 to 1800yards and had contracts with big merchants worked independently. The two main factors which enabled the powerloom karkhandars to produce grey fabrics in spite of the disadvantages which they suffered as compared with the composite mills were the restrictions on the dhoti production by the composite mills[1] and the advantage which they enjoyed as a result of the compounded levy as against the composite rates of duty paid

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[1] See p.256 .

by the mills. We were told by the powerloom karkhandars that but for this advantage which they enjoyed, they would not be able to produce the grey fabrics and sell them in competition with the mill cloth. Moreover, it was the prospect of making a good profit by indirectly operating a large number of looms without paying the excise duty at the highest rate that had attracted the sowcar-weavers to this field.

But the vast majority of powerloom karkhandars who had neither enough financial resources nor contacts with big merchants had accepted the sub-contract system. The chief disadvantage of this system from the point of view of the sub-contract units was their total dependence on the agencies supplying them with raw materials and accepting the responsibility for the marketing of the finished goods. We were told by the powerloom karkhandars that the Spinning Mills and sowcar-weavers who operated the sub-contract system were the chief beneficiaries under the system. In spite of the facts that the system placed the powerloom karkhandars at the mercy of the sowcar-weavers and that the cream of profits was skimmed away by them, the powerloom karkhandars had accepted the system because of the difficulties in working their karkhanas independently. From the point of view of the sowcar-weavers, the main advantages were economy of capital, avoidance of the risk of fixed capital resulting from business fluctuations and freedom from the demands of organised labour for amenities and higher wages. Moreover,

the sowcar-weavers supplying warp beams and getting back the finished fabrics from a number of small powerloom units enjoying the exemption from excise duty, in effect, possessed the advantage of being able to produce on a large scale without having to pay the excise duty at all or at least at the highest rate. There was some controversy over the question whether such a sowcar-weaver was to be regarded as a manufacturer or simply as a merchant. For fear of being treated as manufacturers by the Central Excise office such sowcar-weavers had resorted to legal devices which enabled them to act simply as merchants. The sowcar-weavers simply supplied the warp beams for cash. A different agency was set up by them for the purchase of the finished fabrics. Although the bills for the supply of warp beams were made in cash, no cash was actually paid by the weavers. The purchase price of the warp beams was adjusted against the payments to be made for the finished fabrics at the piece-rate for the manufacturing process previously agreed upon. All these were in the nature of book entries. In actual practice, the sow-car—weaver simply paid a fixed piece-rate per yard of cloth manufactured to the owner of the powerlooms. We were told by the powerloom karkhandars that but for the help of the sowcar-weavers, they would not be able to undertake the production of grey fabrics.

ELIMINATION OF PRELIMINARY PROCESSES

An important consequence of the switch-over to grey

cloth had been the elimination of preliminary processes in the case of powerloom karkhanas which worked under the sub-contract system. They received sized warp beams and weft-pirns ready-made from the Spinning Mills or sowcar-weavers and were not required to undertake any preliminary process except that of drawing-in.

MECHANISATION OF PRELIMINARY PROCESSES

In the case of powerloom karkhanas which worked independently, the preliminary processes had been completely mechanised. The preliminary processes in connection with warp beams having a warp length of about 400 to 500 yards could be done by hand. But the preliminary processes in connection with big-sized warp-beams having a warp length running into 1200 to 1800 yards, could be done only by machinery. From the technical point of view, therefore, mechanisation of such preliminary processes as winding, warping, sizing and pirn-winding had become a necessity. Only the processes of drawing-in was done by hand. This meant loss of subsidiary employment to women and children who were engaged in the work connected with these preliminary processes.

INCREASE IN EMPLOYMENT IN OTHER DIRECTIONS

As the demand for grey fabrics was stable, uniform and large, the powerloom karkhanas had begun to operate even

three shifts. And although the two-loom system[1] was adopted by the powerloom karkhanas working on grey fabrics, there was a net increase in employment opportunities available, particularly for loom operatives as a result of the operation of three shifts. Many powerloom karkhanas had purchased second-hand pirn-winding machines,[2] which could be operated by children and boys in the age-group of 12 to 18. Thus there was some employment available to children and boys as well.

INCREASE IN THE PRODUCTIVITY OF THE LOOM OPERATIVE AND CONSEQUENTLY AN INCREASE IN HIS EARNING CAPACITY.

In the case of saree-producing karkhanas one-loom system was prevalent and the weaver, on an average, produced 3 sarees (27 yards) of 60^s in an 8-hour day. When the two-loom system was introduced, the weaver produced about 54 yards of grey cloth of 60^s yarn with 56 picks per inch on two looms in an eight-hour day. The two-loom system had thus meant an increase in the productivity of the weaver. It also meant an increase in his earnings. For example, assuming roughly that a power-loom weaver was able to produce 3 sarees of 60^s yarn with 56 picks per inch, in an 8-hour day, his daily earnings amounted to Rs.2-10-0. With the 2-loom system, he could

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[1] The system under which one weaver operated two looms.

[2] A second-hand pirn-winding machine costs about Rs. 1,000.

produce 54 yards of cloth of 60^s yarn with 56 picks per inch in an 8-hour day and at the rate of 13 pies per yard he could earn Rs. 3-10-6 per day.

SIMPLIFICATION OF THE PRODUCTIVE PROCESS

As a result of the elimination of the preliminary processes and of the problems of raw-materials, marketing and working capital, the whole productive process had become extremely simplified. Consequently, there was almost a craze among people from all walks of life for setting up one or two powerlooms. As it was difficult to get the permission for installing new looms, people were in search of looms from factories which had closed down or had gone into liquidation. Such looms were already worked under a particular texmark and there was no necessity of obtaining fresh permission for operating them. By about the end of 1957, the number of looms was said to have increased to about 1800.

Owing to difficulties connected with space and power supply, the small owners having one to four looms had set up their looms in the factories of other people who provided space as well as power supply at a fixed rate per loom per month. The rate which was said to be about Rs. 50 per loom per month included the rent of the space as well as the charges for power supply for three shifts.

REVENUE FROM EXCISE DUTY[1]

Between May 15, 1955, and December 31, 1956, the yield from the excise duty on the powerlooms at Ichalkaranji was Rs. 2,32,158- 3- 0. The revenue collections for the calendar years 1956 and 1957 were Rs. 5,65,076-13- 0 and Rs. 6,24,086 respectively. The rates of excise duty were changed twice in 1956. By a Notification CER-8(11) dated 1st March 1956, Ministry of Finance, the following schedule of rates was enforced:

No. of looms	Rate of duty per loom, per shift, per month, in Rs.
1 to 4	Nil
5 to 9	18
10 to 24	24
25 and above	30

Again by a Notification CER-8(26) dated 1st September 1956, Ministry of Finance, the schedule of rates was changed as follows :

No. of looms	Rate of duty per loom, per shift, per month, in Rs.
1 to 4	Nil
5 to 9	30
10 to 24	40
25 and above	50

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[1] The information regarding revenue from excise duty was obtained from the Central Excise Office at Ichalkaranji.

Again on 15th December 1957, by a Notification CER-26/58, Ministry of Finance, an additional excise duty in addition to the existing rates was imposed as follows:

No. of looms	Rate of Excise duty per loom, per shift per month in Rs.	Rate of Additional Excise duty per loom, per shift, per month in Rs.
1 to 4	Nil	-
5 to 9	30	12
10 to 24	40	16
25 and above	50	20

The additional excise duty was collected for the second half of December 1957 for the first time.

SMALL UNITS vs. BIG UNITS

Although the small unit of less than five looms seemed to enjoy an advantage over the larger units which were subject to excise duty, that advantage was illusory. For in the case of powerloom units which worked under the sub-contract system, the excise duty was in effect paid by the agency which supplied the warp beams and therefore the excise duty did not involve any burden on such units. On the other hand, in the case of the powerloom units which worked independently the excise duty did constitute a real burden on them and seemed to place them at a disadvantage as against the small units which enjoyed complete exemption. But the small unit suffered from all the disadvantages of the sub-

-contract system and was subject to exploitation. On the other hand, the large unit enjoyed a higher margin of profit because it did not lend itself to exploitation under the sub-contract system.

DIVISION OF LARGE FACTORIES INTO SMALL UNITS

Another noticeable result of the imposition of excise duty with its exemption provision and the graded scale had been the tendency on the part of the big powerloom karkhandars to divide their karkhanas into smaller units with a view to escaping or mitigating the impact of the excise duty. A powerloom karkhana with, say, 20 looms would have to pay the excise duty. The karkhandar, however, resorted to the device of dividing the looms among, say, his four sons, so that the karkhandar and his four sons would each have a 4-loom unit and could enjoy the exemption from the excise duty. Thus the number of units subject to excise duty had declined from 101 to 85 between 1956, and 1957, as a result of the division of units.

CHANGE IN THE PATTERN OF PRODUCTION

Before 1956, the grey fabrics produced consisted of coarse varieties, particularly the dhoties. After 1956, there was a shift from coarse to fine and superfine cloth. The production consisted mainly of Mulls of $60^s \times 80^s$ and dhoties of Calcutta variety[1] of $60^s \times 80^s$.[2] The main reason for

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1 They were 10 yards in length.

2 Footnote continued on next page.

this shift from coarse to fine and superfine varieties was said to be the greater advantage enjoyed by the powerloom factories subject to excise duty in the form of compounded levy over the Mills subject to excise duty on square yard basis in respect of fine and superfine varieties. An idea of the advantage enjoyed can be had from the following figures:

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[2] The costings of mull and the dhotie of the Calcutta variety prepared by some of the powerloom karkhandars who worked independently were as follows:

Mull: Specification :-			Cost Rs.
Warp	60^s	Raw materials.	26.20
Weft	80^s	*Manufacturing charges	
Tape length	41 yds.	at 15 nP per yard (in-	
Reed space	52 "	clusive of wages, salar-	
Reeds per inch	60	-ies, power, lighting,	
Picks per inch	56	sizing and millstores.	6.00
			32.20

Hence the cost per yard was 80.5 nP. Although the tape length of the cloth was 40 yards, owing to the shrinkage of cloth in the process of manufacturing, the cloth manufactured was only 40 yards.

Dhotie of Calcutta variety. Specifications			Cost Rs.
Warp	60^s	Raw materials	6.56
Weft	80^s	*Manufacturing charges	
Tape length	10.28 yds.	)at 15 nP. (inclusive	
Reed space	47 yds.	of wages, salaries of	
Reeds per inch.	64	the office staff, power,	
Picks per inch.	56	lighting, sizing and	
		mill-stores).	1.50
			8.06

* The manufacturing charges showed wide variations from unit to unit and from month to month even in the same unit. For they depended upon the size of the unit which affected the overhead charges and also on output which also varied from month to month, the variation depending upon the stoppages, quality of yarn, picks used per inch, etc. In fact, the manufacturing charges varied from 15 nP to 24 nP per yard in the same unit. The bleaching and calendering charges were about 7 to 8 nP per yard.

STATEMENT SHOWING RATES OF EXCISE DUTY ON MILL CLOTH AT TWO DIFFERENT DATES 1/

Tariff category	Rates of Duty per Square Yd. (in nP)			
	From 28.2.54	From 14.12.57	Handloom cess from 15.2.1953	Total duties payable in Dec.1957
I. Coarse:				
a. Dhoties and Sarees	3.12	3.12	1.56	4.68
b. Others	3.12	9.37	1.56	10.93
II. Medium				
a. Dhoties and Sarees	3.12	9.37	1.56	10.93
b. Others	3.12	9.37	1.56	10.93
III. Fine	9.37	18.75	1.56	20.31
IV. Superfine	15.62	25.00	1.56	26.56

On the other hand, the powerloom cloth did not pay any excise duty in 1954. From 14th December 1957, the compounded levy consisting of excise duty and additional excise duty on the powerloom unit with more than 24 looms was Rs.70

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1 Figures reproduced from the statement made by Mr. K. M. D. Thackersey, Vice-Chairman of the Indian Cotton Mills' Federation at the meeting of its Committee on 16th May, 1958.

per loom, per shift, per month. On the basis of 25 working days per month and production of 36 square yards of cloth per shift, the excise duty on the powerloom cloth worked out to be 10 nP per square yard from 14th December 1957. This meant that in the coarse dhoties the big powerloom unit did not enjoy any advantage. On the other hand, it suffered a disadvantage. In the coarse varieties other than dhoties and sarees, and in medium varieties the powerloom cloth enjoyed a slight advantage of a little less than one nP per square yard. In the case of fine and superfine varieties,however, the powerloom cloth enjoyed an advantage of more than 10 nP and 16 nP per square yard respectively. The small powerloom units which enjoyed either total exemption or partial exemption, enjoyed still greater advantage. Because of the greater relative advantage enjoyed by the powerlooms in respect ~~of~~ of fine and superfine cloth, there had been a shift in favour of superfine varieties of cloth.

AVAILABILITY OF ELECTRIC POWER SUPPLY.

Even before the Ichalkaranji Electric Power Supply Co. was connected with the Radhanagari Hydro-Electric Power Station on 5th November, 1953, it was prepared to supply electric power to the powerloom karkhanas at the rate of 4 as. per unit. It could not lower the rate than this because the cost of production of generating electricity on diesel oil engine was high. This was regarded as an un-

economic rate by the powerloom karkhandars who had been operating the powerlooms with the help of power generated on the diesel oil engines. When the Ichalkaranji Electric Power Supply Co. was connected with the Radhanagari Hydro-Electric Power Station in 1953, it was able to obtain the power supply at the rate of about 9 to 10 pies per unit, the exact rate depending upon adjustments in the grid tariff. Consequently, the company could supply electricity for motive power purposes at attractively low rates. The actual rate charged varied according to the units of electricity consumed per h.p. By the end of 1953 about 12 powerloom karkhanas had begun to use electricity for motive power for their karkhanas, although the rate was still 4 as. per unit. On 1st April 1954 the rates were reduced and fixed as follows. For every h.p. a fixed charge was laid down at Rs. 5 and in such cases no charge was made for 20 units per h.p. The energy charge for every unit for 50 units from 21 to 70 per h.p. was fixed at 3 as. per unit. For those karkhandars who were prepared to undertake the guarantee of consuming 140 units per h.p. per month, special contract rates were available as follows :-

1 to 25 h.p.	.....	As. 2 3/4 per unit.
26 to 50 h.p.	.....	As. 2 1/2 per unit.

As a result of the reduction in the rates, the number of powerloom karkhanas which had been using electric power

had increased to 18 by the end of 1954. There was, however, no substantial increase in the use of electricity as motive power. Because most of the powerloom karkhanas were still operating one shift. And the diesel oil engines served the purpose well where only one shift was to be operated. But after May 1955, when the shift system was adopted by the grey-cloth producing powerloom karkhanas, the use of electricity was found to be very convenient. The continuous working of oil engines for 2 or 3 shifts involved a very heavy strain on them, necessitating frequent overhauling and repairs. And, therefore, after May 1955 there was a substantial increase in the use of electricity as motive power. By the end of 1956, about 60 powerloom karkhanas had begun to use electric power for operating the powerlooms. On 1st April 1956 there was a further reduction in the rates as follows :

Average Number of units consumed per h.p.	Rate per unit Rs.
100 to 119	2.5
120 to 139	2.25
140 and above	2.00

By the end of 1957 the number of powerloom units which had begun to use electricity for operating the powerlooms had increased to 170.

The total amount of electric power used by the powerloom karkhanas by the end of 1957 amounted to about 1400 kilowatts.

The availability of electric power was said to be a great convenience as well as an economic asset. For the electric power was much cheaper than the power generated by the diesel oil engine. And its use did not involve any expenditure on repairs or on overhauling or cleaning or maintenance. There were, however, a number of small powerloom units which were working three shifts with the diesel oil engine because the Ichalkaranji Electric Power Supply Co. was not in a position to meet the demand for power.

FALL IN THE VOLUME OF SAREE PRODUCTION

Another important consequence of the switch-over has been the decline in the importance of Ichalkaranji as a saree-producing centre. For a long time Ichalkaranji had built up a reputation and won a name as a saree-producing centre. But the switch-over to grey fabrics meant a fall in the production of coloured sarees. It was estimated that by 1957 about 1500 looms had been producing grey fabrics. On the assumption that a powerloom produced on an average 3 full-length sarees per day, the decrease in the volume of saree production could be estimated at about 3600 sarees per day. The fall in saree-production had adversely affected the business of the Marwari merchant houses as well as the business of the dyeing houses.

STIMULUS TO THE HANDLOOM INDUSTRY

The switch-over on the part of the powerlooms to grey

cloth had given a boost to the handloom industry, and a sizeable increase in the number of handlooms in operation was said to have come about. This, of course, did not mean the end of the problems of the handloom industry. Indeed the problems still persisted in all their acuteness. The increase merely meant an attempt on the part of the handlooms to fill up the vacuum in the sphere of coloured sarees caused by the switch-over of the powerlooms. The increase in the number of handlooms had created conditions of labour shortage. This shortage was reflected in the wage-rates paid to the handloom weavers. While the wages paid to the handloom weaver on a piece-rate basis in 1954 were Rs. 2 for a full-length saree of $60^s \times 60^s$, they had increased to Rs. 2-12- 0 in 1957.

The powerloom industry at Ichalkaranji has taken a new turn. Provided the industry enjoys a brief spell of prosperity, it may be in a position to progress in the new line of production by adjusting itself to the requirements of the new type of production.

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APPENDIX A

AN ECONOMIC SURVEY OF THE WEAVING INDUSTRY AT ICHALKARANJI

Questionnaire in connection with the weaving industry at Ichalkaranji

I. General Information :

1. Name of the workshop and of the owner or owners of the workshop.
2. Caste and Religion of the owner.
3. Ward in which the karkhana is located.
4. Year of beginning of the karkhana.
5. Type of weaving.
6. Details relating to the building and site of the karkhana.
7. Annual rent of the site or building.

II. Employees

Category	Paid on time basis		Paid on piece-basis		Total	Time of payment	Method of paying over-time work
	No.	Rate	No.	Rate			
Managerial							
Skilled workers							
Workers.							
(a) Male							
(b) Permanent							
(c) Temporary							
(a) Female							
(b) Permanent							
(c) Temporary							
(a) Children							
(b) Permanent							
(c) Temporary							
Apprentices.							

2. Working Hours and related details

III. Capital Equipment :

Nature of the equipment	When and where bought	Price	Period of service	Expenditure in connection with installation of equipment	Annual repair charges.

IV. Details relating to the production of finished goods :

Description of the goods	Monthly production	Annual production	Selling price	Total value of annual production

V. Details relating to sales of goods :

1. Total amount (in Rs.) of monthly and annual sales receipts.
2. Places to which goods are sent.
3. Agency through which goods are sold.
4. Expenditure in connection with sales.

VI. Details regarding Raw-materials :

Type of raw-material required	Monthly consumption	Annual consumption	Total value of annual consumption	Where & through whom purchased	Time of purchase	Terms of purchase Cash or credit basis

VII. Regarding Capital investment :

Capital invested at the beginning	Capital invested at present		Sinking Fund
	Fixed capital	Working capital	

Details regarding borrowed capital :

(1) Amount of borrowed capital

(2) Rate of interest.

VIII. Taxes :

(1) Taxes required to be paid.

(2) (a) Government taxes.

(b) Local taxes.

(3) Assistance from Government or local agencies.

(4) Restrictions on the industry.

(5) Views and suggestions regarding the policies of Government and local agencies.

IX. Transport :

(1) Form of transport and rates.

(2) Monthly and Annual transport costs.

(3) (a) Transport cost in connection with raw-materials.

(b) Transport cost in connection with finished goods.

X. Information regarding slack and busy seasons :

(1) Slack and busy months.

(2) Reasons for slack periods.

(3) Changes in production and sales in accordance with changes in these seasons.

XI. Water-supply :

(1) Source of water-supply.

(2) Amount of water required (monthly and annually).

(3) Expenditure on water.

XII. **Electricity or Power** :

(1) Nature of power used.

(2) Rates.

(3) Total expenditure (Monthly and Annual).

XIII. Counts of yarn used.

XIV. Type of sarees produced.

XV. Arrangements in connection with dyeing of yarn.

XVI. Membership of any society.

XVII. Views regarding the supply position of yarn.

XVIII. Changes in production caused by the Reservation of Field Order.

XIX. Make of the powerlooms and the place from which they were purchased.

XX. Apprenticeship :

1. (a) Number of apprentices.
   (b) Remuneration and Terms.

2. (a) Training facilities.
   (b) How are trained workers secured?

XXI. History of the karkhana.

XXII. Views regarding the present condition and future prospects of the industry.

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