

ESTIMATES COMMITTEE 1961-62

HUNDRED AND SIXTY-SECOND REPORT (SECOND LOK SABHA)

**MINISTRY OF COMMERCE AND INDUSTRY
OFFICE OF THE TEXTILE COMMISSIONER**

PART I

Functions & Organisation
Cotton Textile Industry (Mill Sector)
Textile Machinery Manufacturing Industry
Starch Industry



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 1962/Chaitra, 1884 (Saka)

Price : Re. 1. 10

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(1961-62)

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Shri Avtar Singh Rikhy—*Deputy Secretary.*

Shri K. Ranganadham—*Under Secretary.*

INTRODUCTION

I, the Chairman, Estimates Committee, having been authorised by the Committee to submit the report on their behalf, present this Hundred and Sixty-second Report on the Ministry of Commerce & Industry—Office of the Textile Commissioner—Part I. The reports on this Organisation will consist of the following five parts:—

Part I—Functions & Organisation, Cotton Textile Industry, Textile Machinery Manufacturing Industry and Starch Industry,

Part II—Handloom and Powerloom Industries,

Part III—Woollen Industry,

Part IV—Art-silk Industry,

Part V—Export Promotion of Cotton Textiles.

2. A statement showing an analysis of the recommendations contained in this Report is also appended to the Report (Appendix VIII).

3. The Committee wish to express their thanks to the Secretary of the Ministry of Commerce & Industry and the Textile Commissioner for placing before them the material and information that they wanted in connection with the examination of the estimates. They also wish to express their thanks to the representatives of the Ahmedabad Textile Industry's Research Association, Ahmedabad; Association of Merchants & Manufacturers of Textile Stores & Machinery, Bombay; Bombay Piece-goods Merchants' Mahajan, Bombay; Bombay Textile Research Association, Bombay; Bombay Yarn Merchants' Association, Bombay; Indian Cotton Mills Federation, Bombay; Madras State Handloom Industry and Trade Association, Madras; Powerloom Weavers' Federation, Bhiwandi; and the South Indian Textile Research Association, Coimbatore for giving evidence and making valuable suggestions to the Committee

H. C. DASAPPA,
Chairman,
Estimates Committee.

NEW DELHI-1,
March 26th, 1962/*Chaitra 5, 1884 (Saka).*

I

FUNCTIONS & ORGANISATION

A. *Functions*

The Office of the Textile Commissioner, Bombay was established in the year 1943 for the purposes of controlling supplies, prices and distribution of cotton textiles to the general public after meeting the requirements of War. With the cessation of hostilities and other political changes in the country, the main role of the office had changed from one of mere control of supplies and distribution to that of 'rehabilitation and reorganisation of various sectors of the textile industry on modern lines in a regulated manner in accordance with the country's economic policy.'

2. Broadly speaking the Textile Commissioner is responsible for the development and regulation of cotton, wool and artsilk industry as well as the textile machinery manufacturing industry and the starch industry. In the discharge of these functions he has to take steps to make available to the industry essential raw materials, render help in the procurement of textile machinery and spare parts and in the obtaining of financial assistance for rehabilitation and modernisation of the industry. He has also to take measures to augment export earnings and to administer various export incentive schemes.

B. *Organisation*

3. A chart indicating the existing set up of the Textile Commissioner's Organisation is given at Appendix I. The head of the Organisation is the Textile Commissioner who is also designated as *ex-officio* Joint Secretary to the Government of India. He is also the Chairman of the All India Handloom Board which is concerned with the implementation of the Government's policy in regard to the development of the handloom industry. He is advised by Industrial Adviser (Textile Production) and 'Honorary' Industrial Adviser (Handlooms). The Regional Offices at Bombay, Ahmedabad, Calcutta, Kanpur and Madras, each under the charge of a Director of Production and Development, deal with both the organised mill sector and the decentralised sector of handlooms and powerlooms within their respective jurisdictions. Started as a temporary organisation during the war, the Textile Commissioner's Organisation was made permanent in 1955.

C. Branch Secretariat

4. As *ex officio* Joint Secretary the Textile Commissioner performs, in addition to functions relating to execution of controls, secretariat functions of formulation of 'proposals for the policy regarding planned development of various branches of the textile industry'. He is assisted by a Branch Secretariat in Bombay which comprises 2 Under Secretaries, 4 Section Officers, 53 Assistants and Clerks etc. The *ex officio* status of Joint Secretary was given to the Textile Commissioner in 1944 to enable him to execute wartime contracts and enforce statutory measures for the control of prices and distribution of cloth and after a review of the position in 1948, has been continued ever since.

In addition to the officers and staff in the Branch Secretariat at Bombay, a Deputy Secretary and 2 Under Secretaries assisted by 5 Section Officers and other staff were deployed in the main Secretariat at Delhi.

5. The expenditure incurred on the Branch Secretariat at Bombay during the last three years was as follows:

	Rs.
1959-60 2,75,624
1960-61 2,06,700 (RE)
1961-62 2,06,000 (BE)

Branch
Secretariat;
Bombay.

6. There are four sections in the Branch Secretariat, namely, Administration, Policy Sections I and II and Control Section. The functions of these sections as well as some illustrative details of work done by them are given in Appendix II. The functions of various sections in the Textile Commissioner's own office are given in Appendix III.

Administra-
tion Sec-
tion.

7. As far as Administration Section of the Branch Secretariat is concerned, the Committee note that the Textile Commissioner's own office has two Establishment Sections which deal with appointments, postings, transfers, leave, etc. of Gazetted and non-Gazetted staff and it should be easily possible for them to take over the work, such as confirmation of Gazetted and non-Gazetted staff, circulation of all orders, rules and regulations affecting service conditions etc. As regards the framing of Recruitment Rules and Regulations, the Committee have been informed that the Recruitment Rules for non-Gazetted staff have already been finalised while the Rules for Gazetted staff have been framed but the final approval of the Ministry and U.P.S.C. has yet to be taken. The effect of non-finalisation of Rules for

Gazetted officers is that all promotions which could otherwise be made by the Textile Commissioner as the Head of the Department, are now being referred to the Ministry and one officer of the rank of Deputy Secretary and above is a member of the Departmental Promotion Committee. The representative of the Ministry in his evidence admitted that the procedure of consultations had dragged on with the result that the final recruitment rules as such had not yet been approved. *The Committee note that despite the lapse of six years after the organisation was made permanent the Recruitment Rules have not been finally approved. The Committee feel that once the Rules and Regulations regarding Recruitment, seniority, confirmation, channels of promotion etc. of all classes of staff are finalised, there should be no difficulty in the handling of establishment and administrative work of a few thousand men by the Textile Commissioner's own office. In fact it should make for expediency in as much as the work will be handled by those who have full background and knowledge of the working of the Organisation.*

8. As regards Policy Sections I & II of the Branch Policy Secretariat, their job seems to be two-fold namely to co-ordinate information available from various sources and to submit the same to the Textile Commissioner and to carry out correspondence with the Main Secretariat on questions relating to formulation of policies for import of raw materials, machinery, export promotion and licensing of textile units.

9. *As far as co-ordination of information is concerned, the work can evidently be handled with ease by the Textile Commissioner who has a field organisation as well as a specialised section (Economics and Statistics Branch) for this work.. As regards correspondence with the Main Secretariat on formulation of policy, this can be handled by the existing policy sections in Cotton Branch and Handloom Board Secretariat respectively, while the work relating to art silk and wool could be handled by the existing Art Silk Branch and Wool Branch of the Textile Commissioner's Organisation. Similarly work relating to import of machinery and raw materials could be handled by the Import Branch; for industrial licensing by the Industrial Licensing Branch and exports by the Export Promotion Branch etc. There should thus be no difficulty in devolving these functions on the Textile Commissioner's own organisation.*

10. As regards the Control Section of the Branch Secretariat, its main function is to issue circulars, amendments and notifications, etc., to the various control orders. It is

noticed that Control Orders vest the authority for prescribing further conditions for execution of orders, such as the quantities of yarn or cloth to be produced, fixation of maximum and minimum prices for purchase and sale of different varieties of cotton etc. in the Textile Commissioner. *No difficulty should, therefore, be experienced by him in handling directly the work of Control Orders. Where the Orders themselves need amendment, this work can be handled more appropriately by the Main Secretariat.*

11. The Committee note that the inception of the Branch Secretariat in Bombay was due entirely to the exigencies of war time and the period of scarcities which followed thereafter. The Committee also note that since the question of delegation of powers to Textile Commissioner as *ex-officio* Joint Secretary was examined in August, 1948, the Ministry of Finance have comprehensively reviewed the delegation of powers to Heads of Departments and have conferred wide powers on them under the delegation of Financial Powers Rules, 1958.

The representative of the Ministry stated during evidence that the combination of powers in the Textile Commissioner of being the Executive head of the Department and Joint Secretary were conducive to the better working of the Organisation which was situated away at Bombay. When his attention was drawn to the overlapping and duplication of functions between the Branch Secretariat, Bombay and the main Secretariat at Delhi, he conceded that there was scope for streamlining and stated that the whole question was under review of the Government. *The Committee hope that Government would see its way to reducing radically the strength of the Branch Secretariat at Bombay, if not altogether abolishing it.*

• •

D. Textile Control Orders

12. The Central Government, in exercise of the powers conferred upon them by Section 3 of the Essential Commodities Act, 1955, have issued the following Orders with a view to maintaining or increasing supplies of cotton textiles, textile machinery, woollen and art silk textiles: .

- (1) The Cotton Textile (Control) Order, 1948.
- (2) The Cotton Textile (Export Control) Order, 1949.
- (3) The Textile (Production by Powerlooms) Control Order, 1956.

- (4) Cotton Textiles (Control of Movement) Order, 1948.
- (5) Woollen Textiles (Production and Distribution) Control Order, 1960.
- (6) Staple Fibre Control Order, 1958.
- (7) Cotton Control Order, 1955.

The Textile Commissioner has delegated his own powers under various orders to other officers of the Organisation as well as to officers of the State Governments dealing with production, supply and movement of cotton, cotton textiles and artificial silk textiles. The representative of the Ministry stated in his evidence that a review of the extant Control Orders had been made and obsolete orders withdrawn and that such a review was now being continuously undertaken.

The actual working of some of the existing orders|notifications has been summarised and given in Appendix IV. *The Committee consider that the implementation of some of the important Control Orders has not received sufficient attention from the Organisation due to either inadequacy of staff or want of requisite and well-knit enforcing machinery. The growth of unauthorised powerlooms is a pointer in this regard.*

E. Staff and Workload

13. The sanctioned strength of the headquarters organisation of the Textile Commissioner as on 1. 4. 1951, 1. 4. 1956 and 1. 4. 1961 is shown below:

Category of Post	As on 1st April		
	1951	1956	1961
Officers			
Textile Commissioner .	1	1	1
Jt. Textile Commissioner . .	1	1	..
Dy. Textile Commissioner	1
Director .	6	5	7
Dy. Director . .	11	12	18
Asstt. Director Gr. I & II .	42	29	38
Others Officers . .	1	4	10
	62	52	75

Category of Post	As on 1st April		
	1951	1956	1961
<i>Establishment</i>			
Superintendents . . .	23	11	18
UDC-in-Charge . . .	32	16	13
Technical Assts : Gr. I & II	88	20	23
U.D.C.	255	102	139
L.D.C. . .	456	191	231
Other Staff . . .	124	115	154
Daftaries & Peons	248	117	125
	<hr/> 1226	<hr/> 572	<hr/> 703

**Disposal
of Cases.**

14. The total number of receipts and cases pending final disposal during the years 1958 to 1960 are indicated in the table below:

Year	Number of Receipts (H. Q. Branches)	Cases pending final disposal as on the 31st December (Including Branch Secretariat)					Total
		Between 1 and 3 months	Between 3 and 6 months	Between 6 and 12 months	Over One Year		
1958	. 11,47,644	160	61	61	3	285	
1959	. 16,96,203	174	49	18	3	244	
1960	. 24,85,029	64	87	39	6	196	

Even though the total figures of the cases pending disposal have shown an improvement during each of the last three years, the Committee are surprised to note that the total number of cases pending disposal for over three months as on the 31st of December, 1960 has shown a marked increase over the previous two years. A large number of Textile Associations and Chambers of Commerce and Industry had also represented to the Committee about inordinate delays taking place in the office of the Textile Commissioner in the matter of disposal of cases.

**Policy
Manual.**

15. One of the reasons for delay in the cases by the Regional Offices may be due to the necessity of making frequent references to the Headquarters in the absence of a

manual containing detailed instructions. The Committee were informed that the work of preparation of a Policy Manual had been undertaken in 1960 and that six statements of policy had been circulated so far to officers of the Organisation. *The Committee suggest that the work of drafting of the Policy Manual may be expedited and completed early.*

16. The Committee were informed that there had been no parallel to the Textile Commissioner's Office in having absorbed a cent per cent increase in the work-load during the preceding two years without any additional staff and that the 'excess of 15 to 16 receipts over the normal O. & M. standard of 5 to 6 receipts per day per dealing hand was the measure of the inadequacy of the staff and the sacrifice of efficiency as indicated by delays in disposal of many pending cases'. The Textile Commissioner stated in his evidence that various changes were being introduced with the concurrence of the Ministry of Finance which would enable him to deploy his staff between the Headquarters and Regional Offices so as to make for greater efficiency. Referring to the question of decentralisation of powers, he disclosed that 'considerable delegation of authority' had been introduced as a result of which 'complete powers of the Textile Commissioner', except for one or two matters, could be exercised by the Directors of the Regional Offices.

The Committee welcome the steps taken towards greater devolution of powers and responsibilities which they hope would result in a better outturn of work. At the same time, they would also like that the reasons for inordinate delays should be gone into in detail and remedial measures adopted. It should be examined in particular whether the delays have arisen because of the procedure or conventions followed in the regions or headquarters or both resulting in the putting up of cases to higher levels unnecessarily.

17. *The Committee observe that there are three different levels of officers below the rank of Textile Commissioner and above the rank of Superintendents, viz., Deputy Textile Commissioner/Director, Deputy Director and Assistant Director (Grades I and II).* The representative of the Ministry stated that it was based on the general pattern obtaining in similar governmental organisations. The Textile Commissioner added that the different levels of officers represented the 'promotion' procedure and not the actual tiers through which all the papers were required to pass. He added that provision was also made for jumping as many levels as possible so that the routine cases were dealt with

Reorganisa-
tion Effec-
ted.

Rationalisa-
tion of
Supervisory
Levels.

by Assistant Directors under a Director, and the more important by Deputy Directors under the Director. *The Committee consider that it would be desirable to reduce the existing number of levels of supervisory officers.*

18. The Committee observe that the function of the Transport Branch is to issue transport permits to individual consignors from Bombay and Ahmedabad. The Railways, for this purpose place a certain quota of wagons under priority class 'D' at the disposal of the Textile Commissioner at these two stations. *It seems to the Committee that the Textile Commissioner continues to be unnecessarily burdened with the work of issuing transport permits long after the justification for it has ceased owing to the abandonment of the statutory control on distribution of cloth etc. They suggest that a comprehensive review of the duties and responsibilities allotted to the Textile Commissioner may be made with a view to shedding such of them as are unnecessary.*

**Examination
by S.R.U.**

19. The Committee were informed that the Special Re-organisation Unit of the Ministry of Finance had visited the Office of the Textile Commissioner including the Branch Secretariat and the All India Handloom Board in 1955. The S.R.U. Team wanted to visit Bombay and discuss their findings with the Textile Commissioner before finalising their report but in view of the other pressing assignments, the visit had to be postponed and was later dropped. The Ministry of Finance have stated in a note to the Committee that:—

“The draft report was made available to the Textile Commissioner. In forwarding the draft report it was stated by the then Joint Secretary-in-Charge of the S.R.U. that several changes had taken place in the meantime in the Textile Commissioner's Organisation and that the draft Report submitted by him was out of date. Further work would need to be done before another report was made. The old methods of the S.R.U. were replaced by work study sometime in 1957 and a schedule of work was drawn up for the S.R.U. having regard to the priorities which were considered urgent in the circumstances. The Textile Commissioner's Organisation did not find a place in the list. In fact, the Ministry of Commerce and Industry has now been taken up as a co-ordinated unit for work study of S.R.U. and the Textile Commissioner's Organisation will figure in it in due course.”

The Committee consider it unfortunate that the report on the organisation of the Textile Commissioner by the S.R.U. in 1955 should have become 'out of date' soon after the completion of their study. They suggest that the S.R.U. should undertake a fresh review of the entire Organisation of the Textile Commissioner to see how far it was geared up to achieve its objectives and in what respect economies could be effected.

20. The Committee were informed that during 1958 four ~~Vigilance~~ cases of corruption were brought to book as a result of which one gazetted officer was reverted and the other non-gazetted officers were punished departmentally. In 1959, nine cases were registered out of which five cases were dropped after enquiry. Out of the remaining cases, two non-gazetted officers were punished departmentally and the cases of the remaining two officers were entrusted to the Special Police Establishment.

In 1960, out of a total number of 26 complaints received, 21 cases were dropped either with or without an enquiry. Out of the remaining cases, action was taken in three cases and two cases were pending. It was stated during evidence that the non-official parties concerned were unwilling to come forward and assist in bringing the guilt home to the alleged culprits.

The Committee suggest that besides dealing with complaints of corruption etc. the Vigilance Officer should also devise suitable measures in collaboration with the O. and M. Section for the prevention of corrupt practices. They also suggest that the possibility of taking a few important and representative textile organisations into confidence and requesting them to give particulars of specific cases along with the supporting proof which may facilitate enquiry and the taking of remedial measures, may be considered.

F. Statistics and Publications

21. The following Bulletins were published by the Economics and Statistics Branch of the Organisation:—

Need for
Timely
Statistics.

- (1) Monthly Statistical Bulletin.
- (2) Annual Machinery Bulletin giving in detail the installed position of various machines and appliances in the Cotton Textile Industry (mill sector).
- (3) Annual Review of Production, Distribution, Prices etc. of the Textile Industry.

(4) A handout containing individual mill's names, addresses, installed capacity in respect of spindles and looms and type of processing machinery available with the mills (cyclostyled).

It was represented to the Committee by some of the prominent organisations that there was delay in the publication of these bulletins which contained useful statistical information. The representative of the Ministry stated during evidence that the statistics were not received from the mills in time. The Textile Commissioner had prepared a list of such defaulters whose cases had been taken up individually and through the Indian Cotton Mills Federation. As regards the accuracy of the statistics being compiled and published by the Organisation, it was stated that the data received from various sources was not test-checked with a view to establishing its veracity. The Ministry had also no indication to believe that the returns were incorrect except those relating to the decentralised sector. The Textile Commissioner added that the Excise Inspectors independently checked the production data relating to the mill sector and to that extent, the statistics were checked by a government agency. As regards the decentralised sector, he acknowledged that much was needed to be done. He added that a clearer picture of the decentralised sector would emerge on the completion of the registration drive launched for the unauthorised power-looms.

The Committee consider that the time lag in the compilation of the statistics should be reduced so as to ensure their timely publication. Suitable action may be taken against the defaulters who fail to submit the returns in time and their names publicised in the relevant issue of the publication.

The Committee would also like the Textile Commissioner to examine the practical utility of various returns which are at present being compiled and to see which of them could be dropped, simplified, abridged, etc.

Administrative Report of Textile Commissioner.

22. The Committee were informed that the Administrative Report of the Textile Commissioner's Organisation was not published separately but the relevant information relating to the textile industry was incorporated in the Annual Report of the Ministry. *As the Annual Administrative Report of the Office of the Textile Commissioner contains useful information on the working of the textile industry, the desirability of publishing it separately or alongwith the Annual Review of Production, Distribution etc. of the Textile Industry, may be examined.*

G. Advisory Bodies

23. The Government is assisted in the formulation and execution of policy regarding the development of the Cotton Textile Industry by the following bodies* :—

- (1) The Cotton Textile Consultative Board;
- (2) The Cotton Textile Advisory Committee.

The composition of these bodies is given at Appendix V.

24. The Cotton Textile Consultative Board was first constituted in October, 1958. It was reconstituted in January, 1961 with 13 members. The functions of the Board are to advise the Government on important matters concerning the industry, particularly in regard to production, distribution and exports of cotton textiles, imports and exports of raw cotton and matters relating to the procurement of raw materials, machinery and accessories required for the industry. The Board is presided over by the Minister of Commerce with the Minister of Industry as the Vice-Chairman. *While the functions of the Board are so comprehensive, the interests represented on it are only those of the mill industry.*

25. The Cotton Textiles Advisory Committee was first constituted in January, 1959. It was reconstituted in April, 1961 with as many as 32 members. The Textile Commissioner is the Chairman of the Committee. The functions of the Committee are to advise on any general or particular questions relating to the textile industry e.g. production control, demand and supply of cloth and yarn for domestic and export purposes, rationalisation, procurement of raw materials, machinery, stores and accessories required by the industry.

26. It was represented to the Committee that it would be advantageous to have a single body to deal with problems relating to the textile industry. *The Committee are inclined to agree with this view and recommend that the feasibility of having a single representative advisory body in place of the existing Cotton Textile Consultative Board and Cotton Textile Advisory Committee, may be examined.*

The Committee envisage the setting up of an integrated advisory body on which the representatives of Cotton, Cotton Textile Industry, inclusive of Textile Labour, Handloom and Powerloom Sectors and the Textile Machinery Industry are duly represented. In this apex body, the representatives of trade and consumers could also be included with advantage. With such an arrangement where the diverse interests are brought together in a common forum, it would be possible for it to discuss among other things allocation of targets of production to various sectors and to review them from time to time in the light of their performance vis-a-vis requirements.

* In addition there is the Cotton Advisory Board whose function is primarily to advise the Textile Commissioner in the matter of allocation of cotton to various mills, etc.

II

COTTON TEXTILE INDUSTRY—PRODUCTION IN MILL SECTOR

A. Introduction

Place of the
Industry in
the Eco-
nomy.

Cotton Textile Industry is the country's oldest and biggest organised enterprise with a capital investment of over Rs. 1310 million. The value of its annual production is about Rs. 4000 million. Its employment potential is about 800,000 workers and the wage bill totals more than Rs. 1000 million every year. The industry is contributing annually at present about Rs. 90 to 100 crores by way of direct and indirect taxes.

The Cotton manufactures rank as one of the principal items of the country's export and have been earning foreign exchange to the tune of about Rs. 600 million per year. Quite a large number of indigenous ancillary industries depend and flourish on this major industry.

Present
State.

28. The Cotton Textile Industry stands at present at a critical point of its history. At home it has to contend with the growing production of decentralised sector and popularity of man-made fabrics, while abroad it has to face keen competition from leading manufacturing countries like Japan, France, West Germany and China. It is significant that all these foreign textile exporting countries have already solved their problems of rehabilitation and modernisation; whereas in India despite the awareness of the Government and the industry of the urgency of the problem no substantial progress has been made.*

B. Targets of Production

29. The targets of production of cloth and yarn and the actual achievements during the First and Second Five Year Plans are as follows:

Year	Production of Cotton Cloth			Total	Product of yarn (Million Lbs.)
	Mill- made	Handloom	Powloom		
I	2	3	4	5	6
(Million yards)					
<i>First Five Year Plan</i>					
<i>Target</i>	4700	1700			1640
<i>Actual Production</i>					
1951	4076	850	157	5083	1304
1952	4599	1109	204	5912	1449

*See Chapter V.

1	2	3	4	5	6
1953 . . .	4879	1200	221	6300	1505
1954 . . .	4998	1318	243	6559	1561
1955 . . .	509	1480	273	6847	1630
<i>Second Five Year Plan</i>					
<i>Target</i> . . .	5350	2650 (original)	250	8250 (original)	1890
•		2100 (revised)		7700 (revised)	
<i>Decentralised Sector</i>					
<i>Actual Production</i>					
1956 . . .	5307	1820	7126	1671	
1957 . . .	5317	1981	7298	1780	
1958 . . .	4927	2151	7078	1685	
1959 . . .	4925	2269	7195	1722	
1960 . . .	5048	2202	7251	1737	
<i>Third Five Year Plan</i>					
<i>Target</i> . . .	5800	3500	9300	2250	

30. It is understood that the requirements of cotton textiles have been calculated on the assumption that 8450 million yards of cloth will be needed for domestic consumption and 850 million yards for export making a total of 9300 million yards. The figure for domestic consumption provides for an increase of about 20 per cent over the estimated level of demand* in 1960-61; in other words it allows for an annual increase of 2 per cent in population and 2 per cent in *per capita* consumption.

31. Out of the total target for cotton cloth of 9,300 million yards, 3,500 million yards have been allocated as the share of the decentralised sector (handloom, powerloom and khadi). The production target allocated to the mill sector is 5800 million yards as against the current level of production of about, 5000 million yards. To achieve the additional production of 800 million yards in mill sector, it is envisaged that about 25,000 automatic looms may have to be installed during the Third Plan.

*For the purpose of this calculation the demand in 1960-61 has been estimated to be about 7,000 million yards.

32. The Committee were informed that an estimate of the total quantity required to be produced among the different sectors of the Industry, viz., mill, powerloom and handloom during a Plan period was made taking into consideration the following factors:

- (i) the need for keeping and progressively providing fuller employment to the handloom weavers without increasing the number of looms;
- (ii) the need for production of sufficient mill yarn to feed the looms including handlooms; and
- (iii) the overall need for exports.

Production Targets for Handlooms and Powerlooms.

33. Asked why the target of production for the decentralised sector for the Third Five Year Plan had not been further subdivided between the handloom, powerloom and khadi as had been done for the Second Five Year Plan, the representative of the Ministry stated that no reliable statistics of the production capacity of the handlooms and powerlooms were available. He stated that based on certain enquiries made in 1942 the consumption of mill-yarn by the handlooms, powerlooms and other miscellaneous industries had been assumed to be in the proportion of 76 : 14 : 10 and that for setting the targets and estimating the production this formula had been applied in the past. He admitted that it no longer held good in view of the coming into light of a large number of unauthorised powerlooms during the Second Five Year Plan and that it was for this reason that the target for the Third Plan for the handloom and powerloom sectors had not been indicated separately but clubbed together and shown as for the decentralised sector.

The Committee consider the position as very unsatisfactory from the point of view of planning the development of the cotton textile industry as a whole. They suggest that steps may be taken to collect accurate statistics relating to the working of the production units in the decentralised sector so that it is possible to make realistic allocations as between the centralised and decentralised sectors and inter se between the handlooms and powerlooms in the decentralised sector.

Pattern of Production.

34. In computing the aggregate demand for cloth by the community during the plan periods the past trends in cloth consumption were stated to have been taken into account.

The current pattern of production of cloth in the mill sector was stated to be as follows:

On Yardage Basis		
Coarse	.	14.0%
Medium	.	75.5%
Fine	.	4.5%
Super Fine	.	6.0%

The representative of the Ministry stated during evidence that there was no special machinery to assess the consumption pattern. In fact, it has been taken to be synonymous with the pattern of production followed by the industry. Considering that the Cotton Textile Control order 1948 specifically authorises the Textile Commissioner to prescribe the classes, specifications, and quantities of cloth or yarn to be produced by the Mills, it is desirable that a sample survey is undertaken to assess the actual requirements of the consumers in the matter of coarse, medium, fine and super fine cloth. Should the survey of requirements reveal significant deviations from the present pattern of production it will be desirable and even necessary to collect detailed data and to arrange for the appropriate overall production pattern taking also into account (a) the production in the decentralised sector for which yarn is supplied by the spinning mills; and (b) the quantity and type of cloth meant for export.

C. Installed Capacity

35. The first Indian cotton mill was established in 1817 and by the year 1900, there were about 167 mills with nearly 5 million spindles and 40,000 looms. The progress of the Industry since 1948 may be gauged from the following figures:

	Year			
	1948	1950	1955	1960
<i>Number of Mills</i>				
Spinning	88	94	116	186
Composite	268	268	292	293
Total	356	362	408	479
<i>Installed Spindleage</i>				
Spinning	1,566,398	1,859,814	1,768,097	2,930,738
Composite	8,502,276	8,694,641	10,189,540	10,678,798
Total	10,068,674	10,554,455	11,957,637	13,549,536

	Year			
	1948	1950	1955	1960
<i>Installed Loomage</i>	192,764	191,495	202,714	200,272
<i>Consumption of Raw Cotton (Indian and Foreign)</i> (In bales of 400 lbs. each)	4,389,000	3,492,000	4,884,000	5,100,000*
<i>Production</i>				
Cotton Yarn (in '000 lbs.)	1,447,616	1,174,220	1,630,399	1,737,120*
Cotton Cloth (in '000 yds.)	3,319,303	3,665,091	5,094,475	5,052,000*

**Shortfall in
in Spind-
leage in the
Two Plans.**

36. The total number of spindles and looms applied for and sanctioned/licensed during the First and Second Plan periods is shown below:

Particulars	Number applied for		No. Sanctioned		No. Installed	
	Spindles	Looms	Spindles	Looms	Spindles	Looms
<i>First Five Year Plan</i>						
For substantial expansion	1,618,368	8,100	1,			
For new Undertakings	2,021,230	4,517	1,168,000	500	155,000	
<i>Second Five Year Plan</i>						
For substantial Expansion	3,209,277	52,737	379,000	12,235	738,000	810
For new Undertakings	4,285,992	16,102	565,000	..	620,000	..
TOTAL	11,134,867	81,456	3,550,000	14,088	2,150,000	1536

The Committee observe that out of the total number of 3.55 million spindles and 14,088 looms sanctioned during the last 10 years, the number actually installed by the textile units was 2.15 million and 1536 respectively.

37. It has been decided to sanction additional spinning capacity to the extent of 4 million spindles during the Third Plan. Out of this, licences for 2 million spindles for new units and for about 1 million spindles for giving additional spinning capacity (i) to the existing spinning units to enable them to come up to an economic size (12000 spindles) and

*Computed on the basis of the monthly average figure

(ii) to provide for a balance between spinning and weaving capacity in the case of composite units were proposed to be issued in the first year of the Plan. The balance of 1 million spindles was to be allotted after a review during the middle of the Plan period. *The Committee hope that the licences would be issued very early and that the additional spindles would be installed without avoidable delay so that the decentralised sector does not have to face any difficulty during the Third Plan period in obtaining all its requirements of yarn.*

38. The Committee were informed that loans were being sanctioned by the Government of India to the State Governments for participation in the share capital of co-operative spinning mills upto 51 per cent of their paid up share capital. The loans were subject to the condition that the minimum number of spindles for a mill should be 12,000 Cooperative Spinning Mills.

39. The Committee understand that no specific quota out of the additional spindles proposed to be installed during the Third Plan period had been earmarked for cooperative spinning mills. They were informed that there was hardly any possibility of a large number of cooperative spinning mills coming up during the Third Plan period since a substantial portion of the amount required for setting up and running cooperative spinning mills had to come from weavers and other cooperative societies which did not have a large surplus for investment in such ventures. It was stated before the Committee by a representative of the handloom industry during evidence that the Cooperative Spinning Mills in the country were selling yarn to handloom weavers at a lower rate than the rate charged by the Southern India Millowners' Association. *In view of the fact that the Cooperative Spinning Mills would primarily be meeting the requirements of the handlooms and the fact that the well established policy of the Government is to encourage the growth of cooperative ventures, the Committee feel that the Government should have a more positive approach in the matter of promoting establishment of cooperative Spinning Mills.*

40. The Committee note that it was the policy of Government to encourage third shift working in the Textile Mills with a view to increasing production. The Textile Commissioner stated during evidence that the main difficulties in introducing the third shift were the shortage of cotton, electric power and coal and in certain cases the opposition of labour. Inadequate supply of coal had been the largest Working of Third Shift.

bottleneck and the difficulties faced by mills at Ahmedabad had not been fully resolved. He mentioned that letters had been addressed to the State Governments requesting them to give priority in the matter of supply of additional electricity to the textile mills. *The Committee would like the Government to give special attention to this matter so that the needs of the Mills for the third shift working are met quickly and as many units as possible go in for working round the clock.*

III

PRICE FIXATION OF YARN AND CLOTH

A. *Price fixation of Yarn and Cloth*

The prices of yarn and cloth showed a rising trend ^{Voluntary Price Control.} in 1959-60. As a result of discussion held between the representatives of the industry and the Government, a scheme of a voluntary price control was announced by the Indian Cotton Mills Federation, in September, 1960 followed by a subsequent announcement in December, 1960. For the purpose of price fixation, the total output of cloth has been divided into two categories—popular and others—the former category comprising 25 per cent. of the production for the internal market. Under this scheme of price fixation, the Mills were called upon to charge not more than the following additional percentages over the August, 1959 prices for different categories of cloth:

Category	Popular Varieties	Others
Coarse	17	20
Lower Medium	14	17
Higher Medium	10	13
Fine	6.5	8.5
Super Fine	4	6

The margin to the trade which was allowed at 15 percent over the ex-mill price under the September, 1960 formula was increased to 18 per cent. under the revised scheme of December 1960. Mills were also required to obtain prior permission of the Textile Commissioner before commencing production of new varieties of cloth. The prices of the permitted varieties were, however, to be fixed by the Federation. A schedule of yarn prices for counts from 6s to 40s spun out of Indian cotton was also announced by the Indian Cotton Mills Federation.

42. The Tariff Commission was requested by Government in December, 1960 to report on the following specific aspects pertaining to the Industry: ^{Reference to Tariff Commission.}

- (i) the cost of production of various representative types of cloth and yarn;

- (ii) the capital structure, investments and fair return thereon bearing in mind the need for continuous rehabilitation and modernisation and what would be a fair return to allow to the Industry over the cost of production;
- (iii) fair ex-mill prices of cloth and yarn.

The Commission has also been requested to devise methods for effecting suitable adjustments from time to time in the fair ex-mill prices of cloth and yarn so as to allow for major fluctuations in the prices of raw cotton and other elements of cost of production; and to enquire into the distribution cost for cloth and yarn in the country with reference to all relevant factors including the present pattern of sales adopted by the different units of the Industry and to devise a reasonable basis for the determination of fair retail prices for cloth and yarn.

Changes in Qualities.

43. It was represented to the Committee by a number of textile dealers' associations that since the declaration of price reduction in January, 1961 the mills had changed their qualities and had switched over to the production of qualities in which they could get more profit per loom. They had also made slight changes in the popular varieties by changing a few reeds and picks or counts and had tried to get more price with the result that there was a steady fall in the production of popular and well established qualities. The Committee were informed that the number of applications for manufacturing new varieties of cotton fabrics by the mills as on 1-4-1961 and 1-7-1961 were as follows:—

	As on 1-4-1961	As on 1-7-1961
Number of applications received	10,000	13,000
Number disposed of	7,000	11,000
Number outstanding	3,000	1,900

It was admitted that some of the mills were 'rather very much in a hurry to apply for new varieties and in getting them approved'. The Indian Cotton Mills Federation had recently called upon the mills to restrict the introduction of new varieties and laid down that as a rule a mill would be entitled to introduce one new variety per month for every 200 looms.

The Committee observe that with two lakh looms in the industry even this revised formula would make for the

introduction of nearly 12,000 new varieties in a year which obviously are on the high side. They deprecate the tendency on the part of the textile mills to introduce new varieties by frequent changes in the production of existing varieties of cotton fabrics. They cannot resist the conclusion that one of the primary reasons for this is the desire of some of the mills to increase their margin of profit and thus side-track the voluntary price control. The Textile Commissioner should devise suitable measures to exercise a stricter watch over the mills in order to curb this undesirable tendency particularly when the mills tried to curtail or change the production of well established and popular varieties of cloth.

• 44. It was stated that the prices for different varieties had to be fixed by the Price Fixation Committees of the Millowners' Association, which did not include any representative of the trade or consumers. If the margin was more than 2 per cent of the price of the variety during the crucial period, August, 1959 to 15th September, 1960, formal approval to the price so fixed was to be accorded by the Textile Commissioner which was given on the basis of recommendations of his Regional Officers. It was an admitted fact that there was a built-in loophole in this voluntary scheme for fixation of prices as the 'controlled' were themselves the 'controllers'. *The Committee are of opinion that the Textile Commissioner should be more effectively associated in the matter of fixation of prices of cloth and yarn so that the consumers' interests are safeguarded.*

45. The Committee were informed that there was no specific scheme for test checking the price charged to the consumers by the cloth dealers. The wide publicity of prices for selected varieties and compulsory stamping of prices enforceable under the provisions of the Cotton Textiles Control Order were the related measures adopted for a satisfactory working of the scheme. The Study Group of the Estimates Committee that visited the Office of the Textile Commissioner at Bombay, were informed that the Textile Commissioner had suggested that a sum of Rs. 5000 should be placed at his disposal for making test purchases from different retail shops in order to check up the prices from the cash memo issued by the cloth dealers but the proposal was not approved by the Ministry of Finance. *The Committee consider that if the Textile Commissioner were given authority to make purchases of cloth and yarn incognito in the open market, it would enable him to assess the market conditions and the effectiveness of the Voluntary Price Control Scheme to check whether the price and month and year of production were stamped on all mill cloth. They*

Fixation of
Prices.

Test Check
of Prices.

would like the Government to consider the matter again keeping this desirable aspect in view.

The Committee recommend that the prices of intermediate counts of yarn and yarn above 40s may also be fixed so that there is no apparent uncertainty as regards their price.

The complaints received from the public in regard to the working of the voluntary Price Control Scheme should be care-working of the Voluntary Price Control Scheme should be carefully investigated and remedial measures taken. Since the scheme is purely voluntary in nature and can be worked it should be widely publicised and the mills should be persuaded to insert advertisements giving retail prices of popular varieties so that the consumers are put wise and do not pay more.

B. Distribution of Cloth & Yarn

Unhealthy Practices.

46. It was represented to the Committee that goods which were in demand were not directly made available to the established wholesalers at ex-mill rate in some parts of the country but were sold to some intermediaries in whom the mills had vested interest with the result that the retailer in small towns got the goods almost at the retail rate thus leaving him no margin. This ultimately resulted in sales to the public at prices higher than stamped prices. *The Committee suggest that such complaints may be investigated by the Textile Commissioner and suitable remedial action taken.*

The Administrative Report (1960-61) of the Textile Commissioner makes mention of reports about some mills charging premia on some popular varieties and of some mills insisting on lifting of unpopular and uncurrent goods by trade along with popular goods. *The Textile Commissioner should investigate all such cases and take necessary steps to curb such undesirable practices.*

Consumers' Co-operative Stores.

47. The Committee were informed that under the scheme of voluntary price control, the mills were to open more retail shops for direct distribution of cloth to consumers at stamped rates. Mills had also been requested to make direct sale of yarn to Handloom Co-operative Societies at ex-mill prices and to other Associations of weavers at prescribed rates. *The Committee recommend that besides the opening of retail shops by the mills, establishment of consumers' co-operative stores may be encouraged so that cloth is made available at fixed rates to the public.*

C. Quality of Cloth & Yarn

48. The Committee were informed that the Regional Quality Offices were equipped with technically qualified staff who paid periodical visits to the mills in their respective regions and drew samples at random of yarn and cloth manufactured by the mills. The samples were examined in the light of the standards prescribed and the permission to deviate from the standards was given having due regard to the durability of the cloth. The Textile Commissioner stated during evidence that the enforcement of the standards particularly in respect of yarn was not very rigorous. The representative of the Ministry added that there were some complaints from the Handloom Industry about the quality of yarn which were duly taken up with the Cotton Textile Industry. *The Committee are of the view that since yarn constitutes the raw material for the decentralised sector adequate check should be exercised by the Textile Commissioner's Organisation on the quality of cotton yarn produced by the textile mills so as to ensure specific standards of quality and durability.*

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IV

RAW MATERIALS

A. Cotton

The following statement shows the consumption of Indian and foreign cotton during 1950-51 to 1959-60:—

(figures in lakhs of bales)

Year	Cotton Production	Cotton consumption			Cotton Exports
		Indian	Foreign	Total	
1950-51	29.71	25.16	11.05	36.21	1.84
1951-52	31.33	29.83	10.83	40.66	2.00
1952-53	31.31	36.12	8.49	44.61	3.09
1953-54	39.65	38.89	7.19	46.08	1.34
1954-55	42.27	41.38	6.30	47.68	3.19
1955-56	40.01	43.65	6.08	49.73	6.12
1956-57	47.35	46.65	5.67	52.32	2.99
1957-58	47.39	44.33	5.65	49.98	3.05
1958-59	46.86	46.80	4.55	51.35	4.00
1959-60	38.35	44.19	4.85	51.04	2.01

The failure of the 1959-60 cotton crop created many far-reaching problems for the Industry. The price line for cotton could not be held despite the statutory floor and ceiling prices. The position improved owing to a better crop in 1960-61 aggregating to over 52 lakh bales. In order to stimulate further increase in production, the Government announced during 1961 an increase in the floor prices of basic Jarilla from Rs. 495 to Rs. 600 per candy and corresponding increases for other varieties. The following statement shows the anticipated production, consumption, imports and exports of Indian and foreign cotton during each year of the Third Plan:—

(figures in lakhs of bales)

	1961-62	1962-63	1963-64	1964-65	1965-66
Production	52.60	55.00	57.50	58.50	60.00
Imports	9.20	8.20	7.20	6.00	6.00
<i>Consumption</i>					
Indian Cotton	45.00	48.00	50.00	52.00	54.00
Foreign Cotton	10.00	9.00	8.00	7.00	6.00
Exports	3.00	3.50	3.50	4.00	4.50
Ambar Charkha & other extra factory consumption	0.75	1.00	1.00	1.25	1.25

50. The Committee note that the requirements of cotton are proposed to be met in the Third Plan by increasing production and by importing cotton to the tune of six to nine lakh bales per year. The Committee find that while India produces only five million bales of cotton on 19.3 million acres of land (81 lbs. per acre in 1959-60) the United States produce 17.8 million bales on 15.1 million acres (465 lbs. per acre in 1959-60). The representative of the Ministry stated during evidence that the Central Cotton Committee and the Ministry of Agriculture were seized of the matter and were taking active steps to increase the yield of cotton per acre. They were also taking steps to encourage the production of long staple varieties of cotton, such as, Sea Island.

As regards the imports of cotton, the representative of the Ministry stated that they were experiencing difficulties in procuring the supplies under PL 480 because the United States at present did not have adequate stocks of cotton.

It was represented to the Committee that difficulties on account of periodical short crops which upset the equilibrium of price level might be tided over by building up a buffer stock. The representative of the Indian Cotton Mills Federation in his evidence also expressed himself in favour of building up a buffer stock of cotton and suggested that it might be of the order of 2.5 to 3 million bales including the normal carry over of 1.8 to 2 million bales. The Committee understand that the endeavour of the Textile Commissioner has been to see that at least a carry over of stocks to the extent of 4 months, which works out to around 1.8 million bales, is maintained in the country to ensure the smooth working of the mills.

The Committee consider that the best way of meeting the cotton requirements obviously is to so step up the indigenous production that it catches with the requirements. So long as this cannot be achieved it may be advisable to have adequate buffer stock of cotton in the country to meet any unforeseen shortfall in cotton production without upsetting the price structure of cotton and cloth. Before taking a decision about the buffer stocks, Government would no doubt examine in detail whether such stocks should be maintained by them or carried by the industry.

51. The Committee were informed that in the year 1959, when there was scarcity of cotton in the country, transactions above the ceiling prices fixed by the Textile Commissioner had taken place but no action could be taken as the buyers and sellers had allegedly got into collusion. Since the shortage of cotton is anticipated this year, the Committee

Buffet Stock.

Shortage of Cotton.

consider that the Government, profiting from past experience, should take early stock of the position and initiate suitable action. Timely imports of cotton may also be arranged to make good the shortfall.

Zones for cotton varieties.

52. It was represented to the Committee by the Mill Industry that the State Governments were not taking keen interest in the matter of producing pure qualities of cotton. Whenever a good strain of cotton was developed, it got mixed up with other cottons as a result of which the quality of cotton crop suffered. It was suggested that in order to avoid admixture of cotton, zones might be demarcated in the country as had been done in Pakistan for the growth of specific and approved variety of cotton. The Committee find that the Working Party for the Cotton Textile Industry (1952) had also called upon the State Governments to take measures to ensure purity of cotton by sealing off areas of particular varieties and distributing pure seeds. The representative of the Ministry in his evidence stated that the Indian Central Cotton Committee was seized of the problem. *The Committee suggest that a study may be made of the steps so far taken in this direction with a view to seeing if they had led to the desired results and to find ways of effecting improvement.*

B. Dyes and Chemicals and Auxiliaries

Procedure for import to be streamlined.

53. The Committee were informed that import of coal-tar dyes was being allowed to actual users i.e. to handloom and khadi units and small scale units. For this purpose a ceiling on imports was allocated by the Government to the Textile Commissioner for recommending applications from Handloom and Khadi Units. The Textile Commissioner in turn fixed the ceiling for each State and asked the State Directors of Industries to verify directly the applications and issue essentiality certificates based on six months' requirements and past consumption. The applicants thereafter, approached the Joint Chief Controller of Imports, Bombay for licence, with the Essentiality Certificates issued by the State Directors. It was understood that before issuing licences, the Joint Chief Controller of Imports, Bombay, referred the files to the Textile Commissioner's Office for examining whether the items asked for could be met from the indigenous sources. It was only after the clearance was given by the Textile Commissioner who also made recommendations about quantity and value of imports to be allowed, that the Joint Chief Controller of Imports took decision and issued the licences.

54. It was represented to the Committee that long time was taken by the Textile Commissioner's Office in disposing of such references with the result that the issue of licences

was considerably delayed. *The Committee recommend that the procedure should be streamlined to cut out delays. A lot of time could for example be saved if the applicants were asked to send the original application to the Joint Chief Controller of Imports giving simultaneously a copy to the Textile Commissioner so that the latter may send his recommendations within specified time to the Joint Controller.*

REHABILITATION AND MODERNISATION OF TEXTILE MILLS

A. Rehabilitation and Modernisation

Urgency of the Pro- blem.

In the words of the Working Party of the Cotton Textile Industry (1952), "it is in the interest of the consumer, in the interest of the general economy of the country and in the interest of the larger labour population engaged in the industry that proper rehabilitation, renovation and replacement of the old and deteriorated textile plant and machinery should be undertaken".

The following observations from the report of the Working Party (1952) are pertinent and would bear repetition:—

"It was particularly difficult to get spare parts during the war and the maintenance of the machinery was, therefore, quite inadequate."

"It is true that in some textile units by careful attention to the maintenance of the plant and by the timely renovation of the parts which were worn out the old machinery still functions satisfactorily.....".

"But in other cases, it would not be an exaggeration to say that grossly inadequate attention has been paid to the maintenance and the resulting evils are quite patent.....".

"At the beginning of the Second World War, Government issued a note of warning to industrialists generally that they would find themselves in difficulty at the end of the War and that profits made during that period should not be frittered away by large dividends being distributed to shareholders. Inspite of these warnings it is regrettable to note that, in many of the units of the Textile industry, profits have not been conserved for the future benefit of the industry and that large dividends have been declared during those years of abnormal profits.....".

The Working Group appointed in 1960 by the National Industrial Development Corporation after taking note of the observations made above by the Working Party of 1952, significantly added: "The present position of the industry has worsened still further."

56. The Working Group for the Cotton Textile Industry (1960) considered that the level of rehabilitation and modernisation from a national point of view should be governed by the availability of finance, degree of labour displacement, and the need for ensuring a minimum standard of efficiency in all units. Taking these factors into consideration, the Working Group expressed an opinion that there should be a minimum level of modernisation in all units, a level below which no unit should be allowed to exist. While accepting the recommendations of the Working Group, the Government have acknowledged that failure to effect timely modernisation would leave the industry including labour in a position of great disadvantage.

The progress of the schemes for rehabilitation and modernisation from 1955 to July, 1961 is indicated in the following table:

(a) Number of cases in which rehabilitation programmes have been drawn up	117
(b) Extent to which loan applications have been recommended :	
Number of cases	50
Amount	Rs. 13.60 crores
(c) Utilisation of financial assistance :	
Number of cases	18
Amount	Rs. 4.85 crores
(d) Number of cases in which legal work is under progress and amount thereof :	
Number of cases	20
Amount	Rs. 7.05 crores

57. *The Committee consider it unfortunate that out of the total number of 50 textile units surveyed and recommended for financial assistance amounting to Rs. 13.60 crores during the last six years, only 18 units had actually availed themselves of the financial assistance amounting only to Rs. 4.85 crores.* The representative of the Ministry stated during evidence that one of the principal reasons for delay in the utilisation of the financial assistance was due to the difficulties in establishing ownership titles of the mills. He added that a meeting of the legal advisers of the N.I.D.C. was being convened with a view to resolving difficulties and to streamlining the procedure. *While noting the action proposed to be taken in the matter, the Committee consider that certain other difficulties faced by the units in the matter of procuring machinery from indigenous manufacturers or in getting licences for procuring machinery from abroad, timely availability of foreign exchange etc., need also to be looked into.*

58. The Working Group for the Cotton Textile Industry (1960) has estimated the cost of a modest scheme for modernisation and rehabilitation to be about Rs. 180 crores of which an amount not less than Rs. 80 crores is expected to

Minimum Level of Modernisation.

Cost of rehabilitation and modernisation.

be raised by the Industry itself from out of its own resources. The balance would have to be sought from the financing institutions like the National Industrial Development Corporation, Industrial Finance Corporation etc.

Besides rendering financial assistance through the agency of the National Industrial Development Corporation, the Government have already taken or propose to take following measures in pursuance of the recommendations of the Working Group for the Cotton Textile Industry:—

- (a) A Rationalisation Committee has been formed with a view to analysing and resolving the problems of rationalisation;
- (b) The recommendation regarding scrapping of units where rehabilitation is not worthwhile has been accepted and steps are being taken in that direction;
- (c) Setting up a Textile Mills Standing Advisory Committee for the purpose of undertaking a continued examination of causes of closures, losses and unsatisfactory working of less efficient units;
- (d) The question of revival of the closed units under auspices of the Government or any other suitable agencies has been accepted in principle;
- (e) The Textile Commissioner's Organisation is looking after the work of ensuring proper quality of the indigenous machinery pending the setting up of a separate Inspectorate of Machinery.
- (f) The question of setting up 5 modern units of 25,000 spindles and 500 looms each exclusively for export purposes is under finalisation.

Assistance through Financial Agencies.

59. The representative of the Ministry informed the Committee during evidence that the total assistance which the Government might be able to give to the industry through the National Industrial Development Corporation during the Third Plan would be 'within the sum of Rs. 20 crores placed at the disposal of the Corporation'. The Ministry of Commerce and Industry do not know the extent to which the State Finance Corporations etc., would be able to redeploy such assistance to the Industry. The number of the textile units which were expected to apply for financial assistance for the purpose of achieving a minimum level of modernisation, was also not known.

60. The measures already taken or proposed to be taken by the Government for achieving a minimum level of modernisation of the Industry are not quite assuring. The Committee are left with the feeling that in spite of the clear analysis of the problem of rehabilitation and modernisation of the Industry, contained in the Reports of 1952 and 1960, by Working Party and Working Group, respectively, neither the industry nor the Government have taken all the measures necessary to tackle the problem in a manner commensurate with its urgency and seriousness. The Committee regret that the industry had continued to declare large dividends oblivious of the needs of depreciation and reserves and that it had not even taken timely advantage of the assistance however limited which was available for rehabilitation and modernisation through Government financing agencies like N.I.D.C. The Government, judging from the lack of data with them, have neither kept a careful and continuous watch on the progress of rehabilitation and modernisation by the various units in the industry nor looked for effective remedies to overcome the hesitation or slackness noticed on the part of Mills to undertake the urgently needed measures.

61. The provision of Rs. 20 crores for assistance to be rendered by the N.I.D.C. for rehabilitation and modernisation of the textile industry may have been made on the basis of the past utilisation of funds and the overall resources position of the Government, though the total estimated assistance required was as high as Rs. 100 crores. Since according to the representative of the Ministry, the Industrial Finance Corporation and other financial institutions are not expected to play a major role in assisting the industry in this matter, the Committee would draw attention to the fact that this amount may not prove adequate to bring about even the minimum level of modernisation envisaged which is recognised on all hands as absolutely necessary. There is also reason to believe that the scheme would make greater progress with the anticipated increase in indigenous production of textile machinery* during the Third Plan. The Committee would like the Government to review the position from time to time in the light of the actual utilisation by the mills of loan assistance through the N.I.D.C. and if found necessary to increase the provision suitably.

They also suggest that precise requirements of rehabilitation and modernisation of the textile industry (mill sector) may be ascertained millwise and thereafter a phased programme for its implementation may be drawn up having regard to the availability of the resources and equipment. It may also be necessary to ensure that the time limit envisaged for the execution of such a phased programme is strictly adhered to by the units.

*See Chapter VI.

62. The Working Group for the Cotton Textile Industry (1960) had estimated that the foreign exchange requirements of rehabilitation and modernisation during the Third Plan would be of the order of about Rs. 60 crores by the textile industry in addition to Rs. 23 crores required for the textile machinery manufacturing industry. The representative of the Ministry of Finance stated during evidence that though no specific provision for foreign exchange had been made to meet the requirements of the textile industry for import of machinery etc., the Ministry of Commerce and Industry must have made a provision for the accepted programme for rehabilitation and modernisation in the overall requirements of foreign exchange intimated to the Department of Economic Affairs (Ministry of Finance). *In order to enable a firm plan being drawn up for rehabilitation and modernisation of the textile industry, the Committee consider it desirable that the necessary amount of foreign exchange be earmarked for meeting the essential requirements during the Third Plan period. They also suggest that the foreign exchange likely to be made available to the textile industry for rehabilitation and modernisation may be made known to the Industry in the beginning of each financial year.*

B. Import of Machinery

63. It was represented to the Committee that the procedure for issuing licences for import of machinery was dilatory and time consuming. The Mills/Machinery Manufacturers who desired to import machinery have, in the first instance, to apply to the Textile Commissioner for the issue of Essentiality Certificates. After the issue of the Essentiality Certificate, the Mills/Machinery Manufacturers apply to the Joint Chief Controller of Imports, Bombay for issue of the import licence. It was represented that the Officers of the Joint Controller questioned the quantity and items recommended by the Textile Commissioner in the Essentiality Certificate and it took a long time to convince them.

A leading Federation of the cotton textile mills had represented to the Committee that after the Essentiality Certificate had been issued by the Textiles Commissioner, grant of import licences should be made a formal affairs. The Federation had further suggested that the Government after determining the quota of foreign exchange to be allowed for import of textile machinery and other articles required by the textile industry should entrust the Textile Commissioner with the task of issuing import licences also.

In view of the difficulties being experienced both by the mills/machinery manufacturers in the matter of import of

machinery and other ancillaries etc., the Committee recommend that the existing procedure may be reviewed and made more business-like so as to cut out avoidable delay.

C. Rationalisation

64. The Working Group for the Cotton Textile Industry (1960) had recommended that some machinery should be devised to settle the question of rationalisation unit by unit. The Committee were informed that a Rationalisation Committee had been formed but had met only twice and had reached the stage of discussion on general principles. The Textile Commissioner acknowledged during evidence before the Committee that the Rationalisation Committee had not made much progress.

Having regard to the need for building up of an efficient industry with the willing co-operation of labour, the Committee urge that the Rationalisation Committee should meet more often and function effectively.

D. Maintenance of Textile Machinery

65. The Working Party for the Cotton Textile Industry (1952) had observed that in a number of textile units, grossly inadequate attention had been paid to the maintenance of plant and machinery. The working Group for the Cotton Textile Industry (1960) also shared this view. Maintenance Committees had been formed at regional levels consisting of millowners, technicians, labour and the representatives of Government to advise mills regarding the methods and standards of scientific maintenance. Besides, the Government had constituted a Central Committee to co-ordinate the work of the Regional Committees. The Textile Commissioner admitted during evidence that the Regional Maintenance Committees except in two regions had not made much headway. *The Committee suggest that the reasons for the Regional Committees not functioning effectively, may be examined. It may be advisable to lay down the minimum number of meetings to be held in a year by the Central and Regional Maintenance Committees. The Committees may with the assistance of the Textile Commissioner's Organisation also keep a close watch over adherence by the mills to the maintenance schedules drawn up by them.*

Gearing up
Regional
Committees
for Main-
tenance.

E. Efficiency in Management

66. In the words of the Working Party for the Cotton Textile Industry (1952), the new entrepreneurs who had come on the scene as mere financiers with no aptitude for

Timely
averting
closure of
Mills.

the management of industrial units had contributed to the demoralisation which existed in the industry and to the lack of respect which workers were showing towards such managements. While it was true that the machinery in most of the mills was very old and worn-out, nevertheless the lack of efficiency on the part of the managements had also been a contributing factor leading in some cases to closures. The Working Group for the Cotton Textile Industry (1960) referring to the existence of cases of deliberate mismanagements expressed the view that such managements had no place in the Industry.

Closure of Mills.

67. The following table shows the position regarding closure of mills between 1955 to 1961:—

Year	Mills remaining closed at the beginning of the year	No. of mills closed during the year	No. of mills which reopened during the year	Mills remaining closed at the end of the year
1955	25	6	8	23
1956	23	17	21	19
1957	19	25	19	25
1958	25	23	13	35
1959	35	13	10	38
1960	38	1	12	27
1961 (as on 31st Aug. 61)	27	2	4+10*	15

The Committee were informed that out of the 15 mills remaining closed on the 31st August 1961, 7 mills were likely to reopen leaving only 8 mills whose cases were under active consideration. The Government have also recently set up a small representative committee under the Chairmanship of Shri G. D. Somani, M.P. for keeping under constant review causes of closure and for recommending timely steps to be taken to enable marginal units to tide over temporary difficulties.

68. The Textile Commissioner stated during evidence that the detection of mismanagement was really the function of the Company Law Department. He was primarily concerned with the maintenance of production and it was not his normal function to go into the financial affairs of the mills unless a Committee of Investigation under Section

*Mills whose licence were revoked/modified.

15 of the Industries (Development and Regulation) Act, 1951 were to be appointed. The Committee were informed that the Costing and Management Branch of the Textile Commissioner's Organisation kept in touch with the Regional Offices of the Company Law Administration stationed in areas where the mills taken up for survey and investigation were situated.

The Committee are of the view that the Textile Commissioner's Organisation could play an effective role in the matter of timely averting of closure of mills. It would be of advantage to the Organisation from this stand point, to continuously study the Annual Reports, Balance Sheets etc. and to maintain up-to-date history cards in respect of each of the text mills in the country. Such a record containing the necessary details would also help the Textile Commissioner to keep himself posted with the condition of the machinery and the extent to which they require rehabilitation and modernisation.

The Committee feel that there is need for closer co-ordination between the Textile Commissioner's Office and the Company Law Department so as to ensure that cases of mismanagement, inadequate provision for depreciation etc. are detected without delay. The functions to be discharged by the two organisations in this respect may be clearly laid down by the Ministry of Commerce & Industry under which the two organisations function, care being taken to see that there is no avoidable overlapping of functions.

69. The Working Group for the Cotton Textile Industry (1960) considered that for the purpose of expediting the procedure of revocation of licence for good cause, best results would be achieved by offering some inducement for the old units to go out. While suggesting an 'element of compensation or closure fund', it considered a compensation of Rs. 10 per spindle and Rs. 400/- per loom as suitable inducement. *In this connection the Group cited the practice obtaining in the U.K. where the exchequer contributes two third of the cost to the firms which eliminate excess capacity and also offer a grant of 25 per cent towards the cost of modernisation and new equipment. As for the closure fund, out of which the proposed compensation was to be paid, the Working Group suggested that it might be raised by a levy of fee on new licences or licences for expansion.*

The representative of the Ministry stated in his evidence that the recommendation of the Working Group was under consideration. The Committee have not considered in detail the financial implications of the proposal. They are nevertheless in agreement with the object underlying the suggestion namely that old and outmoded equipment should be gradually weeded out. The Committee suggest that Government may carefully go into the matter and take early decision on this recommendation.

TEXTILE MACHINERY MANUFACTURING INDUSTRY

A. Introduction

It was during the Second World War that some ^{be Post War} ginnings were made in the manufacture of industrial machinery <sup>Develop-
ment.</sup> in India due to acute difficulties prevailing at that time in importing capital goods. In the post-war period, manufacturers formulated plans in association with reputed firms abroad for developing the production of several items on an organised basis *e.g.*, the Machinery Manufacturers Corporation for Carding Engines, the National Machinery Manufacturers for spinning ring frames etc. Presently a moiety of the country's needs of textile machinery is met by indigenous production and the rest by import.

B. Production

71. The Committee were informed that the requirement of textile machinery during the Second Plan period was as-
sessed at Rs. 90 crores both for modernisation and expansion. The actual production of textile machinery during the Second Plan was of the order of Rs. 43 crores. Apart from this, the production of textile spares and accessories had progressively gone up from Rs. 10 crores to Rs. 15 crores per annum. The requirement of textile machinery during the Third Plan period towards modernisation/expansion has been assessed by the Working Group of the National Industrial Development Corporation at Rs. 177 crores.

Need for
increasing
production.

The Third Plan envisages the production in the private sector of complete plants to meet the demand of cotton textile mills with as much as 85 per cent of indigenous content. A leading Association of Machinery Manufacturers represented to the Committee that the following difficulties were being experienced by them:—

- (1) lack of availability of standard pig iron and standard steel;
- (2) scarcity of ball bearings;
- (3) lack of availability of specialised items, such as, measuring instruments, control instruments, gauges, electronic equipment, etc., It was stated that these specialised items were

not being manufactured by textile machinery manufacturers by themselves anywhere in the world and that possibilities of subcontracting these items with specialised manufacturers were being explored.

The Committee recommend that Government may help the industry to procure the requisite quality of pig iron and steel. The Government may consider encouraging the manufacture in increasing numbers of ball bearings and specialised items, such as, measuring instruments, gauges, etc. so that the industry is able to fulfil the targets set out above.

Special mention may be made of the requirements of automatic looms which are essential for modernisation and stepping up of exports. The annual demand for automatic looms has been estimated at 6000 units for the years 1960-61, 1961-62 and 1962-63, whereas the production in 1959 was only 356. *The Committee consider that urgent steps should be taken by Government to step up capacity for manufacturing automatic looms. It may also be ensured that the automatic looms being manufactured in the country are comparable in quality with those which are being used by mills in other advanced countries who are offering keen competition to India in export of textiles.*

The Committee would like to stress the need for developing indigenous manufacture of textile machinery for man-made fabrics as very little progress has been made so far in this direction.

A list of important items of textile machinery for which either there exists at present no capacity for indigenous manufacture or where it is inadequate is set out in detail in Appendix VI. The Committee would urge the Government to pay special attention to the matter so that these items are also progressively manufactured within the country.

C. Quality

Improving quality of indigenous machinery.

72. While the country has made some progress in the field of manufacture of textile machinery, it cannot be said that the quality of production of all the items has been uniformly good. Regarding the present quality of indigenous machinery manufactured in the country, the Committee were informed by a prominent textile industrialist as follows:—

“In an attempt to achieve quantitative results in indigenous machine making, quality standards are

sometimes overlooked. The textile Commissioner's Office should therefore keep a constant watch over the quality standards of indigenous machinery manufactured."

The Study Group of the Estimates Committee (Southern Zone) during their visit to the mills and discussions with the Textile Associations were informed of drawbacks noticed in respect of the quality of indigenously manufactured textile machinery particularly the winding machines. The representative of the Indian Cotton Mills Federation stated in his evidence that while some of the machinery manufacturers of spinning machines had made very good progress, the looms being produced were 'neither upto date in design, nor of even reasonable good workmanship'. *These instances point to the imperative necessity of improving the quality of indigenous machinery.*

The Committee understand that it is obligatory for every purchaser of textile machinery to buy a certain percentage of his requirements from indigenous manufacturers. The foreign exchange difficulties and the resultant elaborate procedure for import of machinery have led to a compelling reliance on the indigenous manufacturers of machinery. It appears that in this sheltered market, the normal incentive for improvement of quality may not be working forcefully for the demand is very much in excess of production. *The Committee feel that the unique opportunity offered by the programme of rehabilitation and modernisation of the industry should be taken as a challenge by the textile machinery manufacturers to improve their quality so that the mills who go in for indigenous machinery do not find themselves in any way handicapped in the matter of production of quality goods.*

73. The Working Party for the Cotton Textile Industry (1952) had suggested that Government should organise a competent and adequate system of Inspectorate to certify the quality of textile machines manufactured in the country. This suggestion had been reiterated by the Tariff Commission at different times in connection with its enquiries dating from 1953 as also by the Working Group of the N.I.D.C. (1960). The Textile Commissioner stated in his evidence that a decision had recently been taken that the Cotton Textile Fund Committee should be entrusted with the function of inspection of machinery and that the proposal would soon be sent to the Ministry of Finance. This would also entail an amendment of the Cotton Textile Fund Committee Act.

The Committee are constrained to note that despite the repeated emphasis laid on the setting up of an Inspectorate by the Working Party (1952), Tariff Commission from time to time and the Working Group (1960), Government have taken an inordinately long time even in formulating the scheme. It is still not clear as to when the Inspectorate would actually start functioning. The Inspectorate would make for better understanding between the manufacturers and the consumers and would help in removing the feeling that unsuitable indigenous machinery is being forced upon the industry through import restrictions. The Committee hope that the setting up of the Inspectorate would not be delayed any further.

D. Research

**Need for
Machinery
Development.**

74. It has been acknowledged in the Third Plan that the contribution of industry towards scientific research was not commensurate with the progress of the economy and the vast opportunities opened up through planned development. A leading Textile Machinery Manufacturers' Association stated in a memorandum to the Committee that there was no organisation where their experience could be shared for the purpose of developing better machines to suit the needs of the Industry. The three Textile Research Associations in the country viz., 'ATIRA', 'BTRA' and 'SITRA' were stated to have not been able to coordinate their activities and transfer the experience and knowledge gained by them and their members to the machinery manufacturers. The Committee were informed by the representative of a Textile Research Association that the relationship between the technology of cotton and the development of machinery being so close, it would be difficult and probably inefficient to have two separate independent organisations for research. He suggested that the best thing would be for each of the three Research Associations to deal with some aspects of machinery development whereby total knowledge could be pooled to serve the textile machinery manufacturing industry.

As it is, the Committee note that only BTRA and SITRA had actively interested themselves and that too in a limited way, in research on the machinery side. The BTRA had a Textile Industrial Engineering Section which undertook research on textile engineering, improvement of existing machinery, bringing out new machines, designs etc., but it had yet to build up a band of research workers in this field. *They regret the absence of a Research Institute catering to the exclusive needs of the textile machinery manufacturing industry in the country and would urge the early establishment of an Institute similar to those functioning in foreign*

countries. The Committee have no doubt that the textile industry and textile machinery manufacturers would willingly join in this venture making their own contribution and they would be given an adequate representation on the governing body of the Institute. The textile Industry's experience of over one hundred years would come in handy in giving point and substance to the research work of the Institute. In the meanwhile, each of the existing textile research Associations may by mutual agreement deal with some aspects of machinery development and help to improve its efficiency and productivity.*

75. During the course of evidence it was suggested by *Industrial Adviser.* one of the representatives of the Textile Research Associations that the Industrial Adviser to the Textile Commissioner should make himself a more active member of the Research Advisory Committee so that the Textile Commissioner's Office would remain posted with the research undertaken by the Associations. As Textile Commissioner is charged with the duty of processing applications for import of Textile machinery and for guiding the programme of textile machinery manufacturers in the country, *the Committee consider that the Industrial Adviser to the Textile Commissioner should remain in touch through the Research Associations etc., with the rapid changes which are being effected in textile machinery due to modern technological development.*

E. Need for a Development Council

76. It was represented to the Committee by a leading textile machinery manufacturers' Association that 'conflicting policies' among various Ministries of the Government of India had not permitted the Textile Commissioner to implement ideas and policies to expand the manufacturing capacity for machines in India. Regarding the procedure being followed by the Government in the matter of foreign collaboration, it was represented to the Committee as follows:—

Concerted drive for future development.

"The Textile Commissioner's Office functions as the Development Wing for textile machinery manufacturing industry. This Development Wing examines a collaboration proposition in all its perspective. It is a matter of common knowledge that after the Textile Commissioner has made favourable recommendation, the Ministry of Commerce and Industry again carries on its own a similar kind of investigation and in many

*Shirley Research Institute in England and the Imperial Research Institute at Yokahama in Japan.

cases collaboration agreement is delayed for 6 to 9 months or a year to a year and a half. It should be possible for the Ministry of Commerce and Industry to evolve a general policy for approval of the collaboration agreements and within the framework of this policy, the Textile Commissioner's Office should be able to make recommendations as to the expediency or otherwise of a collaboration agreement by the Government and the Ministry of Commerce and Industry in terms of these recommendations should be able to deal with these collaboration agreements as expeditiously as possible."

The Committee were informed by the representative of the Ministry during evidence that the Textile Commissioner's Organisation was not functioning as the Development Wing in a major way so far as the work of granting licences for manufacture of textile machinery was concerned. He however acknowledge that the position had been somewhat fluid because the Government did not want to forego the technical experience of the Development Wing as a whole. He added that the Textile Commissioner was responsible for piloting such applications but the expertise available in the Development Wing was considered better in a number of ways than what was available with the Textile Commissioner.

The Committee do not consider the present procedure as conducive to efficient working. They are of opinion that the exact spheres of work of the development of the textile machinery manufacturing industry being performed at present by the Textile Commissioner and the Development Wing of the Ministry of Commerce and Industry, should be defined so as to avoid all possible duplication of efforts and delays if any taking place in the disposal of applications.

Ad hoc Committee on Textile Machinery.

77. The Committee were informed that when the work of development of the textile machinery manufacturing industry was transferred from the Development Wing to the Textile Commissioner in 1956-57, the textile machinery manufacturing units had not formed themselves into an Association with whom the Government could deal directly. Pending the formation of an Association of the textile machinery manufacturers, the Textile Commissioner had formed an *ad hoc* Committee on Textile Machinery in 1957 to advise the Government on the planned development of the indigenous textile machinery manufacturing industry.

The Committee were informed by the representative of the Ministry during evidence that the *Ad hoc* Committee as

constituted originally had performed its task of preparing a chart of machinery to be manufactured which served as the basis for holding preliminary discussions for preparing an outline for the industry during the Third Plan. The *Ad hoc* Committee met four times in 1957, twice in 1958, once each in 1959 and 1960 and thrice in 1961. Giving reasons for a small number of meetings held in 1958, 1959 and 1960, the representative of the Ministry stated that the members representing the machinery manufacturing industry and the textile industry had refused even to sit across the table and it was only at the instance of the Minister that some rapprochement could be brought about, and the Committee agreed to split up into Study Groups for preparing the basic development schemes for the textile machinery manufacturing industry. The reports of the Study Groups would ultimately be considered by the main Committee.

The Committee consider it unfortunate that differences between the textile machinery manufacturers and the representatives of the textile industry have impeded the work of the Textile Machinery Ad hoc Committee and its Study Groups who were expected to prepare a detailed programme for various types of textile machinery used for spinning, weaving etc. In the larger context of the development of the textile machinery manufacturing industry, it is imperative that there is the closest co-ordination between the textile machinery manufacturers and the representatives of the textile industry and they hope that it would be achieved soon.

78. Giving reasons for not establishing a Development Council for the textile machinery manufacturing industry, the representative of the Ministry stated in his evidence that there was nothing in principle against the establishment of a Development Council, but that the industry had not voiced a demand for it. *The Committee feel that the development of the textile machinery manufacturing industry has not been given sufficient attention all these years and there is paramount necessity for developing the industry and research relating thereto. They recommend that a Development Council be constituted for the textile machinery manufacturing industry at an early date.*

•
Development Council for Textile Machinery.

VII STARCH INDUSTRY

A. Introduction

There was practically no starch industry in the country prior to 1938. During that year, two units were set up. Due to the stoppage of import of starch during the Second World War, as many as 45 factories sprang up in different parts of the country but many of them had to close down for paucity of essential raw materials. After the war, protection was afforded to the industry on the recommendations of the Tariff Commission. The protective duty was enhanced from 18 per cent. *ad valorem* in 1947 to 30 per cent. in 1951 as a result of the Tariff Commission's successive reports. The protection for the industry initially given for a period of three years till the end of 1954 was further extended by one year and was discontinued at the end of 1955.

B. Production

80. There are at present 6 units producing starch from maize and one from tapioca. The maize for the starch factories is mostly imported under PL 480 as indigenous maize grain is not available owing to the difficult food position. The following table gives the rated capacity and actual production of these units in the years 1958 to 1960.

Year	Maize Starch Factories		Tapioca Starch Factory		Maize imported under PL 480	
	Capacity in tons per annum	Production in tons	Capacity in tons per annum	Production in tons		
1958		53,638		2,583
1959	73,100	56,661	6,000	3,701	1,25,000	3.75
1960	64,506			3,660	94,000	2.82

Second Plan
Target
Achievement.

81. The Committee were informed that the target capacity for the production of starch by the end of the Second Plan was 1,00,000 tons including 10,000 tons earmarked for export. As against this, capacity for 85,100 tons was stated to have been sanctioned. The difficulty in obtaining adequate quantity of maize and the condition attached to its import under PL 480 that no export of starch would be permitted, were given as the factors accounting for the shortfall.

82. The estimated demand for the imported maize by the industry for the manufacture of starch during the Third Five Year Plan (year-wise) is given below:—

year	Estimat- ed demand of the imported maize in tons	Value in (crore Rs.) as calcul- ated at present rates	Likely yield of starch in tons	Require- ment of starch by Textile Industry in tons	Surplus	Percenta- ge of sur- plus to production Col. 6 to Col. 4
1	2	3	4	5	6	7
1961-62	1,36,000	4.080	84,300	63,400	20,900	24.79
1962-63	1,49,000	4.473	92,400	65,500	20,900	22.61
1963-64	1,63,100	4.893	1,01,100	67,600	33,500	33.13
1964-65	1,70,100	5.103	1,05,500	69,740	35,760	33.89
1965-66	1,82,100	5.463	1,13,900	72,000	41,900	36.78

The Committee were informed that ancillary industries (*viz.* glucose, dextrose, modified starches etc.) were consuming about 1,500 tons of starch per annum which might increase to 20,000 tons per annum during the Third Plan period. Thus there would be a surplus quantity varying from 5,000 to 20,000 tons each year during the Third Plan (excluding the quantity produced from tapioca). They were further informed that efforts would be made to export the surplus and to develop the ancillary industries utilising starch.

83. The annual production of glucose and dextrose, which results in considerable saving of foreign exchange, is given as about Rs. 5 crores which almost equals the value of the total production of starch and hence the importance of the development of the ancillary industries based on starch hardly needs any stress. The Textile Commissioner has acknowledged that modified and chemical starches of special interest to ancillary industries had been left without being seriously tackled. *The Committee recommend that steps for development of starch for ancillary industries and for promotion of exports should be taken to ensure full and efficient utilisation of the increased production of the industry.*

Starch for
Ancillary
Industries.

C. Price

84. The Committee were informed that the c.i.f. price of maize starch quoted from Holland during the year 1960 was Rs. 582 per ton and from the U. S. A. Rs. 720 per ton while the indigenous maize starch was sold during the same year at Rs. 820 to Rs. 840 per ton. The following reasons were

Need for
reducing
sale price.

adduced for the difference in the cost of production of starch in India and other foreign countries:—

- (i) dependence on the imported maize which accounted for 70% of the manufacturing cost; and
- (ii) limited facilities for replacement of the existing old machinery by modern machines which can produce starch more economically.

In view of the fact that the starch industry has been enjoying a sheltered home market for several years and is supplied the raw material namely imported maize at controlled price, the Committee feel that it should have been possible for the industry to market the product at the international price.

NEW DELHI;

The 26th March, 1962.

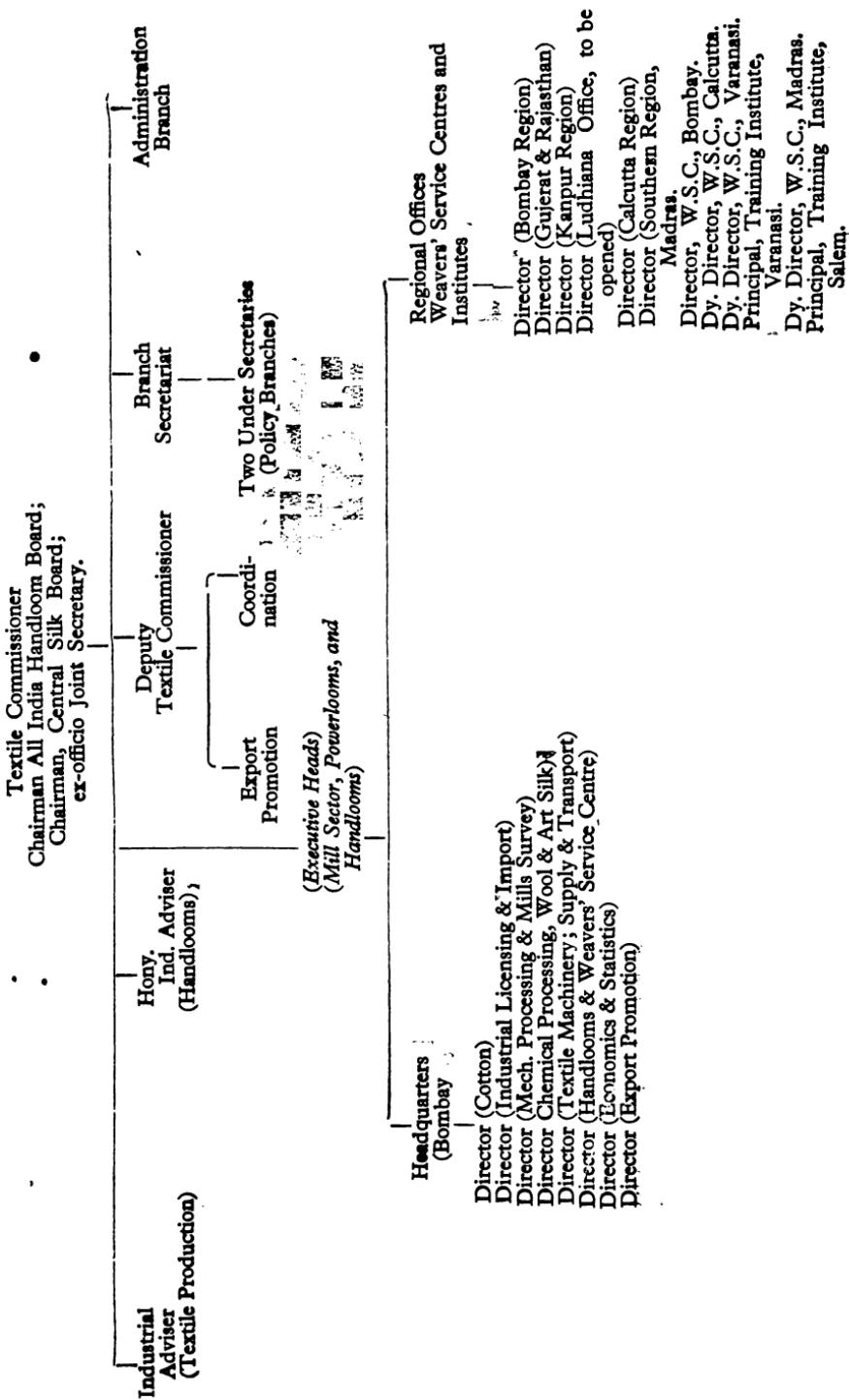
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H. C. DASAPPA,

*Chairman,
Estimates Committee.*

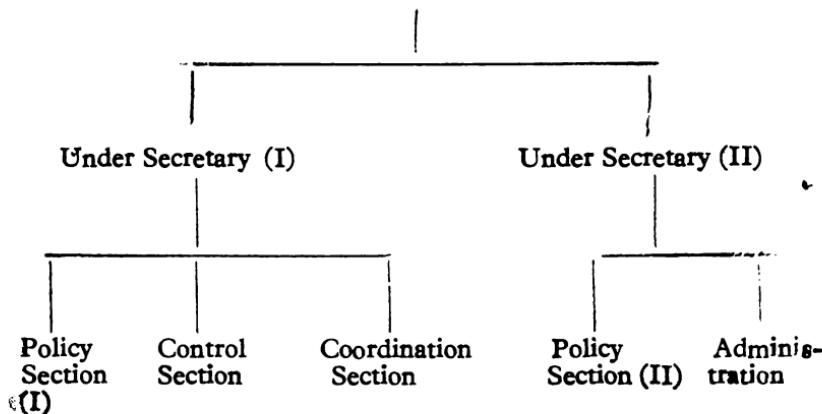
APPENDIX I

Chart showing the existing Textile Commissioner's Organisation.
(*Vide Para 3*)



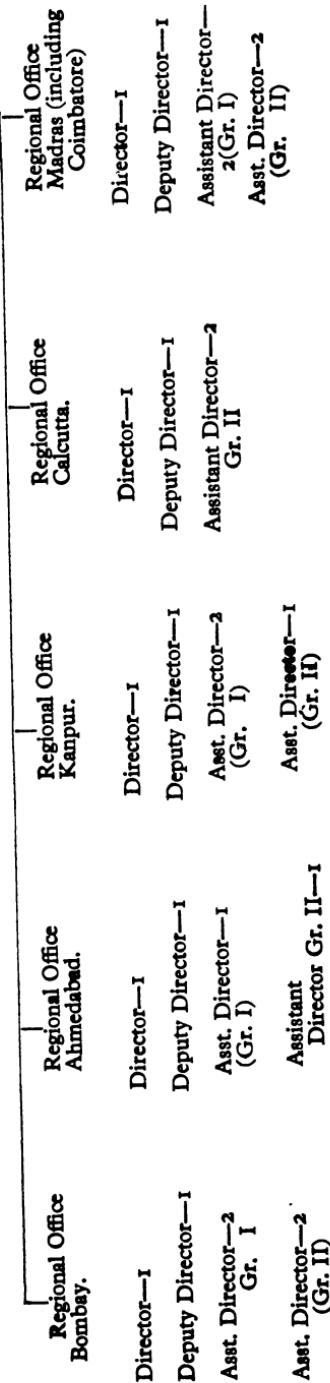
Organisational chart of the Branch Secretariat of the Ministry of Commerce and Industry

Textile Commissioner *ex-officio* Joint Secretary



ORGANISATION CHART OF THE REGIONAL OFFICES OF THE TEXTILE COMMISSIONER

Textile Commissioner Chairman, All India Handloom Board.



APPENDIX II

(*Vide para 5*)

Statement showing the functions of various sections of the Branch Secretariat of the Ministry of Commerce and Industry attached to the Textile Commissioner at Bombay

(i) *Control Section*—“Control”.—Textile Control Orders, issue of amendments, notifications, circulars, etc; Dhoties (Additional Excise Duties) Act and dhoti quotas; notifications regarding control over price and distribution of cotton, art silk and Woollen Textiles; All matters in which the advice of the Ministry of Law is necessary; and distribution of Hand-book of Textile Control Orders.

(ii) *Policy Section (I)*—“Pol—I”.—All correspondence with Main Secretariat relating to formulation of policies and changes in existing policies regarding industrial licensing of cotton, wool, art silk, staple, fibre and flax textiles; foreign collaboration schemes, employment of foreign technicians.

(iii) *Administration Section*—“Admn.”—Framing of Recruitment Rules of gazetted and non-gazetted staff and changes in existing Recruitment rules, requisitions to U.P.S.C.; confirmation of gazetted and non-gazetted staff; circulation of all orders, rules and regulations affecting service conditions received from the Main Secretariat; establishment and financial matters requiring the issue of sanctions or approval of the Government of India, or the Textile Commissioner as ex-officio Joint Secretary, distribution of Branch Secretariat dak, establishment work of Branch Secretariat.

(iv) *Policy Section (II)*—“Pol-II”.—All correspondence with Main Secretariat on question relating to formulation of policies for import of raw materials (art silk yarn, raw wool, wool tops, staple fibre, synthetic fibre, coal-tar dyes, Textile auxiliaries, Textile chemicals, etc.); import policy of capital goods, and components for Textile Machinery and spare parts, including hosiery and knitting machines warp knitting machines, etc.; Export Promotion.

APPENDIX III

(*Vide para 5*)

Statement showing the functions of various branches of the Office of the Textile Commissioner at Bombay.

ADMINISTRATION BRANCH

(i) *Establishment Section (I)*—“*Estt. I*”.—Appointments, postings, transfers, leave, Gazette Notifications, etc.; of all Gazetted Officers of the Textile Commissioner’s Organisation at Headquarters (including the Handloom Board) and the outstation offices, Weavers, Services Centres and Research Institutes; Staff Councils.

(ii) *Establishment Section (II)*—“*Estt. II*”.—Appointments, postings transfers, leave, etc., of all non-gazetted staff of the Textile Commissioner’s Organisation at Headquarters (including Handloom Board) and the outstation offices, Weavers’ Services Centre and Research Institutes; Hindi Classes.

(iii) *Accounts Section*—“*Accounts*”.—All work relating to Budget, appropriation and reappropriation, P.A.C.; Pay Bills, T.A. Bills Festival Advances of officers and staff and non-official members of Committees and Boards Contingent expenditure of Headquarters office including the Handloom Board and the Weavers’ Service Centres, Bombay.

(iv) *Housekeeping Section (I)*—“*HK-I*”.—Office accommodation Estate Office, Residential accommodation of officers and staff; furniture; fixtures, telephone, sanitary and electrical installations, bicycles, liveries, umbrellas, toilet requisites, stock registers, Record Room; Holidays.

(v) *Housekeeping (II)*—“*HK-II*”.—Stationery and Printing; Type-writers; Gestetner and Calculating machines and stock registers thereof; watch and ward, entry passes; staff car; Reservation of accommodation by rail, sea and air and IAC credit vouchers.

(vi) *Co-ordination Section*—“*CDN*”.—

- (a) Cotton Textiles Consultative Board;
- (b) Cotton Textiles Advisory Committee;
- (c) Delegations of powers to Regional Officers and ‘Heads of Offices’.
- (d) All work relating to Parliament Questions;
- (e) Training Schemes under the Colombo Plan, UNTA NPC, etc.,
- (f) Delegations and deputations abroad;
- (g) Office Library;
- (h) Purchase of Books, subscriptions to newspapers, periodicals, air and railway time-tables and maintenance of registers of books, etc.

- (i) Ordering of Government Publications (Acts, Rules, Orders, etc.)
- (j) Circulation of Press Cuttings;
- (k) Circulation of Periodicals;
- (l) Filing and Maintenance of index of Press Cuttings;
- (m) Preparation of Library Catalogue and issue of books.

(vii) *Publicity Section—“Pub”.*—

- (i) All work regarding handloom publicity through DAVP, through files, press, Posters, Hoardings, Folders, Neon Signs, Blocks for Press Layout, Cinema Slides, production of quickies, educational files.
- (ii) Publicity by the Handloom Board; Monthly Handloom Journal; Articles in other journals; celebration of handloom Week; maintenance of Books, Show-cases, etc;
- (iii) Participation in Exhibitions; Fashion parades, pageants; purchase of fabrics and other exhibits; maintenance of Stock Registers of Fabrics; checking and custody of returned fabrics;
- (iv) Trade Enquiries regarding handloom goods;
- (v) Issue of Press Notes and Press Communiques;

(viii) *O & M Section.*—Organisation of office; all O & M work, O & M inspections and periodical assessment and reassessment of workload and fixation of clerical strength; Monthly Activities Report; Annual Administration Report.

(ix) *Secret and Vigilance Section- “Vig”.*—

- (a) All Vigilance work ;
- (b) Moveable and Immovable property returns ;
- (c) Custody of Top Secret Documents ;
- (d) Custody and Maintenance of confidential character rolls of all gazetted officers and non-gazetted staff at Head-quarters and in outstations offices ;
- (e) Department Promotion Committee;
- (f) Recruitment of Staff.

(x) *Receipts and Issue Section “R & I”.*—Receipts and distribution of all communications received during the day and night, including those received by the Night Duty ; Gestetner Operation ; other duties assigned to the Secophone and Night Duty Staff.

COTTON BRANCH

- (i) *Policy Section .*—Formulation of import and export policy regarding cotton ; preparation of Trade Notices and Press Notes ; correspondence with JCCI regarding requests from mills for change of varieties and extension of validity period ; issue of Notifications, Circulars, etc. under the Cotton Control Order ; action on minutes of meetings of Cotton Advisory Board.

and Standing Committee ; Supply of information required by the Ministry regarding exports, imports, cotton prices, appeals from licencees against JCCI's decision ; Parliamentary Questions ; work relating to International Cotton Advisory Council ; Reference from State Governments regarding interpretation of Cotton Control Orders and Notifications ; Issue of 'A' class licences and prosecutions, etc.

(ii) *Indian Cotton Section*.—Allocation of Indian Cotton and foreign 'B' cotton to mills according to past consumption spindle point production of yarn in the basic counts and policy decided from time to time on the basis of estimates availability of crop from time to time and as advised by the Cotton Advisory Board ; also for new spindles and existing shifts.

(iii) *Foreign 'A' Cotton Section*.—Allocation of foreign 'A' cotton on the basis of past consumption, allocation, etc., calculation of premium, adjustment and Retention Quota.

(iv) *Cotton Control Section*.—On the basis of valuation reports from Regional Survey Committee appointed by EICA, ensuring survey of all lots, and effecting random requisitioning in areas where cotton starts moving. Inspection of books of accounts, ensuring compliance with the requisitioning orders, checking up of prices.

(v) *P.L. 480 Section*.—All work relating to import of American cotton under P.L.480, involving purchase authority, establishment of L/C by mills, recovery of cable and air-mail charges from mills, ensuring prompt and correct rupee deposits by mills in U.S. Account with State Bank ; recovery of adjustment of exchange difference and redistribution of available unutilised balances but of the releases ; arbitration of disputes re : short-weight, quality allowance, etc.

INDUSTRIAL LICENSING BRANCH

Licensing of new undertakings and expansion of existing registered undertakings and issue of expansion licences and amendment of registration certificates, in respect of the manufacture of cotton textiles ; woollen textiles ; rayon staple fibre and flax textiles ; and textile dyes, chemicals and auxiliaries ; watching progress of effective steps by the licencees ; scrutiny of progress reports in form "G" regarding implementation of licences .

MECHANICAL PROCESSING BRANCH

All work relating to mechanical processing of textiles ; permission for replacement of spindles and looms of cotton textile units registered or licenced under the IDR Act ; installation of automatic looms in replacement or for export ; dhoti quotas ; production control and grant of deviation permission to composite mills ; reference to and from I.G.S. Laboratory and other sources regarding testing of cotton fabrics, all work relating to printing quota.

CHEMICAL PROCESSING BRANCH

Formulation of import policy for dyes and textile chemicals and auxiliaries ; classification of dyes, chemicals and auxiliaries for the purpose of the I.T.C. Red Book and the Indian Customs Tariff ; fixation of tariff values for chemicals and dyes ; import of maize for the starch industry under PL-480

and its allotment ; reference from Joint Chief Controller of Imports and Exports regarding import of banned items of dyes and chemicals ; references from D.G.S.D. regarding assessment of requirements of dyes and chemicals by mills executing Defence Contracts ; references from the Handloom Board and the Handicraft Board on Schemes for processing and handprinting units. All production, prices and allotment of staple fibre under the staple fibre control order.

ART SILK BRANCH

All work relating to the development council for art silk industry ; allotment of indigenous art silk yarn to powerloom units ; formulation of import policy regarding manmade fibres.

WOOL BRANCH

All work connected with the Development Council for Woollen Industries ; formulation of import policy for wool tops and woollen textiles ; and advising the Handloom Board and Handicrafts Board and State Governments on Schemes for the Woollen and Carpet Industries .

TEXTILE MACHINERY BRANCH

Collection of statistics regarding capacity, production, labour and capital employed in the indigenous textile machinery industry assessment of the requirements of the textile mill industry of textile machinery, spare parts and accessories and formulation of development programme for indigenous textile machinery industry and policy regarding imports ; complaints about the quality of the indigenous textile machinery and spare parts ; assistance in the supply of electric power ; applications under IDR Act for manufacture of textile machinery, stores and accessories and schemes for manufacture not falling under the IDR Act.

IMPORT BRANCH

Processing of application in accordance with policy decided from time to time, for import of textile machinery and spare parts required by the cotton, woollen, and art silk textile industries ; import of rayon fibres and rayon yarn, import of wool tops, import of special types of sewing thread and industrial cloth and other fabrics ; and import of textile dyes, chemicals and auxiliaries ; statistics of imports of textile machineries and spare parts wool tops and man-made fibres, and textile dues, chemicals and auxiliaries etc., applications for import of capital goods and raw materials for textile machinery manufacturing industry.

POWERLOOMS BRANCH

Issue of permits in respect of transfers of cotton and non-cotton powerlooms ; allotment of Texmark numbers to cotton textile units ; sale and disposal of powerlooms replaced by textile mills and powerloom factories ; Policy matters regarding regularisation of a unauthorised powerlooms ; all other matters relating to powerlooms.

SURVEY BRANCH (TECHNICAL)

Surveys/Investigations into Textile Mills with reference to technical aspects ; preparation of project reports for State Governments, Co-operative Sector, etc.

HANDLOOM BOARD SECRETARIAT

(i) *Policy Section:*

(a) *Policy Cell:*

Rules regarding grant of assistance to States and modifications thereof ; State Governments programme submitted to Planning Commission ; subsidy towards interest on loans and guarantee of losses ; reference from Reserve Bank of India, fabrics society, Handloom Export Organisation, Export Promotion Committee, Central Social Welfare Board, Community Projects Administration ; Meetings of the Handloom Board and follow-up action on minutes of such meetings ; Parliament Questions.

(b) *Schemes Cell :*

Scrutiny of State Governments' Schemes for cotton, wool and art silk and their submission to the Schemes Committee ; issue of "technical approval " to Scheme ; Pilot Scheme ;

(ii) *Evaluation Section :*

Analysis of progress reports of State Governments Inspection reports of R.Os and SRO and Officers of the Reserve Bank and the Board Secretariat Quarterly reports of Coordination Committee of the Ministry—Quarterly and Annual reports—Concurrent—Evaluation of Schemes.

(iii) *Cooperative Powerloom Section :*

Work relating to installation of powerlooms in the cooperative sector of handloom industry .

(iv) *Accounts Section :*

Budgets Estimates—Appropriation Accounts—Reconciliation of Departmental figures with Accounts Office actuals—Maintenance of grants and loans registers—Maintenance of expenditure incurred by the States towards loans of sanctions and expenditures of loans and grants for the Ministry—Watching Audited Statements and Utilisation Certificates from States and other Grantees—Reviews of expenditure with Audit and Utilisation Certificates—Maintenance of register regarding repayment of loans—Issue of demand notices to States regarding repayments of loans and interest thereon—Accounts of stores in the Weavers Service Centres, Institutes etc.—Payment of bills for journals, kiosks, etc., Scrutiny of bills of rebate claims of the Fabrics Society, etc.—Clearance of audit objections—Collection of material for public accounts Committees report—Maintenance of proforma account of cess collection and submission of reports to Ministry;

(v) *Common Services Section :*

Diarising, typing, Despatching, etc.

EXPORT PROMOTION BRANCH

(a) Calculating import entitlements and grant of entitlement certificates for coaltar dyes, chemicals, etc. to exporters of cloth and yarn ; mills exporting

cloth and yarn ; processors of cloth exported ; exporters of tents; exporters of ready-made garments ; exporters of cotton hosiery fabrics, exporters of powerloom cloth other than mill-made cloth, ropes, tapes etc., and any other fabrics which may be decided to be included under the cotton Textiles Export Incentive Scheme.

(b) Calculation of import entitlements for cotton and grant of entitlement certificates to mills in respect of retention quotas and issue of authority for payment of premia to mills surrendering their entitlements on the balance after retention quotas according to different scales of premium prescribed for exports as to quantity and as to the different markets.

(c) Calculating of import entitlements for textile machinery and print of entitlement certificate, to mills.

(d) Maintenance of registers of exports for which import entitlements under various heads have been granted.

(e) Entitlements on exports of mixed fabrics and such other entitlements as may be issued from time to time.

ECONOMICS AND STATISTICS BRANCH:

(i) *General Statistics Section*.—Compilation of provisional and final statistics of production, stocks ; machine utilisation, etc ; compilation of statistics of exports of cotton textiles from published data; (b) publication of the Monthly Statistical Bulletin and Annual review and all other incidental work ; and (c) such *ad-hoc* work as may be assigned to the Section. Compilation of handloom statistics from monthly returns of production, sales and unsold stocks from co-operative societies ; statistics of prices of handloom cloth and yarn prices ; statistics of exports of handloom fabrics ; University Sample Survey ; preparation of Statistical Bulletin.

(ii) *Progress Statistics Section* :

Statistics relating to (a) non-cotton Textiles ; (b) handloom fabrics ; (c) cotton, including ginning (d) coal (e) textiles machinery and stores; (f) textile dyes and chemicals ; and (g) such other items of work as may be assigned.

(iii) *Economics Analysis Section* :

(a) Analysis of statistical data as compiled by other two sections ; (b) preparation of periodical reviews and reports on textile position and problems ; (c) analysis of cloth and yarn price data received from the Excise Officers, Trade Associations and other sources ; (d) market intelligence ; (e) approval of new varieties ; (f) material for Parliament questions ; (g) report on closure of mills ; (h) such other matters as may be assigned.

(iv) *Common Services Cell* :

General Office routine e.g. diarising, distribution of Dak ; computing ; grant of leave to staff ; indent for stationery etc.

COSTING AND MANAGEMENT BRANCH

(v) (1) *Management and Surveying Section* :

(i) Surveys with reference to NIDC, IFC SFC cases.

- (2) Investigations under Industries (D & R) Act.
- (3) Post Loan surveys.
- (4) Surveys relating to references from Ministries.
- (5) Financial and Management analysis of selected mills ; Balance sheet analysis.
- (6) Capital issue and licensing cases ; financial comments on all references from the Ministry.
- (7) Coordination with Company Law Department.

(2) *Cost Accounting Section :*

- (1) Costing of all products including textiles, artsilk, wool, hosiery etc.
- (2) All work relating to Tariff Board enquiries, application of Tariff Board formulae etc.
- (3) Excise duties and their examination with reference to costs and incidence.
- (4) Periodical reviews of cost position, with export incentive schemes, pricing policies, export variety costs etc.
- (5) Rationalisation committee and cost evaluation work.
- (6) Summary enquiries regarding fluctuations in manufacturing costs.

SUPPLY BRANCH

Distribution and supply of coal, cement, and iron and steel to the textile mills and manufacturers of textile machinery and textile accessories.

TRANSPORT BRANCH

Arrangement of wagon space for quick movement of textiles.

REGIONAL OFFICES

Inspection of Mills for enforcement of control regulations, liaison work with State Governments in respect of Handloom Schemes.

WEAVERS SERVICE CENTRES

Technical know how to the Weavers—designs and patterns.

TRAINING INSTITUTES

Research and Training.

APPENDIX IV

(*Vide Para 12*)

Summary of the actual working of some of the existing Orders/Notifications issued by the Textile Commissioner

(i) *Quality of Cloth.*—The cases where the specific standards of quality and durability were contravened during each of the last three years, were negligible.

(ii) *Reservation of specified categories of cloth for production by handlooms and restrictions on the production of printed cloth by composite mills.*—The mills in general produced cloth in accordance with the directions given by the Textile Commissioner and were not resorting to any deliberate contravention of various notifications, particularly the notifications in respect of the categories of cotton cloth reserved for the handloom industry mainly because of the vigilance exercised by the Organisation and consequently there were no cases of any serious infringements of the orders.

(iii) *Powerlooms.*—In 1958, reports had been received that in the non-excisable powerlooms sector, a large number of unauthorised powerlooms had sprung up in different parts of the country. The Government have recently evolved a policy of regularising unauthorised powerlooms set up by owners in different States, and the total number of such looms as declared in the census come to about 40,000 looms, both cotton and non-cotton.

(iv) *Maximum and minimum prices of Indian Cotton, Distribution Control, and Regulation regarding sale and purchase.* The question of checking prices did not arise as all stocks of cotton were requisitioned at ceiling prices. There was thus an automatic check on the price at the time of requisitioning cotton. Sale of cotton over ceiling prices, non-filling or delay in submission of returns by the stockists and mills, admixture of cotton with lower varieties and watering, etc., were some of the irregularities detected in the working of the Cotton Control Order. Threats of non-issuance of licences, quotas of Indian/Foreign Cotton and non-issuance of import and export licences were some of the steps taken to reduce the incidence of the irregularities. The number of irregularities had not been specifically reported. However, it was not denied that in the year 1959-60 the sellers did ask for a price higher than the ceiling price for their cotton. This higher price was generally camouflaged in accounting which could not be detected. The action taken was to resort to requisitioning and to ask for statements from both the buyers and sellers as regards the price at which they bought and sold respectively. Such statements had a lacuna which could not be detected if there were to be a collusion between the buyer and seller in times of scarcity when the buyer was eager to take the cotton. Such instances of collusion were reported unofficially in large numbers in 1959-60. In the years 1958-59 and 1960-61 no such irregularities were reported.

(v) *Stamping of prices and other markings on cloth and yarn.*—With a view to ensuring that the benefits of price regulation duly reached the consumers, the Government made the stamping of prices on mill cloth compulsory. The stamping of price was also made compulsory for the mill-cloth processed by outside processors. Attention of the trade and consumers was also invited by the Government to the notification providing for the sale of the stamped portion of the cloth as the last portion of the piece.

Mills were also requested to make direct sales of yarn to the Handloom Co-operative Societies at ex-mill prices and also to other Associations of Weavers at the prescribed rates.

There is no specific scheme for test-checking the price charged to consumers by the cloth dealers.

The wide publicity of prices for selected varieties together with compulsory stamping of prices which is enforceable under the provisions of the Cotton Textiles Control Order, were the related measures taken to achieve a fair measure of satisfactory working of the Scheme.

(vi) *Distribution of cloth and yarn.*—Since the mills are all aware of the powers of the Textile Commissioner and of the provisions in the Cotton Textile (Control) Order, 1948, it was not found necessary to enforce the provisions by actual issue of directions. The Textile Commissioner keeps a continuous watch over the proper distribution of cloth and yarn to various regions and if any imbalance in such distribution was detected. Timely steps were taken and the mills were persuaded to take immediate steps to correct such distribution faults. The existing trade set up has been functioning effectively and no serious shortage had occurred in distribution.

(vii) *Regulation of Movement of Cloth and Yarn.*—This was one of the measures adopted by the Government when statutory control on prices of cotton cloth and yarn was continued in the post-war period. The continuation of the permit system of movement by rail, road, air, sea or inland navigation from Greater Bombay and the City of Ahmedabad was considered necessary 'not so much with a view to restricting the movement as for the purpose of facilitating quick movement of textiles'.

APPENDIX V

(Vide Para 23)

Statement showing the composition of the Cotton Textile Consultative Board and Cotton Textile Advisory Committee

(i) Cotton Textiles Consultative Board:—The Board was first constituted in October, 1958. It was re-constituted in January, 1961 with the following members:—

1. Minister for Commerce	Chairman.
2. Minister for Industry	Vice-Chairman.
3. Shri Krishnaraj M.D. Thackersey, Sir Vithaldas Chambers, Apollo Street, Fort, Bombay	Member.
4. Shri Kasturbhai Lalbhai, Pankore's Naka, Ahmedabad	Member.
5. Shri Venkataswamy Naidu, Managing Agent, Radhakrishna Mills Ltd., Peelamedu, P.O. Coimbatore	Member.
6. Shri Jayantilal Amratlal, C/O The Ahmedabad Laxmi Cotton Mills Ltd., Outside Raipur Gate, Ahmedabad	Member.
7. Shri Pearelal Seksaria, Director, The Indore Malwa United Mills Ltd., Indore	Member.
8. Shri Bharat Ram, C/o Delhi Cloth and General Mills Co. Ltd., Bara Hindu Rao, P.B. No. 1038, Delhi.	Member
9. Shri Ramnath A. Podar, C/o Messrs Podar (Sons) Pvt. Ltd., Podar Chambers, Parsi Bazar Street, Fort, Bombay	Member.
10. Shri Madan Mohan R. Ruia, C/o Messers Ramnarain & Sons, State Bank Building Annexe, Bombay.	Member
11. Shri Neville N. Wadia, C/o The Bombay dyeing & Mfg. Co. Ltd., Neville House, Ballard Estate, Bombay-I	Member .
12. Joint Secretary to the Government of India, Ministry of Commerce and Industry, New Delhi.	Member.
13. Textile Commissioner, Government of India, Hararwala Building, Wittet Road, Ballard Estate, Bombay-I	Member.

(ii) *The Cotton Textile Advisory Committee*:-

The Committee was first constituted in January, 1959. It was reconstituted in April, 1961, with the following personnel:-

1. Textile Commissioner	Chairman.
2. Shri Krishnaraj M.D. Thackersey, Sir Vithaldas Chambers, 16, Apollo Street, Fort, Bombay-1.	Member.
3. Shri Pratap Bhogilal, Chairman, Millowners' Association, Elphinstone Bldg, Veer Nariman Road Bombay-1.	Member.
4. Shri Gautam Sarabhai, C/o M/s. Calico Mills, Post Box No. 12, Ahmedabad	Member.
5. Shri Ram Ratan Gupta, Behari Niwas, Kanpur	Member.
6. Shri T.P. Chakravarti, C/o The Mohini Mills, Ltd., 28, Canning Street, Calcutta	Member.
7. Shri R.V. Deshmukh, C/o Vidarbha Mills Ltd., Ellichpur (M.P.)	Member.
8. Shri G.K. Devarajulu, Southern India Millowners Association, Peelamedu, Coimbatore	Member.
9. Shri D.W. Law, C/o M/s. Binny & Co., (Madras), Ltd., P.B. No. 66, Madras	Member.
10. Shri Bharat Ram, C/o The Delhi Cloth & General Mills, Co Ltd., Bara Hindu Rao, P.B. No. 1039, Delhi-6	Member.
11. Shri Prabhu V. Mehta, Director, The Calico Dyeing & Printing Mills Pvt. Ltd., P.B. No. 6003, Bombay-12	Member.
12. Shri Navnitlal Sakarlal Shodan, C/o The Sarangpur Cotton Mfg. Co. Ltd., Near Jagannath Maha-dev, Amraiwadi Road, P. B. No. 19, Ahmedabad-8	Member.
13. Shri R.G. Saraiya, Navsari Chambers, Outram Road, Fort, Bombay-1.	Member.
14. Shri Manilal H. Patel, C/o Manilal Patel & Co., P.B. No. 10052, 38, Cowasji Patel Street, Bombay	Member.
15. Shri C.B. Satia, President, The Maskati Panchkuva Cloth Market, Association, Railwaypura, Post Box No. 2, Ahmedabad	Member.
16. Shri Ratansi Champs, President, Bombay Piece-goods Merchants Mahajan (Association), Mulji Jetha Market Hall, 250, Shaik Memon Street, Bombay-2	Member.
17. Shri Babulal M. Mehta, President, Madras Piece-goods Merchants Association, Godown Street, Madras	Member.

18. Shri Brij Bhushan Sharan, President, Delhi Hindustani Merchantile Association, Chandni Chowk, Delhi-6 Member.

19. Shri Naranji L. Kara, All India Exporters Chamber, Janmabhoomi Chambers, 2nd Floor, Fort, Street, Bombay-1. "

20. Shri H. C. Morton, National Machinery Manufacturers Ltd., Stadium House, 81/83, Vir Nariman Road, Bombay-1. "

21. Shri G. A. Kulkarni, The Consolidated Mills Supplies (Pvt) Ltd., Co-operative Insurance Building, Sir Pherozeshah Mehta Road, Bombay-1. "

22. Shri R. L. Makharia, Central India Machinery Manufacturing Company Ltd., Birlanagar, Gwalior (M.P.) "

23. Shri S. A. Kher, Indu House, Dougall Road, Ballard Estate, Bombay-1. "

24. Shri N. V. Ullal, C/o. M/s. Khatau Mills Ltd., Haines Road, Bombay-27. "

25. Shri N. Majumder, Managing Director, National Instruments Ltd., Jadhavpur, Calcutta-32. "

26. Shri T. S. Pattabhiraman, M.A. B.L., M.P., 54/3, Cutchery Road, Vinayaganagar, Mylapore, Madras-4. "

27. Shri Prakash Chandra Saxena, Advocate, President, Etawah District Weavers' Central Cooperative Stores Ltd., Barahi Tola, Etawah (U.P.) "

28. Shri A. R. Bhat, M. Com., M.L.C., 256, Sadasiv Peth, Poona-2. "

29. Shri S. R. Vasavada, Textile Labour Association, Gandhi Majoor Sevalaya, Bhadra, Ahmedabad. "

30. Shri G. Ramanujam, President, I.N.T.U.C., (Southern Branch), Coimbatore "

31. Shri I. B. Dutt, Industrial Adviser (Textile Production), Office of the Textile Commissioner, Bombay-1. "

32. The Under Secretary, Branch Secretariat, Secretary Ministry of Commerce and Industry, Bombay "

APPENDIX VI

(*Vide Para 71*)

List of the items of Textile Machinery which are not manufactured in the country at present or for which capacity is not adequate

A. Cotton Spinning Machinery :

- (i) Blow Room Machine.
- (ii) Carding Accessories.
 - (a) Vacuum Stripping plant.
 - (b) Flat Grinding Machines.
 - (c) Flat and Milling Machines
- (iii) Draw Frames (Modern types)
- (iv) Combers.
 - (a) Silver lap Machines.
 - (b) Ribbon lap Machines
 - (c) Combers
- (v) Speed Frames (Modern types)
- (vi) Yarn Gassing Machines
- (vii) Auto-reeling Machines
- (viii) Yarn Testing Machines
 - (a) Warp Reel
 - (b) Tea Tester
 - (c) Twist Tester
 - • (d) Yarn Balance
 - (e) Yarn & Silver evenness Tester
 - (f) Quadrant
 - (g) Single Thread Tester
 - (h) Fibrograph (with accessories)
 - (i) Conditioning oven
 - (j) Ball Sorter
 - (k) Ballistic Tester
- (ix) Waste Plant
 - (a) Willow

- (b) Roving Waste Opener
- (c) Bonde opener
- (d) Roller and Clearer Card
- (e) Waster Ring Frames

B. Cotton Weaving Machinery :

- (i) **Winding, Warping and Sizing**
 - (a) Automatic Warp Winding Machines
 - (b) Automatic Prin Winding machines
 - (c) High Speed sectional warping machines
 - (d) Knotters
 - (e) Multi cylinder sizing Machines
 - (f) Hot Air Sizing Machines

Accessories :—

- (i) Moisture Control Apparatus
- (ii) Homogenisers
- (ii) **Drawing in**
 - (a) Automatic warp typing machines
 - (b) Automatic drawing in machines
 - (c) Automatic Reaching in machines
- (iii) **Looms**
 - (a) Leno Looms
 - (b) Terry Looms
 - (c) Carpet looms
 - (d) Tape looms (Modern types)

Accessories :—

- (i) Dobbies—can type
- (ii) Card cutting machines
- (iv) **Cloth Testing Machines**
 - (a) Fabric breaking strength tester
 - (b) Ballistic tester
 - (c) Thickness gauge
 - (d) Permeability tester
 - (e) Thermal conductivity tester
 - (f) Launderometer
 - (g) Abrassion tester

C. Chemical Processing Machines :

- (i) **Bleaching**
 - (a) Shearing and Cropping Machines

- (b) Singeing
- (c) Open width bleaching plant
- (d) J. Box bleaching plant
- (e) Water Mangle (Drying range)
- (f) Hydro extractors
- (ii) Mercerising
 - (a) Yarn Mercerising
 - (b) Caustic Dye cooling plant
 - (c) Caustic Recovery plant
- (iii) Dyeing
 - Cheese and Beam dyeing plant
- (iv) Screen Printing
 - (a) Printing machines (over six colours)
 - (b) Screen printing machines
- (v) Finishing Machines
 - (a) Raising machines
 - (b) Shrinkage control machines (Sanforising)
 - (c) Calender Bowls for
 - (i) Multi Cylinder calenders
 - (ii) Embossing calenders
 - (iii) Felt calenders
 - (iv) Chasing calenders
 - (v) Friction calender
- (vi) Universal calender
 - Woollen/Worsted Spinning Machinery
 - Woollen Machinery
 - 1. Blending machines
 - (a) Rag tearing machine
 - (b) Willey Machine
 - (c) Fearnaught Machine
 - (d) Garnet Machine
 - (e) Carbonising Machine
 - 2. Carding Machines
 - (a) Auto Hopper Feeder
 - (b) Double Scribler Card
 - (c) Scotch Feed
 - (d) Condenser

3. Spinning Machinery

- (a) Woollen Spinning mules
- (b) Ring frames

B. Worsted spinning machinery :

- (a) 16 Ball revolving card
- (b) Auto-leveller Intersecting Gill Box
- (c) Auto-leveller draw box
- (d) Reducers
- (e) Dandy Robers
- (f) Spinning frames
- (g) Twisting frames

C. Winding, Warping :

- (a) Auto pirn winders
- (b) Gross drum winder, Double drum winder and quick traverse winder
- (c) High speed warping machines.

D. Weaving :

- (a) Powerlooms with circular or drop Box motion.
- (b) Powerlooms (Shuttle change types)

E. Woollen Finishing Machines :

- (a) Rope washing and scouring machine
- (b) Milling machines
- (c) Hydro extractors
- (d) Cloth tenting
- (e) Raising—Double action Teazle
- (f) Raising—Double action wire
- (g) Shearing
- (h) Cradding and Blowing
- (i) Brushing
- (j) Rotary Press
- (k) Shrinkage, Chlorination and Felting
- (l) Folying

F. Dyeing Machines

- (a) Loose Wool dyeing machines
- (b) Slubbing and dyeing machine
- (c) Cheese and Cone Dyeing machine
- (d) Piece dyeing machine.

APPENDIX VII

Statement showing the summary of recommendations/conclusions

Sl. No.	Reference to para No. of the Report	Summary of conclusions/recommendations
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1	7	It should be easily possible for the Establishment Sections of the Textile Commissioner's Office to take over the work, such as confirmation of Gazetted and non-Gazetted staff, circulation of all orders, rules and regulations affecting service conditions etc. from the Administration Section of the Branch Secretariat.
2	7	The Committee note that despite the lapse of six years after the organisation was made permanent the Recruitment Rules have not been finally approved. The Committee feel that once the Rules and Regulations regarding recruitment, seniority, confirmation, channels of promotion etc. of all classes of staff are finalised, there should be no difficulty in the handling of establishment and administrative work of a few thousand men by the Textile Commissioner's own Office. In fact it should make for expediency inasmuch as the work will be handled by those who have full background and knowledge of the working of the Organisation.
3	9	<p>(i) As far as coordination of information is concerned which at present is being handled by the Branch Secretariat, the work can evidently be handled with ease by the Textile Commissioner who has a field organisation as well as a specialised section (Economics and Statistics Branch) for this work.</p> <p>(ii) As regards correspondence with the Main Secretariat on formulation of policy which is being handled at present by the Branch Secretariat, it can be dealt with by the existing policy sections in Cotton Branch of the Textile Commissioner's Office and Handloom Board Secretariat respectively, while the work</p>

relating to art silk and wool could be handled by the existing Art Silk Branch and Wool Branch of the Textile Commissioner's Organisation.

(iii) Similarly work relating to import of machinery and raw materials being handled at present by the Branch Secretariat, could be handled by the Import Branch; for industrial licensing by the Industrial Licensing Branch and exports by the Export Promotion Branch etc. There should thus be no difficulty in devolving these functions on the Textile Commissioner's own organisation.

4 10 Since Control Orders vest the authority for prescribing further conditions for execution of orders, such as the quantities of yarn or cloth to be produced, fixation of maximum and minimum prices for purchase and sale of different varieties of cotton etc. in the Textile Commissioner, no difficulty should be experienced by him in handling directly the work of Control Orders.

Where the Orders themselves need amendment, this work can be handled more appropriately by the Main Secretariat.

5 11 The Committee note that the inception of the Branch Secretariat in Bombay was due entirely to the exigencies of war time and the period of scarcities which followed thereafter.

The Committee hope that Government would see its way to reducing radically the strength of the Branch Secretariat at Bombay, if not altogether abolishing it.

6 12 The Committee consider that the implementation of some of the important Control Orders has not received sufficient attention from the Textile Commissioner's Organisation due to either inadequacy of staff or want of requisite and well-knit enforcing machinery. The growth of unauthorised powerlooms is a pointer in this regard.

7 14 Even though the total figures of the cases pending disposal in the headquarters branches of the Textile Commissioner's Organisation have shown an improvement during each of the last three years, the Committee are surprised to note that the total number

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of cases pending disposal for over three months as on the 31st of December 1960 has shown a marked increase in 1960 over the previous two years.

8 15 The Committee suggest that the work of drafting the Policy Manual undertaken in 1960 may be expedited and completed early.

9 16 The Committee welcome the steps taken by the Textile Commissioner towards greater devolution of powers and responsibilities which they hope would result in a better outturn of work. At the same time they would also like that the reasons for inordinate delays should be gone into in detail and remedial measures adopted. It should be examined in particular whether the delays have arisen because of the procedure or conventions followed in the regions or headquarters or both resulting in the putting up of cases to higher levels unnecessarily.

10 17 The Committee consider that it would be desirable to reduce the existing number of levels of supervisory officers in the headquarters organisation of the Textile Commissioner.

11 18 It seems to the Committee that the Textile Commissioner continues to be unnecessarily burdened with the work of issuing transport permits long after the justification for it has ceased owing to the abandonment of the statutory control on distribution of cloth etc. They suggest that a comprehensive review of the duties and responsibilities allotted to the Textile Commissioner may be made with a view to shedding such of them as are unnecessary.

12 19 The Committee consider it unfortunate that the report on the organisation of the Textile Commissioner by the S.R.U. in 1955 should have become 'out of date' soon after the completion of their study. They suggest that the S.R.U. should undertake a fresh review of the entire Organisation of the Textile Commissioner to see how far it was geared up to achieve its objectives and in what respects economies could be effected.

13 20 The Committee suggest that besides dealing with complaints of corruption etc. the Vigilance Officer in the Textile Commissioner's Organisation should

also devise suitable measures in collaboration with the O & M Section for the prevention of corrupt practices. They also suggest that the possibility of taking a few important and representative textile organisations into confidence and requesting them to give particulars of specific cases along with the supporting proof which may facilitate enquiry and the taking of remedial measures, may be considered.

14 21 (i) The Committee consider that the time lag in the compilation of the statistics should be reduced so as to ensure their timely publication. Suitable action may be taken against the defaulters who fail to submit the returns in time and their names published in the relevant issue of the publication.

(ii) The Committee would also like the Textile Commissioner to examine the practical utility of various returns which are at present being compiled and to see which of them could be dropped, simplified, abridged, etc.

15 22 The desirability of publishing the Annual Administrative Report of the Textile Commissioner's Organisation separately or alongwith the Annual Review of Production, Distribution etc. of the Textile Industry, may be examined.

16 24—26 (i) While the functions of the Cotton Textile Consultative Board are so comprehensive, the interests represented on it are only those of the mill industry.

(ii) The Committee recommend that the feasibility of having a single representative advisory body in place of the existing Cotton Textile Consultative Board and Cotton Textile Advisory Committee, may be examined.

(iii) The Committee envisage the setting up of an integrated advisory body on which the representative of Cotton, Cotton Textile Industry inclusive of textile labour, Handloom and Powerloom Sectors and Textile Machinery Industry are duly represented. In this apex body, the representatives of trade and consumers could also be included with advantage. With such an arrangement where the diverse interests are brought together in a common forum, it would be possible for it to discuss among other things allocation of targets of production to

various sectors and to review them from time to time in the light of their performance *vis-a-vis* requirements.

17 33 (i) The Committee consider the present uncertain position as regards the Third Plan target capacity for the powerloom and handloom sectors as very unsatisfactory from the point of view of planning the development of the cotton textile industry as a whole.

(ii) They suggest that steps may be taken to collect accurate statistics relating to the working of the production units in the decentralised sector so that it is possible to make realistic allocations as between the centralised and decentralised sectors and *inter se.* between the handlooms and powerlooms in the decentralised sector.

18 34 (i) Considering that the Cotton Textile Control Order, 1948 specifically authorises the Textile Commissioner to prescribe the classes, specifications, and quantities of cloth or yarn to be produced by the Mills, it is desirable that a sample survey is undertaken to assess the actual requirements of the consumers in the matter of coarse, medium, fine and superfine cloth.

(ii) Should the survey of requirements reveal significant deviations from the present pattern of production it will be desirable and even necessary to collect detailed data and to arrange for the appropriate overall production pattern taking also into account.

(a) the production in the decentralised sector for which yarn is supplied by the spinning mills;

(b) the quantity and type of cloth meant for export.

19 37 The Committee hope that the licences for the additional spinning capacity to the extent of 4 million spindles during the Third Plan would be issued very early and that the additional spindles would be installed without avoidable delay so that the decentralised sector does not have to face any difficulty during the Third Plan period in obtaining all its requirements of yarn.

20 39 In view of the fact that the Cooperative Spinning Mills would primarily be meeting the requirements of the handlooms and the fact that the well established policy of the Government is to encourage the growth of cooperative ventures, the Committee feel that the

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Government should have a more positive approach in the matter of promoting establishment of cooperative Spinning Mills.

21 40 The Committee would like the Government to give special attention to the difficulties faced by the mills so that the needs of the Mills for the third shift working are met quickly and as many units as possible go in for working round the clock.

22 43 (i) The Committee observe that with two lakh looms in the industry, the revised formula evolved by the Indian Cotton Mills Federation would make for the introduction of nearly 12,000 new varieties in a year which obviously are on the high side. They deprecate the tendency on the part of the textile mills to introduce new varieties by frequent changes in the production of existing varieties of cotton fabrics. They cannot resist the conclusion that one of the primary reasons for this is the desire of the mills to increase their margin of profit and thus sidetrack the voluntary price control.
(ii) The Textile Commissioner should devise suitable measures to exercise a stricter watch over the mills in order to curb this undesirable tendency particularly when the mills tried to curtail or change the production of well established and popular varieties of cloth.

23 44 The Committee are of opinion that the Textile Commissioner should be more effectively associated in the matter of fixation of prices of cloth and yarn so that the consumers' interests are safeguarded.

24 45 The Committee consider that if the Textile Commissioner were given authority to make purchases of cloth and yarn *incognito* in the open market, it would enable him to assess the market conditions and the effectiveness of the Voluntary Price Control Scheme to check whether the price and month and year of production were stamped on all mill cloth. They would like the Government to consider the matter again keeping this desirable aspect in view.

25 45 The Committee recommend that the prices of intermediate counts of yarn and yarn above 40s may also be fixed so that there is no apparent uncertainty as regards their price.

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26 45 The complaints received from the public in regard to the working of the Voluntary Price Control Scheme should be carefully investigated and remedial measures taken. Since the scheme is purely voluntary in nature and can be worked successfully only with the active co-operation of the public, it should be widely publicised and the mills should be persuaded to insert advertisements giving retail prices of popular varieties so that the consumers are put wise and do not pay more.

27 46 The Committee suggest that complaints regarding non-availability of goods to the established wholesalers at ex-mill rates in some parts of the country, may be investigated by the Textile Commissioner and suitable remedial action taken.

28 46 The Textile Commissioner should investigate complaints relating to some of the mills charging premia on popular varieties and some insisting on lifting of unpopular and uncurrent goods alongwith popular goods and take necessary steps to curb such undesirable practices.

29 47 The Committee recommend that besides the opening of retail shops by the mills, establishment of consumer's co-operative stores may be encouraged so that cloth is made available at fixed rates to the public.

30 48 The Committee are of the view that since yarn constitutes the raw material for the decentralised sector adequate check should be exercised by the Textile Commissioner's Organisation on the quality of cotton yarn produced by the textile mills so as to ensure specific standards of quality and durability.

31 50 The Committee consider that the best way of meeting the cotton requirements obviously is to so step up the indigenous production that it catches with the requirements. So long as this cannot be achieved it may be advisable to have adequate buffer stock of cotton in the country to meet any unforeseen shortfall in cotton production without upsetting the price structure of cotton and cloth. Before taking a decision about the buffer stocks, Government would no doubt examine in detail whether such stocks should be maintained by them or carried by the industry.

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32	51	Since the shortage of cotton is anticipated this year, the Committee consider that the Government, profiting from past experience, should take early stock of the position and initiate suitable action. Timely imports of cotton may also be arranged to make good the shortfall.
33	52	The Committee suggest that a study may be made of the steps so far taken in the direction of ensuring purity of cotton with a view to seeing if they have led to the desired results and to find ways of effecting improvement.
34	54	The Committee recommend that the procedure of granting licences for import of dyes and chemicals and auxiliaries should be streamlined to cut out delays. A lot of time could for example be saved if the applicants were asked to send the original application to the Joint Chief Controller of Imports giving simultaneously a copy to the Textile Commissioner so that the latter may send his recommendations within specified time to the Joint Controller.
35	57	<p>(i) The Committee consider it unfortunate that out of the total number of 50 textile units surveyed and recommended for financial assistance for rehabilitation and modernisation amounting to Rs. 13.60 crores during the last six years, only 18 units had actually availed themselves of the financial assistance amounting only to Rs. 4.85 crores.</p> <p>(ii) The Committee consider that difficulties faced by the units in the matter of procuring machinery from indigenous manufacturers or in getting licences for procuring machinery from abroad, timely availability of foreign exchange etc. need also to be looked into.</p>
36	60	The Government, judging from the lack of data with them, have neither kept a careful and continuous watch on the progress of rehabilitation and modernisation by the various units in the industry nor looked for effective remedies to overcome the hesitation or slackness noticed on the part of Mills to undertake the urgently needed measures.
37	61	(i) The provision of Rs. 20 crores for assistance to be rendered by N.I.D.C. for rehabilitation and modernisation of the Textile Industry may not prove

adequate. The Committee would like the Government to review the position from time to time in the light of the actual utilisation by the mills of loan assistance through the N.I.D.C. and if found necessary to increase the provision suitably.

(ii) They also suggest that precise requirements of rehabilitation and modernisation of the textile industry (mill-sector) may be ascertained mill-wise and thereafter a phased programme for its implementation may be drawn up having regard to the availability of the resources and equipment. It may also be necessary to ensure that the time limit envisaged for the execution of such a phased programme is strictly adhered to by the units.

38 62 (i) In order to enable a firm plan being drawn up for rehabilitation and modernisation of the textile industry, the Committee consider it desirable that the necessary amount of foreign exchange be earmarked for meeting the essential requirements during the Third Plan period.

(ii) They also suggest that the foreign exchange likely to be made available to the textile industry for rehabilitation and modernisation may be made known to the Industry in the beginning of each financial year.

39 63 In view of the difficulties being experienced both by the mills/machinery manufacturers in the matter of import of machinery and other ancillaries etc., the Committee recommend that the existing procedure may be reviewed and made more business-like so as to cut out avoidable delay.

40 64 Having regard to the need for building up of an efficient industry with the willing cooperation of labour, the Committee urge that the Rationalisation Committee should meet more often and function effectively.

41 65 (i) The Committee suggest that the reasons for the Regional Committees for maintenance of plant and machinery not functioning effectively, may be examined.

(ii) It may be advisable to lay down the minimum number of meetings to be held in a year by the Central and Regional Maintenance Committees.

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(ii) The Committee may with the assistance of the Textile Commissioner's Organisation also keep a close watch over adherence by the mills to the maintenance schedules drawn up by them.

42 68 (i) The Committee are of the view that the Textile Commissioner's Organisation could play an effective role in the matter of timely averting of closure of mills. It would be of advantage to the Organisation from this stand point, to continuously study the Annual Reports, Balance Sheets etc. and to maintain up-to-date history cards in respect of each of the textile mills in the country. Such a record containing the necessary details would also help the Textile Commissioner to keep himself posted with the condition of the machinery and the extent to which they require rehabilitation and modernisation.

(ii) The Committee feel that there is need for closer coordination between the Textile Commissioner's Office and the Company Law Department so as to ensure that cases of mismanagement, inadequate provision for depreciation etc. are detected without delay. The functions to be discharged by the two organisations in this respect may be clearly laid down by the Ministry of Commerce and Industry under which the two organisations function, care being taken to see that there is no avoidable overlapping of functions.

43 69 The Committee have not considered in detail the financial implications of the proposal for setting up a Closure Fund out of which compensation may be paid to the old units going out of production. They are nevertheless in agreement with the object underlying the suggestion namely that old and outmoded equipment should be gradually weeded out. The Committee suggest that Government may carefully go into the matter and take early decision on this recommendation of the Working Group.

44 71 The Committee recommend that Government may help the industry to procure the requisite quality of pig iron and steel. The Government may consider encouraging the manufacture in increasing numbers of ball bearings and specialised items, such as, measuring instruments, gauges, etc. so that the industry is able to fulfil the targets.

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45 71 The Committee consider that urgent steps should be taken by Government to step up capacity for manufacturing automatic looms. It may also be ensured that the automatic looms being manufactured in the country are comparable in quality with those which are being used by mills in other advanced countries who are offering keen competition to India in export of textiles.

46 71 (i) The Committee would like to stress the need for developing indigenous manufacture of textile machinery for man-made fabrics as very little progress has been made so far in this direction.

(ii) The Committee would urge the Government to pay special attention to the question of progressively manufacturing of important items of textile machinery which either there exists at present no capacity for indigenous manufacture or where it is inadequate.

47 72 The Committee feel that the unique opportunity offered by the programme of rehabilitation and modernisation of the industry should be taken as a challenge by the textile machinery manufacturers to improve their quality so that the mills who go in for indigenous machinery do not find themselves in any way handicapped in the matter of production of quality goods.

48 73 (i) The Committee are constrained to note that despite the repeated emphasis laid on the setting up of an Inspectorate by the Working Party (1952), Tariff Commission from time to time and the Working Group (1960), Government have taken an inordinately long time even in formulating the scheme. It is still not clear as to when the Inspectorate would actually start functioning.

(ii) The Committee hope that the setting up of the Inspectorate would not be delayed any further.

49 74 (i) The Committee regret the absence of a Research Institute catering to the exclusive needs of the textile machinery manufacturing industry in the country and would urge the early establishment of an Institute similar to those functioning in foreign countries. The Committee have no doubt that the textile industry and textile machinery manufacturers would willingly join in this venture making their own financial contribution and they would be given an adequate representation on the governing body of the Institute.

· The Textile Industry's experience of over one hundred years would come in handy in giving point and substance to the research work of the Institute.

(ii) In the meanwhile, each of the existing textile research Associations may by mutual agreement deal with some aspects of machinery development and help to improve its efficiency and productivity.

50 75 The Committee consider that the Industrial Advise to the Textile Commissioner should remain in touch through the Research Associations etc. with the rapid changes which are being effected in textile machinery due to modern technological development.

51 76 The Committee are of opinion that the exact spheres of work of the development of the textile machinery manufacturing industry being performed at present by the Textile Commissioner and the Development Wing of the Ministry of Commerce and Industry, should be defined so as to avoid all possible duplication of efforts and delays if any taking place in the disposal of applications.

52 77 (i) The Committee consider it unfortunate that differences between the textile machinery manufacturers and the representatives of the textile industry have impeded the work of the Textile Machinery *Ad Hoc* Committee and its study groups who were expected to prepare a detailed programme for various types of textile machinery used for spinning, weaving etc. . . .

(ii) In the larger context of the development of the Textile Machinery Manufacturing Industry, it is imperative that there is the closest coordination between the textile machinery manufacturers and the representatives of the Textile Industry and they hope that it would be achieved soon.

53 78 The Committee feel that the development of the Textile Machinery Manufacturing Industry has not been given sufficient attention all these years and there is paramount necessity for developing the industry and research relating thereto. They recommend that a Development Council be constituted for the Textile Machinery Manufacturing Industry at an early date.

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54 83 The Committee recommend that steps for development of starch for ancillary industries and for promotion of exports should be taken to ensure full and efficient utilisation of the increased production of the industry.

55 84 In view of the fact that the starch industry has been enjoying a sheltered home market for several years and is supplied the raw material namely imported maize at controlled price, the Committee feel that it should have been possible for the industry to market the product at the international price.

APPENDIX VIII

Analysis of recommendations contained in the Report

I. CLASSIFICATION OF RECOMMENDATIONS

- A. Recommendations for improving the organisation and working :**
Sr. Nos. 1 to 4, 6 to 9, 12 to 16, 30, 34 to 36, 39, 42, 48, 50 and 51.
- B. Recommendations for effecting economy :**
Sr. Nos. 5, 10 and 11.
- C. Recommendations relating to the developmental functions :**
Sr. Nos. 17, 19 to 21, 31, 37, 38, 40, 41, 43 to 47, 49 and 52 to 54.
- Miscellaneous :**
Sr. Nos. 18, 22 to 29, 32, 33 and 55.

II. ANALYSIS OF THE MORE IMPORTANT RECOMMENDATIONS DIRECTED TOWARDS ECONOMY

Serial No .	No. as per summary of recommendations.	Particulars
1	5	Reduction in the strength of the Branch Secretariat at Bombay if it were not to be abolished altogether.
2	10	Reduction in the number of levels of supervisory officers in the headquarters organisation of the Textile Commissioner.
3	11	Review of the duties and responsibilities allotted to the Textile Commissioner with a view to shedding such of them as are unnecessary.