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EDITORIAL

| | |
|-----------------------------|---|
| The Crisis in Textiles | 1 |
| Economic Democracy on Trial | 3 |
| Falling Off the Fence | 4 |

| | |
|--------------|---|
| WEEKLY NOTES | 5 |
|--------------|---|

| | |
|--------------------|---|
| OUR DELHI LETTER | |
| Freaks of the Fisc | 6 |

| | |
|--|---|
| SPECIAL ARTICLES | |
| Retreat from Glory —Hyperion | 7 |
| Measurement of Industrial Efficiency —M. M. Mehta | 9 |

| | |
|------------------------------------|----|
| Evacuee Property —Aruna Mukerji | 11 |
|------------------------------------|----|

| | |
|--|----|
| Genesis of Capitalist Agriculture —Khaleeq A. Naqvi | 13 |
|--|----|

| | |
|---------------------------|----|
| FROM SOUTH INDIA | |
| Tourist Centres in Madras | 15 |

| | |
|-------------------------|----|
| MONEY MARKET | |
| Is Capital on "Strike"? | 18 |

| | |
|---------------------|----|
| STOCK EXCHANGE | |
| Featureless Trading | 19 |

| | |
|--------------------------------|----|
| COTTON MARKET | |
| Cotton Prospect and Retrospect | 21 |

| | |
|--------------------|----|
| CURRENT STATISTICS | 23 |
|--------------------|----|

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THE CRISIS IN TEXTILES

TODAY, industry in India is precariously balanced at a point at which it cannot rest. Labour, industry and Government are alike conscious of the crisis that threatens our economy. In the textile industry, unemployment has assumed alarming proportions. Unemployment is a contagious disease; it rapidly spreads from one industry to another. Cotton textile is one of the major industries of the country; acute unemployment in such a big industry will, unless checked in time, have serious repercussions throughout Indian economy.

That is why, the postponement of the tripartite Conference of the representatives of labour, industry and the Government of India which was to have met in Bombay on September 10, 1949, to October has caused disappointment in labour and industrial circles. Criticism has been made that New Delhi's cavalier treatment of the cotton textile industry is a serious reflection of the Government's unawareness of the grave situation as well as of lack of planned official policy to assist and stimulate economic recovery.

On a closer examination of relevant facts, such criticism appears to be hasty. From recent pronouncements by official spokesmen, it is apparent that the Government have, by implication, assumed responsibility for finding work for those who are threatened with unemployment. It is true that the Government have yet to reveal the ways in which they propose to secure employment for the unemployed, but indications are not lacking that overall measures are under active contemplation by the Government.

Meanwhile the Government have responded promptly to the threatened crisis in the cotton industry. Manufacturers have been blaming the inexperienced distribution machinery, introduced under the system of overall control on cloth, for accumulation of cloth stocks with mills. Recently, the control over distribution of cloth has been lifted, and experienced wholesale dealers, who are familiar with tastes and habits of consumers and with trade channels, have been allowed to re-enter the distribution trade.

Explanations for the postponement of tripartite textile talks, are now available. The Minister for Industry and Supply feels that the wholesale dealers who have recently been allured to re-enter the trade, should be given time and chance to clear accumulated stocks. Mr. Shyamaprasad Mookerjee has come down to

Bombay, and has had upofficial parleys with the interests concerned to acquaint himself with the situation. But the official talks stay postponed till October by which-time all the aspects of the problem are likely to manifest themselves in their true perspective.

While the furore created among textile labour and industrial circles at the postponement of the talks seems unwarranted, mutual recriminations between labour and industry continue. Labour leaders accuse the textile industry of forcing an engineered crisis. There are ugly suspicions that a section of the industry is in collusion with some wholesale traders for delaying or postponing clearance of cloth stocks in order to sabotage the whole system of control on cloth as well as to throw workers out of employment.

Industry's violent hostility to the Development and Control of Industries Bill is a well advertised fact. There is reason for suspicion by labour leaders that industry highly disapproved of the Government's belated determination to lower the prices of essential commodities and manufactured goods. Labour specifically accuses industry—and the textile industry in particular—of curtailing production in order to keep prices at an inordinately high level and of forcing unemployment as an alternative to lower wages so as to perpetuate bloated profits.

Confronted with such hostile criticism, the textile industry retorted that it was not opposed to control of prices but to control on distribution and production of cloth. It argued that cloth was not being sold because of bottlenecks and deficiencies in distribution and production of cloth. Distribution control has been re-

adjusted. But, the industry insists that, unless it is allowed freedom to produce the varieties that are in demand, cloth will remain unsold. There is something in this, and the industry's claim for a wider choice in the manufacture of piece goods deserves careful consideration by the Government.

What about prices? Though the industry is non-committal, labour and the Government seem to share the consumer's conviction that cloth stocks will go on accumulating unless prices are drastically reduced. Recent reports from New Delhi indicate that the Government contemplate a reduction of 10 per cent in the prices of cloth, iron and steel, cement and of some other essential goods. Irrespective of whether or not such a cut in the prevailing prices for essential goods is adequate, there is the main problem of how to effect it. So far, the Government have not revealed details of their price cut programme. But, it is a highly encouraging sign that labour is showing evidence of its increased responsibilities as a partner in economic activity.

Industry insists that prices can be reduced by lower wages and introduction of rationalisation. Labour, naturally, resists and resents the demand for wage cuts. Instead, it advocates lower profits, increased industrial efficiency and reform of company finance and management. These are highly desirable reforms and call for immediate attention and action by Authority. And, labour has enhanced its prestige and its legitimate claim to be heard by its acceptance of the need of rationalisation in industry.

Mr. Asoka Mehta's acceptance of rationalisation is conditioned by his clamant demand for total transformation of ownership and

control of textile mills. This raises far wider issues, and may ultimately torpedo schemes for rationalisation. Rationalisation has its advantages. It is a safe assertion that without rationalisation neither prices can be lowered nor economy can recover. Because industry and, now, labour, accept rationalisation as a remedy, there is the danger that it may be hastily implemented without due consideration of its inevitable repercussions.

To stress the possible repercussions of rationalisation is not a plea against its implementation, but in the absence of comprehensive labour insurance legislation and of social insurance, rationalisation may entail undue hardship. Are labour, industry and the Government aware of the additional burden and sacrifice involved in the introduction of rationalisation? Some time, some day, the interests concerned will have to foot the extra bill. Those who believe that political stability cannot be attained without economic strength will hope that, under the threat of deteriorating economy, labour, industry and Government will accept their respective responsibilities to the country.

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