GROWTH OF BASEL MISSION INDUSTRIES AND THEIR IMPACT

Chapter IV

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AND THEIR IMPACT

In the year 1833 the British Parliament while renewing the charter of the East India Company, made provisions for granting the right of entry into India, to all Europeans. This Act was passed when the Home Committee was arranging to send out three young men of the Basel Mission College as their pioneer missionaries to India. In 1834, Rev. Samuel Hebich, John Lehner, and Christopher Greiner embarked in the ship ‘Malabar’ to the Malabar coast. The ship cast anchor on the 14th of October, 1834 in Calicut. From Calicut the missionaries went to Mangalore situated about 195 KM north of Calicut and there the first activities of the Basel Mission society was inaugurated along all their respective lines.¹

A good number of Roman Catholics were living in the town of Mangalore at that time. The new missionaries faced many difficulties at first. Caste Prejudice in those early days was very strong and people desiring to embrace Christianity had to make heavy sacrifices. They were regarded as outcasts by their community, and so they lost all employments all pecuniary help from their relatives and friends, and were hence wholly dependent for their livelihood on the missionaries. These

difficulties made the missionaries to devise ways and means to find employment for their first converts. Thus the Basel Mission Industries came into existence.²

The evolution of industrial activity of the Basel Mission can be divided into three phases chronologically first phase (1839-1852) the experimental efforts of missionaries, second phase (1852-1882) under the control of Industrial commission and third phase (1882-1914) under the auspices of the Mission Trading Company.³

During the early phase (1839-1852) the missionaries organized various industrial activities mainly based on local crafts along with efforts to rehabilitate converts in agriculture. Both experiments were not a fully successful achievement. This early phase of industrial activities was characterized by the initiatives undertaken by the industrial missionaries on their own and its organization was marked by a high level of decentralization.

Since the initial industrial activities were not successful in 1846 an industrial commission was established in Basel and during the middle phase industrial activities became increasingly under the central control of the industrial commission. This period is characterized by the

². Ibid., p.17.
establishment of factory type of production organisation. It was during this period that handloom industries reached viable levels of growth.

In the final phase (1882-1914) due to trading surplus the Basel Mission industries were able to enter into the capital markets in Europe. Tile factory happen to spring up in Malabar under the banner of Basel Trading company. Tile factories were opened at Puthiyara, Feroke, Kodakkal and also at Olavakkode. There was a big market for tiles. While there were 89% of employees as converts in tile factories the share of converts is about 55 per cent only. The apparent reason for this could have been that tile factories would have to be located in areas which have availability of raw materials and transportation facilities. In such areas, labour recruitment would have followed availability than the preference for converts. From tile factories the Basel Mission moved into the weaving and spinning industries and thus weaving mills were established at Calicut and Cannanore. The Kakki Mill cloth largely made for uniforms in the armed forces were manufactured by Basel Mission for the first time in India.\(^4\)

Trade activities were also under taken by missionaries under the leadership of trade commission which had existed in the mission side by side with the industrial commission. It was later taken over by the newly formed joint stock company of missions.

The conducting of trade not only to assist mission by their profit but also to teach the non-Christians the real Christian way of dealing in social and economic matters.

**Basel Mission Industries**

We shall now turn to a detailed account of the process of industrialization. In 1840, the Rev. Weigle, the missionary in charge of the Mangalore congregation, with the intention of starting a printing press went to Mumbai to study the art of printing press and there in the course of his study, was presented with a lithographic press for the mission by some English Friends. With this he returned to Mangalore in February 1841 and this was the nucleus of the new press, which later developed into a fairly large industry called the “Basel Mission Press. During the next year a second lithographic press was presented to the Mission. Work was prosecuted vigorously by means of these presses, with the result that in the year 1843, it was possible to print Bible Portions of both the old and New Testament in Tulu, Kanarese and Malayalam. In the year 1851 Plebst came to India and transformed the lithographic press into a typographic one. The press also acted as a light to the world in the printing of religious books and literature.⁵ It met the demand of the various schools and colleges of the Basel Mission and other corporations in the Kanarese and Malayalam speaking districts. It also took up work

for such publishing houses as Macmillan & Co and the Madras and Bangalore Auxiliaries to the British and Foreign Bible Society.

Another start along industrial lines was made in the year 1844, when weaving was introduced. Weaving was a popular industry then carried on by certain people of the weaver caste. The material named ‘Calico’ is said to be called after the town of Calicut on the West Coast. This peculiar cotton cloth was first woven there. This new industry was first started on a very small scale. Rev. Metz the missionary of the Mangalore station supervised this department till 1851, when Haller, a trained specialist in weaving was sent out from Germany, who on arrival at Mangalore introduced the first handloom with the Fly shuttle. Along with weaving, dyeing work was also started, and the Khaki dye was the first, invented by Haller.\textsuperscript{6} This improved productivity of weavers from 50 per cent to 200 per cent depending on the cloth.

He endeavoured to prepare a dye for hunting suits which would approximate to the natural colour of the soil and would not be conspicuous from a distance. The one which he prepared out of the rind of the cashew-nut tree (Anacardium occidentale) and of the extract of the heart wood of the catechu tree (Acacia catechu) both of these trees being common in this district, answered the purpose and was called Khaki,

\begin{footnote}
\end{footnote}
from the Hindustani 'khak' meaning ashes, dust. When Haller first brought out his khaki, the then superintendent of police in Mangalore was so pleased with it that he got permission to introduce it for the use of the police force under him.  

Lord Roberts, when he was the commander-in-chief of India, once paid a visit to the Mangalore weaving establishment and it was then that he happened to see 'khaki' which he afterwards recommended for the use of the British soldiers.” Likewise, the Shikari cloth was first introduced by this weaving establishment. Webster designed the colour and so the material became known as ‘Webster’s Shikari.” Encouraged by the success of weaving in Mangalore, weaving establishments were established in other mission stations on the west coast such as Cannanore and Calicut, with increased improvements in various departments.

Although weaving was introduced in 1844, it was not possible to train young men in other useful handicrafts. Attempts were therefore made to send young men abroad to study the trades of book binding, tailoring, blacksmithing etc. This having been found unsatisfactory, two lay missionaries Muller, a watch maker, and Boesinger, a mechanic came out to Mangalore in 1848, with the intention of training men in the mission itself. They carried on watch making and clock and timepiece

7. Ibid.
8. HoFmann, H., op. cit., p.28.
repairing for some time. Eventually, this industry became a failure owing to the lack of sufficient scope for such work.

A Book binding department was started in the year 1854 in connection with the printing press. The printing and book binding were mainly related to religious and educational activities. Job works for various organizations were undertaken.

Moreover another handicraft, carpentry, was introduced in the year 1856 at Calicut by Lauffer, a well trained master carpenter who came from Germany. Calicut was chosen because it was already a centre of timber industry. Here also many young men learned the carpenter's trade and many of them returned to their respective mission stations quite able to make their own living.

In the year 1865 another industry, tile making was begun at Mangalore. Until then the want of a well fitting roofing tile was keenly felt all over the country. Plebst first drew attention to this fact, and encouraged the Mission to start the first tile factory at Jeppo near Mangalore. The first tile press was established in 1866. It was at first worked by hand, and thereafter by bullocks. The number of workmen employed in the factory in the beginning was twelve, and the daily number of tiles made was only 500. In 1866 seven well-equipped up-to-date factories were being run, employing about 2000 people (1200 Christians and 800 non-Christians) who made about 60,000 tiles a day.
As this industry was being developed, the necessity for a mechanical workshop was keenly felt to meet the needs of the various factories. Accordingly a Mechanical establishment was opened at Mangalore in the year 1874, under the superintendence of Huttinger who later became the chief Engineer of the Basel Mission Home Board.9

The Basel Mission Weaving Establishment

The Weaving industry was at first confined to the making of cotton checks of suiting. But, gradually, Jacquard looms were fitted up, and on them not only ordinary table and household linen, such as table clothes, towels, napkins, etc were woven, but also superior damask linen of ordinary and superior mercerized materials were produced. In the year 1902 in order to provide for girls who did not continue their studies after their primary education, embroidery was added to the weaving industry. This department was later enlarged and placed under the management of two European lady superintendents with native assistants. Ninety girls at Calicut and twenty girls at Cannanore were employed in this particular departments in 1902.10 A later development was the introduction of mechanized knitting. The Basel Mission factories became the first to manufacture vests and stockinette materials.


Until some years ago, coloured twists required for weaving, with the exception of a few, were imported from Europe. The dye houses in connection with the weaving establishments at Calicut and Cannanore were later converted into up-to-date well equipped plants. This enabled the dyeing of fast colours for materials. This became a well known speciality of Basel Mission cloth industries. Some of the work in the weaving industry was done by hand, but owing to the pressing demands for products from all parts of India and from other countries as well, steam power was introduced for doing the twisting and winding of threads on bobbins, and for dye works. Accordingly steam Engines were introduced. The actual weaving, however was done on hand looms.

A tailoring department was established in connection with the weaving industry. In that department youths from the different stations of the Basel Mission who could not prosecute their studies beyond their primary course, were admitted as apprentices. During the course of their apprenticeship, which generally extends over a period of three to four years, most of the boys were at liberty to leave their temporary home and started their own tailoring shops or they should have worked in other shops in their respective towns. The two tailoring departments had the pleasure to record that a number of young men were taught this useful trade.

11. Ibid. p.45.
12. Ibid., p.49.
The Calicut Weaving establishment was opened in the year 1859 with ten looms. The Mangalore weaving establishment specialized in manufacture of superior cotton checks, table and household linen and mercerized ladies and gentlemen's clothing goods.

Basel Mission united weaving establishments had the administrative office at Calicut. The Calicut Head Office controlled and directed the activities of all the three establishments, both in regard to manufacture and sale. Patterns of all the products were issued from the Head office to all parts of the world. Travelling agents were also sent out from Calicut throughout India, Myanmar and Sri Lanka, for advertising and selling the products. The first tile factory was started at Jeppoo, Mangalore in the year 1865. The hand presses and mills driven by bullocks were replaced by machines worked by steam power in the year 1881, when the first steam engine was set up at Mangalore. The tiles manufactured there having been found of immense usefulness to the public and to the government, the latter, as a mark of its appreciation, issued order to their public works department to use mission tiles for all public buildings.\(^\text{13}\)

The government made available firewood from forests and encouraged the manufacture of these tiles. At first only flat roofing tiles were made at Jeppoo. Later, ridge tiles both plain and ornamental,

\(^{13}\) H. Hofmann, *op. cit.*, p.30.
skylights and ventilators, ridge and hip terminals, grooved spire tiles, hanging wall tiles, ceiling tiles of many different designs, houdis or ceiling slabs, common or ornamental clay flooring tiles, Victoria cement flooring tiles, and earthen ware, drainage pipes, terracotta vases flower pots, architectural terracotta ware etc began to be made. These products were appreciated by architects and builders. This was especially the case in towns where timber was rare and expensive.\textsuperscript{14} It could be stated that BM Tile Industries in an indirect way helped arrest deforestation. The products of all these weaving establishments were exhibited in various exhibitions. In the year 1911, in order to facilitate matters and to make it easier for the public in effecting purchases, the establishments were united under one head and called Basel Mission weaving establishments at Calicut. The products were exhibited in exhibitions and this gave them great publicity. Marketing of these products effectively still posed a problem. The products provided certain advantages namely resistance to heat, exclusion of noise from storey to storey, water tightness, strength and durability.

There are monuments that exhibit the technical skill of the clay manufacturers of tile works, in many large towns of India and Sri Lanka.\textsuperscript{15}

\textsuperscript{14} Ibid., p.31.

\textsuperscript{15} The Chapel at Jappoo, the belfry and band-stand at Calicut, a Chapel in Ceylon.
The second tile factory was started at Calicut in the year 1873, similar to the one at Jeppoo, with hand presses, bullock mills etc. Gradually, the work developed and steam engines were installed. The factory had two hundred and twelve hands engaged in its operation, the daily out turn being about twelve thousand tiles of various kinds, such as flat roofing tiles, flooring tiles, ceiling hourdis, ridges etc.

In the year 1882, a factory was started at Kudroli, a suburb of Mangalore, where three hundred and eighty eight people worked and the outturn being about five million tiles a year. Another factory at Malpe, near Udipi, was started in the year 1886, the fifth at Codacal near Edakulam, where two hundred and eighty five people worked, the sixth at Palghat, where two hundred and forty persons worked, and in the year 1905, the seventh factory was established at Feroke, about 6 km from Calicut, where two hundred and thirty three persons worked. These seven factories were equipped with up-to-date machinery and works were carried on under factory rules and regulations, and the factories were periodically visited and inspected by government officials, such as factory inspectors, sanitary and medical officers, and the district magistrates.16

The products of these seven factories were sold through the Indian Empire, Myanmar and Ceylon and also exported to foreign countries. In

Africa, the Railway buildings on the Uganda Railway from Mombaza to Port Florence, the Railway terminals at Victoria Lake, were all covered with Mission roofing tiles. In Africa Basel Mission Tiles were also being stocked at different places. Tiles were also exported to Aden, and to Basra on the Persian Gulf at the mouth of Euphrates. The titles were exported in rather large quantities to the straits settlements to Sumatra, British Borneo, and even to Australia. This means that tiles had won really a world wide reputation.¹⁷

The Basel Mission Mechanical Establishment

The next mechanical establishment was began in the year 1874. It was at first meant to make minor implements required for the different tile and weaving factories, and to repair machinery for those factories. The work, however, has developed greatly along other lines under the able management of its founder, Huttlinger. Boys from many different congregations went there for practical training and later worked as engine drivers, firemen, blacksmiths etc being employed on Railways, in factories, mines and elsewhere. The Mechanical Establishment not only executed repairs, but also made new machines, such as tile presses, water pump etc. Many other useful articles such as water carts, night soil carts, lamp posts, iron gates etc were also made.

The establishment won a great reputation in the making of iron safe of various kinds. Many public offices, banks and mercantile houses used Basel mission fire proof safes, which were fitted with modern unpickable and uncopiable 'Protector'. Keys and locks, made with drill proof armour plating. This made it very difficult to be drilled or cut open by burglars.

The Mechanical establishment later took up contracts for the construction of bridges of considerable size. For the Public Works Department in South Canara the ME constructed some splendid bridges. The establishment also turned out splendid wooden household furniture of artistic designs at moderate cost. Many public offices patronized this establishment. To many a government office iron racks and record shelves were supplied.  

It is a striking fact that all these factories, three weaving establishments with their branches, seven tile factories and the mechanical establishment put together gave employment to 3600 Indians of whom 2800 were Christians. Workmen were looked upon merely as operators in the factories but much consideration was given to their material and spiritual welfare. All factories had provident institutions connected with them. Such as the savings fund and the sick fund, all the benefits of which the working men and women were permitted to enjoy.

18. The Mechanical Establishment of Basel Mission issued illustrated catalogue and furnishes list of articles manufactured by them.

The facilities for depositing savings from their wages for the purpose of encouraging among them the invaluable quality of thrift. Hostels were maintained in some of the factories for young men and girls. In several Basel Mission factories houses were built for the accommodation of families, and these were rented to them at a nominal rent.\textsuperscript{20}

The Basel Mission Industries had created a spirit of self-reliance amongst many of the members of the congregations on the west coast. And many Indian Christians began to run book binding and carpentering establishment handed over by the missionaries. Many weavers were supplied with looms and other accessories to enable them to carry on their trade independently. At Cannanore and Mangalore several weaving establishments came into being, conducted independently by Indian Christians.

The Basel Mission Industries not only contributed their net profits to the general work of the Basel Mission carried on in India, but also gave substantial help to other permanently useful institutions.

One or two instances are quoted here: the buildings of the Basel Mission college MCC Calicut, were constructed entirely by funds contributed by the Basel Mission Industries. A substantial donation was also given for the Calicut Young Men’s Christian Association’s building

\textsuperscript{20} Inspector of Factories, \textit{IV Circle}, Coimbatore, 1939, p.12.
fund. These instances showed that the establishments were not mere money making concerns, but were also a means of doing good to the whole country and to its people.

The pioneer missionaries from the very commencement of their mission work in India, looked forward to an India thoroughly changed, socially intellectually, morally and physically.

**INDUSTRIAL LABOUR**

The industrial workers in India constituted a permanent labour force such as existed in European countries. In fact most of the workers in organized industry were not permanently domiciled in the industrial centers in which they were employed but were villagers who came to the centers of employment for varying periods and whose homes were in the native villages. Industrial labour within the Basel Mission church had an entirely different character. They formed a permanent class of workers, dependent solely on wages as a means of livelihood and wholly detached from the land. In fact owing to the peculiar circumstances which characterized the early history of the church, Christian labourers who found employment in factories had from the very beginning severed their connection with their ancestral villages. Families depending upon weaving establishments – whether handloom factories or power loom factories were found to be generally more prosperous than families

depending upon tile factories. For in weaving establishments the workers had to show more intelligence and manual dexterity wages on the whole were decidedly higher.

The effect of disparity in wages got very much aggravated by the varying demand for female labour in the two industries. In a weaving or a hosiery factory there were many delicate operations which could best be performed by female labourers. The operations which carried out in a tile factory were on the other hand so strenuous and fatiguing that female workers did not get much scope for employment. The following table which contains the number of males and females employed in the different factories situated near Christian congregations will show how families who depend on the tile industry were at a strenuous disadvantage.22

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<tr>
<td>Male</td>
<td>299</td>
<td>441</td>
<td>929</td>
<td>186</td>
<td>309</td>
<td>121</td>
<td>164</td>
<td>385</td>
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<tr>
<td>Female</td>
<td>148</td>
<td>240</td>
<td>237</td>
<td>19</td>
<td>2</td>
<td>53</td>
<td>32</td>
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22. Ibid., p. 18.
The scope of industrial welfare was not measured by wages and income alone. In order to obtain a complete picture of the conditions under which labourers lived was to examine the operation of various acts and administrative rules by which the state seeks to secure for the workmen certain minimum standards of health, safety and comfort inside the factory. A study of industrial welfare must also include all attempts made by the workers themselves, through organization and corporate endeavour, to establish better living conditions for themselves.

The Workmen’s Compensation Act (1923), The Factories Act (1934), The Madras Maternity Benefit Act (1934) and the Payment of Wages Act (1936) from the four pieces of labour legislation with which industrial workers within the Basel Mission church were most intimately concerned. The factories Act laid down a maximum of 54 hours a week and 10 hours a day for adult workers in perennial factories. According to the Report on the working of the Factories Act, out of 1290 perennial factories in the Presidency 318 factories allowed less than 48 hours a week in the case of men, and 250 factories in the case of women. All weaving establishments and tile factories in which the members of the Malabar church were employed however work for 54 hours a week with a maximum of 9 hours per day. About 48% of the workers in the congregation found employment in one large weaving establishment.

which did not seem to possess adequate arrangements for the elimination of dust. The harmful effects of dust upon the operative’s health attracted the attention of the Royal Commission on Labour in India: “In a number of factories the manufacturing processes disseminate a large quantity of dust, arrangements for the elimination of which are frequently defective. Mechanical systems which result in a constant flow of fresh air would add greatly to the comfort of the operative, and would in some cases improve his output, more important is the conservation of the worker’s health, for the prevalence of dust may result in pulmonary disease. In certain manufacturing processes, particularly connected with cotton, jute and wool the reduction of dust to a minimum should be made obligatory.”

The Payment of wages Act proposed to secure the prompt payment of wages earned. According to this act the person responsible for the payment of wages in a factory had to fix periods in respect of which the wages should be payable, and no wage period should exceed one month in duration.

In the factories where Basel Mission Christians were employed wages were paid at the end of every week or fortnight. According to the Madras Maternity Benefit Act Perennial factories had to pay maternity benefit to women workers at the rate of 8 annas a day for seven weeks.

The workmen's compensation Act formed another measure which failed to achieve its purpose in certain cases. According to this Act if personal injury was caused as a workman by accident arising out of his employment, and the effects last for more than seven days, his employer was liable to pay compensation. Varying rates of compensation were prescribed for death, and disablement whether total or partial. Among welfare schemes undertaken by managers were given to the sick fund saving and endowment fund and the provident fund which formed a characteristic feature of the factories managed by the Commonwealth Trust. In one Commonwealth Factory 67% of the labourers were reported to be members of one or other of these funds faculties for the worker's recreation and the education of their children were provided by the Aaron's Spinning and Weaving Mills. Night Schools were conducted for the benefit of factory hands by the Malabar Christian College at Calicut and by the Devadas Malabar Reconstruction Committee at Feroke. No co-operative credit societies were found in any factory, but co-operative stores for the benefit of factory hands were started by Aaron's Spinning and Weaving Mills, the Standard Tile Works and the Kerala Tile Works. In these factories no welfare work carried on by labour organizations. The International Labour office on Industrial Labour in India States: "Welfare work is also carried on by some workers

25. Ibid., p.57.

organisations, the most notable examples being some of the postal unions in different parts of the Bombay presidency, the railway men's unions and the Ahamedabad Labour Union's. Some of the railway men's union have organized co-operative societies and various kinds of funds for the provision of specific benefit, unemployment and sickness benefits. The All India Railway men's Benefit Fund and Life Insurance. The Welfare work of the Ahamedabad Labour Union is carried out by different committees which respectively responsible for running hospitals for both indoor and outdoor patients. Although worker's seemed to be conscious of their disabilities at all stations no regular trade union was found anywhere except at Cannanore in Malabar.

When the Basel Mission Internationals passed into the hands of the Commonwealth Trust a definite change took place in the attitude of the management to the Christian employees. Formerly these factories were maintained by the Basel Mission for the purpose of providing a means of livelihood for converts and for training them in handicrafts. Thus in 1913 out of 2428 persons employed in the Basel Mission Industrial establishments in Malabar 1824 or 75% were protestant Christians. When these factories were transferred to an association which did not have any official connection with the Malabar church, the original purpose of these industrial concerns gradually receded into the

background. The following table which gives the total number of working days in weaving establishments and tile factories where most of the Christian labourers find employment will show how hard they were often but by economic fluctuations and labour troubles.29

The impact of Second World War posed great problems to the industrial establishments and also threats to labourers.

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<td>303</td>
<td>277</td>
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<td>274</td>
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<td>1939</td>
<td>3056</td>
<td>233</td>
<td>308</td>
<td>300</td>
<td>312</td>
<td>306</td>
<td>193</td>
<td>277</td>
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No sort of unemployment insurance was found in any factory. It must however be admitted that the help rendered by the church out of its meager resources, commendable though it might be, formed but a poor substitute for unemployment relief funds of the contributing type to which an unemployed labour could turn without injury to his self respect.

29. Inspector of Factories IV Circle, Coimbatore, 1913, p.17.
The Commonwealth Trust (India) Limited, Calicut

Mention was made of the intervention of the world war and the taking over of some firms by the British Government. After the war, the Commonwealth Trust Ltd was incorporated in 1919 for the purpose of acquiring and carrying on business formerly run by Basel Mission Trading Company. In 1978 keeping with the Government of India’s policy of Indianisation of foreign policies a company under the name and style of Commonwealth Trust (India) Ltd came into existence. At present C.T.I.L. is a Public limited Company owned and managed entirely by Indians with its registered office at Mananchiri, Kozhikode. However, the purpose continues to be to support the various charitable institutions set up by the Basel Mission trust. The scheme of transfer of assets provide for limiting the dividend payable to the share holders of the company to 15% and to ensure that all surplus will be utilized for the benefit of the company.

The company is a pioneer in south India for the manufacture of terracotta tiles and hand woven fabrics and continues their leadership in these fields. The product of the company are well known in India and foreign markets. “Comtrust” has five tile factories and 2 hand loom weaving factories. The textile factories are situated at Calicut, Mananchira and Beach Road and the tile factories at Feroke, Puthiyara, Olavakkode in Kerala and Jeppo and Kudroli in Mangalore.  

The material is said to have been woven in Calicut first and the material got the name ‘CALICO’ from the name Calicut.

The colour which subsequently became famous as khaki was originally invented by this firm, likewise, the SHIKARI CLOTH which is now very popular was first introduced by this weaving unit. The company also supplies fire retardant woolen upholstery for seats and curtain materials to Indian Air lines. East India Hotels (OBERIO Group) Indian Hotels (Taj Group) and to I.T.D.C. and Indian Railways.

The main business of tile division is to manufacture and sell terracotta tiles and auxiliary products. The companies domestic market for tile products include, Kerala, Karnataka and Maharasthra. The company also exports tiles to middle east countries.

**Capital Structure**

The Share capital of the company is 1,25,000 equity shares of Rs.10 each, which is fully paid of this 50,000 shares have been allotted in pursuant to a scheme of amalgamation without payment being received in cash. The capital structure also contains, 5000 unsecured special debentures of Rs.1000 each issued and allotted pursuant to the scheme of amalgamation to COMTRUST Charitable Trust A major portion of these debentures is held by employee welfare trust which has been formed exclusively for the benefit of employee. In 1977, as per FERA Act at least 51% of the shares had to be with Indian Resident.
Accordingly, the share holding pattern of the company was arranged as follows:

- Commonwealth employees welfare Trust: 48%
- Canara Bank: 30%
- Management and Confidential: 12%
- General Public: 10%
- Total: 100%

![Diagram showing share holding]
Organization structure

Organisation structure of C.T.I.L. is internal arrangement of group of individual, who are working together for the common goal of the company. The company is constituted with seven elected directors including Chairman, twenty executive staff and 242 other grades.

The company is managed by the Chief executive elected by the Board, is not a director but an employee, of the company. The Chief Executive is assisted by Divisional Manager Textiles and all other functional managers.
Source: Compiled from the Profit & Loss Statement and other Financial Data of Commonwealth Trust Office, Calicut
Production Textile with Tile

The Commonwealth Trust (India) Ltd has two types of products – Tile and Textile. The Textile Division of Comtrust produces only cotton hand woven fabrics for this purpose the company employees 420 looms in the two factories. Over 1000 men and women are employed in the factories. The products of textile division are woven on both plain and Jacquard looms. Main raw material of textile goods is yarn, incidental raw-materials are dyes and chemicals.

The tile division of Comtrust produces, different types of tiles mainly Terracotta Tiles. The factory alone employees about 2000 persons. The main raw materials for the production of tile is clay and firewood.

a) Production of Fabrics

The textile production process is controlled by a separate department in the factory called Production Programming and Control Department (P.P.C). The main function of materials on the basis of priority of orders.

The department consists of a team of well qualified and experienced personnel for conducting day to day operations. PP&C Department provide timely information to the dye-house, yarn store, winding section and warping section. In each stage of the process of
production, there is another department for developing new designs and samples.

The production is done according to the nature of orders received from the concerned party. The order contains the pattern number, quantity required etc on the basis of this, sales department will prepare H.O. Text order and forwarded to PP&C, PP&C programme the production on the basis of this.\textsuperscript{31}

**Production Process**

Textile production consists of different processes starting from dyeing and ends to hemming and stitching. All these process are done in respective sections, viz. Dye House, Bobin Winding section, Warping Section, Weaving Section and Hemming and Stitching Section.

1) **Dye House**

Dye House is an important department in textile factory. The yarn must be dyed before being issued to weavers for this purpose PP&C prepares dye order to the dye house. The dyeing process is done manually, but employing all modern technology known available to achieve an excellent range of rich colours. A fabulous colour range is developed out of most sophisticated imported vats, naphthasis and

\textsuperscript{31} Interview with Vijayan, HRD Manager, Comtrust, Calicut, March 10, 2002.
dazzling reactives. Mainly four types of dyes are used for the process, they are vat, dyes reactives, Naphthalas and Acid dyes.

The dying process starts with KIER BOILING. It is done by using steam. The purpose of this is to remove impurities contained in the grey yarn. Kier Boiling is done by using caustic soda and detergent. This is done for about 8 hours after that it is washed within the boiling vessel by spraying water through a pipe which is inside the boiling vessel. Next step is bleaching of yarn using bleaching powder to give white colour to the yarn.

After bleaching it is again washed in the ordinary water. Then it is washed in sulphuric acid and then in soda ash water after that it is washed in the ordinary water again and then put it in a machine to squeeze the water then sorted into different counts.

For dyeing the yarn the dye is to be mixed in hot water which is heated by passing steam into it up to a certain degree Celsius. To make dyes first they take the required colour which is in the powder form. Then it is pasted by using Texta pole oil. After that caustic soda water is mixed with this. Then sodium hydrosulphate which is in powder form is mixed with this coloured water to get original colour. The coloured water is slowly mixed with hot water which is filled in tubes. And then the yarn put into this water. It is kept there about 40minutes.Woollen yarns is to be dyed for 2½ hours and jute is to be dyed for 1, 1½ hours. In case of jute
peroxide bleaching is also done. Vat dyes got indirect colour. The colour seems to be different in the tube and when came into contact with the atmosphere, it will get its original colour. The dyed chamber is kept therefore ½ a day and then dyed a yarn is bundled if any defect is found it is sent for correction.

2. Bobin Winding Section

When dyeing is over, the yarn is sent to PP&C department for inspection. After inspection PP&C department issued the yarn to bobbin winding section. The Bobin winding is done manually. After bobbin winding, the bobbins are again reached at the PP&C department.

3. Warping Section

After bobbin winding the PP&C department issued the bobbin to warping section for preparing warp. This warp is stored in PP&C department. Then on the basis of priority, PP&C issues the warp to weavers along with weaver's card.

4. Weaving Section

For fresh weaving warps are drawn through Healds and Recks. These are tied up with Heald Shaft on the other and hand warps are joined with the balance in the looms. Meanwhile PP&C issues warp yarns to the pern winding section. A sample of cloth must be approved by the supervisor.
When weaving is over, the fabric is inspected by weaving shed supervisor. They measure the cloth and record it in the weaver's card and affix their signature. Then this weaver's card is forwarded to PP&C department. On receipt of this PP&C prepares a set of production record card showing pattern number, quantity, pieces etc. Then the material along with the production record card is forwarded to hemming and stitching section.

5. Hemming and Stitching Section

In this section the finishing work is done. The finishing work contain stitching, ironing rolling etc. Rolling is done for the purpose of dispatching. If there is need for pre shrinking the material returned to dye house for washing it in the ordinary water. This section transfers the finished material to the warehouse along with production record card.

Production of Tiles

The raw materials for the production of tile is clay and fire woods. These are purchased locally from the outside contractors. Two type of clay are used for the production. Lean clay and plastic clay. These are generally available from the paddy fields, from where it is transported to factories. Clay is not available in rainy season so it is purchased in bulk and stored in clay dump. For the production of tiles lean clay-yellow in
colour and plastic clay-black in colour are to be mixed in fixed proportion. Different factories adopt different ratios for mixture.

**Ratio adopted by different factories and yearly requirement of clay**

<table>
<thead>
<tr>
<th>Factories</th>
<th>Lean clay</th>
<th>Plastic clay</th>
<th>Ratio of clay mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Olavakkode</td>
<td>8,400 boxes</td>
<td>8,400 boxes</td>
<td>1 : 1</td>
</tr>
<tr>
<td>Feroke</td>
<td>38,400 boxes</td>
<td>19,200 boxes</td>
<td>2 : 1</td>
</tr>
<tr>
<td>Puthiyara</td>
<td>13,200 boxes</td>
<td>13,200 boxes</td>
<td>1 : 1</td>
</tr>
<tr>
<td>Jeppoo</td>
<td>19,200 boxes</td>
<td>9,600 boxes</td>
<td>2 : 1</td>
</tr>
<tr>
<td>Kudroli</td>
<td>9,000 boxes</td>
<td>18,000 boxes</td>
<td>1 : 2</td>
</tr>
</tbody>
</table>


Tile factories store clay for a certain period to cope with the seasonal fluctuations. The stock usually kept at every month of May. Over and above the clay required for current year production are as follows.

**Table showing clay in stock**

<table>
<thead>
<tr>
<th>Factory</th>
<th>Lean Clay</th>
<th>Plastic clay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Olavakkode</td>
<td>11 months</td>
<td>11 months</td>
</tr>
<tr>
<td>Feroke</td>
<td>9 months</td>
<td>12 months</td>
</tr>
<tr>
<td>Puthiyara</td>
<td>10 months</td>
<td>10 months</td>
</tr>
<tr>
<td>Jeppoo</td>
<td>11 months</td>
<td>11 months</td>
</tr>
<tr>
<td>Kudroli</td>
<td>11 months</td>
<td>11 months</td>
</tr>
</tbody>
</table>
Clay purchased during a season is estimated by using the following formula.

Clay purchased = Xx (Y.z)

Where

- X = Quantity consumed in 12 months on 100% full working
- Y = Stock in the dumps both Lean and Plastic
- Z = Stock on 31st May.

On receipt of the requirement for a year the purchase department sends tender notices to various clay suppliers and arrange for clay purchase. Another important raw material for production of tile is firewood. It is purchased on contract basis and it should be supplied in split and stacked form.

### Yearly Requirement of Firewood at Different Factories

<table>
<thead>
<tr>
<th>Factory</th>
<th>Kiln section</th>
<th>Drying Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Olavakkode</td>
<td>3,600 c.metre</td>
<td>900 c.metre</td>
</tr>
<tr>
<td>Feroke</td>
<td>10,000 c.metre</td>
<td>6,000 c.metre</td>
</tr>
<tr>
<td>Puthiyara</td>
<td>4,800 c.metre</td>
<td>2,000 c.metre</td>
</tr>
<tr>
<td>Jeppoo</td>
<td>900 chowkes</td>
<td>165 chowkes</td>
</tr>
<tr>
<td>Kudroli</td>
<td>1,080 chowkes</td>
<td>320 chowkes</td>
</tr>
</tbody>
</table>

Source: Commonwealth Trust Office, Calicut.
Before starting production a programme of production is made for each factory. Head office production department prepares a production programme for each months for each factory based on number of potential working days. This is arrived at after deducting the number of Sundays and other festival/national holidays during that month.

Production Process

The tile production process is having five process which are done in respective sections or departments. They are clay section, pugmill section, press departments drying section and kiln department.

1. Clay Section

In this section the main process is clay preparing and transporting from clay dump to vat. The clay – Lean and Plastic mixed in the required proportion. The clay is kept there some time in order to remove excess water.

2. Pugmill Section

The clay mixed is then fed into the main pugmill. This is done by filling the clay in rail trolley and lifting it to the top of the feeding place. The clay from here is then fed into the pugmill manually. The clay is extruded through a mouth piece and it is cut into blocks and stored.
3. Press Department

After storing for two days, these blocks are sent to second pugmill where it is cut into slabs. The slabs are transferred to Revolver Press for pressing. Smearing oil is used to avoid sticking. The pressed tiles are received on a wood pallet on one side and it is transferred and placed on conveyer belt manually on the other side. Expression roller is used for cutting houridis, bricks, flooring tiles, etc.

4. Drying section

Pressed tiles (wet) are kept on the kiln top for drying. Normally it will take 10 days for drying. During monsoon it will take 20 to 25 days to get it completely dried. The factory uses artificial drying also by burning fire wood block on the Kilm Verandha and Kiln tops. When tiles are kept on racks the pressed tiles should completely be dried before it can be burnt.

5. Kiln Department

The kiln is the heart of the industry from which the main process is carried out. All the dried goods are sent to the kiln for baking for about 4 to 5 days. The kiln is an old type of cyclic kiln having a number of chambers and each chamber has fixed capacity. The dried tiles are brought to the chamber and is sealed with bricks and clay paste.

Firing is done through feed holes from the top of the Kiln firewood is used for burning the dried tiles. After keeping them for 4 or 5 days
these tiles are taken out and then sorted into different classes as per the company’s specified standard and stacked separately.

Marketing

Comtrust has separate sales department for marketing their products, both in domestic and foreign markets. Domestic sales again divided as local sales and country sales. A major portion of tile products and a small portion of textile products are sold in local markets. A major portion of textile products are exported also a small portion of tile products are exported to middle east countries.

The company is a pioneer in South India for manufacture of ‘Terracotta Tiles’ and Hand woven Fabrics and continues their leadership on this fields. Apart from leading textile stores in the country, the special customers of Comtrust fabrics are large hotel groups such as East India Hotels (Oberoy Groups) Indian Hotels (Taj group) various projects under Indian Tourism Development Corporation, Railway, Indian Airlines etc company supplies fire resistant furnishing galley curtain and light weight blankets to Indian Airlines. The annual turn over of textile products comes approximately to 4 crores of total production about 65% of total production is exported. Domestic market for textile products cover mainly metropolitan cities like Delhi, Bombay, Calcutta and Madras. 95% of sale of tile products are made through domestic market and only 5% is exported.
Marketing of Tile Products

A major portion of tile products are marketed in domestic market. Marketing of tile products are arranged in two ways, directly or through agents. The direct sale of tile products is rare. Major portion is marketed through dealers. For the purpose of sale production the company appoint commission agent all over India. The rate of commission is between 5% and 7.5%. The Agents appoint sub agent also.

The company receives the purchase order directly or through agent from the customer on receipt of purchase order a set of confirmation order is prepared, first copy to the customer second to the main dealer and last copy to the concerned factory where delivery is made. Simultaneously sales department instruct the factory to despatch the required quantity to buyers destination. Invoicing takes place at factory. The original copy of Invoice along with Way bill forwarded to Agent through banks in receipt of the amount the bank credits that amount to company’s account. The export sale is also made through agents by water transport.

Marketing of Textile Products

Major portion of textile products are exported. There is domestic market also for the textile products. Now the company concentrated on exports. These exports are channelised through their London agent, Parry
Murray & Co. Parry Murray and Company is not an agent because the Company does not pay commission to them. They just buy the products of Comtrust and sell it at higher rate.

**Domestic market working**

On receipt of orders from customers, textile sales department prepare H.O.Text order and passed to PP&C department. PP&C after checking it, returned to sales department specifying the delivery period and other remarks, if any then the textile department confirm the order.

In the order along with the items required the buyer will also mentioned their banker’s name and address, mode of dispatch ie. by lorry/rail etc. Textile department then give a description of the order to factory. After completing production the finished goods goes to warehouse. Invoicing is done here and the goods mound to dispatch section where it is packed on gunny bundles. On one side of the bale buyer’s address is shown and also the gross and net weight of the bale and relative RR/LR are sent to textile department together with the invoice for onward transmission to party.

Textile department will prepare bill of exchange on the party’s name to recover the value bill of exchange like:

- **D/A** : Document against acceptance
- **DA** : Document on payment.
Depending on the credit worthiness and the relationship with the buyer, a period say 30/40/60 days are allowed to buyer for the payment of D/A bill. Bill of exchange together with copy of invoice, original LR/RR are forwarded to Comtrust and they in turn negotiate the documents to buyer’s bank for collection. On receipt of payment from Party’s bank, the process are credited to Comtrust’s account.

Export

For Export to any country, the company has to obtain a code number from RBI and also from chief controller of Imports and Exports. Parry Murray & Company forwarded the orders to Comtrust. The order specify material required width, length, rate, buyer’s address, identification mark for showing outside bales, destination point, mode of shipment, delivery required, terms etc. The company accept orders with letter of credit, is safe to the company.

As soon as the invoices are ready, company arrange for inspection by textile committee. For inspection the application is given in triplicate together with a copy of invoice to Textile Committee.

The Textile Inspector will examine the materials and give back 2 copies of application with his endorsement. Then apply for certificate of origin to Textile Committee by sending the 2 copies of combination form given by Inspector. Then the Textile, committee will issue, the certificate
of origin in duplicate. The original of this document is forwarded to the agents. This document is necessary for the buyer for claiming duty free at the time of clearance of goods.

As soon as the inspection is over, the goods are dispatched to Cochin/Madras for arranging shipment to buyer’s destination point.

After inspection and dispatch of goods the following papers are forwarded to clearing agent:

a) 6 copies of invoice
b) 6 copies of packing list
c) GR form in duplicate
d) Draw back claim form (for handloom goods draw is 3% on F.O.B. value).

This is in cash discount allowed by the Government to the exporter for Central Exercise duty paid on yarn used for exports on the basis of foreign order. Bank will advance 70% of the value of the order to exporter as pre-shipment advance (Packing credit) charging nominal interest. Bank will also discount the bill given to them for negotiation and credit the amount to the party in advance before they receive the amount from Overseas.
Export Earning of COMTRUST for Five years

<table>
<thead>
<tr>
<th>Years</th>
<th>Export in lakh</th>
<th>% of total turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-91</td>
<td>96.11</td>
<td>14.41</td>
</tr>
<tr>
<td>1991-92</td>
<td>185.20</td>
<td>18.50</td>
</tr>
<tr>
<td>1992-93</td>
<td>258.24</td>
<td>23.15</td>
</tr>
<tr>
<td>1993-94</td>
<td>278.21</td>
<td>21.85</td>
</tr>
<tr>
<td>1994-95</td>
<td>302.00</td>
<td>19.54</td>
</tr>
</tbody>
</table>

Sales Analysis

The sales performance of the company for the last years shown an increasing trend both in textiles and tiles. The demand for both handloom items as well as for terracotta products continues to be good and present indication is that this situation will continue in the immediate future.

<table>
<thead>
<tr>
<th>Year</th>
<th>Textile</th>
<th>Tile</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-91</td>
<td>1.44</td>
<td>5.23</td>
<td>6.67</td>
</tr>
<tr>
<td>1991-92</td>
<td>3.09</td>
<td>6.92</td>
<td>10.01</td>
</tr>
<tr>
<td>1992-93</td>
<td>3.78</td>
<td>7.37</td>
<td>11.13</td>
</tr>
<tr>
<td>1993-94</td>
<td>4.30</td>
<td>8.43</td>
<td>12.73</td>
</tr>
<tr>
<td>1994-95</td>
<td>4.50</td>
<td>10.90</td>
<td>15.40</td>
</tr>
</tbody>
</table>

Comtrust has seven factories. Two textile and 5 tile factories. Textile factories situated in Calicut, Kerala. Of the 5 tile factories 3 are in Kerala and 2 in Karnataka.

The tile division of Comtrust Produces different types of tiles, more than 86% of the companies products are roofing tiles. The company is pioneer in India for the manufacture of Terracotta Tiles. The manufacturing process of tile include different sections clay section, pugmill section, press department, drying department, and kiln section. More than 95% of tile products are marketed in domestic market. A small portion is exported to Middle East Countries.

The Hand woven fabrics of textile division is famous in India. Textile division produces material only against orders.

The raw materials required for manufacture is yarn dyes and chemicals. The production process include dying, warping and weaving. The textile division export about 65% of the total production. The domestic market include metropolitan cities.

The company has been performing excellently in export business. To day Comtrust tiles and textiles adorn some of the best known land marks in India and abroad.

In the end it can be summed up that the Basel Mission's Industrial activities were the pioneering efforts in modern manufacturing in both
Malabar and S. Canara. The Basel Mission produced a technology oriented labour force which played a pivotal role in absorbing and transforming new technology.