CHAPTER-I INTRODUCTION: TEXTILE INDUSTRY AT KANPUR, ITS RISE AND DECLINE

Coming of the Cotton Textile Industry to Kanpur:

During the second half of the 19th century owing to English industrial competition there took place a rapid decline in India's traditional handicrafts, especially textiles in which India had occupied a leading position in the world till the end of the previous century. Haltingly, factory industry also appeared in India, its leading sector composed of the two textile industries cotton and jute.

The cotton industry made a real beginning in 1854 when the first successful mill producing both yarn and cloth was established in Bombay. Soon textile mills were started at other centres like Ahmedabad and Nagpur and, a little later, at Kanpur. By the end of 19th century new mills were established in Coimbatore and other parts of Southern India also. In 1911, Bombay city accounted for 33 percent of the total number of mills and provided employment to 45 percent of the total number of workers in the industry. Ahmedabad contained 19 percent of the total mills and provided employment to 13.6 percent of the workers.

As Fukazawa has pointed out, in 1911 there were 5 large textile mills at Kanpur and Kanpur dominated the industry of United Provinces (Uttar Pradesh). In the same year, U.P. had 14 mills. By 1954, the number of mills had gone up to 12 at Kanpur while in the province as a whole it went up to 29.¹

The progress of the modern cotton textile industry in the country as a whole during 1879-1984 is shown in the following table showing both the number of factories and workers employed.

The cotton textile industry made notable progress during 1879-1900. There had been a steady and continuous growth throughout the period. As the number of factories grew, the number of workers employed in the industry also increased. A large number of workers were employed in cotton textile industry alone. Spinning was more prominent in the industry than weaving and the number of mechanical spindles grew at a greater rate than power looms. The number of looms increased from 13,307 in 1879-80 to 16,455 in 1884-85, whereas the number of spindles increased from 1,407,830 in

### Table 1: Growth of Textile Industry in India, 1879-1984

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Mills</th>
<th>Total Number of Workers Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1879-80</td>
<td>58</td>
<td>39,537</td>
</tr>
<tr>
<td>1989-90</td>
<td>114</td>
<td>99,224</td>
</tr>
<tr>
<td>1900-1</td>
<td>194</td>
<td>156,355</td>
</tr>
<tr>
<td>1929</td>
<td>344</td>
<td>347,000</td>
</tr>
<tr>
<td>1939</td>
<td>389</td>
<td>442,000</td>
</tr>
<tr>
<td>1945</td>
<td>417</td>
<td>510,000</td>
</tr>
<tr>
<td>1951</td>
<td>378</td>
<td>715,000</td>
</tr>
<tr>
<td>1961</td>
<td>479</td>
<td>795,000</td>
</tr>
<tr>
<td>1971</td>
<td>664</td>
<td>719,000</td>
</tr>
<tr>
<td>1981</td>
<td>723</td>
<td>880,000</td>
</tr>
<tr>
<td>1984(March)</td>
<td>920</td>
<td>766,000</td>
</tr>
</tbody>
</table>

(The figure for 1984 is for the month of March alone while all other figures give the average for the whole year)

**Note:** Figures for 1951 and later are not comparable with those of the earlier period owing to difference in territorial coverage due to partition.

**Source:**
1879-80 to 2037055 in 1884-85.\(^1\) During this period there had been a remarkable rise in the exports of Indian twist and yarn, being made principally to China and Japan. The industry was mainly centred in the Bombay Presidency in the beginning. Out of the 144 mills in India in 1894, 100 mills were in the Bombay Presidency alone.

During the depression of 1896-1905, caused partly by British policy of forced deflation and countervailing excise, growth in the number of mills as well as in the number of workers employed continued. Cotton mills were being established outside Bombay, as we have just seen. The fortunes of the Indian textile industry became interwoven with the Indian National Movement. Thus immediately after independence it benefited from Protection and State support.

As the Expert Committee on Textile Industry has pointed out (Table 1), the number of mills went up from 378 in 1951 to 664 in 1971. The increase in number had been marked by the increase in the number of spinning mills especially, in Southern India, while the number of composite mills (spinning and weaving both) has remained rather stagnant. The average daily employment has not much increased, however, between 1951-1984, presumably owing to

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increasing automation.

The major restraining factor has been the increasing competition from artificial fibres from mid 1960's, which has contributed to spreading sickness within the industry. This too has retarded the growth of employment.

The history of textile industry at Kanpur dates back to 1862 when the first cotton textile company, the Elgin Cotton Spinning and Weaving Company Limited was started here. The company had an initial capital of Rs. three lakhs, and established a cotton textile factory. But unfortunate circumstances led to the liquidation of the company in 1866. It was purchased by Hugh Maxwell a British entrepreneur. From 1864 to 1900 the enterprise remained a private concern. But later, in 1912 it was converted into a public limited company with a capital of Rs 32 lakhs. Since 1914, the company worked under the managing agency of M/s Begg Sutherland and Company Limited. During 1946-47 all the shares of M/s Begg-Sutherland (Private) Limited were purchased by the British India Corporation (BIC), the old firm of Begg-Sutherland becoming its subsidiary. The company

developed a reputation for the production of tents, cotton durries and ropes and was popularly known as 'Purana Putlighar'. In early 1960’s the British India Corporation came under the Government control. During all these changes in its ownership the company retained its old name.

In 1882, the Cownpore Cotton Mills Company Limited was started by John Wood with a capital of Rs 5 lakhs which was increased by Rs 9 lakhs in 1886 and Rs 8 lakhs in 1905. In 1921, the company merged with the British India Corporation. The mill was closed in 1959 due to financial difficulties. Subsequently, the mill was purchased by the Elgin Mills Company Limited and started functioning as Elgin Mill No. 2.

In 1885, the Victoria Mills Company Limited was set up by Atherton West with a capital of Rs 5 lakhs, which was raised to Rs 26 lakhs in 1920. The company was taken over by the New Victoria Mills Company Limited in the same year with an authorised capital of five crores. The Uttar Pradesh Government took over the mill in 1971, when it was declared sick.

In 1911, the Swadeshi Cotton Mills was started by A.F. Horseman, former manager of the Cownpore Cotton Mills; it was registered as a private limited company in 1920. The
mill was developed into one of India’s biggest mills by Horseman’s two sons, after his death. In 1946, the mill was purchased for Rs 3 crores by M/s Bagla and Jaipuria Brothers. The National Textile Corporation (U.P.) took over the mill in 1978.

In 1922, the Kanpur Textile Limited, originally designed as a spinning mill was started under the managing agency of M/s Begg Sutherland and Company with an authorised capital of Rs 30 lakhs which was reduced to Rs 22.5 lakhs in 1927 and again increased to Rs 30 lakhs in 1934. Later it came to be owned by British India Corporation from whom it came under Government’s control.

In 1923, Atherton West started the Atherton West Mills, a private limited company with a capital of Rs 2 lakhs. Financial crisis led to the closure of the mill in April 1958. The management of the mill was taken over by the Government of India in 1959 under the Industries (Development and Regulation) Act 1951. The mill came under the management of National Textile Corporation (U.P.) in early 1970s.

In 1921, the J.K. Cotton Spinning and Weaving Mills Company Limited was established by Lala Kamlapat Singhania. It was the first company to be started at Kanpur under complete Indian ownership.
Encouraged by the successful working of J.K. Cotton Spinning and Weaving Mills during 1921-1932, Singhania started M/s J.K. Cotton Manufacturers, a cotton mill to manufacture coarse, medium at higher medium variety of counts of yarn, to cater to the needs of the handloom and powerloom weavers. Originally it was a private limited company with a capital of Rs 5 lakhs, which was raised to Rs 6.75 lakhs in 1939.

The last cotton mill that was established at Kanpur was the Laxmi Ratan Cotton Mills. It was started in 1934 by Ram Ratan Gupta in collaboration with Kamlapat Singhania but in 1943, the two firms separated. The mill was taken over by the National Textile Corporation (U.P.) in early 1970s.¹

The brief history of the growth of the major cotton mills in Kanpur shows that unlike Bombay and Ahmedabad, the early entrepreneurs here were British who were tempted to pioneer the industry by the easy availability of cotton and comparatively cheaper labour supply in the region. They were financed by some local

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¹ The information about the establishment of cotton mills at Kanpur has been gathered from the Kanpur District Gazetteer, 1989, pp. 98-99 and V.B. Singh, Climate for Industrial Relations, A Study of Kanpur Cotton Mills, pp. 13-21.
traders and money lenders. All these mills were earlier in the private sector but over a period of time, since profits were being drained out continuously and modernisation lagged behind, most of them were declared sick and had to be taken over by the Government during the last 30 years or more to protect their workers' employment.

Before the take over by the State, the sickness in textile industry had seriously retarded its expansion. Some of the mills were closed down and many were at the brink of closure, while production had fallen sharply in most of the mills. Closure of the mills was opposed by the workers as it created large scale unemployment in a city where, there was no other major industry to offer alternative job opportunities. The Government set up the National Textile Corporation (NTC) in 1968, its main task being, to take over and run the sick mills. By the end of the year 1985, NTC had taken over the management of about 125 sick mills in India and 5 sick mills in Kanpur. A large number of these mills still continue to be sick and are running at a current annual loss of Rs 99 crores.¹

The cotton textile industry in Kanpur is thus fairly old. The machinery and equipments have become

outdated and require extensive replacement. The industry can neither introduce modernisation nor replace the old machines by new machines as it is hindered by lack of capital. Since modernisation involves automation which is likely to displace labour, the trade unions have continuously opposed it.

Capital shortage had led to reduction in the labour force in sick units. The Government has introduced a labour rationalisation scheme permitting workers to voluntarily retire. This was done on the basis of an agreement between the National Textile Corporation and the Trade Unions. The Tenth Annual Report of the National Textile Corporation (1977-78), stated that "Labour rationalisation has been done on the voluntary basis in agreement with the workers’ representatives. Upto 31st March 1978, National Textile Corporation had rationalised 2,528 workers, abolished, 9,701 posts and super annuated 13,855 workers".¹ A large number of workers in Kanpur textile industry have taken early retirement under the above scheme.

The employment in textile industry of Kanpur shows a fluctuating trend. There has been an increase in the total

employment of workers in textile mills of Kanpur between 1900-1935 as the number of mills increased during this period. At the end of the year 1935 there were as many as 28,550 workers employed in the industry. The employment declined between 1945-1955 due to strikes and lock-outs. Anti-rationalisation general strike in 1955 also caused a decline of 13 percent in the annual employment. Introduction of full three shifts marked an improvement in the employment level between 1955-1960 and after that there had been a continuous decrease in the employment.

The employment has been reduced from 34,435 in 1970 to 22,826 in 1990 at Kanpur, on account of closure of the mills and retrenchment of workers under the voluntary retirement scheme. This has created a serious problem of unemployment among the textile workers of Kanpur. The working conditions of the workers have also been adversely affected. The industry is facing frequent strikes and lockouts resulting in work stoppages and loss of production over the past twenty years.


Labour in Kanpur Textile Industry:

Emigration has always arisen mainly from the difficulty of finding an adequate livelihood in one's native place, and this is the predominant force which implies the Indian villager to seek industrial employment.¹ In the case of Kanpur a large number of workers had been driven from their village in search of employment in industries due to increasing pressure on land, indebtedness and poverty. Low incomes in the villages and prospects of higher income in the city were responsible for migration from rural areas of adjoining districts. Such labourers constituted more than 60 percent of the total number of the workers, where about half of the population of Kanpur city were found to be immigrants; 5.2 percent from rural parts of Kanpur districts, 24.3 percent from adjacent districts and 18.3 percent from elsewhere, in the year 1921.² The chief districts which provided immigrants to the Kanpur textile industry belonged to Allahabad, Banaras and Gorakhpur divisions. Frequent visits to their villages for social and religious ceremonies has been one of the reasons for high rate of absenteeism among workers in Kanpur cotton mills.

A particular feature of labour in Kanpur textile industry has been the lack of recruitment of female labour. In the country as a whole, the share of women workers in factory employment was only 11 percent of the total labour force in 1961.\(^1\) It was only 5.3 percent of the total number of workers in the textile industry of Bombay in the same year.\(^2\) But in the Kanpur textile industry it was just nil. The women workers in Bombay textile industry were confined to reeling and winding departments only. This was due to the fact that skill was required in other departments of the industry and women labour force was mostly unskilled.

The very small number of women workers being employed in factories is due to restrictions laid down in the Factories Act, 1948 that no women shall be employed in any factory between 7.00 P.M. and 6.00 A.M. The Act also prohibits employment of women and children on hazardous operation. Since textile industry has a multiple shift system, employers find it difficult to employ women workers.

Social backwardness of the area has also hindered the employment of women workers in Kanpur textile mills. This demarcates the Kanpur textile industry from its Bombay counterpart.

The type of employment of workers in Kanpur textile industry has been classified under three categories, permanently employed, substitutes and temporarily employed. Between the years under the study i.e. 1970-1990, the number of permanent workers has decreased and there has been an increase in substitute and temporary workers. The permanent vacancies are not being filled but, are being allotted to temporary workers. This has resulted in the serious problem of insecurity of jobs at Kanpur. Jobs that are temporary in nature can be terminated any time. The wages of temporary workers are also not the same as those of permanent workers; and they can no get many of the other benefits which are available to permanent workers.