Ahmedabad lies on both the banks of the river Sabarmati, some three hundred miles north of Bombay. It is in the middle of a wide flat plain only 173 feet above sea level and is the capital of Gujarat State. The old walled city was on the last bank of covered an area of two square miles, enclosed within walls completed in 1487. To the South are fertile fields of Gujarat, to the north the desert of Rajasthan. The climate is hot and, except during monsoon, dry. Day temperatures range between 80 and 118 degrees Fahrenheit and night temperatures between 40 and 85 degrees, depending upon the season of the year. The cool season which starts in November and lasts until February is delightful — warm days and cool nights with little or no rain. After the beginning of February the weather gets slowly hotter and more humid until the monsoon breaks in June or July. During the monsoon, and immediately after, the countryside is a rich and vivid green, but at other times of the year it is brown, dried up, and dusty.
influence of Geography:

The present city was founded by the Sultan Ahmed Shah in A.D. 1411 on the site of the more ancient city of Ashawal. The old city and the adjoining river surrounded by fast growing greater Ahmedabad, a city of avenues and bridges, and above all of mills - 85 mills, 125000 workers in a population of a million and a quarter. Legend associates his choice of site with the ferocity of the rabbits infesting the river bank. When they defied his hunting dogs he felt that a place which could breed such a rabbits must have virtues which would be useful to his fighting men. Ashawal, earlier known as Karnavati, had been for many years a centre of Jain learning and of a flourishing trade in fine, handwoven textiles. Nothing of Ashawal or Karnavati now remains; but the castle, the fortifications, and much of the wall surrounding the city, all built by Sultan Ahmed, still stand - a source both of pride and embarrassment to the present legislators and citizens of Ahmedabad. The wish to preserve the city's monuments is natural and strong but the wall with its twelve narrow fortified gates was never intended for modern traffic. Part of the wall was destroyed by the Maratha invaders in the eighteenth century, some has fallen down, some has been removed to
make roads of access to the city less congested, and
some is still falling down; A small part is being
repaired and preserved, the rest is being gradually
removed to provide space for more useful, if less
romantic, purposes. There are still many buildings
which date from the fifteenth and sixteenth centuries
and the streets in the city itself, except those which
have been widened in recent years, are still, for the
most part, narrow medieval alley-ways picturesque but
inconvenient.

In its medieval heyday Ahmedabad and its suburbs
had a prosperous and thriving population of 800,000.
By the time the British arrived in 1818, soon after the
Maratha invasion, this had shrunk to a poor and luckless
80,000. The suburbs were dilapidated and abandoned
while big game infested the country round the city. By
1942 the population had risen to just over half a million.
War time expansion in the textile industry and the estab-
ishment of ancillary industries and of some new indust-
ries attracted large numbers of new residents. After
independence and partition in 1947 the population was
further increased by the arrival of some thousands of
refugees from nearby Pakistan. By 1950 the population
had increased to nearly a million. No building programme could possibly cope with such an increase, nor could the city services expand at a sufficient rate to meet the demands being made upon them. Six years later, in 1956, building is immensely accelerated; drainage systems have been and are being greatly enlarged; electricity, water, and other services energetically intensified. The problems of growth are gradually being brought into manageable proportions. In the city and surrounding suburbs parks are being created, and along all roads where there is any possible space trees are being planted to give shade.

Driving through the city can be both an art and an exasperation. In the congested streets vehicles of all kinds, cars, lorries, and rickshaws, compete with pedestrians, cows, goats, and dogs for the relatively small passage available, while strings of camels, tied nose to tail and ambling along with regal disregard for other travellers, can make chaos of a busy junction. The confusion is not helped by the continuous hooting and bell-ringing practised by the drivers and riders of all wheeled traffic. That the resultant noise has little apparent effect upon the habits of pedestrians, let alone...
upon those of the animals, does not appear to
discourage the drivers who continue to hoot and to
ring even when they have a clear road. To the majority
of the inhabitants of Ahmedabad, all life is sacred.
Animals and among those who are strict in their obser-
vances, even insects - are never deliberately killed.
It is perhaps this attitude that accounts for the
enviably low road accident rate.

An airport is situated about three mills to the
north of the city and the route from the airport to the
city runs through the 'Camp' and the Shahibag. They
are parts like in appearance; houses of varying size
stand in their own grounds and are separated by wide
open spaces, some of which are used as a golf course.
The majority of the members of the diminishing foreign
community, who are mainly employed either in the Electric-
ity Company or are agents for foreign firms supplying
many of the equipment needs of the textile industry,
live in the 'Camp'. The Shahibag is a residential suburb,
where a large number of the millowners and more wealthy
citizens live. Their estates are surrounded by high
walls, over which can be caught glimpses of large houses
and luxuriant vegetation at all times of the year.
Even before independence, Ahmedabad was considered one of the cities of India least under European influence, either architecturally or socially. Ahmedabad, even more than other Indian cities, has become still more Indian since the British left. The greater part of the population still lives in the city under crowded conditions. The climate is such that, in the summer, large numbers elect to sleep out in the streets, and the pavements and traffic islands are usually well occupied from about ten o'clock at night onwards. The capacity of men, women, and children to sleep through the night apparently undisturbed by traffic, pedestrians, scavenging dogs, and insects is remarkable. It is very difficult, however, for those who work at night to get much sleep during the day time. Some who work in the city or in its surrounding mills live in neighbouring villages and walk several miles each day on their way to and from work. They, at least, can escape from the crowded city, but, as elsewhere in the world, many appear to prefer city life and to be deserting the countryside. However, in an inquiry carried out recently, 1

the majority of workers interviewed expressed the hope that one day they could return to their villages. Retirement gratuities, which are being gradually introduced, may make this hope more realizable than in the past, when few industrial workers appeared able to save, or indeed to keep themselves out of debt.

The streets in the city and suburbs are all tarred, but so far, only a few of the roads leading out into the country can be anything but deeply rutted tracks chokingly dusty in dry weather, seas of mud in the monsoon. Buses connect the main nearby villages with the city, but the ruts they leave behind make the busier roads virtually impassable to any vehicle is not high-slung. Road marking, like building, drainage, and electricity distribution, is being pressed ahead, but the problem of supply catching up with demand, as elsewhere in India, is immense.

It was just outside Ahmedabad on the bank of the Sabarmati that Mahatma Gandhi set up his first Ashram. The Mahatma, or to give him his full name Mohandas Karamchand Gandhi, known with reverence and affection as 'Gandhiji', did much of his early work in India in Ahmedabad. It was from Ahmedabad that he set out on his famous march in 1933. The Ashram is now a place of pilgrimage visited
by many thousands annually. Also just outside Ahmedabad, in one of the growing suburbs, is the new Gujarat university which, like other educational institutions in Ahmedabad, is having to expand rapidly to deal with the ever increasing number of students who apply for admission. It is as yet too soon after independence for the greatly enlarged building and other programmes to have had more than a limited effect, but tremendous efforts are being made to deal with the social and economic problems of a growing industrial community.

ECONOMICS:

The Textile Industry of Ahmedabad:

The climate is very dry and there is a tendency for the thread to break in the machines. The Ahmedabad mills have had to pay particular attention to fuel economy and to humidifying Ahmedabad district is a cotton growing tract. As early in 1895 the Ahmedabad millowners were importing Egyptian Cotton.

2. Indian Textile Journal, Vol. VI, No. 61, (October, 1895) P. 6(iii).
In spite of the historical paradoxes which continue to plague Ahmedabad, the national economy is active thriving. Ahmedabad has always been a wealthy city by Indian standards and its people have a reputation for industry and thrift.

The first textile mill in India is reported severally as having been opened in Broach in 1851 and in Bombay in 1854. The first mill in Ahmedabad was opened in 1861. All the machinery and equipment for the first mill had to travel the seventy-five miles from the port of Cambay by bullock-cart, since the railway did not reach Ahmedabad until 1864. To-day with its forty-six thousand looms and nearly two million spindles Ahmedabad is, after Bombay, the second largest textile centre of India, having over a fifth of the looms and just under a fifth of the spindles of the country. The hot, dry climate of Ahmedabad and its location in the middle of a wide, dusty plain make it unsuitable for the manufacture of textiles. Furthermore, under British rule, the encouragement given to the Lancashire export trade led to the imposition of restrictions and duties on the new industry, which were not fully lifted until the 1930s. The growth and success of the industry, despite
both the physical and the man-made handicaps under which it worked, must be ascribed, in the first place, to the enterprise of the early millowners and to their tenacity in the face of difficulties. During the latter part of the nineteenth and early part of the twentieth centuries a strong middle-class of share-holders, technicians, and managers grew up with the industry - a middle-class which has been a great force in the civil and political life of the city ever since.

The first world war gave a great impetus to the industry. Many of the older established mills were expanded and a large number of new ones built. The great slump, the first signs of which were visible in 1922, became acute in 1925 and 1926. It was not until 1930, when the movement for the boycott of all foreign imports became widespread, that the rescue came. The second world war gave renewed impetus, and mills throughout India did well. The benefits to the industry of the expanded was production were however accompanied by some disadvantages. So great was the demand for cloth that virtually any cloth could command some kind of sale, and, since prices and production were controlled, both management and workers lost some of their interest in quality.
The working habits of nearly ninety years were temporarily forgotten. The period of control extended for some years after the war. When it was finally ended many mills which had previously specialized in fine cottons and high qualities had a struggle to reintroduce their former standards.

Since the war there have been recessions and minor booms; some mills have had to close down, some have had to discontinue shifts in some departments; but the industry, as a whole, has prospered. Most mills in Ahmedabad had a bumper year in 1948, a relatively poor year in 1949, and after a good year in 1951 another poor year in 1952. Since then the general trend has been for the price of cloth to come down and the cost of cotton and of salaries and wages to increase. Not all mills have been affected equally by these trends, since the cost of different qualities of cotton and the prices of obtainable for different qualities of cloth have not varied in the same way. In Egypt, in 1954, for example, the cotton crops were such that the price of some medium qualities rose steadily until it was higher than that of some fine qualities, and, at the beginning of 1956, the gap between the prices of medium and fine qualities and the prices of coarse qualities was far greater than is usual. In the
same way, the demand for good-quality clothes made of medium and fine qualities of cotton in 1951 was such that prices obtainable rose steadily only to fall heavily as compared with prices obtainable for cloths made of coarse cotton in 1952. Table 1 gives the published results of a group of the recognized leading mills of Ahmedabad since independence in 1947. The bumper year of 1948 has been taken as the base year, and cash turnover and gross profit have all been related to the base year at 100.


<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover</th>
<th>Gross Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>1949</td>
<td>90</td>
<td>45</td>
</tr>
<tr>
<td>1950</td>
<td>96</td>
<td>52</td>
</tr>
<tr>
<td>1951</td>
<td>130</td>
<td>81</td>
</tr>
<tr>
<td>1952</td>
<td>115</td>
<td>43</td>
</tr>
<tr>
<td>1953</td>
<td>116</td>
<td>63</td>
</tr>
<tr>
<td>1954</td>
<td>117</td>
<td>62</td>
</tr>
<tr>
<td>1955</td>
<td>127</td>
<td>90</td>
</tr>
</tbody>
</table>
During the same period the total expenditure on wages and salaries in the same mills has risen by twenty-three per cent, and the expenditure on raw cotton, which in 1952 rose to a peak of seventynine per cent above the expenditure for 1948, has since fallen, due to an increased use of locally grown cotton, to fortyeight per cent above the expenditure in 1948.

The problems of changing the depressed norms of output and rewards in India are complicated by language and caste differences among the working population. Languages are regional and, although Ahmedabad is in the Gujarat, and the common language of all those who work in the industry is Gujarati, it is not uncommon to find three or even four different languages being spoken in the same department of one mill. On one occasion, in a discussion with a group of eight workers, which was being interpreted in three languages—Gujarati, Hindi and English, it was discovered after half an hour that one worker had not up to the time understood a word that had been said - he came from south India and spoke only Tamil. Caste groups, which are primarily work organizations, run, for the most part, at right angles to language groups, that is, within each language group most castes are represented, and within one caste most languages are spoken. With rare exceptions broad caste divisions
have been carried into mill organizations. Spinning departments are usually staffed by members of Harijan castes, while weaving departments are staffed by members of middle castes and Muslims. Currently, strenuous attempts are being made by governing and other agencies to break down caste divisions. Legally there are now no castes in India, but, as often happens, behaviour lags behind legislation.

The textile industry in Ahmedabad was, in the first place, modelled on Lancashire, and everywhere the models were almost exact. Thus, even the buildings are built in the style of Lancashire mills, multi-storeyed and windowed, irrespective of their convenience or suitability for the country or the climate. The first technicians and workers were brought from Lancashire, so that Lancashire methods and Lancashire organizations were copied in Ahmedabad. Even to-day, experience in Lancashire or qualifications obtained at Manchester University, although being replaced by qualifications from either Indian or American Universities are highly valued. Qualifications and experience gained abroad generally lead to faster promotion and higher salaries than would otherwise be obtained.
In recent years the Ahmedabad Textile Industry's Research Association, more familiarly known as ATIRA, has been established. It was started by funds provided by the millowners and Government and is now supported by subscriptions from the millowners and grants from Government funds. Dr. Vikram Sarabhai, brother of the Chairman of the Calico Mills, was one of its main architects and was its honorary director until 1956. Sections have been set up for research in physics, chemistry, economics, psychology, and for all aspects of textile production. In 1954, the Prime Minister, Pandit Nehru, officially opened the new building of the Association near the Gujarat University Campus. All the mills in Ahmedabad and some from other textile centres as well as organizations from other industries in Ahmedabad are members or associates of the Association and receive service from it. It publishes regular reports on its work for circulation to its members and holds conferences and training courses for technicians and managers.

Wages in the textile industry are paid either on a straight piecework basis, or time rates, plus a cost of living allowance known as 'Dearness Allowance', or 'D.A.' Usually some spinning and finishing processes are paid at time rates, while other spinning and all weaving are paid
At time rates, while other spinning and all weaving are paid on piece-work. Between 1953 and 1956 dearness allowance has varied between Rs. 78/- and Rs. 54/- per month with the general tendency in 1954 and early 1955 to be downwards. In December 1955 and early 1956 the trend has been upwards, and in April 1956 'D.A.' was standing at Rs. 64/- per month. Average earnings of mill workers, excluding dearness allowance, very between Rs. 28/- per month for unskilled workers to Rs. 66/- for weavers on two looms, Rs. 100/- for those on four looms, and Rs. 139/- for 'jobbers' in charge of forty looms.

The Managing Agency System:

The managing agency system was first introduced to India by British traders. It has since been widely used by Indian industrialists for the management of their own concerns. The system is one whereby an individual, a group of individuals, or a private limited company manages a business on behalf of the owners. For this service of management the managing agents are usually paid a commission either on turnover or on profit. In effect, the managing agents sell their capacity for management to the owners of the companies they manage.
and the large managing agencies in India manage anything up to forty different businesses either as a single agency or as a group of agencies all composed of the same individuals. The system assured that managerial capacity was available to the developing commercial and industrial life of a new country. On the whole, the system has been used with integrity. Nevertheless a system which pays to agents a commission on profit or turnover and hands to them complete responsibility and authority for management is obviously open to abuse from those whose only motive is to make money without concern for the long-term stability of the industry. Such abuses have occurred. Because of the abuses and because of the interlocking financial control of large sectors of the economy through the same managing agency, which has led to the building of large industrial empires, the system has not unnaturally attracted the attention of social, economic, and political reformers.

A new companies Act restricts the financial and economic arrangements of managing agencies. Recent amendments have laid down that by 1960 not more than ten companies can be managed on commission by any one managing agency; also they give Government the power to exclude
managing agencies from any particular business or industry. There has, for some time, been a strong movement, particularly among the trade unions, to abolish the managing agency system entirely. Government has resisted this demand for fear of the large managerial gap that might be left if the experienced, scrupulous, and competent managing agencies were removed from control of the majority of the companies they now manage.

The growth of industry in India has been characterized by the success of small business started with comparatively little capital, usually supplied by the managing agents themselves, or borrowed on the managing agents' own credit. The big returns on the small capital invested have in their turn, attracted equity capital and enhanced the capital values of the original holdings. For the most part, the managing agencies are either family units or small private companies dominated by the members of one family. Since a contract to manage a business is made by the agency and not by individual members of the agency, those in charge of the agency can make all appointments, and usually members of the agency family automatically occupy key
positions in the control of the companies managed. They are, however, not 'managers' in the sense understood in the west, since their remuneration is not paid by the company managed but comes as a share of the commission earned by the agency. Difficulties have been caused when there have been too many key posts to be filled by members of the one family. The position is not dissimilar to that in other countries when small family concerns have grown beyond the size which can be adequately controlled by the available members of the family. In the United Kingdom the need to admit other than family members into the ranks of higher management has had to be faced in many private companies.

Trade Union Activity:

Trade unions in India are not as yet, from the Western point of view, strong unions. Their power in collective bargaining is weakened by the tremendous unemployment that exists throughout India, and by inter-caste and inter-regional differences and conflicts. As recently as 1960 there was a disastrous strike in Bombay that impoverished both workers and unions and brought few compensating gains. In Ahmedabad, in contrast to other
large cities, the reputation of the major trade union, the Textile Labour Association, is high, and the history of industrial relations is better than anywhere else in India. A comparison of industrial disputes in Bombay and Ahmedabad shows that over the past twenty-five years (with full allowance for the greater number of workers in Bombay) nearly twice as many workers have lost more than seventeen times as many working days in Bombay as in Ahmedabad.

By law only one trade union may represent the workers in any industrial establishment. To qualify as the 'recognized' union, a union must have as its members at least fifteen per cent of the workers in the establishment, and must represent more workers than any other union. The textile labour association, which is in effect a federation of smaller unions, represents approximately two-thirds of the Ahmedabad textile industry's workers. It is affiliated to the Congress party. There can be little doubt that Mahatma Gandhi's influence has had much to do with the co-operatively good relationships that exist between mill owners, the trade union, and the workers. Today, in spite of the many changes that have taken place, the Mahatma's influence is still very strong in the
Textile Labour Association, and although other unions, affiliated to other political parties, are active, they are as yet neither 'recognised' nor have they nearly so many members not so much influence.

The history of the Textile Labour Association starts in 1918 when the workers of the city went on strike against the millowners. During the latter half of 1917 virulent plague broke out and the people of Ahmedabad were afraid of gathering together in crowds. The millowners paid a bonus of from twelve annas to a rupee a day over the current wages (Rs. 23 per month) to those who came to work. When the plague died down the millowners tried to withdraw the bonus, but the workers protected. They were led by Anasuyaben Sarabhai, who during her education in England had taken an active part in the suffragette movement. On her return to India she had become a follower and close friend of Mahatma Gandhi, who had some time earlier established his Ashram just outside Ahmedabad. Her brother, Ambalal Sarabhai, who is the father of the present Chairman of Calico Mills, was, at the time of the strike, the president of the Millowners' Association, and in charge of the Calico Mills. He, too, was a friend of the Mahatma. The dispute, on the Mahatma's advice, was
referred to arbitration, but before the arbitration proceedings had started, the millowners declared a lock-out. When after nineteen days the mills were re-opened, the workers demanded a fifty per cent increase in wages before they would start work. The millowners offered twenty per cent (the Bombay average wages was Rs. 28/- per month). The Mahatma persuaded the workers to accept a thirty-five per cent increase, but the millowners refused to pay it and the workers went on strike. 'I was in a most delicate situation; the millhands' case was strong. Shrimati Anusuyabhen had to battle against her own brother Shriyut Ambalal Sarabhai who led the fray on behalf of the millowners. My relations with them were friendly and that made fighting them the more difficult. 3

The Mahatma laid down four rules for the worker on strike:

Never resort to violence.
Never molest blacklegs.
Never depend on alms.
Keep firm, no matter how long the strike continues.

After twenty days the workers began to weaken saying that they and their families were starving. The Mahatma declared that he would fast until the workers rallied.

'My fast was undertaken not on account of that of the labourers in which, as their representative, I had a share. With the mill owners I could only plead; to fast against them would amount to coercion... The principal man at the back of the mill owners' unbending attitude towards the strike was Sheth Ambalal Sarabhai. His resolute will and transparent sincerity were wonderful and captured my heart. It was a pleasure to be pitched against him. The strain produced by my fast upon the opposition of which he was the head, cut me, therefore to the quick."

After three days of the fast the mill owners accepted the principle of arbitration and the strike was ended.

The settling of this strike by arbitration set the pattern for the future, and when the Textile Labour

Association officially came into existence in 1922, its constitution was drawn up in accordance with the Mahatma’s instructions. It aims at the peaceful solution of all disputes and always prefers arbitration to violence. Anshuaben Sarabhai was elected its first president and has remained in that office ever since.

The Association, familiarly known throughout India as the T.L.A., has departments dealing with industrial complaints, municipal, villages, and family affairs, and runs cooperative banks and insurance schemes. Its public relations department is primarily concerned with propaganda for the principles and teachings of Gandhi. Its 60,000 members elect between them 2,200 pratinidhis (shop stewards) who meet monthly and who elect an executive of 76 which, with 15 officers of the union, meets weekly. Any pratinidhi can have three days’ paid leave on request for meetings of bodies of which he is a member.

In common with other trade unions in India, the Textile Labour Association is more effective in dealing with individual grievances than with collective bargaining, but it exercises considerable collective influence.
through political action in the Congress party. The present Federal Ministers for Labour and Planning were, formerly, Secretaries of the Association. Their influence on industrial legislation, which has been mainly directed towards protecting workers' interests by reducing the power of employers to dismiss or otherwise, punish, has been particularly strong. By law, no reduction in the number of posts in any textile mill is permitted without either the written agreement of the recognised trade union or a court award, and any reorganisation that would lead to a reduction or to an increase in the number of workers required for any job has first to be approved either by the recognised union or by an industrial court before it can be put into effect. Moreover, no change in working practice or in working method can be introduced even though it does not result in reduction or increase in the numbers of workers. In 1954 regulations were made that required even experimental changes to be agreed either by the union or the court before they could be introduced.

In India only a very small minority of the working population is employed in industry and a great part of the majority, which is engaged in agriculture,
is under employed. One of the major problems facing both Government and trade unions is the enormous unemployment, actual and potential, that exists. Not unnaturally, the trade unions are, in consequence, strongly opposed to any reorganisations that might result in the introduction of new machinery requiring fewer workers. Millowners, on the other hand, are reluctant to replace their older machinery with the same kind of machines, which are outdated. Trade unions are caught in a dilemma between their wish to ensure a prosperous industry with high wages and their fears of having to agree to a reduction in the number of jobs before higher wages can be paid. The situation is complicated by the existence of a widespread and traditional handloom industry which employs over ten million workers, and which is an essential part of village life and economy. One of the Mahatma's precepts was the need for Indian economic self-sufficiency and for the encouragement of important village craft industries, but although the Textile Labour Association subscribes to and actively propagates the precepts it does not organise handweavers or other craft workers.
The Association tries to maintain a balance between the demands made upon it, on the one hand, to advance the wages of its members by collective bargaining, and, on the other, to resist the introduction of new kinds of machinery that, while possibly making increased wages more easily obtainable, might also increase the already great unemployment.

During prosperous times the Association can claim a higher share of profits; during more difficult times it is driven to demand reduction of costs by better management invariably leads to a demand for change of working practice or other kinds of reorganisation that would reduce the number of workers required. At present the balance is an uneasy one.