CHAPTER - IV

OVERVIEW OF COTTAGE INDUSTRIES

"Cottage Industries increase the number of people who are working in the open air with their hands; they give to the agricultural labourer a stepping stone upwards, prevent him from being compelled to leave agriculture to find some scope for his ambition, and thus check the great evil of the continued flow of the ablest and bravest farmlands to the towns. They break the monotony of existence, they give a healthy change from indoor life, they offer scope for variety of character and for the play of fancy and imagination in the arrangement of individual life; they afford a counter-attraction to the grosser and baser pleasures; they often ennoble a family to hold together that would otherwise have to separate; under favourable conditions, they improve considerably the material conditions of the worker; and they diminish the fretting as well as the positive loss caused by the inevitable interruptions of their ordinary work."

ALFRED MARSHALL

AYYAR, V.G. RAMAKRISHNA, - Quoted in Small Scale Production in India (London, 1930) p.1
4.0 INTRODUCTION

For an economy like the Indian where population is the problem and where poverty and hunger stalk at every step, there is no better solution than this well-tried weapon - development of cottage industries - which has successfully been wielded by Japan against the world and which in turn has been used by China against highly organised Japan. The aim had to be the development of Cottage scale industries so that the knowledge, skill and experience could be distilled down to the smallest man of the country, enable to contribute to the well-being of the whole nation.

Of the three general classes of industries - large, medium and small, the connotation of the first two is clear, but there seems to exist much confusion among the general public in regard to the last which consists of at least five types bearing more or less varying characteristics - handicrafts, home-industries, cottage industries, small-scale industries and village industries. But in the case of rural, cottage and small-scale industries, some differentiation has however been made by a few writers. This confusion, evidenced by the general usage of the terms and since it had been defined by different Committees differently, necessitates their re-definition. They had taken into account only the place of work and the question of the use of power and had ignored the human aspect - the nature of work and employment which may guide one in distinguishing cottage industries².

The earliest known term was handicraft. Small industries were for a long time known as handicrafts, owing probably to the sole agency of the dexterous human hand and the display of individuals' skill in shaping things. Eventually there was a change in the nature of the application of human labour. "The application of the individuals' skill gave place to the devotion of the collective genius and co-operative effort of his whole family, thus infusing into the product a spirit of harmony - a soul - which characterised the family's life"3. Outsiders were quite often inducted into the crafts-manship, but then relationship savoured of apprenticeship. The family's occupation rose from the status of a mere "handicraft" to that of a home industry. Later on these ideal conditions underwent a change and the more comprehensive term "Cottage Industry" came into vogue.

4.1 CONCEPTUALISATION OF COTTAGE INDUSTRIES

The term Cottage Industries had been defined differently by different writers and organisations - the Indian Industrial Commission4 the Madras State Aid to Industries Act5 the National Planning Committee6, the U.P. Industrial Finance Commission, Industrial Re-organisation 7Committee.

3 CHITRA, V.R. - *Cottage Industries In India* - (Madras, 1948) p.3
4 SINGH, C.M. - *Cottage and Small-Scale Industries* - (Allabahad, 1947) p.3.
6 Ibid p.38
7 Ibid p.37
The concept Cottage Industries should be made "to refer only to industries carried on exclusively for the benefit of, and by workers... work not in factories but in their own cottages."

The term "Cottage Industries" should be taken to refer only to industries carried on exclusively for the benefit of, and by, workers in their homes and not to industries, carried on for the benefit of middlemen, though the workers happen to work not in factories but in their own cottages.9

The United Province Industrial Re-organisation Committee has defined cottage industry as "an industry in which work is done generally speaking in the houses of the artisans and occasionally in small factories run by small industries of the entrepreneur type, power driven machinery being rarely used."

In evolving a clean, precise and scientific definition, it will be advantageous to outline some of the chief characteristics of a cottage industry - the place of work would refer to the artisan's own home or small Kharkanas irrespective of urban and rural surroundings; capital and equipment, where capital investment is unlimited, and limited scope for the employment of machinery; and tools used may be owned or hired or given by the employee; raw material may be either local or imported from outside; nature of of labour...

8 Government Order No.178, Development 3, February 1926.

9 Ibid

10 TEKUMALLA, V. - Ibid p.38
employed - may be members of artisan's family, or paid apprentice, but the number employed not to exceed nine.

These, then, were some of the chief characteristics of cottage industries on which a correct and comprehensive definition has to be based. And in accordance with the same, cottage industries might be defined thus: cottage industries are industries where artisans, not exceeding nine per industrial unit, found employment in urban or rural areas, either as independent workers or apprentices or assistants in or at their own or their employer's homes or as wage earners in small Karkhanas, and worked with limited capital in practice, but not in theory, adopting at time a simple and harmless division of labour and employing such land or power driven machinery as did not interfere with the utility and art value of the products, whose market is by no means merely local\textsuperscript{11}.

4.2 SIGNIFICANCE - ECONOMIC AND SOCIAL - THE RAISON D'ÊTRE OF A DECENTRALISED COTTAGE ECONOMY

"Well balanced integrated and decentralised industrialisation is a \textit{sine qua non} for economic development in a country like India and hence special emphasis was laid on the development of Industry"\textsuperscript{12}. Rapid industrialisation called for a simultaneous and a sustained attempt on two

\textsuperscript{11} Government Order No.1317 Development. 3 September 1931.

\textsuperscript{12} DEPARTMENT OF INDUSTRIES AND COMMERCE, MADRAS. Revised Guide to Small Industrial Enterpreneurs and Industrialists. (Madras, 1967) p.3
fron\textit{ts viz}, the development of cottage and small scale industry on the one hand and the heavy industries on the other, the one as complementary to the other. The development of cottage and small scale industry had been assigned a very significant role as it will, besides increasing the supply of the much needed consumer goods to meet the large increase in demand - envisaged as a result of heavy investment, expenditure, raise industrial employment and income in the immediate future as against the heavy industries which take some time to fructify. To encourage and protect these industries had to be therefore the national and economic policy and programme.

There was a very important question of general principle which needed to be answered. What should have been the place of small scale and cottage industries in our national economy? The orthodox answer would have been that their place be determined by the extent to which they were economic, i.e. the extent to which they were able to sell their output at prices which can compete with those of similar goods produced by alternative methods of production. There was no doubt that considered even from the strictly orthodox point of view, there was a definite niche that should be carved for these industries in our economy. But there were certain special considerations which had to be taken into account. The necessity for securing full employment, equitable regional distribution of industries, as well as the proceeds of the industry.
The question of full employment was beginning to be recognised as the economic question of the age, all over the world.\textsuperscript{13} It was an even more acute question in India where the number of unemployed was counted in millions and where it was further complicated by the presence of seasonal unemployment on a scale which was unknown to other parts of the world. Could the large scale industries have solved this problem of unemployment? The answer to this can be gleaned from the Census of 1941, where the numbers of workers in large, small and cottage industries was estimated to be 1482, 2281, and 6141 thousands respectively.

4.2.1 Economic Basis of the Cottage Industries

India is a land of villages and naturally a country of small industries. More than 80\% lived in villages. Their principal occupation is agriculture. "Here is a population of many millions" says Wolff, "90\% of whom are rivetted to the soil, which with its fragmentary small holdings, provides employment for the ryots only during part of their time, and yet prevent them from going away to seek a living elsewhere.\textsuperscript{14}. Of the 315 million living in India, 35 million are dependent on industry. Of that number, 18 million were dependents, leaving 17 millions actually employed. And of these only 823,000 were known to be employed in power mills leaving over 16 millions occupied in cottage industries or small workshops. This clearly showed the capacity of Indians for

\textsuperscript{13} AYYAR, V.G. RAMAKRISHNA - \textit{Small Scale Production in India} (London, 1930) p.7

such industries and readiness with which they took to them as a congenial calling. They were a dominant feature of Indian economic life. The neglect of these industries involved the migration of millions of these producers into agriculture, where there was already a great pressure of population. The cottage industry became usually the second string in the bow of agriculturist.

In agricultural countries, village industries served as a by-occupation to agriculture. If the development of village industries was co-ordinated with agriculture, this would have secured a supplementary income for the cultivators and would have been thereby lessened the evils of agrarian indebtedness. As Moreland observed, "it is a matter of common knowledge that the present income of the country, even if it is nearly equitably distributed, would not suffice to provide the population, with even the indispensable elements of a reasonable life. This fundamental factor of poverty is, unquestionably co-related with the undue preponderance of agriculture as a means of livelihood". The Indian agriculturist is the foundation upon which the whole economic prosperity of India depended, and the Government Departments of Industries should have aimed at making an improvement in his standard of life as their chief concern. Measures taken for the improvement of agriculture, were therefore incomplete without a close and co-ordinated effort at organising and resuscitating rural industries.

15 MITRA AND LAKSHMANAN - Cottage Industries in Indian Economy p.21.
Madras was primarily an agricultural Province and the development of its industries was therefore largely in the direction of converting agricultural products of the Province into manufactured or semi-manufactured goods. The improvement and organisation of industries allied to agriculture was one of outstanding importance from the point of view of the welfare and prosperity of the rural population. Out of a total population of nearly 42 million, about 30 million were engaged in agricultural pursuits. But the vast majority of agricultural labourers were not engaged in agricultural operations throughout the year. It was therefore desirable in the interests of agricultural population that they were employed at a profit even though as compared with factory labour, it appeared to be uneconomic.

The large-scale factory industries were great labour-saving devices. The per capita output in such factories was comparatively very high. But it was not to be concluded that the using of the most advanced technology or top-heavy methods of production would have invariably given us the optimum results for it all depends on the ratio of labour and capital and this ratio was not the same everywhere. To obtain the best results it had to be decided what alternative methods of production were to be followed at any given stage. We can combine more of labour with less of capital or less of labour with more of capital. A wrong or hasty decision with regard to this would have caused great hardship and wastage. Given the time-preference the amount of capital available at any time was limited. As such "if it uses a too advanced technology in one sector of the economy it will use up too much capital and
too little labour in that sector, while there will be left over too little capital for other sectors and a large army of unemployed labour\textsuperscript{17}. This would have meant an uneconomic application of scarce means to alternative ends. In India there was plenty of labour but a great dearth of capital. This was quite evident from the rapidly increasing population, huge unemployment and underemployment and the presence of great amount of foreign capital in the country. In such circumstances the optimum could be achieved only when we made use of less capitalistic methods of production, using the phrase "capitalistic" in the sense of "involving the use of capital". After developing the necessary key industries which involved the use of considerable amount of capital, we must have introduced capital economising devices in other sectors. Or, in other words, we should have produced consumer goods by cottage industries, as far as possible. When the only wealth which the masses in India possess was labour, what India needed was not labour-saving, but labour-absorbing devices. Cottage industries could have done this job very satisfactorily. Hence there was a very strong economic case for cottage industries in India where capital was much the scarcer factor of production than labour.

Further, "the modern large-scale industrialism had brought about a great socio-economic evil - concentration of national wealth into the hands of a few. The appalling poverty of the masses and super-abundant wealth of
some in the present day society is a hard fact"\textsuperscript{18}. This great inequitable
distribution of wealth had created a most dangerous discontent among the
labouring classes, the so-called "have nots". Too large a proportion of the
income derived from production had been going to the capitalist classes, while
the workers had been living on the subsistence level. The result had been
under-consumption which, in its turn, had led to underproduction. This had
started a vicious circle, because in the absence of just distribution there could
not be an efficient system of production. Moreover, it involves the exploitation
of the weaker by the stronger. The great majority of the toilers had derived no
proportionate advantage from the prosperity which they themselves had
created. Besides these defects, it was replete with dangers to the State as well.
Prof. Abbott aptly remarked that the community where such a state of affairs
exists was perilously near a political oligarchy. And out of this grew the
political corruption which was the worst foe and the greatest peril of the
nation. Therefore further steps towards such an industrialisation would have
only accentuated the above process and widened the gulf between the 'haves'
and 'have nots'. A well-planned development of small scale and cottage
industries could have greatly helped us in this field as well\textsuperscript{19}. It would have
brought about a more equitable distribution of wealth and avoided labour
unrest, an indispensable condition for peace and progress.

\textsuperscript{18} CLAY, HENRY - \textit{Small Scale Production in India} (London, 1930) p.11.

\textsuperscript{19} WOLFF, H.W. - "Rural Reconstruction", \textit{Indian Industrial Commission - Report,}
Chapter XI (Calcutta, 1918) p.127.
Cottage industries, possessed certain inherent advantages which, due to the very nature of their organisation, were denied to the large scale mechanised units. There were certain fields which were more or less earmarked for the cottage industry. The goods which the cottage workers turned out were generally of such a character that they allowed no scope for the profitable employment of highly automatic machineries. Large scale production, presupposed a large and steady demand. Hence it was not an economic proposition where demand was fluctuating and limited. Moreover, the cottage worker living close to his customer knew his tastes and whims fully and as such could have satisfied them well. Proximity to the raw materials, labour and market had invested the cottage workers with the potentiality of meeting the competition in their field from large units of production admirably well.

The actual cost of starting a cottage industry was very low. So was its recurring operating cost. For India, a land of poverty-stricken villages, this fact was of great significance. The natural and healthy setting of the home, the opportunities of following more than one vocation for means of livelihood, the freedom to work as one liked, lent further attraction for the stay-in people of India who hated the rigorous discipline of the factories and its environments which were alien to them.

The World Wars had given further fillip to the movement of delocalisation or wider diffusion of industries. In a war-minded world it was very risky to base the economic structure of the country on a few great
industrial centres as they became easily vulnerable to enemy action. It may, of course, be said that such a consideration should not have been given weight when we were planning for peace. There was nothing which could suggest that war would be abolished in future. It was therefore, better not to be escapists.

More than 40% of India's occupied persons were seasonally unemployed. The presence of such a huge amount of seasonal unemployment in the country was a very serious problem. It not only unduly depressed the standard of living, but intensified the present deadlock between agriculture and industry. The best way of dealing with the question of seasonal unemployment was to provide employment through the development of cottage industries located in rural centres. It was necessary that these industries must be as little capitalistic as possible and also easy to understand and operate. This would not only have given the much needed employment during the off-season but also serve as a second string to the bow, because agriculture was a very precarious industry. The increase in the purchasing power of the peasant which would have come in this way would have had very favourable effects over the agriculture and industrial development of the country.

The second consideration viz. that of securing an equitable regional distribution of industries was particularly important in the case of India in view of its special geographical and political circumstances. The enormous size of the country and the lack of homogeneity in the linguistic and religious structure of its population were already beginning to affect the even tenor of
our political life and especially when people were talking and thinking in terms of provincial self-sufficiency and the necessity for limiting the Swadeshi spirit to the provincial field. By the very nature of their structure, the large scale industries were found concentrated in certain areas, and as they were much more important wealth-producing units than agriculture, this led to a considerable disparity of wealth producing capacity in different parts of the country. The consequence is the growing dissatisfaction between Provinces and even within the Provinces themselves, between cities and villages and there is no doubt whatsoever that the recent movement in India associated with the name of Gandhi for the resuscitation of village industries is largely an outcome of this latent feeling. This feeling is bound to grow, on the one hand with the growing political power of the rural masses and on the other, with the growing strength of the different linguistic and religious groups in the country. There is therefore much to be said for decentralising the industrial structure of India. If this reasoning was accepted, it followed that Small Scale and Cottages Industries had a special claim for consideration in that they were the ideal instruments through which the decentralisation of industrial production could be achieved.

The third consideration viz. that of the need for securing a more equitable distribution of the produce of industry, was also important, even in the case of a poor country like India where the pressing problem was to increase the size of the cake rather than its distribution. The growth of

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20 SATYAMURTI, S. "Cottage Industries". Report of the Tenth Indian Industries Conference, (Madras, 1914)
capitalist enterprise had led to the emergence of inequalities of income such as have never been known before and this in turn to political movements of a far reaching and revolutionary character which rightly or wrongly depended upon violence and therefore the suppression, justified as temporary, of the fundamental human liberties. Was it not much better to device a productive system which even if not quite so efficient, would not by the very nature of its being led to such tremendous inequalities of income? The answer is that socialism can solve this problem without at the same time modifying the system of large scale and mechanised production but socialism was not so easy to achieve and if experience was a guide, it was more than likely that the very attempt for its achievement would have led to bloodshed, civil war and dictatorship. "Small scale and Cottages Industries have this in their favour that, with proper safeguards, they will lead neither to sweating nor to inequitable distribution but will result in a larger and more widely distributed showing of the productive function and therefore to a more equitable distribution of the produce of industries"\textsuperscript{21}.

India is a land of villages. "There are about 68,522 villages and only about 2313 towns. About 90\% of the population in rural, while in a country like England 79\% of the population is urban. Most of the towns of India, are no more than big villages and can bear no comparison with the cities of the Western countries" \textsuperscript{22}. The characteristic feature of the Indian village

\textsuperscript{21} SATYAMURTHI, S. - Ibid.

community had been its self-sufficing social and economic unit, and as the
centre of India’s civilisation in the past. The existence of the rural industries on
a small scale served as a spur to individual enterprise with the potentialities for
individual and social progress. In the cottage industries, the workers worked
in or near their homes, securing, thereby self-respect, economic and artistic
freedom which were conducive to social and industrial stability. The cottage
industry was an instance of industry which could have been developed without
interfering with the established trade of the world.

In the Census year of 1931, 15% of the total number of industrial
workers were factory labour, and were found concentrated in a few industrial
centres and more than 60% found in the two Provinces of Bombay and
Bengal, while in other Provinces, especially, Madras, U.P. and Punjab, labour
engaged in cottage industries were more. This can be seen from the following
Table 4.1. "There is therefore, no doubt that Small Scale and Cottage
Industries form an important constituent of the Indian Economy."23.

23 RAO, V.K.R.V. - "Small Scale and Cottage Industries", Industrial Problems of India
Table 4.1: Total Workers - Factory - Non-factory

(Figures in thousands)

<table>
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<tr>
<th>Province</th>
<th>Total Workers</th>
<th>Factory</th>
<th>Non-Factory</th>
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<td>563</td>
<td>671</td>
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<tr>
<td>Bombay</td>
<td>931</td>
<td>509</td>
<td>422</td>
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<tr>
<td>Madras</td>
<td>2088</td>
<td>194</td>
<td>1894</td>
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<tr>
<td>U.P.</td>
<td>2478</td>
<td>155</td>
<td>2323</td>
</tr>
<tr>
<td>Bihar &amp; Orissa</td>
<td>989</td>
<td>98</td>
<td>891</td>
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<tr>
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<td>1340</td>
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<td>C.P.</td>
<td>575</td>
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<td>N.W.F.</td>
<td>105</td>
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Source: Census of India, 1931.

4.2.2 Social Basis of the Cottage Industries

The case for the village industries was strengthened by the fact that it gave opportunity for the self-expression of the worker. The Indian craftsmen have inherited a tradition and training handed down from generation to generation. At the same time they were not unwilling to introduce improvements wherever they had found them profitable, as witnessed in the introduction of improved handlooms etc. The modern tendency to measure every industry solely in terms of material wealth had to be deprecated. Industrial property had its human as well as material values, and an industry is neither prosperous nor healthy which showed a great output of material
goods at the cost of the deterioration in the health and character of the workers.24

As the industry is carried out in the midst of the family, the artisans could have worked longer hours than in a workshop and factory. The women also in the interval of their domestic work assisted the artisans materially in the simpler processes of the industry. The artisan thus found an energetic support not only in the collaboration of the members of his family, but also in the moral element which was the consequence of the work in his home.

It would have developed feelings of mutual trust and confidence, love and affection, duty and reverence. Such a co-operation would have not only led to economy and rendered labour sweet but would have developed the spirit of sacrifice and devotion. In brief, it would have laid the foundation of a normal and happy family life. Cottage industries guarantee that happiness which was the result of full exercise of a many-sided human life, not based on exploitation or misery of others. "With such a change in outlook and constant association with the creation of things of use and beauty, a sense of spiritual gratitude cannot fail to revive. Might not this progress provide conflicting India with comforts and peace we all so much desire?"25.

There was also special reason for preservation and development of cottage industries in India. The village had always been the backbone of


India’s economic as well as cultural life. As factory industrialisation involved the decay of village crafts and the concentration of workers in overcrowded cities, its further encouragement would have greatly undermined the "serenity, poise, dignity, spaciousness, proportion, graciousness, depredate sureness and eternal simplicity and beauty which have characterised our rural life in the past and have been objects of admiration among our best minds and among those from other countries".  

Our cottage industries were in a flourishing stage and were famous throughout the known world. They later on languished due to forces over which they had no control, but did not succumb completely to the injuries inflicted upon them. The reason for this lay in the fact that they were the product of our peculiar economic background as well as of our social and ethical ideals. In spite of so many odds and handicaps they were very important for the Indian people. Out of a total of 154 million workers the factory industries gave employment to less than 2 million workers, whereas the handicraft and cottage industries employed more than 14 million workers. According to Dr. Rao’s estimate small scale industries afforded employment to about 228 thousand workers and the cottage industries to about 6144 thousand workers.

In any scheme of economic planning, therefore, cottage industries must have a decisive role to play. They were not to be treated as ‘filling the

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gaps' for the time being and be liquidated ultimately when the state of factory industrialisation was reached. It would amount to a huge waste of natural resources. Cottage industries must have followed a set plan.

The case for cottage industries on social and ethical grounds could not be over-emphasised. As a counter to the modern trend of materialism cottage industries provided a very wonderful contribution. Machinery, the keystone of modern large scale industrialism, had enslaved man, destroyed human skill and individuality. By invading the privacy of home it had disturbed the morals of the family. It had destroyed the independence of the craftsman. It compelled the adoption of the workman to his work rather than the adoption of work to the worker. "It has annihilated time and distance and has brought nearer the countries of the world, but thrown apart the nations, one from the other. It has brought together the bodies but wrest asunder the hearts and souls of the people and made it a handmaid of imperialism\textsuperscript{27}." The overpowering mastery of the machine age had promoted greatly the spirit of individualism tending to make rich richer and poor poorer. The competitive ideal had usurped the place of corporate spirit. The state of perpetual war between nations, a glaring feature of modern life, might also be attributed to it.

Unlike it, cottage industrialism provided ample opportunities for self-expression and initiative. It tended to develop those qualities in the people

\textsuperscript{27} Indian Industrial Commission · Report, 1918 p.416.
which were of vital importance for healthy national development. Raw materials were fashioned in the homes and the very fact of creation stirred the soul of man. Culture and refinement came to the artisan through his work amidst his kith and kin, the work being carried on in the workers' own home assisted by the members of the family.

The importance of cottage industries in the national economy of India lay not merely in the fact that they provided a means of livelihood to a section of the population which could engage in undertakings involving large capital outlay but also in the fact that they provided a supplementary source of income to the large agricultural population of the country, the majority of whom cultivated holdings of an uneconomic nature and would like to increase their income by turning their idle hours to profitable account. Thus the proper organization and development of cottage industries should have formed an integral part of economic and industrial planning. The authors of the Bombay Plan had pointed out that the organisation of cottage industries "is important not merely as a means of affording employment but also of reducing the need for capital, particularly external capital in the early stages of the plan. It is difficult to define the considerations on which the choice between large and small scale industries and cottage industries should be determined. The factors involved in the choice are numerous and often conflicting. But generally it may be stated that while in basic industries there is little scope for small industrial units, they have an important and useful place in consumption goods
industries where their function is in many cases complementary to that of large units." 28

4.3 DECLINE OF THE INDUSTRIES - MADRAS PRESIDENCY

"There was a time when Madras was famous not only in India but also in Europe for her several art industries carried on in numerous cottages scattered in hundreds of villages. It was the age of man and not of the machine... No wonder therefore that the British lost no time in making capital of these beautiful industries" 29. Madras, was once celebrated for its palempores and chintzes. "The term palempore was in those days applied indiscriminately to all varieties of block printed or hand painted cottons including canopies, prayer cloths, mats, bed covers, screens, handkerchiefs, turbans and cloth for male and female wear. 30 The form 'chintz' was also generally employed to describe any dyed or printed cotton, thereby including in its category all palempores as well. The artistic work by which hand printing or painting was done was called "Kalamkari" work. The chief centres in ancient days were Masulipatam, Pallakolu and Gollapuram in the North, Kalahasti and Wallajanagar in the Centre and Kumbakonam, Tanjore, and Madurai in the South. The palempores of Masulipatam had a European reputation, especially those which could be used as screens or canopies, printed by hand, designed in beautiful colours displaying the representations

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30 Report of the Department of Industries, - 1922, p.33
of the Persian tree of life, covered with flowers, parrots and other birds, perched or flying among its branches and rendered more picturesque by animals resting under sheds or drinking the limpid waters of a stream. Some cloths were also made to portray flowers or various subjects of Hindu mythology, such as scenes from the Ramayana or Mahabharatha. Their beauty it must be realised, consisted in the skill and delicacy with which they conveyed the religious or philosophic concepts of the people and portrayed the natural surroundings amidst which they lived. Indian ideas clothed in Indian garb could not but win the admiration of all lovers of art whether Indian or European.

But all this was past glory. The palempore industry is virtually dead. There are few families who possess a knowledge of the art, and their workmanship is said to be crude, corrupted by foreign fashion and tainted by foreign dyes. W.S. Hadaway, who wrote a monograph on cotton paintings and cotton printings in 1917, remarked that inspite of the great and rapid development of the European cotton trade, even as late as the middle of the 19th, there was still a considerable demand for the palempores, but that at the time of his writing, the industry was rapidly declining for want of encouragement. Havell is said to have, at the close of the century, discovered in Wallajanagar and Arcot, in every weaver's house, old blocks of elaborate and beautiful patterns, many of them of Persian origin, piled up in corners or on the roof, covered with dust or cut to pieces and used for poor patterns. He is said to have salvaged out of these blocks more than 200 splendid specimens
which now occupy an honoured place in the Madras museum. It is not surprising that in 1928, the special officers appointed to enquire into the condition of the cottage industries reported that cotton printing for which Masulipatnam was once famous "is now a dying industry\(^{31}\). He said that although there were two firms engaged in ‘Kalamkari’ work there were only two workmen skilled in the ancient art of making palempares. It did not appear that the conditions were better off in other districts.

Another cotton fabric industries for which Madras was equally celebrated was the manufacturers of muslins. The principal centres of this industry were Arni, Conjeevaram, Kalahasti, Coimbatore, Salem, Tanjore and Madurai. It is said that the muslins of Arni were inferior only to those of Dacca but still won the admiration of all at the great exhibition held in London. There has, no doubt, been a great falling off in this industry but still it could not be said to have deteriorated very much.

Closely allied with the cotton fabric industry, there was in Madras the dyeing industries which was at one time the "cynosure of neighbouring eyes\(^{32}\). There is ample evidence to show that the deep, subdued and composite tints produced, by our vegetable dyes were "at once the aspiration and despair of artistic European dyers". Balfour who had the eye of an artist attributed the power of colouring beautifully, of achieving a happy

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\(^{32}\) Report of the Department of Industries 1929.
combination of tints, to the traditional instincts of Orientalists never to be attained by Europeans by any scientific methods. Again the fastness of many of our dyes was unquestioned. The fugitiveness of some of them was ascribed to the desire, then as now prevalent, among some people who wish one and the same cloth to be dyed each time in a different colour. There were indeed fast dyes as well as fugitive dyes, but all dyes were, without exception, pronounced by lovers of art to be wonderfully pleasing to the eye. It is a mistake to suppose, as some have supposed, that their colour scheme was very limited, it might not have been as wide as the colour scheme of chemical dyes, but it was wide enough to cover a large variety of tints.

We should not forget that this dyeing industry was even more important than the art fabric industry, since it supplied dyes not only to all art fabrics, but also to all non-art fabrics as well. It is a pity that it has now completely disappeared. Its decline dates from 1880 with the import of foreign chemical dyes. By about 1900, we find that the aniline and alizarine dyes of Austria and Germany had more or less effectually driven out all vegetable dyes from many parts of our State. By 1918, we find that they had scored a complete victory everywhere over our vegetable dye industry. When during the Second World War the importation of chemical dyes, became an impossibility and revival of the vegetable dyes became a necessity, it was found that no one knew the indigenous art of dyeing. The All India Spinners Association knew no more than the preparation of a couple of crude vegetable
dyes; and the Department of Industries could suggest only a few bloodless recipes which were found to be practically good for nothing.

The next important industry which claims our attention is the woollen carpet and rugs industries. Madras in olden days was noted for this industry which had its chief centres in Ellore, Masulipatam, Bellary, Wallajanagar, Tanjore and Ayyampet. Balfour paid an encomium to this industry and said that in point of texture, and workmanship the carpets and rugs from Ellore and Tanjore were greatly preferred to the Northern Indian Carpets. Havell too held these carpets in high esteem and Thurston attributed much of their beauty to their excellence of colouring provided by the vegetable dyes. There were ten principal colours used in their making, white, ivory white, green, orange, rose, red, black, sky-blue, burnt-amber and "khaki"33. But the colours which mostly dominated were the Indian red, a pleasing orange, a cool low blue, a green of similar gravity of hue and a soft creamy white. The beauty of these colours was not a little enhanced by the charming, skilful patterns of pure Indian origin. The patterns were mostly floral and not geometrical. The carpets and rugs had a great demand in Europe.

"But eventually this industry has lost much of its charm. Even since the introduction of chemical dyes, the carpets have lost much of their beauty; and ever since the introduction of Western patterns and designs and this has

33 SRIDAR RAO, BAHADUR M.V. - The British Government and Indian Industries p.293.
happened since 1850 - they have lost much of their aesthetic appeal"\(^\text{34}\). Moreover during the last fifty years, on account of the scarcity and high price of live wool, the workmen have largely used dead wool or churam wool. And what is more, the workmen were now putting in less stitches and manufacturing only ordinary carpets. Superior carpets were made only to order and even these can by no means be considered equal to the superior quality of carpets made in olden days. And as for a group of minor industries for which Madras was once held in high estimation by all lovers of genuine art, viz ivory carving, wood carving, artistic metal ware, artistic pottery and artistic toys, none of these industries covered any wide areas; almost every one of them was confined to one or two districts at the most. But all of them showed delicate skill or exquisite workmanship and all of them reflected our culture.

The main seats of the ivory carving industry in the South were in Travancore, Mysore and Vizagapatnam under the personal patronage of the rulers of the first two states the industry greatly prospered in the past. In Travancore were made palanquins, idols, human forms, animals, birds, fish, fruits, leaves, flowers, creepers and trees of ivory. Much of its beauty however, was in inlaying work. Sir George Birdwood writes that it was applied to the same class of articles as Bombay inlaying, such as jewel cases, work boxes, desks, chess boards etc. and a variety of fancy articles. It did not appear that there had been a considerable falling off in this industry. It was still said to be in a family flourishing condition and among the articles manufactured were
mentioned fancy articles, idols and pictures of Hindu floral work and miniature engraving of animals, birds etc. This was perhaps the only art industry which was not mauled by time.

The same, however, could not be said of the wood carving industry. Its chief seats in the past were South Kanara, Tirupati and Madurai. South Kanara with its abundant forests was at one time the home of the most deft, skilful and artistic wood carvers. These carvers had a Shasthram of their own, which with wonderful exactitude and keen technical knowledge defined and described the various kinds of wood that could be utilised for rough as well as delicate carvings. At Moodabidri, are some splendid carved pillars in the ruined palace of Chantor, the old local Jain Chieftain; two of these pillars are said to bear representations of the 'Panchamariturage' the horse composed of five women. The doors of the old Jain Basti are also most elaborately carved. Tirupathi too bears witness to the ancient artistic wood carving industry. Madurai likewise was at one time equally noted for wood carving. All this art is now no more - the ancient science of wood carving industry has greatly degenerated. Modern woodwork shows none of the rich massive effect on the delicate workmanship of the ancients. It is now mostly confined to the carving of small idols or the making of toys, utensils and fancy articles.

Artistic metal industry did not seem to have suffered so badly. But still it had lost many of its attractions. In olden days Tanjore was much more famous than today for the manufacture of a large variety of fine metalware showing a combination of copper and silver, or brass and copper or of graven
brass. So also was Tirupathi which made bronze idols, Vellore which made pierced brass trays engraved with mythological figures, Sivaganga which made brass models of lizards, frogs, cobras and various kinds of insects and Kurumbalur which made brass trays inlaid with zinc. We have virtually lost the art of making five ornamental brass and bronze work in the shape of many-branched lamps, sacrificial utensils and exquisite images. Most of the metal ware no doubt still possess some artistic merit, but a great deal of it has lost the religious touch to make any deep impression on the imagination. One need only to compare the old artistic metalware with its present prototype to come to this conclusion.

Nor had artistic pottery fared better. In olden days there was reason to believe, that our art pottery had many votaries in our State some of the ancient vessels found in several districts were said to be of great size and excellent finish. "This ancient pottery, it is said, far surpasses any of the same class now made in India and bears a striking resemblance in the great variety of its shapes, its decorations and the quality of the ware to the fine pottery found in old Etruscan and Roman tombs". The clay from which this pottery was made was of a very superior quality and the articles were often varnished and incised with linear patterns. Pottery of this type of which some samples are said to be in the Madras Museum has now become a lost art. The glazed pottery of Madurai mentioned by Birdwood has also now become a lost art. At Karigiri in North Arcot District several kinds of vases and other

35 RAO, RAMACHANDRA P.R. - Decay of Industries (Bombay, 1935) p.14
articles with a pretty green glaze were made out of a fine white clay found locally. These articles were much appreciated and even exhibited at the Wembley exhibition. At Panruti and Villupuram in South Arcot District some glazed pottery was made as well as representations of fruits, Hindu gods etc. out of China clay available locally. At Uppinangadi and some other places in South Kanara water vessels and toy representation of articles used for domestic and ceremonial purposes were made in black clay. But in all these places, art pottery was on the decline and was struggling for existence. The potters were poor, unable to find markets and mostly indebted to merchants.

The same atmosphere of want and decadence marred the picture of artistic toy industry. Before the advent of machine-made foreign toys, our ancestors, or such of them as had any artistic taste, must have taken not a little interest in encouraging the handmade toy manufacture of our own country. "We had no rubber, celluloid or tin toys, but we had an ample variety of wooden, lacquer and brass toys"36. However on account of foreign competition and change in taste, our artistic toy industry, soon lost much of its market and it is was pitifully struggling in Sivaganga and Kondapalle. Its demand was chiefly confined to festival seasons at pilgrimage centres. There was little doubt that for want of encouragement, the industry had been deteriorating.

The gradual languishing of these industries was noticed with great concern by many a thoughtful observer and well-wisher of the country. Towards the end of the last and the beginning of the present century, lovers of Indian art like Edward Balfour, Havell, Edgar Thurston and Alfred Chatterton sounded a note of warning saying that, unless something was done to revive the ancient art industries, they would soon sicken and die. And soon the cry for revival of not only the art but also the other indigenous industries was echoed by Indian industrialists and Indian politicians and the Government was therefore compelled to look into the matter. The result was the summoning of an Industrial Conference at Ooty in 1908 and the appointment of an Indian Industrial Commission in 1916. Since then, much discussion has taken place on the ways and means by which our art industries could be revived and developed but very little has been done to make them occupy the noble niche that they formerly occupied in the cultural heritage of Southern India.

The question then naturally arose whether any attempts had been made to revive these industries and if so, why these attempts had proved futile. When industrial nations like Great Britain had enunciated various programmes and policies to resuscitate their rural industries it was a great pity nothing had been done on these lines in our own country where villages were of the greatest importance being an agricultural nation. Our blacksmith could scarcely be called craftsmen. They had no work to do but acted as fitters of nuts and bolts for foreign machines. Almost every bit of the iron that was used
in buildings was made in foreign countries. Every nail hit on a plank was made in England or Germany. Our blacksmiths did not know the use of modern tools and labour savings appliances which might give them a chance of competing with the foreign industries with nobody to give them a helping hand. Their class was fast dying. Their highly potential technical ability was running to waste, finding nobody to guide it into the right channel. The Government as well as the people made no move in this matter. "There is the brigade of unemployed youths with high training who can be turned into this line, so that with the help of their guidance and co-operation. The country's industries could be given a thorough overhauling so that they might once more be the life of villages and that the rush of our village artisans into the vortex of the town and merging in the rabble of industrial labourers in the city and loosing all the chance of their being able to develop their individual propensities, might be stopped" 37.

It was interesting to observe that many of the Indian cottage and other small industries had still much vitality inspite of a desperate struggle against the severe competition of indigenous machine made goods as well as goods imported from foreign countries. Much of the vitality of these industries was due to the singular tenacity with which the workers hold to their particular industry. To some extent this might be attributed to natural preference and traditional ties, and in part, to the fact that in many of the industries, the workers show considerable skill and judgement in the occupations and in some

cases, the persistence and vitality of these industries might be explained by the difficulty of migration and the uncertainty of success in the case of the pioneer who gave up his traditional calling for the business life of the towns.

The problem of village reconstruction regarded as one of the most important problems of Indian rural economy was intimately connected with the resuscitation of cottage industries in India connected with rural reconstruction. Any step taken towards the improvement of agriculture in India, and of developing a higher standard of life in the villages would have tended to promote the growth of small industries. The evil effects of concentrated industries on village life were not sufficiently realised by those who advocate complete industrialisation of the country. Rural industries in association with agriculture were of great importance in an agricultural country. Village industries not only arrested the decay of village life, but made the people settling there, comfortable and prosperous. "To this end" says Wolff, "rural industries, made to combine with the cultivation of the soil so as to fill up idle hours or to occupy superfluous hands may be expected to prove a material help"38.

"In the interest of the present and prospective economic well-being of the country it is necessary that efforts should always be directed towards starting and resuscitating the various minor and cottage industries to form an adjunct to the economic resources of a people mainly agricultural and

recommend the improvement of the existing condition of the handweaving industry by the introduction of labour saving appliances and other devices of approved patterns in important centres of the handloom industry with the cooperation of weaving classes and the organisation of peripatetic weaving demonstration parties.\(^\text{39}\)

Industry for a very long time was almost exclusively confined to cottages. It grew and flourished there and attained a degree of perfection, which perhaps through machinery it had not yet attained and it might be impossible to attain forever. The cottage industry certainly formed the means of subsistence to a very large proportion of our people at one time and it would ever form a most useful adjunct to their main subsistence even if they followed other professions. As such it must be the aim of every man who was interested in the welfare of his country to help these cottage industries as far as possible. There was no doubt at this time that it was a fight between machinery and hand industries. Machinery had progressed so far and so fast that it made one doubt if it was even possible to see any real improvement in the hand industries. Anyhow it was a thing which deserved the most serious consideration. Take for instance the physique of the people working in a machine factory. Apart from the question of the large turnout, the physical well-being of these workers in these mills or factories should have been the foremost problem to be discussed when talking of the progress and success. The physical well-being of the people working in factories, inspite of the

Factories Act is far from what it ought to have been. Clearly, one or two generations of work in factories made people less human. Whereas if you took cottage industries, people had absolute freedom. The health of these people was absolutely unaffected. The industry also would grow rapidly and in regard to the quality; machine made goods would hardly bear comparison with handmade articles. Again in a large agricultural country like ours, it was at one time the almost invariable practice that industries like coir-making, rope-making etc. were mainly carried on in cottages and now those industries had shifted to machines. A desire for improving these cottage industries by means of small machines invented for the purpose of carrying on these industries in the cottages themselves would have been a most useful and effective step for the economic and physical regeneration of the country.

The question remained: what should have been the direction of our industrial development therefore? The outstanding moral of our industrial decadence seemed to be the gross misdirection of our area of industries which bulked largely on the written page of our industrial past. These industries were luxury crafts dependent for the most part upon an increasing aristocratic demand. The evil thereof was twofold. Firstly the manufacturers did not minister to the primary needs of man and to that extent entailed economic waste and secondly the cessation of the demand of the nobility, necessitated the outright abandonment of the artistic professions by the craftsmen leading to industrial maladjustment. The dispossessed urban craftsmen, flocked to the villages and pressed upon the land. This meant that seasonal agricultural
unemployment was augmented heavily and the per-capita return from agricultural land underwent considerable depreciation.

India offered a different solution to her economic problems. The village in India and not the town was the base of the economic structure. The spheres of industry likewise radiated from the villages. The rural areas not only grew the raw produce but fashioned that raw produce into finished products, each rural artisan working by himself. Production was therefore decentralised and hence eliminated the middlemen and the agent. "The villager was thus capitalist and labourer in one person. He was the entrepreneur and expert also". And in those days when money economy had not replaced barter economy, payments were made in kind and not expressed through a wasteful medium of exchange, for payments in kind ensured the minimum of subsistence to the villager and an equitable distribution of rural wealth. The towns and cities acted merely as agents for the distribution of the industrial products, which remained in excess of local requirements. In that beneficial era of decentralised production there could be no self-seeking captain of industry, clotting the even flow of economic wealth.

But in India the village artisan had become a mere drudge. The entrepreneur and the expert had departed to the towns and cities. Rural industry had become stereotyped and atrophied, being divested of the creative factors of production; the rot had sent in.

The stimulus given to the regeneration of our decadent rural crafts in the inauguration of the Village Industries Association was a step in the right direction. It was yet another abiding movement from the fertile genius of the Mahatma. It might not have been exactly a marvellous short-cut to political Swaraj but this project for the amelioration of the villager, which would provide primary and subsidiary occupations was a more tangible reality than the concept of constitutional freedom. And the bulk of India lived in village. By its very nature the association was a giant scheme, a classical enterprise.

The 48th session of the Indian National Congress at Bombay had gone down as the most epochmaking in Congress history. At that session held on the 27th October 1934, the All India Village Industries Association was formed. From its inception the course of the Congress had been one progressive identification with the masses and its proposed objective - to secure maximum rural development. Hitherto, the Congress had set itself primarily to the promotion of the cotton industries, the 'Sun' as it has been called of our rural industrial firmament. But cotton was merely the central point in the system of our rural industrial activity and it became imperative, if we were to secure the fullness of village life, to foster every industry, even the smallest. For the wide variety of village produce besides cotton must be made into finished products and the traditional skill latent in our rural artisans made to blossom.

"Our industrial future lies in the resuscitation of our decadent industries and in the increasing opportunities of employment they afford to our
starving millions. The revival of our indigenous crafts far from being an economic expedient is an urgent necessity if we at all give a thought to the amelioration of that mass of helpless humanity"41 which constitutes India. It has been remarked with striking wisdom: "The industrial progress of the country if it is to be of real value, must obviously be in the direction of industries which hold out prospects of employment to large numbers of the working population. Sir Valentine Chirol exhorts to like effect: "It is at least equally important for India to save her home industries and especially her hand-weaving industries, the wholesale destruction of which under the pressure of the Lancashire powerloom has thrown so many poor people on to the already over-crowded land".42 Havell wrote more vehemently. While the governments of Europe have been vying with each other in their efforts to revive the old traditions of craftsmanship and while India possesses in the inherited skill of her millions of artisans, a source of enormous potential wealth which is steadily deteriorating mainly from the want of technical knowledge and proper organisation the only policy of the Anglo-Indian Administration has been to encourage the crude barbarities of the factory system from which Europe is now trying to emancipate herself.

The cottage industries in the Madras Presidency which had grown to great proportions had slowly and steadily started its decline. Could we have helped its vital growth again? What should have been the lines of industrial

41 Indian Economic Enquiry Committee Report, 1925, Vol.1, p.39
42 OWEN, ROWLAND, · India - Economic and Commercial Conditions (London 1953) p.122.
advance? Should we have rejected the methods of Western industrial organisations or should we have replaced the old system entirely by the economic organisation of the West? Or should India have gradually adapted herself to the industrial system of the West, while preserving and developing within proper limits her old cottage and small scale industries and handicrafts?

The response to the questions posed above has categorised the school of thought into two - the new and the old. The former advocating the Western industrial system believed that the economic regeneration of India could be only through the adoption of the industrial organisation of the West, and that the old domestic organisation of industry had become effete and outworn. On the other hand, the advocates of the old system pointed out the many evils of Western industrialism.

The industrialisation of India on Western lines would reduce the large number of independent artisans to the level of drudges of automatic machinery. The migration of the people from villages to overcrowded industrial cities and the consequent disintegration of the family, the general decay of the villages which, had been and ought to be the real social and economic unit, the conflict of labour and capital - these were some of the evils of excessive industrialisation. Large scale organisation does not leave much scope for secondary industries which are of great importance in a great agricultural country. Gandhi, an extreme advocate of the old system, condemned machinery and machine production and pleaded strongly for the revival of the old handicrafts and cottage industries on the ground that, though it did not
give more wealth to the nation it certainly brought more welfare by securing better physical, moral and social conditions.

Conditions of the mass of workers, to quote Gandhi's own words: "Machinery is the chief symbol of modern civilisation, and has begun to desolate Europe. The workers in the mills of Bombay have become slaves. The condition of the women working in the mills is shocking.... It may be considered a heresy, but I am bound to say that it were better for us to send money to Manchester and to use flimsy Manchester cloth than to multiply mills in India. By using Manchester cloth, we would only waste our money, but reproducing Manchester in India, we shall keep our money at the price of our blood because our very moral being will be sapped"\(^{43}\). Thus he wanted the people of India to discard machinery on the ground that it was opposed to the very spirit of Indian civilisation. Again some have opposed the introduction of machinery organisation on a large scale on the ground that it had destructive effects on the art industries of the country. The problem of industrial regeneration of India, it is said, is as much artistic as economic, and any healthy national development must secure the revivification of the arts, and the awakening of the artistic sense of the nation.

However there was a considerable lacuna to fill and the good work that had been commenced had to be pushed forward - not in a nibbling,
piece-meal and niggardly fashion but much more vigorously, steadily and comprehensively.

Any one who looked into the plight of our rural industries could not but be struck by the sorry state in which these were placed in the face of intensive competition from machine-made cheap articles. These industries were once, flourishing, and were in a position to produce the highest degree of finish in their respective lines. The ability of our craftsmen was above question. "If a benevolent Government had given them facilities to move with the times, they would not have been in the plight in which they find themselves. It has been India's misfortune that her interests were not always the consideration of the powers that count in matters of policy".  

It is a fact that more than a hundred years ago, India was a country where cottage industries were flourishing. Thanks to the influx of manufactured goods of Western countries, these industries have, been very nearly killed. "But let us not despair believing that the day of cottage industries is over. In Switzerland, one-third of the population is engaged in cottage industries. Labour is phenomenally cheap in India and the people here are very industrious; then surely cottage industries in India have a future of which we may be hopeful".  

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4.4 STATE IN RELATION TO COTTAGE INDUSTRIES: REVIVAL

In the development of industries, governments of every country had played a very important role, be it in financing research, providing education, regularizing the industries, or protecting them from foreign competition. But this need was not recognised for a long time in any one of the Provincial Governments of British India and the "dissenting note of Mohan Malaviya in the Industrial Commission Report brought out the adverse actions taken by the Government from time to time to the detriment of the industrial development"46.

With the establishment of the Department of Industries in certain Provinces, the development of industries became a transferred subject, and the Government of India controlled transport, trade, exchange and currency. This double or dual control had been the greatest hindrance in the way of nation building efforts. Financial constraints of the Provinces had been another drawback, and the revenue accruing from land revenue and irrigation dues to meet in particular their expenditure, was meagre and inadequate to meet the needs of the cottage industries. The Industries Department had been the first to be axed in times of retrenchment.

There were many other things which made the Department quite ineffective. The main obstacle was that though the Department required the

46 SINGH, C.M. "State Aid to Industries" (Allahabad, 1944) p.103
services of a Special Officer to direct and guide its activities, these personnel when posted were not permitted to hold the post for long. As soon as he got acquainted with the activities of the Department, he was transferred and the work was entrusted to another. A person brought from the executive side loved redtape and naturally buried himself in the files of routine rather than doing any useful work.

Table - 4.2: Statement of Revenue and Expenditure - Department of Industries - 1945

<table>
<thead>
<tr>
<th>Province</th>
<th>Exp. of Inds. Dept. (Rs. in '000s)</th>
<th>Total Ordinary Rev. (Rs. in '000s)</th>
<th>% of Exp. Dept. of Inds. to Total Rev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Punjab</td>
<td>1770.8</td>
<td>119835</td>
<td>1.48</td>
</tr>
<tr>
<td>United Provinces</td>
<td>1368.0</td>
<td>123378</td>
<td>1.11</td>
</tr>
<tr>
<td>Bihar</td>
<td>542.4</td>
<td>50327</td>
<td>1.08</td>
</tr>
<tr>
<td>Bengal</td>
<td>1056.0</td>
<td>130085</td>
<td>0.81</td>
</tr>
<tr>
<td>Assam</td>
<td>230.6</td>
<td>27361</td>
<td>0.92</td>
</tr>
<tr>
<td>Orissa</td>
<td>120.4</td>
<td>18466</td>
<td>0.65</td>
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<td>Central Provinces</td>
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<td>45371</td>
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</tr>
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<td>Madras</td>
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<td>0.54</td>
</tr>
<tr>
<td>Bombay</td>
<td>572.8</td>
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</tr>
<tr>
<td>Sind</td>
<td>35.0</td>
<td>39203</td>
<td>0.90</td>
</tr>
</tbody>
</table>

Source: SINGH, C.M. - Ibid. p.107.

If the Government really wanted to do some useful work, non-officials who have established their reputation as good organisers, and who had taken interest in the development of industries should have been
appointed on these jobs so that they might have freely mixed with the public and utilise their business experience for the good of the people. This was not done; hence there seemed to be no chance for any appreciable development. Money in sufficient amounts should have been placed at the disposal of the Director and he must have been left free to know the public opinion and respect it. Business and authority go together. As long as the employees in the Department including the Director himself, considered that they are officials, and not public servants, in the real sense of the term, no substantial gain will accrue.

There was the problem that whenever any difficult position arose, the Government would take shelter under one Commission or another and the matter referred to ad infinitum till the public opinion got tired. There have been many Surveys and Commissions but very little came out of them. It was action that was needed, when once started the experience gained would have been the best guide.

Industries cannot be an isolated subject. It must have the co-operation of different Departments. Co-operation, agriculture, transport, education etc., are all connected together. In so many cases, work suffered for want of co-ordination. Unnecessary delays retarded the work and brought about waste and loss of time and money. Speedy methods of disposal were only possible when the officers thought these matters to be of national importance and attended to them with the promptness required.
"If there was any hope of placing the Cottage Industry on their legs it was the Co-operative Department which could have given practical help in their organization". The same remarks of want of special study and the transfers applied to the Co-operative Registrar. There was no consistent policy and secondly the business experience and skill required to see these things through, was wanting. Co-operation and organization require a study of human psychology. It requires resourcefulness, pluck and tact and also a grasp of the subject. All these qualities can only be acquired by experience and training. But here too the work was entrusted to untrained men who generally proved to be failures. In private service, if a man was found to be unsuitable, he could be discharged or transferred to another job, but not so in the Government Department, with the result that inefficiency prevailed. Preference was given to the standard of education than to training required to execute a certain job. It was no wonder that most of the schemes adopted from time to time by the Co-operative Department had failed.

The report rightly observed that "the meagreness of the progress hitherto made by co-operative organisations in the marketing of products should appear to be even more pronounced if the value of goods sold through various kinds of co-operative institutions was compared with the values of numerous products purchased by production and sale societies and industrial unions (exclusive of milk and paddy unions) were estimated at Rs.15,138 and

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Rs.10,500 respectively, while the sales of the provincial and co-operative societies during the same year were estimated at about Rs.66,000/-\(^{48}\).

To provide training, Government had done either by opening schools, peripatetic or permanent or by providing special experts to advise in the improvements of their workers. In the first place such an aid had been very meagre in comparison to the vast number of people employed in the cottage industries and secondly, it was not of the proper kind. The very fact that generally the children of artisans and co-operative workers did not join these training centres nor the adult taken into confidence by the so-called Government experts, was a clear condemnation of the system. It was not always true that the artisans being too poor could not afford to send their boys to these institutions. There were only spasmodic attempts made by Government but no success could be achieved till a systemic planning was done in this connection.

Circumstances were for a time favourable to the cottage industries. In 1910 the Secretary of State for India forbade the State managed Commission and enterprises. In 1913 came the banking crisis and the failure of some large industrial and enterprises. This was followed by the Great War (1914-18) which for about half a decade made it impossible for India to start large scale industries or to import foreign goods. "This series of handicaps to large industry was a good luck chain to the indigenous crafts which were now

not slow to benefit by the situation. The Co-operative Societies Act 1912 which enabled the artisans to co-operate for self-elevation enhanced the status of the cottage industries of the land. Thus by the end of the second decade the small scale industry and cottage industry felt their position so secure as to claim equality of status with the large scale industry of the country.

The political campaign of 1921 and 1931 with its insistence on Khaddar and other indigenous crafts created an atmosphere conducive to the development of many cottage industries. In consequence there was increased industrial activity among the small producers in many parts of the country. Their production increased in quality and variety. About the same time there was some re-organization among the large scale industry of the country. For instance, the textile mills which formed the bulk of the large scale industrial activity of the country switched over to new lines of production as suggested by the Textile Tariff Board. They also began to produce coarse cloth which looked like Khaddar. The rice and flour mills began to displace handproducing industry. This encouragement was not tolerated by the cottage industry. The mutual co-operation and co-ordination of effort between two groups of the earlier years degenerated into competition and rivalry between them.

The history of the 30s was one of an endeavour on the part of large scale industry to elbow their rival out of the industrial arena and the tough defence put up by the latter at each bout. The Economic Depression of

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49 TEKUMALLA, V., *Cottage Industries - Their Place in our National Economy*, p.7.
1930s placed the puny cottage worker at a greater disadvantage than the big mill owner; and the new Swadeshi Slogan created a popular sentiment in favour of Indian mill products. "Yet he met the situation with dogged tenacity, crouching lower and lower and accepting a narrower margin of profit. For years he had defended his position thus, but had not gained a definite point over his better placed rival. The last bout came off during the industrial rehabilitation which followed the economic crisis. The puny boxer soon found a spring board in the Congress Election Manifesto. Swinging forward with added might, he made an impression on the opponent and drew the attention of the public"50.

The year 1936-37 marked a turning point in the fortunes of cottage industry. For decades, they had to fend for themselves. But later their cause was vigorously championed by the Congress which came into power in several Provinces. Talks about industrial planning were in the air. The position of the industry drew universal interest. Thus small scale industry and cottage industry came to be viewed against a large perspective of world cottage industry.

4.5 MADRAS GOVERNMENT AND COTTAGE INDUSTRIES

The Madras Government was one of earliest of Provincial Governments along with some public bodies, to devote attention to the development of cottage industries51. A survey of these industries was made

50 TEKUMALLA, V., . Ibid. p.13.

51 MITRA AND LAKSHIMAN . Cottage Industries in Indian Economy p.87.
and report published in 1929. Although voluminous reports embodying the results of the Survey were published, no serious attempt was made to draw up a comprehensive plan for the revival and development of cottage industries. Such steps as were taken to improve cottage industries failed to yield practical results as no attempt was made to relate the plans for the rehabilitation of cottage industries to a predetermined objective. Failure was inevitable when the whole approach to the question was fundamentally unsound. In 1936, the State Aid to Industries Act of 1923 was amended to liberalise its provisions so as to render financial assistance to cottage industries too. In the same year, District Economic Councils were set up with examination and study of cottage industry as one of their functions. In 1937 these were abolished and district collectors were asked to conduct surveys and submit proposal for development of cottage industry. As a preliminary to the further promotion of Industrial Co-operatives, the Co-operative Department carried out a survey of cottage industries in the state and prepared a draft brochure on cottage industries in 1941 which was subsequently revised and brought up-to-date in 1945. The Madras Committee on Co-operation (1939-40) had recommended their development on co-operative basis. The success of handloom industry organised on co-operative basis was remarkable. As regards other industries, there were 14 Cottage Industries Co-operative Societies on 30th June 1944. The Madras Provincial Co-operative Bank voted a sum of Rs.5000/- in 1943-44 and another sum of Rs.5000/- in 1944-45 for the development of cottage industry. Out of this sum, instructors were appointed for hand-made paper, coir and leather goods and for pottery and some lady instructors, for
embroidery and tailoring. Six Cottage Industry Societies for women were organised. The Government appointed a lady inspector of co-operatives. An exhaustive note on the economic resources and cottage industry of the Ceded districts and their possibilities of development was prepared for the Famine Code Revision Committee (1938) by the then Director of Industries and Commerce, Madras. The Ceded District Economic Development Board had been giving special attention to the development of hand spinning and hand weaving, cumbly industry, sericulture and hand-made paper manufacturing in these districts. Their development in the other districts of the Province also was no less important because everywhere agriculture was a deficit economy and cottage industries had to be developed to increase the earnings of the peasants, majority of whom were believed to have borrowed greater amounts in the War period inspite of their supposed prosperity due to the increase of agricultural prices. As the Report of the Economist for Enquiry into Rural Indebtedness, 1946, (which puts the rural debt of the Province at Rs.217.7cr., higher than the debt in 1935 by Rs.14 cr.) said: "The tenants and the landless labourers, the lowest among the agricultural hierarchy have run into great debt and their economic position has seriously deteriorated. Even supposing the entire mass of rural debt is wiped out by the sweep of a magic wand debt will re-emerge so long as agriculture and rural economy are not placed on a sound and prosperous footing. The strength that cottage industry would provide to such a footing, needs no emphasis".

52 MITRA AND LAKSHMANAN, Ibid p.43.
Any investment of cottage industry and small scale industry and industries allied to agriculture had to be undertaken by Provincial Governments as the conditions vary from Province to Province. What was wanted was not inquiries of a purely scientific and antiquarian value, but regional surveys of the position and prospects of rural crafts and industries. The question of spare time occupations for agriculturists had not been taken up in right earnest by the Provincial Governments. In Madras the Agricultural Department have done nothing in this direction although the Department of Industries have made some experiments with regard to sericulture and the Director of Industries, Madras in his evidence before the Royal Commission on Indian Agriculture had outlined the measures taken by the Government to expand the sericulture operations in the Madras Presidency. The Madras Government have undertaken an investment in rural industries with special reference to those which were suitable as subsidiary occupations for agriculturists during the slack season. As regards industrial development, the policy of the Madras Government had been to start pioneer industries with a view to ascertaining the commercial possibilities of manufacturing articles not produced in the Presidency and to grant State Aid under the provisions of MSAIA to private enterprises for starting new industries. The Act provided for State Aid to sparetime industries, but the Act has been a dead letter so far as these industries were concerned, because it was not simple or liberal enough to enable the sparetime industries to avail themselves of its provisions. The Act required a certain amount of security to be furnished and the sparetime industries which would not have been able to furnish that security. This defect
could have been got over by interposing a co-operative organization between the Department of Industries and the cultivators.

The question may be realised as to how far the Government was justified in expending public funds in popularising part-time occupations for agriculturists. In a country where most of the revenue came from the agricultural class, the Government would have been perfectly justified in expending some of the public moneys in that direction. The land tax was the largest tax in the Province of Madras. It had been calculated that while the USA spends on agriculture about Rs.1681/1000 of the population, France, Rs.948, Japan, Rs.217, India spent only about Rs.34 and Madras, about Rs.24. It might be affirmed as a sound principle, as observed by the Chairman of Royal Commission on Indian Agriculture that in the case of agricultural industries, the Government would have been justified in going forward if the industry was likely to be a sufficient success as to stand on its own legs after a reasonable period of encouragement. The investment of sparetime occupations had to be taken up by the Government.

Sri Prakasam had evolved a scheme for the planned development of cottage industry in the Province. "A scheme for the development in selected Firkhas of some 30 industries including fish-curing, jaggery manufacturing, cashewnut roasting, handloom weaving, leather industries, hand-made paper making, soap making, dyeing, woodwork manufacture of trunks, suitcases and
The first part of the scheme dealt with the establishment of some 200 training and demonstration units which gave training for about 4000 persons at a time in one or the other of the above industries for a period ranging from 3 to 10 months, with a stipend of Rs.7.8.0 to Rs.10 to 50% of the total number of trainees.

The second part of the scheme related to the reorganisation of the industrial and commercial museums with a view to extend their activities to the sale of cottage industry products, grant of financial aid by Government towards rent of sites and furniture, maintenance of staff etc. for museums and supervision of these museums by District Industries Officers. The third part of the scheme provided for facilities to be given to the village artisans after the completion of training to establish themselves in the trade of their choice, like loans for purchase of the required raw materials and implements or facilities for higher training in particular crafts. The Government was contemplating opening a Cottage Industry Research Institute which would explore new groups. The Government had sanctioned the above proposals, so far as they relate to the I and III parts. The Scheme was estimated to cost the Government. Rs.20,56,580 under non-recurring and Rs.27,15,428, under recurring.

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54 MITRA AND LAKSHMANAN, Ibid p.48
"In any scheme of organization for the revival and development of cottage industries, it is essential that the State should take a vital part and render help to promote cottage industries in which a large body of workers are employed. It is admitted that the artisans and cottage industrialists are mostly unorganized and are exploited by master workers and middlemen; they are illiterate and undisciplined". It was the responsibility of the State to create conditions and provide facilities in which these men might have felt it worthwhile not only to carry on the industry but also to help themselves to raise their present standard of living. Government had been interesting themselves in the amelioration of the conditions, for the relief of the indebtedness of the agricultural classes, the provision of credit to them, for the marketing of their produces, for the supply of agricultural requisites, etc. They were helping the handloom weavers through subsidies or guarantee for loans. They had similarly helped the workers engaged in the production of woollen goods. In the same manner it was the duty of the State to help the cottage industries workers who are most in need of such help.

It was clear from what has been stated in the preceding paragraphs, that State Aid could take different forms. What form and degree of help was necessary for a particular cottage industry is a matter which can be decided in the light of the conditions in which it was successfully carried on. It was hardly necessary to expatiate on the several forms of help required.

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55 Government Order, No.1033 (Development) 13 March 1945.
"The objection of State intervention of industries is no doubt sound if that intervention were to lead to state industrialisation. Private enterprise will in such a case find it difficult to compete with a powerful rival like the Government and consequently will be smothered, if not totally killed out. Apart from the question of promoting the developments of existing industries with a view to finding employment for declaiming agricultural and artisan classes, there was a higher consideration of developing industries with a view to enable the country to hold its own in its trade competition with other countries in the world. A special Minister or Director for Cottage Industries was a necessity, a Director who would be the guide, patron, a teacher and adviser to the cottage worker as well as an alert sympathiser of the poor.

Plans drawn up by several economic groups - the Bombay Plan, Peoples Plan, the Gandhian Plan - agreed on the imminent need for industrial development. The Bombay Plan stated that small or cottage industrial units "have an important place in consumption goods industries where their function in many cases would be complimentary to large units\(^5\). The Peoples Plan believed that, "increase in productivity of labour would depend upon the use of developed machinery in association with labour. That being the case, any considerable use of the cottage industry cannot be reconciled with the "Spirit of the Plan."\(^5\) The Gandhian Plan laid emphasis on self-sufficiency in

\(^5\) Government Order, No.3852, (Revenue) 30, December, 1912.

\(^5\) Government Order No.1317 (Development), 3, September, 1931.

\(^5\) BALIGA, B.S. - Studies in Madras Administration, Vol.1 p.41.
industrial production, de-centralisation of industries and cultural development of the masses. Unlike the other two Plans, the Gandhian Plan pushed the "pendulum onto the other side by laying too much emphasis on ruralisation".

Compared with the programme made by the co-operative movement in other directions, co-operation among cottage works had least developed. But cottage industries for handloom textiles had developed remarkably. Though Committees and Commissions had made recommendations for the promotion of cottage industries on a "co-operative basis", they were not followed up by practical action on a large scale. There was no definite plan, and only haphazard attempts were made in the past. In addition, the problem bristled with difficulties. Organization of cottage industries on co-operative lines should have been preceded by a good deal of spade work and investigation to ascertain the availability of raw materials locally available for the promotion of the industry such as the needed human element with traditional skill or training, demand for the products, availability of capital or the survival value of the industry.

59 Government Order No.958, (Development) 5 July 1946.

60 Cottage Industries Committee of the Industries General Committee - Agenda 12 December 1944.
4.6 SUMMARY

The lessons we have for the present may be stated here - from what has been stated so far, it is evident that there are difficulties, both internal and external, in the matter of organization of cottage industries on a co-operative basis. If, however, it is admitted that there is need for promotion and encouragement of such industries and that the co-operative method is the best, it follows that a planned attempt should have been made to revive, organize and run such industries. "While there is unanimity of opinion in favour of organization and revival of cottage industries, it has not been taken up as a matter of definite polity by Government nor has it been claimed that the organization and promotion of industries on co-operative lines has been taken up in pursuance of a definite programme by the co-operative Department, the attempts made hitherto have been sporadic and haphazard. The reasons for this state of affairs have been already indicated."^61.

A plan and a programme should have been drawn up for the organization, revival and improvement of cottage industries as a measure of general post-war development and in a manner supplementary to, and not in conflict with, medium size or large scale industries. The point for consideration was which are those cottage industries which might be organized and revived or improved on co-operative lines, with such assistance as the Government can afford to give them. There were three factors which, in this connection,

required consideration. The first was that as the Economic Plan of the Bombay Industrialists suggested, there was scope for such industries in the sphere of certain essential consumption goods. It followed then that attention should have been directed to the rehabilitation or reorganization of such industries. The second factor was that such of the industries as may be attempted to be promoted should have had a survival value. It would be a waste of public time and money to bolster up or support such of them as could not with all the support which the State may give them, be expected in the long run to stand on their own legs. This test again circumscribed the choice of such industries. The third and the most important factor was whether and to what extent, both the Provincial and Central Governments were prepared to regulate, control and direct the spheres of medium size and large scale industries on the one side and small and cottage industries on the other, and formulate such policies as may minimise the conflict between these sets of industries and enable the cottage and small-scale industries to withstand the competition from the well-organized large scale or medium-size industries. If, in spite of all the help which Government might be prepared to give, no attempt was made to regulate in some manner or other, the sphere of cottage or small-scale industries and to give them some degree of protection, in whatever form it might be decided upon, it was more likely than not, that such industries might succumb, sooner or later to the onslaught of organized large-scale industries. This was a line of State policy and State Aid which the Provincial Government in conjunction with the Central Government could have alone decided in the interests of the industrial economy of the Province.