CHAPTER V

AGRICULTURE – KHADI, HANDLOOM & INDUSTRIAL DISPUTES
Rajaji with Jawaharlal Nehru

Rajaji with Vallabhai Patel

Rajaji with Pandit Nehru and Smt. Indira Gandhi
CHAPTER V

AGRICULTURE – KHADI, HANLOOM AND INDUSTRIAL DISPUTES

Agricultural Reforms Done by Rajaji

Agriculture is the backbone of Indian Economy. Though his tenure as the Chief minister of Madras Presidency was short he tried his best to bring certain reforms regarding agriculture.

Rajaji has translated Thirukkural of the world-renowned poet Thiruvalluvar into English. His translation on the chapter On Agriculture runs thus:

'Many other industries may be taken up, but ultimately the world depends on agriculture. So, despite its troubles it is the worthiest occupation' (K. 1031).

'The tillers of the soil are the axe-pin of the revolving world. On them depends the sustenance of life for those that, unable to take up the plough follow other occupations?' (K.1032)

'They only live by right that till the soil and raise their food. The rest are parasites'. (K.1033)

'The State that has fields waving with full-eared corn will see the sovereignty of many princes resting under the shade of its munificence'. (K.1034)
The eminent Tamil poetess Avvaiyar adores agriculture very much. She says:

The tree that has grown  
On the bank of a river  
And the dignified life  
Known to a king will fall  
Isn't it? So, it is good  
To live ploughing the land;  
There is no other life equal to it!  
The life that is led by other vocations  
Will be faulty! ²

Both Thiruvalluvar's Thirukkural and Kautilaya's Arthasastra deal with Virtue-Wealth and Pleasure: These two treatises reflect ancient India's ethical, political and economic thinking.

The Indian economy as depicted by Kautilya was predominantly rural and agricultural. Agricultural sector lacked the landowners as a class. It was primarily a peasant agricultural system. The king participated in economic activities of the state wherever considered proper. The crown lands could be cultivated as state farms or by tenants. A gift of land by the king only implied an exemption from land tax or a right to use land for an income. The final ownership stayed with the king. Though the king was an autocrat he was supposed to act so as to ensure the happiness and material prosperity of his subjects. ³
The French economists, the Physiocrats agreed on one basic idea: Wealth came from the land. Only land contained the life giving process of nature derived from god. Land alone could produce a surplus. It is an obvious fact that agriculture is the backbone of Indian Economy and it is also an obvious fact that peasants are the backbone of agriculture. The culture of equal treatment is absent in the haves in most cases. Any reform takes place when there is injustice or inequality or if there is any oppression!

In India the Feudal System (Here it is called the Zamindari system) prevailed for centuries. This system though paved way for exploitation it met no severe opposition for a long time. The resentment against this system has grown along with the growth of democracy. The Congress in its growth has given due importance for the abolishing of Zamindari system which sucked the labour of the peasant. If the system were unchecked, definitely it would lead to a class struggle along with the class struggle that already existed. (Here the class struggle is Caste struggle). Having this in mind the ideologues of the Congress wanted to put a check on this system.

Pandit Jawaharlal Nehru in his Congress Presidential address says: 'The Congress, it is said, must hold the balance fairly between capital and labour and zamindar and tenant. But the balance has been and is terribly weighed on one side and to maintain the status quo is to maintain injustice and exploitation. The only way to right it is to do away with the domination of any one class over
another. The All-India Congress Committee accepted this idea of Social and Economic change in a resolution it passed some months ago in Bombay. The question is not one merely of wages and charity doled out by an employer or landlord. Paternalism in industry or in the land is but a form of charity with all its sting and its utter incapacity to root out the evil.  

'We must decide for whose benefit industry must be run and the land produce food. To-day the abundance that the land produces is not for the peasant or the labourer who works on it; and industry's chief function is supposed to be to produce millionaires. However golden the harvests and heavy the dividends, the mud-huts and hovels and nakedness of our people testify to the glory of the British Empire and of our present social system. Our economic programme must therefore be based on a human outlook and must not sacrifice man to money. If an industry cannot be run without starving its workers, then the industry must be closed down.'

'If the workers on the land have not enough to eat, then the intermediaries who deprive them of their full share must go. The least that every worker in the field or factory is entitled to is a minimum wage, which will enable him to live in moderate comfort, and human hours of labour, which do not break his strength and spirit. The Congress will adopt the well-known demands of labour for better life, and will give every assistance to it to organize itself and prepare itself for the day when it can control industry on a co-
operative basis’. But industrial labour is only a small part of India, although it is rapidly becoming a force that cannot be ignored. It is the peasantry that cries loudly and piteously for relief and our programme must deal with their present condition. Real relief can only come by a great change in the land-laws and the basis of the present system of land tenure’. 7

'We have among us many big landowners and we welcome them. But they must realize that the ownership of large estates by individuals, which is the outcome of a State resembling the old feudalism of Europe, is a rapidly disappearing phenomenon all over the world. Even in the countries which are the strongholds of capitalism, the large estates are being split up and given to the peasantry who work on them. In India also we have large areas where the system of peasant proprietorship prevails and we shall have to extend this all over the country. I hope that in doing so, we may have the co-operation of some at least of the big landowners'. 8

Peasant's Condition in Madras Presidency

In the Congress manifesto for the provincial election in 1937, there was clear indication that the main problem of the nation was the size of the rural debt. 9 Further the Congress pledged to settle disputes between the Zamindars and ryots. The Zamindari system, which prevailed in India for centuries, proved to be an evil. All those measures taken earlier to abolish this system totally failed.
There were 1500 (one thousand five hundred) zamindari areas scattered all over Madras Presidency. They owned more than 13 million acres of land, including some forest land and collected rupees one crore, of which they paid only 42 lakhs of rupees to the British Government as the revenue. They took the remaining sum of money as their profits. Thus they got more profits by collecting exorbitant rent from their tenants and paid meagre sum only to the British government as their land revenue. The really suffering people were the ryots (peasant) who had to bear the burden of paying high rents to Zamindars.

These poor peasants brought their miserable condition to the notice of government officials. But all their appeals fell in deaf ears. So, they sought to find judicial remedies. Certain resolutions brought by the Government in their regard also failed to solve their problems. All resulted in the anti-zamindari movement and began to give immense worry to the Government.

Rajaji's Role in Solving Zamindari-Ryot Issue

This situation forced Rajaji to seek some remedies for the grievances of the tenants. First of all he wanted to study the problem of the ryots before introducing any legislations for the purpose. Accordingly in September 1937, he set up a joint committee of both the houses selecting three members from the Council and six from the Assembly entrusted this committee with the work of enquiring into the problem prevalent in the Zamindari and other proprietary areas in the Presidency.
T. Prakasan as its Chairman along with other members like Alibeg, M. Palaniswamy, B. Venkatachalam Chetty, B. Narayana Swamy Naidu, V. V. Jaggiah Naidu, A. Rangaswamy Ayengar made an extensive tour in the different parts of the Presidency, studied the problem faced by the ryots and submitted their final report to the Assembly on 30 January 1939, and on 31 January 1939, to the Council. The Committee in its report made three important recommendations:

1. The ryots should be recognized as owners of the lands they cultivated.

2. The rent due to the Zamindars from the ryots should be fixed at the rate that prevailed in 1882.

3. The Zamindar lands that were mismanaged should be taken over by the Government.

Rajaji was much interested in bringing a suitable solution to the Zamindari-ryots problem. But he was not able to implement the recommendations made by the Committee because of the abrupt end of the ministry in 1939.

Rajaji and his Agricultural Relief Measure

Agriculture, which happened to be the principal occupation and backbone of the economy of the Madras Presidency, started losing its importance from 1932. It became very difficult for the agriculturists to meet even the interest charges on agriculture loans.
Hence they were unable to repay their debts during this period. It was estimated by the Madras Banking Enquiry Committee in 1930, that the entire rural debt of agrarian population was rupees 1,500,000,000. In 1939 the debt amount rose to rupees 2,719,000,000, which amounted to an increase about 100% in the decade.

While the prices went low and credit position of the small and medium land owners disintegrated, the creditors asked for more and more security. Actually, the increase in the rural debt during the time of 1930s was not because of the new loans availed by the peasants but because of an increase in old debts through interest. Hence lands were sold due to insufficient funds and for paying the labour. Between 1930 and 1934, 19.5% of land went into the hands of non-agriculturist.

The Rajaji ministry introduced and passed two bills in the Madras Legislative Assembly with a view to provide a relief to the ryots and the agricultural debtors. They were:

1. The Madras Agricultural Relief Act

The purposes of these two acts were to write off old agrarian debts and fix the rates of interest, which the moneylenders could officially charge for loans at 6.25%. More over compulsory Debt Conciliation Boards were established and several welfare measures were carried out.
In the ensuing years, the rural debts were scaled down by writing off the debts contracted before 1, October 1932 and by reducing the debts contracted during the period between 1932 and 1937 by restricting the legal interest to 5\%.

Rajaji was quite contended that the proposed Act could give the poor people living on either small bits of lands or large bits of land a way to begin life by paying the principle only, but this was objected to by the lawyers and land lords.

As the benefits through these two acts would be reaped by all even the members of the Muslim League also extended their whole-hearted support. Thus for the first time in the history of the Province it was Rajaji who took a significant step in the direction of helping a certain section of the population which had not received attention till then.

**Rajaji's Agricultural Reform during 1952-1954**

In the State like Madras (Now Tamil Nadu) where agriculture was still a major occupation, most of the backward and depressed classes remained as agricultural labourers. But these poor peasants were forced or partly forced to work for a creditor under an arrangement either without wages or for nominal wages. Thus the wealthy landlords often exploited these poor people.
Soon after taking the administration as Chief Minister of Madras State, Rajaji paid more attention on a very turbulent question that prevailed in the Tanjore District. It was the question of the agrarian folk. For many years the landowner and the tenant in that district had serious confrontation about their rights and privileges.

There prevailed a great discontent on both sides. At this juncture Rajaji in order to study the situation in the Cauvery delta region in Tanjore personally visited the spot and expressed his views. He tried to establish cordial relationship between Mirasdars (Land Lords) and the tenants so that food production would not be affected. For that he acted courageously and issued an Ordinance in the month of August 1952. It precisely defined the rights of both the parties and also brought them nearer to reconciliation.

Tanjore Tenants Protection Bill was moved in the Madras Legislature. The very intention of this Bill was to save the Pannaiyals (Peasants) who were exploited by the Mirasdars. Then the Tanjore Tenants and Pannaiyals Protection Bill was converted in the Legislative Assembly as Tanjore Tenants and Pannaiyals Protection Act 1952. It reproduced the provision of Madras Ordinance VI of 1952 with certain modification and purported to remove their causes of friction that led to agrarian crimes and disturbances in the Tanjore District. It provided for the reinstatement of cultivating tenants who had been
evicted by the landowners either in favour of other tenants or in favour of their own Pannaiyals.19

It not only provided security of tenure for five years to each tenant but also devised machinery for settling the dispute. That machinery was given complete power to enquire into the dismissal of farm laboures and their restoration on just and equitable term if the dismissal was wrongful.

Provision was made for the division of the gross produce between the tenant and the landowner in the ratio of 2:3 or such higher proportions favorable to the tenants as have been agreed upon between the parties. The Act further entitled the tenants to raise at their own risk, any crop and to retain the produce after giving one fifth thereof to the land owners. The Act also fixed minimum wages, which should be paid to agricultural labour.20

When the Chief Minister's attention was brought to the lack of share in the cash crops he also viewed the issue with a sense of reasoning and remedied it by availing 40% to Mirasdars and 60% to the tenants. Moreover he put a limit upon the portion of the land to be cultivated so that the tenants might not put the entire sketch of land under cash crops to get greater benefit.21

Advantages of this Act

Agrarian crimes came to an end. It gave security of tenure for five years to each tenants and fixed division of grown produced between the tenant and
the owner in the ratio of 2:3. It also fixed the minimum wage, which should be paid to agricultural labour. But for the timely action taken by Rajaji the agrarian dispute in that area would have embarrassed the Government a great deal later on.

Rajaji and Khadi Development Programme

Khadar is not only an-apparent apparel but also a thing woven with national spirit and Self-respect. During the independence Struggle in India Khadar was a symbol of Swaraj.

The Movement of Khadar would look strange for the people who belong to the present generation and who do not know the history of freedom struggle in India.

Khadar was an instrument meant for opposing the use of foreign clothes. The movement of khadar was social-political and economical one.

It was social as far as it was home spun;

It was political as far as the fight against the British was concerned;

And it was economical as far as the poor were concerned.

C.R.Das an eminent Congress leader and freedom fighter regarding Khadar says: “We must regard Khaddar (Khadar) as a symbol of Swaraj. As the Khadar makes us self-contained with regard to a very large department of our national life so it is hoped that the inspiration of Khaddar will make the whole
of our national life self-contained and independent. This is the meaning of the symbol. To my mind, such symbol worship requires the spreading out of all non-co-operation activities in every possible direction. It is thus and only thus that speedy attainment of Swaraj is possible”

As regarding the importance of Khadar Mahatma Gandhi says, “Britain’s chief interest centres round the Lancashire trade with India. It is one thing more than any other that had ruined the Indian peasant and imposed partial idleness upon him by depriving him of the one supplementary occupation he had. Boycott of foreign cloth is therefore a necessity if he is to live. The plan therefore is not merely to induce the peasant to refuse to buy the cheap and nice-looking foreign fabric but also by teaching him to utilize his spare hours in carding and spinning cotton and getting it woven by the village weavers to dress himself in Khaddar so woven and thus to save him the cost of buying foreign and for that matter even Indian mill-made cloth. Thus boycott of foreign by means of hand spinning and hand weaving i.e., Khadar, not only saves the peasants families but it enables us, workers, to render special service of a first class order. It brings us into direct touch with village. It enables to give them real political education and teach them to become self-reliant. Organisation of Khaddar is thus infinitely better than co-operative societies or any other form of village organisation”.
Khadi was considered only as a part-time job-off rainy season and full time employment during famine. But Gandhiji often said, "Without a Cottage Industry the Indian Peasant is Doomed. He cannot maintain himself from the produce of the land in its supplementary industry". In a letter dated February 15, 1922, Gandhi wrote, "Of all my outward activities I do believe that the spinning wheel is the most permanent and the most beneficial. I have abundant proof now to support my statement that the spinning wheel will solve the problem of the economic distress in millions of Indian houses, and it constitutes an effective insurance against famine".  He further opined, "The spinning wheel is a foundation for all public co-operative life. It is impossible to build any permanent public life without it. It is the one visible link that indissolubly binds us to the lowest in the land and thus gives them a hope".

Following Gandhiji Rajaji gave much importance to the growth of cottage industry than heavy industries. He was not against the development born of modernity on the other hand he wanted to maintain the labour-capital relationship in a conciliatory style in order to maintain an economy weighed in favour of agriculture and rural industries.

Rajaji classified the machines into three categories:

1. Time Saving
2. Destructive
3. Productive
He was not against the time saving machines such as Train, Aero planes etc. Though they do not add to the production of this country they save time.

He was opposed to destructive machines such as Gun, Bombs, etc.,

Rajaji classified the productive machines into two categories:

1. Machines that are helpful and useful to man
2. Machines that are harmful to man.

Thus Rajaji had neither blind infatuation for machinery nor irrational opposition against it.

He laid more emphasis upon developing small-scale industry than heavy industries and advocated the Khadi scheme. The object of the Khadi scheme was two fold, just, to provide employment to the unemployed and under employed rural population, as spinning offered the simplest avocation in life. Secondly, it was to achieve self-sufficiency in cloth in term of Khadi in the villages. He further believed that it was the only way by which the villages could be made as self-sufficient economic units. As such he became an ardent follower of Gandhi in propagating Khadi. He took up the Khadi development programme as a measure for social progress.

The growth of Textile mills made it difficult for the poor weavers to compete with mill products. The foreign competition had especially paralysed the spinning and weaving trades. The weaver stood helpless before the gigantic array of machines and machine made clothes of mighty Manchester. The free
trade principles applied to India brought about complete ruin of this class of industry in South India. Rajaji strongly believed that the Indian problem of hunger could be solved only by making people industrious and not by mere industrialisation.

Khadi was an integral part of the original Swaraj programme of 1920. In 1921-22 thousands of congressmen repeated from hundreds of platforms that Swaraj for the millions depended upon the spinning wheel humming in every village.

Rajaji took up the Khadi development as part of the Congress Constructive Programme in the South in 1922. He rendered valuable service for the development of Khadi and Handloom even before coming to the power and it is evident from his introduction of Khadi scheme at the Tiruchengodu Ashram in 1925.

The long absence of rains in the year 1925 resulted in boosting the development of Khadi in and around the Ashram. The charka was the only alternative means of income. Plenty of yarn was produced for the use of weavers. Rajaji by his Khadi scheme not only gave employment to the poor but also made periodical appeals to them to save a little money every week and not spend every thing on drink. He also persuaded several mills in Tamil Nadu, not to produce thick yarn so that weavers would be obliged to accept hand spun
He organised the south Indian Khadi Exhibition to remove the public scepticism on it.

Rajaji’s Khadi-Handloom Development Measures During 1937-39

One of the first moves by the ministry was to allot rupees 2,00,000 for the encouragement of the handloom industry in the first budget. The Government extended necessary assistance that it would enable the peasant families to supplement their income. A group of members with rural background contended that the budget had an urban bias and that allotment was inadequate to meet the needs of the handloom industry. The representatives of the commercial interests opposed it severerly.31

Rajaji gave reason for his inclination to Khadi and Handloom industry. “Such assistance for the effective renewal of a lost industry is a reasonable charge on the revenue of the province. It is essential that the industry should be given some measure of assistance to enable it to be renewed and become again a source of supplementary income to peasant family”.32

Rajaji openly declared “Let the Capitalist build up special Industries, but agriculture and cloth must be left untouched as common property, for they are the only assets for the poorer members of the nation”.33 It was this ideal in his mind that made him pass the Madras Regulation of Sale of Cloth Act, 1937. This Act made provision for a levy of rupees two per year in the case of
merchants who had turn over of rupees three thousands or less per month and rupees five a year for others.\textsuperscript{34}

This system of licensing cloth dealer introduced by the Act provided for a levy of license fee on dealers in Mill Cloth as a measure of protection by exempting those dealing exclusively in Khadi and handloom products. T.T.Krinamachari, a member of the Legislative Council pointed out the flaws in the Act. He ridiculed the idea of licensing cloth shop, stood against the imposition of such tax and requested the Government to show consideration to other industries also.\textsuperscript{35}

B.Bhaktavatsala Nayudu, a member of the Justice Party opposed it, since it discriminated between mill cloth and handloom cloth. Mahmud Shamshed, a member of the Muslim League, also opposed the Act as it affected even the small merchant.\textsuperscript{36} But Rajaji in his reply to those oppositions stated that if there was any group against whom the Act aimed at was the Indian and European owned cotton weaving mills in Bombay and Ahmedabad, not the mills which produced almost entirely yarn, much of which was sold to hand-weavers in the Presidency.\textsuperscript{37} Even though this Act did not bring in considerable revenue, it served as a pacesetter for the later attempts to give protection to khadar and hand-woven cloth.

Further the Government sanctioned the expenditure incurred for hand spinning and khadi manufacture movement.\textsuperscript{38} It also sanctioned the payment of
subsidy for the period of 1937–1938. Moreover it paid rupees thirty lakhs to the “All India Spinner’s Association” for khadi development. The grants were spent in distributing Charkas and establishing spinning centers in many of the famine stricken areas of Madras state. Higher wages were paid to weavers weaving hand spun yarn than mill made yarn. The handloom products were also exempted from the general Sales Tax. Further the handloom weavers were helped with up to date designs and the Government directed that the staff of the Textile Institute should be utilised for the purpose.

The capitalist press and some Congress politicians condemned his textile policy continuously. But he stood firm like a rock and stated that to create a proper atmosphere for the development of Khadi his Government would not allow the establishment of any new textile mill in the Province. Thus his Khadi scheme provided remunerative employment for the large rural agricultural population especially during the off-season. It also proved to be a good famine relief measure during the time of distress.

While Rajaji was taking all this measures in Madras Presidency, the Congress Working Committee in its Haripura Conference held on 24 February 1938 passed the following resolution on khadi: “This committee notes with satisfaction the policy adopted by the All India Spinners and other Artisans engaged in the production of khadi and the steps taken by it in that behalf, and calls upon all Congress men and the public in general to give full co-operation
in making this policy a success by purchasing only that khadi which is certified by the All Indian Spinners Association".43

**Khadi and Handloom Development between 1952-54**

When Rajaji became the Chief minister of Madras Presidency in 1952 he once again took up Khadi and handloom scheme seriously and also made recommendations to the Government of India. He asked, "The state provided no workshop no training centers and no educational facilities to handloom weavers, why there is a Research Development Department for the mills and not for the charka and the handloom?"44 With this appeal to the public his government framed its textile policy so that mills cannot not kill handloom cloth or Khadi.

His Khadi scheme was operated in two parts such as intensive and extensive. Under this scheme, charkas and other implements were supplied at cost price; the cost was recovered in installments. The very essential raw material cotton was supplied to spinners at cost price itself.

The centers selected were three in Tamil Nadu, viz., Avanishi, Vellakoil, Chinna Salem, one in Kerala viz., Payyanur and three in Andhra, viz., Guruvareddipalayam, Kotauratla and Erragondapalayam. The immediate objective of the scheme was to arrange for the production of Khadi in each of the centers sufficient to make available to the local population supplies at the rate of twenty yards for adult and ten yards for a child per annum.
It was proposed to achieve this by securing at least one efficient spinner from each family residing in the center. Provision was made for supplying charkas to new spinners at cost price. The spinners were encouraged to grow their own cotton to make them self-sufficient in respect of cotton in the centers and supply to the spinners at cost price.

The authorities in charge of these schemes were asked to take steps to increase the weaving capacity of each village, so that the yarn spun in the village was woven into cloth in that village itself. The central Khadi committees and village Khadi committees constituted under the scheme were asked to carry the propaganda on the centers to create public opinion in favour of Khadi and also to exhibit the necessary spinner by house to house propaganda. A paid staff also appointed to assist the committee in their work.

Though in the beginning it was expected that the Khadi produced in the center would be consumed by the local population later it was decided that all Government Departments should use Khadi only. The Government took such measure with a view that use of Khadi would have a unifying influence and would be the best expression of homage to the memory of Gandhiji.

This scheme was extended to several Firkas and worked successfully under the supervision of Rural Welfare Officers assisted by Khadi workers and Gramsevakas. With the merger of the rural welfare in National Extensive service in October 1953, the working of the scheme was entrusted to the block
development officers-in-charge of the National Extensive Service block of the respective Firkas.

The extensive Khadi scheme was introduced in the first instance in 19 selected Firkas. This scheme provided for introduction of thousand charkas a year in each of the 19 selected Firkas. Arrangements were made for supplying charkas at a concessional price and for the supply of cotton and instruments. Subsidy was also paid to self-spinner. The intention was that the Extensive Khadi scheme should pave the way for the introduction of the Intensive Khadi scheme in due course.

The total expenditure to the Government during the year 1953-54 on the intensive and extensive parts was rupees 16,68,113 /- while the total income by the sale of cloth and cotton during the year was rupees 12,90,268 /-.45

The Government also created Khadi and village Industries Board with the Minister of Agriculture as Chairman and The Director of Rural Welfare as Secretary to advise the Government on matters relating to the development of Khadi and Handloom industries.46

Along with khadi, Rajaji tried to encourage Handloom Industry also. A state Handloom Committee was formed to advise the State Government on all matters relating to the development of the Handloom Industry. In the districts, District Handloom Boards under the chairmanship of Collectors were
constituted to advise the collectors on local problems relating to the Handloom Industry. The proposal for establishing Statutory Handloom Board was dropped on the ground that it would do more harm than good to handloom weavers.  

Hence the creation of a separate Handloom Department was given up.

However, the Government undertook Relief Scheme to meet the great slump in the handloom industry that began in March 1952 and continued till the end of 1953. The state Handloom Committee recommended to the Government that no more power loom should be permitted to be installed in the province. With the help of the Yarn Advisory Committee ration cards were issued and yarn was distributed on the basis of the active looms. To protect the handloom industry, the Government of India reserved certain varieties of cotton fabrics for production by that industry alone. When the yarn supply position became easy, distribution of yarn on the card system was suspended. An International Marketing Scheme was undertaken by the middle of 1953. The Government of India passed the central act called the Khadi and other Handloom Industries Development Act, 1953 and relaxed yarn and cloth controls.

Thereafter the production had increased from rupees 18 lakhs per month to rupees 60 lakhs per month and the sale had increased from rupees 21 lakhs per month to rupees 60 lakhs per month. The socio-economic conditions of the handloom weavers improved considerably and they looked forward to an era of further development under the period of second five-year plan.
Rajaji also appealed to the people to co-operate and patronize Khadi and Handloom cloth wherever it might be available and for every purpose for which it would be used in preference to mill cloth. Every one must help the weak handloom weavers and their families from starvation. People could make everything they wished out of handloom cloth, provided they paid a little attention.

No subsidies or other help could come up to the help that the public could give. Ultimately any subsidy could help only when the public would come and buy handloom cloth. When people decided to buy this decent and durable cloth the life of handloom weaver would no longer be unhappy. Rajaji remarked, "One out of every twelve families in our state was a weaving family that desired to maintain itself on honest labour". He even pointed out that a self-respecting and self-supporting section of the population of the order of six millions depended on handloom industry and everyone must buy handloom cloth. He in a press conference emphasized that question of reservation of the manufacture of the dhotis and sarees to the handloom industry was not a question of yardage; but of human families whose care was the obligation of the State Government and therefore of the Central Government.

At this juncture Rajaji recalled his past effort in that regard. "Seventeen years ago I obtained from the Legislative Assembly of undivided Madras a unanimous resolution demanding that the union Government should ban textile
mills from producing bordered dhotis and coloured or printed sarees, leaving these items of production to the millions of handloom weavers who live on that cottage industry without throwing any burden on Government". 53

As a result of Rajaji’s efforts Khadi and Handloom Industry made great and rapid progress. Today handloom industry occupies a very prominent in the state. This success has gone a long way to make villages economically self-sufficient and has thus helped rural uplift.

Rajaji’s Approach towards Industrial Disputes

In promoting the State’s economic development Rajaji as an administrator provided the state first with a sound agricultural base so that progress in industries could follow up, once self-sufficiency in food was achieved.

The growth of Industries plays a vital role in the enhancement of a nation’s elevation along with agriculture. But industries along with production also breeds labour unrest and unless it is set right the smooth running of industries will come to a stand still. In that case the growth of production will be stunted. How Rajaji as an administrator faced the industrial problems will be known from the following thing.

The Madras Presidency was industrially backward when compared to the Presidencies of Bombay and Bengal. It had its own labour forces. Only a small
fraction of the total work force came from outside the Presidency. The workers in the Madras Presidency were primarily agriculturalists or labourers.

In the Madras Presidency the cotton spinning and weaving mills and Railways were the two largest employer of industrial working class. Heavy industries like engineering works, coal, iron and steel or mining of any significance were not available. The gradual growth of cotton textile industry, railways and other minor industries in the province resulted in the emergence of Wage Earning Class or industrial working class. They constituted only a small proportion in the total population of the Madras Presidency.

When Congress assumed office in different provinces, there was a new surge of hope in the minds of the workers that they would be able to achieve everything they wanted for themselves. Their hopes were very strong that they thought that their own leaders had come to power, their wages would automatically be increased and condition of living improved overnight.54

Rajaji, as Premier of Madras Presidency appointed V.V.Giri who was well versed in the labour problems as the Labour Minister in his Cabinet to deal with the labour disputes. Being the Premier Rajaji guided V.V.Giri in solving the labour disputes.

With the coming of the Congress Government in the Madras Presidency in 1937, the industrial worker anticipated that the Congress Government would introduce a number of welfare measures such as improved working and living
condition. Contrary to their expectation the labour policy of the Congress Government did not bring about the much-awaited change in the industrial relation. The relationship between industrial labourers and the government greatly strained in 27 month rule of the Congress Government in the Presidency. Only thing that the Congress ministry gained during the rule from this section of population was their hatred and enmity.  

V.V.Giri the Labour Minister said regarding the unrest of the labourers: “The cause of their unrest is due to the over expectation of the workers who have in their mind that they have more rights to resort to extreme action”.

Within a few months since the Congress assumed office, labour struggle spread throughout the Madras Presidency. Lightning Strikes, sit-in-strikes and stay-in-strikes became the order of the day. On the 2 October 1937, about 513 workers of the Carding section of The Carnatic Mill staged a stay-in-strike. Their grievance was that they were not given the proportionate increase in wages, which was promised by the management consequent on the reduction of workers from three to two per machine. The Madras Labour Union advised the strikers to hold on the strike until they achieved success and to destroy the mill welfare committee. The strike had affected the work of other departments and the services of 873 workers of the spinning and weaving departments had been dispensed with subsequently. The union leaders exhorted the strikers to remain
peaceful pending the intervention of V.V. Giri, the Labour Minister. Eventually, Giri intervened and the strike came to an end on 22 October 1937.

On the very same day V.V. Giri made an announcement in a press communiqué on the labour policy of the Government of Madras Presidency “The Government strongly disapproved the strikes. The declared policy of the government is that ‘internal settlement’ is preferable to ‘external settlement’ of trade disputes”.

Despite the advice of the Congress Government the workers of the Madura Mills at Papanasam went on a lightning strike on 16 November 1937, on a demand to reduce the number of sides attended to by each spinner. At first the strikers refused to leave the mill premises, but they were eventually, persuaded to leave the mill. The night shift workers were also in the same way persuaded to vacate the mill. However, on the next day, about 3000 workers joined the strikers and the management declared a lock-out.

As directed by Rajaji V.V. Giri, intervened and on 22 November the mill was reopened on the condition that the workers would resume work ‘unconditionally’ and express regret to the management for having gone on lightning and sit-down strike. The management on its part stated that they found it impossible to carry on their work in the face of constant strikes and that if any further strike without proper cause occurred; they would close their mills for an indefinite period.
In 1938, there was a big trade dispute in the Madurai and Papanasam mills owned by the Harveys. Hence the employers declared a lockout. The workers were ready to work but they were denied opportunity to do so. For nearly three months this lockout persisted. With the intervention of the government in this issue, employers agreed to reopen the mills and lift the lockout on certain conditions. But these conditions were quite against the interest of the workers. They actually intended to employ those loyal workers or recruit fresh hands, eliminate those whom they considered to be active trade union workers or 'inconvenient' to them.57

At this juncture V.V. Giri appraised the situation to Rajaji and he felt the need for the application of section 144 Criminal Procedure Code against the management and he ordered not to open the mills till a settlement was made.58

This order was intended to bring the erring employer to reason. At that time the Governor was at Ooty. Rajaji on phone informed him of the proposed step. But the Governor expressed his disagreement to that measure. But Rajaji stood firm and informed the Governor that if the views of the Government were not accepted, his Government would resign. Ultimately, for the first time in the history of the country, section 144 was imposed against the management and compelled them to climb down from their high pedestal and reach a final settlement with the workers. Thus we find that Rajaji always stuck to his principle irrespective of consequences.59
The Indian Leaf Tobacco Development Company at Chirala in Guntur District, which employed about 6000 workers, went on a partial strike on 8 February 1938. On 14th February after the midday interval, a large number of workers assembled outside the factory and attacked the police party with stone. To tackle the situation the police opened fire on two occasions and in that three workers were killed. The district officials justified the police action of firing but V.V.Giri who had visited the spot on the direction of Rajaji condemned the police firing, and said, “personally I was unhappy, for I was of the view that the firing could have been avoided by tactful handling”.

To cite another instance, on 8th November 1938, the management of the Chitavalasa Jute Mills in Vizagapatnam for insubordination dismissed a woman worker. Anticipating some trouble the management locked out the mill. On 14th February 1939, the management dismissed a weaver. In support of them, about 2000 workers staged a stay in strike. Under this circumstance on the pretext of maintaining law and order, the police party went into the factory at mid-night and opened fire on the sleeping strikers. Rajaji immediately sent V.V.Giri, the Labour Minister to the spot to study the situation. Accordingly he went there. After making a complete enquiry he condemned the police firing.

The Communists organised strikes broke out in Madurai and Nellikuppam. Even though many of their demands were reasonable, the Government of Rajaji handled them with repressive measures. There were lathi
charge, arrest of picketers and union leaders, promulgation of section 144 and Criminal Procedure Code etc. The Government justified such actions and on its behalf V.V.Giri had stated that if they were not taken, in a probability, the victims of political strikes would have made it almost impossible for any industrial undertaking to function or flourish. The determined actions of the Government made them realise that it was tough and would not surrender to their tactics and they eventually realised that they were fighting a losing battle and gave up. 62

When there was a stay-in strike of workers in a Jute mill at Chitavalasa in 1939, Crombie, who was then the District Magistrate at Vizagapatnam, went into the mill and ordered firing at unarmed workers. This incident caused a wide stir and resentment among the workers not only in Chitavalasa but also throughout Madras Province. The foresight of Rajaji and the labour situation analysed by V.V.Giri, the Labour Minister went together and this resulted in the setting of a Commission of Inquiry, which caused the transfer of Crombie from Waltaire to Bellary. 63

It is interesting to note that the appointment of a court of inquiry was a significant event in the history of labour management relation in the Madura mills. Till then, the mill owners could successfully avoid government intervention in labour disputes on grounds of internal affairs. But in this case
the management yielded to the request of the worker's union and the government for the first time in the history.

In Coimbatore, when the Lakshmi Mill introduced a new system by which spinners had to work two looms of the spinning frame instead of one, the workers struck work on 21st September 1939. On the following day, almost all the workers in all departments struck work in sympathy with the spinners. The management had no other go except locking out the mills. At this critical situation Rajaji sent V.V.Giri to Coimbatore to persuade the workers to call off strike and the management to reopen the mill. The mill owners agreed to lift the lock out. Thus by the timely intervention the labour problem was solved.

**Industrial Disputes during 1952-54**

Rajaji neither had faith in Socialism nor in Communism. Indeed, one of the first statements made in 1952 when he assumed office as Chief Minister of Madras for the second time was “I am a public enemy number one to the communists”. The government felt that the aim of the Communist and the Socialist was to make a dent in the solidarity of the working class and create a rival faction and bring down the congress prestige. Hence his government ruthlessly suppressed the left-led strikers.

While planning the development of the state’s industrialisation, the congress Government under Rajaji did not neglect the working class. The government, in fact, introduced several measures to improve the working and
living conditions of the labourers. Yet their conditions were not satisfactory. The workers were conscious of their rights and privileges and they could not tolerate injustice and exploitation. They struggled for an increase in wages and protested against reduction in wages, for daily allowance, payment of bonus and for security of service.

During the year 1951-52, 9178 complaints and industrial disputes were investigated by the Labour Department. The main reasons for these strikes were the demands of the workers for bonus, leave, increased wages, daily allowance and reinstatement of the discharged workers. Out of these, 2410 had been selected to meet the demands of reinstatement of discharged workers, 1421 for increase with rates of wages, 790 for bonus, 271 for daily allowance, etc. There were 255 strikes during the year resulting in the loss of 5,10,160 man days. An amount of Rs.11,50,525 by way of wages had been lost on account of these strikes. Mediation by the Officers of the Labour department resulted in the settlement of 165 disputes. The workers resumed duty unconditionally in 49 cases, and abandoning the strikes and in 41 cases the parties to the dispute settled their differences by direct negotiation.

Thus Rajaji skillfully handled the situation making the workers and the Government attain satisfaction. The genuine grievances of the workers had been removed.
END NOTES


6. Ibid., p.896.

7. Ibid., pp.896-897.

8. Ibid., p.897.


   Directory of the Madras Legislature, 1938.


13. Ibid., p.152.


18. Ibid., pp.572-588.
23. Ibid., pp.735-736.
26. Young India, 4 September 1924.
29. Young India, 26 May 1927.
31. Young India, 22 September 1927.


38. Government Order No. 597, Development 12 November 1937.


43. Ibid., Vol.VI, 1938, p.34.

44. Ibid., Vol.XVI, 12 July 1952, p.165.


Radio Speeches by Hon’ble Sir C. Rajagopalachari, Chief Minster of Madras.


58. Ibid.

59. Ibid.


63. Ibid., p.67.

