

*From the London End*

## Textiles In The Doldrums

THE seriousness of under-employment in the textile industry has at last caught the public eye. Underemployment first appeared some nine months ago in the woollen mills and in certain sections of the clothing trades and has since extended to cotton and rayon. The plight of the industry can be gauged by the admission of the President of the Board of Trade that, "the statistical estimate of 5 per cent unemployment in the textile industry understates the gravity of the problem".

The difficulties of the industry are now being traced back to the spring and early summer of last year when consumers abruptly broke off an orgy of anticipatory buying which had begun after the Korean war. Then, consumers, wholesalers and retailers had over-bought in varying degrees, and the whole sequence of events now appears to have been world-wide. The *Manchester Guardian*, which is particularly perturbed by the consequences in Lancashire, draws the conclusion that "the slump is world-wide" and goes on to cite a Wall Street journal report that the situation in Belgium, Canada, France, Japan and Holland is as serious as that facing this country.

The extent of the difficulties in Lancashire can be gauged from the fact that, first in the woollen and worsted mills of Bradford, output fell by about a quarter from the highest level reached, employment was cut by one-tenth and short time working became more common. There are some faint signs that the woollen industry may now have seen its worst, but in cotton and rayon, the fall continues. At the retail end, sales seem to have stopped falling, and appear to have stabilised though at a very much lower level than before.

Inasmuch as a relatively large proportion of British textiles is produced for the export market, it would seem that the reasons for the present slump are likely to be found in the conditions in those markets. And, therefore, it would be more to the point to enquire whether we are not witnessing the operation of a structural change in the world market for textiles. We

are seeing now the end of a post-war boom (or rather of two post-war booms, since the Korean war produced another, just when a recession was about to begin). The new pattern of textile trade, as a consequence, presents a prospect for Lancashire much more bleak than that after the post-war boom collapsed in 1922 which caused so much pain to Lancashire. While world demand for cotton textiles continues to increase with increases in population, the volume of textiles entering world trade is continually shrinking, as more and more countries make and consume their own cotton goods. Before 1914, the world volume of imported textiles was 9,500 million yards; it fell to 8,500 million in 1926, to 6,400 million in 1936 and to 4,000 million in 1948. Countries like India and Latin America, which were once the great markets for Lancashire, are becoming themselves formidable exporters. On the other hand, countries like Pakistan, South Africa, Australia and Burma, have or are in the process of setting up their factories and as a consequence, are importing less. No less important is the fact that a number of potential markets have fallen within the Communist orbit, and as a result, are lost to the textile exporters of the West and Japan,

It is delusively attractive for the textile manufacturers to complain of the effects of Japanese competition or of the drastic cuts in imports by Australia. Even if the Australians were persuaded to import more British cotton goods and if the Japanese could be forcibly kept out of those traditional markets which are under British political control, the slump would not be ended. The long term trends in the pattern of international trade are beginning to create real problems, and the lessons of the past do not appear to have been learned by the more vocal sections in Lancashire.

Living under the aegis of almost eight years of a seller's market, the tendency to waste and inefficiency in Lancashire have been all too evident. Now that depression will inevitably increase the competition between firms, efforts will no doubt be made to secure economies in

production and better utilisation of labour. The solution to the problem of a shrinking world market will, however, require more than this, for Lancashire's continued well being. The accent must surely be on remodelling the industry and greater emphasis on the home market. The government's responsibilities in the matter are plainly beyond question. Now is the opportunity to divert labour and resources from a decidedly declining industry to those branches of the economy where a shortage of manpower and materials is manifesting itself. Defence work and those industries, like engineering, which have better export prospects, are the possible long-term channels for such a diversion. The need for planning is urgent in view of the depressive effect which accumulation of stocks and a continued demand for raw cotton would have on sterling.

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