

**QUICK SURVEY OF AVAILABILITY AND SALE OF
CONTROLLED CLOTH IN 32 URBAN TOWNS - 1978**

1. **The Study**

The Scheme for the production and pricing of controlled cloth had a chequered career since its introduction in 1964, due to multiple adjustments attempted on it. At the time of its introduction, the industry was statutorily required to produce five varieties, i.e. dhoties, sarees, long cloth, shirting and drill in full range from superfine to coarse and was obliged to distribute 45% of the total production delivered for civil consumption at controlled prices. Since March 1967, despite the continuous escalation in the price of cotton, the Government was reluctant to revise the prices of the controlled cloth. Because of the demand recession and sharp rise in the prices of cotton many mills faced closure and some actually ended up in closure. To galvanise the ailing industry, some sops which included exemption for financially weak units from controlled cloth, subsidies, etc, were announced in January, 1977. On request of the Ministry of Commerce, the Programme Evaluation Organisation conducted a quick survey of the scheme in March, 1976. Following this, another survey was carried out in April, 1977 to take stock of the impact of various policy changes instituted during 1976-77. The combined report was published in March, 1978.

2. **Objectives**

- i) To observe the factual position in selected towns about the coverage of different markets by controlled cloth shops.
- ii) To obtain a broad, qualitative assessment of the consumers' acceptance of the different varieties of controlled cloth.

3. Sample Size/Criteria for Selection of Sample

The 1976 survey analysed the market situation regarding controlled cloth in 32 towns spread over the country. The survey excluded the metropolitan towns of Madras, Bombay and Calcutta for want of adequate staff. Out of 268 main retail markets existed in the selected 32 towns in March, 1976, upto 6 markets were selected for survey from each town, 3 catering mainly to the needs of the working class and the other three to the lower middle class. A sample of 169 retail markets was selected for the survey. To bring out a comparative picture, the same 32 towns were selected for the 1977 round of the study.

4. Reference Period

Data were collected for the months of March, 1976 and April 1977.

5. Main Findings

1. The demand for the different varieties of controlled cloth was invariably good. However, serious gap existed in the distribution system which aggravated during the year 1976-77. The distribution of controlled cloth was handled by the National Co-operative Consumers' Federation through State level Co-operative Federations or Wholesale Co-operatives. These agencies could not cover a substantial proportion of the market for controlled cloths nor could they arrange for timely replenishment of stocks.

2. The overall sales of all the varieties were observed to be satisfactory to good.

3. The modified Scheme, effective from 1-1-1977, appeared to be working satisfactorily. As per the Scheme, the State governments started reimposing the income and quantitative restrictions for the retail sale of controlled cloth.

6. Major Suggestions

1. The reasons behind continued lags in the production and supply of controlled cloth should be the examined.

2. The objectives of the Scheme, in terms of the potential area coverage and target population coverage, must be re-assessed.

3. The adequacy of the means adopted by the major public agencies responsible for the implementation of the Scheme (Textile Commissioner, NCCF, NTC) must be examined. Assessment of the imperatives for (a) determining overall requirements of stock, (b) ensuring timely replenishment of stock, (c) observing the emerging trends in consumer demand, and (d) setting up matching supply arrangements, should be regularly made.

4. The efficacy of the means available for establishing compatibility between the production and distribution of the controlled cloths must be reviewed and the production of the varieties (in the price and quality range) for which there is a good demand from the weaker sections should be ensured.