

CHAPTER VIII

Epilogue

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“The textile industry occupies a place of unique importance in the economy of country by the virtue of its significant share in industrial production, large work force employed and the fact that it not only caters for clothing needs of the community but also generates substantial surplus for exports. The sustained and balanced growth and development of those industries is, therefore vital to economic growth of the country as also or fulfillment of the most essential need of the people.”

(The New Textile Policy-1985)

In the present work an attempt has been made to study the history of **“Shri Shahu Chhatrapati Mills, Kolhapur”**. The study is very significant as it is a study of economic aspect. It is a micro-history as well as local history. Textile industry in India has been studied by many scholars. But study of a single textile Mill in Kolhapur has not been made so far. The general works on the economic policies of Chh. Shahu throw some light on history of Shahu Mills. But present work deals with every minute aspect of the history of Shahu Mills. So it is a study in depth of a single institution.

“Shri Shahu Chhatrapati Spinning And Weaving Mills” was established on **27th Sept. 1906** in Kolhapur State. Kolhapur is one of the leading states in Southern Maratha Country. The reign of **Chh. Shahu Maharaja (1894 -1922)** is remarkable in the history of Kolhapur State.

This great visionary ruler not only laid the foundation of social reform movement but also introduced economic reforms. He visited foreign countries in 1902. He was very much fascinated by observing overall developments of those countries. Recognizing the real reason of it he realized that industrialization is the only key to modernization.

Chh. Shahu took the initiative for the establishment of cotton Mills in Kolhapur State. The Mill was commonly known as '**Shahu Mills**'. Right from the year of establishment, the Mill made tremendous progress with a variety of productions. In the year **1926 Chh. Shahu Rajaram introduced weaving section** to Shahu Mills. After that Shahu Mills made a tremendous growth. The steady growth of the Mills continued up to the merger of the state in 1949.

The history of Shahu Mills can be divided in to two phases as pre-independence and post –independence phase.

Pre –independence phase was the formative phase of Shahu Mills as it witnessed the establishment and growth of the Mills. The Mills not only created its separate identity in Kolhapur region but also gained a name and fame on the textile map of India. The management of the Mills also changed from time to time during this phase. In the post –independence phase the managing authority of Mills changed in 1956 and **Maharashtra State Textile Corporation (MSTC)** started to work as the managing agency but from **1976 MSTC became the owner of Shahu Mills**. All the policies and programs designed by MSTC were followed in Shahu Mills. The working of Shahu Mills was in progress up to 1980's but after that to certain reasons this Mills **was included in to sick industries by MSTC**. The situation became worst and finally in the year

2004 MSTC declared the closure of Shahu Mills. The Mill had a history of about hundred years .Present study is confined to the first phase i.e. up to 1949.

The developments after 1949 were not studied in this work. But a passing reference to some important aspects had also been made.

Establishment of Shahu Mills was A Golden Chapter in History of Kolhapur. As textile industry previously existed in Kolhapur State was in cottage form, establishment of Shri Shahu Chh. Mills in Kolhapur State in the year 1906 was the very first attempt of modernization and industrialization of Kolhapur State. It was the beginning of agro –industrialization too. Thus establishment of Shahu Mills became a milestone in the industrial life of Kolhapur.

Shahu Mill was started by some merchants of Gujari on joint venture basis. Rajarshi Shahu gave a full support to this sector. He took permission directly from the Governor. He also gave a sizable piece of land and RS.50, 000 as donation. He promised to purchase the productions from Mills. He banned the establishment of such kind of industry in State for next 30 years to protect the newly established Mills. Due to the lack of funding and mismanagement he nationalized Shahu Mills in the year 1918. From 1918 the Mills became a state property. Chh. Shahu started it with certain objectives like Agro-Industrialization of the state, employment opportunities to illiterate people in the state, to make availability of quality and cheap cloth to poor people etc.

He supplied modern machinery from England for the Mills. He wrote a personal letter to **Maharaja of Budhwai to invest** in this sector.

By all possible ways Chh. Shahu tried to nourish Shahu Mills. The productions of Mills especially a thread had got a good reputation and demand in market.

Progress of Shahu Mills (1922 -1949)

After the death of Chh. Shahu, Chh. Rajaram came to the throne. Chh. Rajaram Maharaj proved a worthy son and successor of Shahu by carrying the valuable works. During the reign of Chh. Rajaram (1922-40) the progress of Shahu Mills was its peak point.

Chh. Rajaram introduced weaving section to Mills by investing Rs. 5 lakhs for machineries, buildings and other things .During Shahu period and up to 1926 only thread was produced by Mills. By the introduction of weaving section Chh. Rajaram had taken an advanced step in the progress of Shahu Mills. **It increased the prestige and status of Shahu Mills.** The cloth produced by Mill was considered as standard cloth. It was proved by the fact that **First Gold Medal was awarded to the cloth of Shahu Mills** in 1928 by “**All India Swadeshi Bazar Industrial Exhibition, Poona**”.

1929 to 1940 was a crucial phase for textile industries in India, in general and Mumbai particular. The Great Depression of 1929 affected the economics of the World. The unprecedented drop in prices was found all over the World. During this phase of worldwide trade depression no merchant could dare to purchase on a large scale. Obviously the majority of textile Mills situated in Bombay Presidency suffered heavy losses and other mills could not make profits worth noticing. Some mills were carrying both day and night shifts, but with heavy losses or with a profit

which was not sufficient to cover even depression. But it was surprising that Shahu Mills was not affected much.

Cotton cultivation too was affected during this period of depression. Textile industry was facing a problem of raw material i.e. cotton. Chh. Rajaram took some positive steps for the supply of cotton to Shahu Mills. He encouraged the peasants in his state to produce cotton, so that Shahu Mills should get a sufficient supply of cotton. Therefore during the period of Great Depression the production of Shahu Mills was not affected. The products of Shahu Mills were very popular in the market.

Second World War and after-

As a result of Second World War the import of foreign cloth was totally stopped. The Indian industry was called upon to meet enormous orders for Mill cloth. Due to this reason, Mills production had very large demand in society and military service too. So, Mills was running into profit. As a result of this the production work was going on into three shifts, which resulted into economic prosperity of Mills. Though the economics of textile industries was affected by World War II, the production of Shahu Mills was in a very good situation. A demand from the home market and military supported the economy of Shahu Mills to maintain its economic conditions exactly like the years of World's Great Depression.

But this was the bright side of the Mills. The condition of the workers was another and the dark side of the Mills. The Mills made a tremendous progress. But at the cost of the miserable condition of the

workers. This gave birth to the labour movement in the Mills. This could happen because of the leadership of **Bhai Madhavrao Bagal**. He is considered as the pioneer of labour movements in Kolhapur State. The printing work of Shahu Mills was given to Madhavrao's press. For this purpose he used to visit Shahu Mills, and thus he became aware of the miserable condition of Shahu Mill workers. He tried to convince the management, but not succeed. The management of the Mills was totally against the forming of a labour movement. The State administration too was not favorable. But still Bagal established a labour union in 1942. After that eminent leaders like **E. M. D'souza** with other workers tried to overcome the worker's problems. This definitely awakened the workers. The union played a vital role in labour movement of Kolhapur State.

As a result of this union the workers of Shahu Mills received various benefits. These activities of the union led to the establishment of '**Kolhapur Sansthan Kamgar Sabha**', Implementation of '**Factory Act**' (11th May 1944), '**Indian Trade Union Act**' (Oct. 1944), '**Gumasta Act**' (11th Oct. 1946) was a result of the work of Kamgar Sabha. The labour organization changed the life of the workers and served them secure working facilities. The establishment of **Shri Shahu Chhatrapati Mills Employees Co-operative Credit Society (1938)**, and **Shahu Mills Housing Society** helped the workers to fulfill their primary needs.

After the merger of Princely State of Kolhapur in 1949, the ownership of Shahu Mills was transferred from **Kolhapur Darbar** to **Government of Bombay**. But up to this period the management was in hands of **M/s James Finley & Company**.

In 1959 instead of steam power the electricity was introduced for production purpose. It increased the Mill's production. The management was transferred to **M/s Budhgaonkar Treading Company** till 1967. This company was also known as **M/s G. L. Natu & Sons Pvt. Ltd.** From **1st June 1967 to 1976** the management of the Mills was transferred to **Maharashtra State Textile Corporation (MSTC)**. From 1976 and onwards the ownership and the managing authorities were handed by MSTC.

Expansion and Modernization of Shahu Mill –

The first phase of modernization of the mill was started in 1956 and the process continued up to 1968. The Mill was a symbol of benevolent rule of Chhatrapati Shahu and therefore in 1974, the Chief Minister of Maharashtra State, **Shri. Vasantrao Naik** announced a modernization and expansion program for the Mill as a part of the birth centenary celebration of Chhatrapati Shahu. The second phase of modernization was introduced in 1974. The program began in 1974 and was completed in 1977. A new unit was started on 25th August 1974. Computerisation of Mills was done in August 1990. **Shahu Mills stood first** amongst the Mills under **MSTC** who introduced **computerization**.

Last Phase of Shahu Mills –

The Mills started to face many problems from 1980 onwards. One of them was concerned with the workers union. The struggle between union and management became sever. This affected the production of the Mills. The financial status of the Mills became critical and the declining phase was started.

Following factors were responsible for the closure of Shahu Mills.

1. Critical financial status of Mills during the year 1987 -92.
2. The negligence of authority about the needs of immediate change of old looms and machinery.
3. Implementation of MSTC's policies towards all textile sectors. No special consideration for Shahu Mills.
4. Lack of strong hold of management.
5. The increasing demands of workers about the payments and other facilities.
6. Increasing conflict between management and union.
7. The home market for which it produced was not powerful.

Final closure of Shahu Mills (2004)

The bang (Bhonga in Marathi) of Shahu Mills at 5.45 a.m. was considered as the awakening alarm of Kolhapur State. It was an identity of a new day in Kolhapur. But Shahu Mills lost this identity and past glory in the year 2004, as **Maharashtra State Textile Corporation** declared the closure of Shahu Mills. State Government declared to convert this prime land into **Garment Park**, where private entrepreneurs would be provided infrastructure facilities and incentives to increase the textile exports from India.

Contribution of Shahu Mills-

Since it was the first attempt made by Chh. Shahu to **agro-industrialization of Kolhapur State. Shri Shahu Mills occupies a unique and important place** in the **industrial history of Kolhapur State**. It was a first textile sector which started with modern machines. Shahu Mills was the inspiration for a growing textile industry at other places like **Ichalkaranji in Kolhapur**. Shahu Mills was established with certain views and objectives most of them were fulfilled by providing employment opportunities and by producing on a large scale. It also supported to **auxiliary industries like cultivation of cotton, dying mills, pressing mills and by providing cotton seeds as a raw material to oil industries**. The number of oil industries too was increased during this period. The labour union of Shahu Mills also became inspiration for other labourers fighting for their rights.