newer and faster dyestuffs required by industry of which the supply from United Kingdom sources is not yet adequate.

118. Soda ash is now unrationed for the home trade and all the demands of the export market on this country are likely now to be met in full. An increase of 40 per cent. over the 1947 production capacity is in hand, which should meet growing demands over the next few years. The shortage of caustic soda is serious. Although most essential needs at home are being met, exports are substantially less than the demand. Increases of 80 per cent. over the 1947 production capacity are in hand but it will be some years before the new plant can be in full operation. These extensions will enable the Sterling Area from now onwards to increase its exports of soda ash and caustic soda to South America and the Far East.

119. Prospective United Kingdom production of nitrogenous fertilisers will be sufficient for some expansion in home consumption and for the maintenance of the long-established export trade to Commonwealth countries and the Far East. Existing plans to increase capacity in Europe, North America, India and Australia will contribute largely to overcoming the present world shortage, but the need for additional United Kingdom output is also being considered. As regards the other fertilisers, some increase in the output of superphosphates is planned.

120. By 1952, as a result of these developments costing in all some $800 million, the United Kingdom chemical industry will meet all major needs of domestic industry and maintain an extended export trade in many parts of the world. The contribution to European recovery will come not so much through exports to Europe, which already has a large chemical industry with a wide range of products, but rather in reducing the sterling area's demands for dollars to buy essential chemicals from North America.

(7) TEXTILES

121. The United Kingdom textile industries not only provide the home market with one of the basic necessities of life, but also make an export contribution of outstanding importance. Even in 1947, when exports were well below the 1938 level, they earned $900 million out of the total visible exports of $4,600 million. In recent months about one-sixth of textile exports have been going to the United States, Canada and Argentina, one-sixth to the countries of Western Europe, and over half to other countries of the sterling area. The expansion of textile exports has until now been limited by the level of production and the minimum needs of the home consumer.

122. Before the war the cotton industry had been suffering for several decades from a long-term contraction of the demand for its products, upon which were superimposed large-scale fluctuations due to the international trade cycle. Prolonged depression of trade, heavy unemployment and under-maintenance of capital equipment were the results. In wool there was no long-term decline in demand, though the industry suffered severely in periods of cyclical depression such as 1932–34. The young rayon industry, on the other hand, was expanding rapidly.

123. Textile output declined and export trade was sacrificed as labour was transferred from civilian industries to war production and to the fighting services. The cotton and wool industries emerged from the war with a greatly depleted labour force and with plant and equipment suffering from heavy arrears of maintenance and replacement—worse in the cotton industry because pre-war difficulties had caused under-maintenance.

124. Since the war substantial progress has been made. In the second quarter of 1948 the cotton industry's production was about 28 per cent. higher than the 1945 rate, while the quantity exported was 70 per cent. higher. This increase in production corresponds closely with the increase in the labour force over the same period. Labour, output and exports are still, however, substantially below the pre-war level. In the wool industry manpower rose by 35 per cent. between mid-1945 and the end of last year; output has increased considerably, and exports in the second quarter of this year were running at a rate about three times as high as that of 1945, and indeed substantially above pre-war. The expansion of the production of synthetic fibres (rayon, nylon, &c.) has been rapid; both output and exports are now considerably greater than pre-war.

125. Further expansion of textile exports is aimed at. For this the output of the textile industries must be increased. It is hoped by 1952 to increase the output of woven cotton and rayon cloth by about 35–40 per cent. over 1947. The production of synthetic fibres is expected to double in the same period. As much as possible of this increased production is to go to increased textile exports, and home consumption will be restrained by rationing or other means so long as this is necessary to the attainment of the required exports. It is expected that exports of cotton goods in 1952 will be at least 80 per cent. greater than in 1947, but the industry will be in a position to secure as great expansion as market opportunities allow. Similarly, wool exports are expected to be between 60 and 80 per cent. above the 1947 level. It should be possible to raise exports of staple fibre to at least double their 1947 level, a large part of the additional supplies going to North America.

126. Various measures are in hand to increase production and to steer a larger proportion of the output into export markets. First, plans have been made for a steady improvement in the capital equipment of the industries. New factories are being built to produce synthetic fibres, needed for industrial purposes of many kinds. Rayon output is expected to increase from about 120,000 tons in 1948 to some 200,000 tons in 1952–53. This should make the United Kingdom largely, if not entirely, independent of dollar imports of industrial yarn. Plans are also in hand for developing new synthetics such as terylene, which is highly resistant to chemicals and moisture, and ardil made from the residue of groundnuts. In the cotton weaving industry it is hoped to install about 30,000 more automatic looms before 1952. Most of these will be produced in the United Kingdom apart from some specialised types of machinery which are being imported from the United States and from Switzerland. It is expected that about 30 per cent. of the capacity of the cotton-spinning industry and a somewhat higher proportion of weaving will be newly equipped by 1952; and this will be achieved concurrently with a large export of British textile machinery, much of it to other participating countries.

127. Special efforts are being made to increase productivity in the cotton industry by the reorganisation of methods of production inside the factory. In cotton weaving the industry is at present working out the details of a scheme to improve incentives to efficiency by changing the wage structure, while at the same time enabling the skilled workers to make the best use of their skill by transferring routine tasks to less skilled assistants. A considerable increase in output per head should eventually be secured as a result.

128. Measures to increase the number of workers in the industry have been adopted. These are the more necessary because fewer women workers are expected to be available in future, a factor of particular importance to the textile industries which rely heavily on female labour and are largely localised in areas where a high proportion of the women are in work. Day nurseries are being provided to enable married women with young children to work in the factories. Particular attention is being given to improvements in working conditions. A large-scale publicity campaign is being conducted to drive home to the public and to potential workers the importance of the industry and the advantages it offers. In the last twelve months the Control of Engagement Order has been used to encourage recruitment. The Government has organised the immigration of displaced persons and foreign nationals to take up employment in textiles, and it is hoped to obtain further recruits from this source both for the cotton and woollen industries.

129. Government control and the allocation of production have been used to ensure that production intended for export is not diverted to the home market. Controls, in the form most convenient, will continue to be used so long as they are necessary.

130. The main statistics are summarised in the following table :—

				'000 *metric tons*
	1935–38	1947	1948–49	1952–53
Cotton consumption	619	368	457	473
Wool consumption	190	191	223	232
Synthetic fibres production	61·2	92·1	122	200
				$ *millions**
Exports of textile materials and products ...	490 (1938)	818	1,212	1,452

* 1938 and 1947 at f.o.b. prices of those years. 1948–49 and 1952–53 at 1948–49 prices.