

REPORT

OF

The Millowners' Association, Bombay,

For the year 1934.

(Established 1st February 1875.)

PRESENTED TO THE ANNUAL GENERAL MEETING
HELD ON FRIDAY, 15th MARCH 1935.



Bombay :

PRINTED BY G. CLARIDGE & CO., LTD.

1935.

With the Compliments of
The Secretary,
THE MILLOWNERS' ASSOCIATION, BOMBAY.

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REPORT FOR THE YEAR 1934.

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MILLOWNERS' ASSOCIATION, BOMBAY.

ESTABLISHED 1st FEBRUARY 1875.

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Municipal Corporation—SIR HOMI MODY, K.B.E., M.L.A.
University of Bombay—MR. F. STONES, O.B.E.
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CHAIRMEN AND SECRETARIES OF THE MILLOWNERS' ASSOCIATION, BOMBAY.

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H. MAXWELL, 1875, 1876-77, 1877-78.
J. A. FORBES, 1878-79.
SIR DINSHAW MANECKJI PETIT, 1879-80, 1880-81, 1881-82, 1882-83, 1883-84, 1884-85,
1886-87, 1888-89, 1889-90, 1891, 1892.
SIR GEORGE COTTON, 1893, 1894, 1895, 1896, 1897, 1898, 1899*, 1900*.
JOHN R. GREAVES, 1899*, 1900*, 1901, 1902.
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JOHN GORDON, 1875-84.
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JOHN MARSHALL, 1884-98.
FREDERICK NOEL-PATON, 1898-1905.
J. B. LESLIE-ROGERS, 1905-11.
R. E. GREGOR-PEARSE, 1912-20.
C. B. SAYER, 1921-24.
T. MALONEY, appointed 1924.

* Part Year.

Millobners' Association, Bombay.

Section I.

PROCEEDINGS OF THE ANNUAL GENERAL MEETING
HELD ON 15th MARCH 1935.

The Millowners' Association, Bombay.

ANNUAL GENERAL MEETING.

PROCEEDINGS OF THE ANNUAL GENERAL MEETING of the Members of the Millowners' Association, Bombay, held in the rooms of the Association (Patel House, Churchgate Street, Fort) at 11-30 a.m. (S.T.) on Friday, the 15th March 1935, to transact the following business :—

- (1) To receive and adopt the Committee's Report for the year 1934.
- (2) To appoint Auditors of the Association's accounts for the current year and to fix their remuneration ;

and any other business that may be brought forward.

Mr. H. P. Mody, M.L.A., Chairman of the Association, presided.

The following gentlemen were also present :—

Mr. M. Slade, I.C.S., Collector of Customs, Bombay ; Mr. W. D. M. Clarke, H. M. Trade Commissioner at Bombay ; Dr. R. B. Forster of the Bombay University (Department of Chemical Technology) ; Dr. Nazir Ahmad, Director, Technological Laboratory, Indian Central Cotton Committee ; Mr. T. W. Johnstone, M.B.E., Chief Inspector of Factories ; Mr. W. B. Gilligan, I.C.S., Bombay Government Labour Officer ; Mr. R. J. F. Sullivan, Secretary, Bombay Chamber of Commerce ; Mr. Jal Ratnagar ; Mr. C. A. Dalal, Association's Labour Officer ; Mr. J. N. Mody ; Sir Chunilal V. Mehta, K.C.S.I., Mr. Bhagwandas C. Mehta and Mr. J. G. Anderson, representing the Century Spg. & Mfg. Co., Ltd., and the Sholapur Spg. & Wvg. Co., Ltd. ; Sir Noss Wadia, K.B.E., C.I.E., Mr. Neville N. Wadia and Mr. Bomanji Adurji, representing the Bombay Dyeing & Mfg. Co., Ltd. ; Sir Naoroji Saklatvala, Kt., C.I.E., and Mr. S. D. Saklatvala, M.L.C., representing the Ahmedabad Advance Mills Ltd., the Tata Mills, Ltd., the Central India Spg. Wvg. & Mfg. Co., Ltd., and the Svadeshi Mills Co., Ltd. ; Sir Joseph Kay, Kt., Mr. A. H. Baker, Mr. D. Moir and Mr. R. L. Ferard, representing the Colaba Land and Mill Co., Ltd., the New City of Bombay Mfg. Co., Ltd., and the New Great Eastern Spg. & Wvg. Co., Ltd. ; Mr. H. L. Aspden, representing Messrs. Courtaulds (India), Ltd. ; Mr. F. Stonos, O.B.E., and Mr. B. D. Benjamin, representing the Apollo Mills, Ltd., the E. D. Sassoon United Mills, Ltd., the Edward Sassoon Mills, Ltd., the Elphinstone Spg. & Wvg. Mills Co., Ltd., the Loyal Mills, Ltd., the Meyer Sassoon Mills, Ltd., and the Raymond Woollen Mills, Ltd. ; Mr. V. N. Chandavarkar, representing the Modern Mills, Ltd., the Mysore Spg. & Mfg. Co., Ltd., and the Minerva Mills, Ltd. ; Mr. A. Geddis, representing the Finlay Mills, Ltd., the Gold Mohur Mills, Ltd., the Satya Mill, Ltd., and the Swan Mills, Ltd. ; Mr. H. F. Milne and Mr. E. D. Sheppard, representing the Kohinoor Mills Co., Ltd. ; Mr. A. Pether, representing the Sassoon Spg. & Wvg. Co., Ltd., the Sassoon & Alliance Silk Mill Co., Ltd., and the Union Mills ; Mr. Bhagwandas Manmohandas Ramji and Mr. Hurgovandas Jannadas Ramji, representing the New Kaiser-I-Hind Spg. & Wvg. Co., Ltd. ; Mr. Madhavji D. Thackersey and Mr. Krishnaraj M. D. Thackersey, representing the Crown Spg. & Mfg. Co., Ltd., the Hindoostan Spg. & Wvg. Co., Ltd., the Indian Mfg. Co., Ltd., and the Western India Spg. & Mfg. Co., Ltd. ; Mr. Cavasji Cursetji Dalal, representing the Khandaish Spg. & Wvg. Mills Co., Ltd. ; Mr. Kaikobad Cowasjee Dinshaw, representing the Burhanpur Tapti Mill, Ltd. ; Mr. E. J. Bunbury, representing the Simplex Mills Co., Ltd., and the Gokak Mills, Ltd. ; Mr. Mathradas Dwarkadas, representing the Jam Shri Ranjitsinghji Spg. & Wvg. Mills Co., Ltd. ; Mr. A. M. Mehta, representing the Sir Shapurji Broacha Mills, Ltd., and the Madhowji Dharamsi Mfg. Co., Ltd. ; Mr. Meyer Nissim, representing the Model Mills, Nagpur, Ltd. ; Mr. Ramnivas Ramnarain, representing the Phoenix Mills, Ltd., and the Bradbury Mills, Ltd. ; Lala Shankar Lal, representing the Delhi Cloth and General Mills Co., Ltd. ; Mr. G. D. Somani and Mr. Kanhaiyalal Daga, representing the Shree Niwas Cotton Mills ; Mr. T. Maloney (Secretary) ; and Mr. N. S. V. Aiyer (Assistant Secretary).

The notice convening the meeting having been read by the Secretary, the CHAIRMAN said :—

GENTLEMEN,

In presenting to you the Report of the Committee for 1934, I shall survey as briefly as I can the outstanding events of the year. There was no substantial improvement in world conditions, and the position in several countries showed further deterioration. Exchange regulations rendered the course of international trade still more difficult, and with quotas, tariff barriers and currency manipulations, the world is being involved in more and more difficulties. The heroic measures adopted in the United States failed largely to achieve the results which were anticipated, and while it cannot be denied that the downward course of commodity prices was arrested and the problem of unemployment became less acute in most countries, the economic equilibrium has by no means been restored.

When we turn to the Textile Industry, a somewhat different picture is presented. While the United States and some other countries showed a decline in production, output in Japan continued to increase, and it is expected that by the middle of 1936, her spindleage will reach 10 millions as against a little over 2 millions in 1913. Indian production went up also, and when the complete figures are available, they will show a substantial increase over those of the previous year. This result was largely due to the increased activity in Bombay. You will remember that in the latter half of 1933, a number of mills had to be closed down or were forced into liquidation, and over 40 per cent. of the productive machinery had to remain idle. A healthier outlook set in, however, during the year under review, and some of the mills were re-started under new management, with the result that the proportion of idle machinery was reduced to 20 per cent. at the end of 1934. It is a remarkable circumstance that the voice of the pessimists and the croakers was no longer heard. For years I have been proclaiming my faith that there was a future for the Industry in Bombay, perhaps not as bright as in the past, provided production was not allowed to go beyond a certain level and Bombay utilised to the full the natural advantages she has in the manufacture of finer goods. I was regarded as an incurable optimist, but the way in which the mills which had been shut down speedily found buyers at a price showed that there were many people who had changed round to my view that the day of the Industry in Bombay was not done. The increase in the extent of double shift working which took place also reflected the change in the view-point to which I have referred. At the end of 1933, only 11 per cent. of the looms were working night shift. Within 12 months, this percentage had increased to 30. It is true that the strike which took place earlier in the year induced to a certain extent this anxiety to speed up production, and the weight of the cloth thrown on the market was for that reason not felt for some time. But when all over the country mills began to turn out more and more cloth, the problem assumed an aspect, which compelled serious consideration. There is a definite limit to India's present capacity to consume cloth, and in one way or another, the supply must be regulated to the demand. We must not forget that Japan enjoys in our market a quota which is capable of going up as high as 400 million yards. The needs of our agricultural population have been largely responsible for India's submission to this quota. Different factors are operating in respect of Great Britain and other countries. Confining ourselves then to the situation as we find it, a certain quantity of imported piecegoods must be allowed in our reckoning, and it must be obvious, therefore, that any sudden expansion of India's productive capacity is bound to throw out of gear the economic position of the Industry. It follows that we cannot assume that every increase in Indian production will automatically mean the displacement to the same extent of the imported article. I am not dealing with special conditions and factors, local or otherwise, which may necessitate resort to double shift working. I am only addressing myself to normal conditions, and I feel that an organised and well-regulated control of output is necessary in the interests of the Industry. The alternative is an indiscriminate resort to double shift working, resulting in sudden spurts in production, followed by an equally erratic abandonment of that process as soon as the inexorable laws of demand and supply assert themselves. It is with these considerations in mind that your Committee, after fully discussing the matter, decided to approach mills all over India with a view to exploring the possibility of organised control of double shift working. While a large measure of agreement with the view-point of the Committee was forthcoming, there was not that unanimity which alone could ensure results. The problem

has become less acute during the last couple of months owing to prices and demand for cloth failing to respond to the upward movement in cotton, and several mills have reverted to single shift working. The situation must be carefully watched, however, and an organised effort must be made once again if the conditions which prevailed towards the end of last year were to reproduce themselves.

INDO-JAPANESE TRADE AGREEMENT.

I pass on by a sort of natural transition to a consideration of the way in which the Indo-Japanese Agreement has been working. As you are aware, we have repeatedly stated that the permissible maximum is excessive and detrimental to Indian interests, more particularly owing to the exclusion of artificial silk piecegoods from the quota. Fents also are outside its scope, and owing to the duty on them having been fixed at 35 per cent. attempts have been made to pass off what are really cotton piecegoods as fents. These are matters to which we have repeatedly drawn the attention of the Government of India. There are other questions arising out of the Agreement which require consideration. The quota figures for 1934 have just been published, and they show that during the year the gross imports of cotton piecegoods from Japan were 344 million yards, out of which 58 million yards were re-exported. Most of these re-exports were over the land frontiers of India, and no reliable figures of such re-exports and their destination are available. The quantities thus sent out over the land frontiers, where no proper system of checking is possible, are much greater than was originally anticipated, and that is particularly the case with bleached goods, in which class, out of 46 million yards, over 15 million yards were re-exported. There is again the question of the increasing imports through the Kathiawar Ports, particularly Cutch. Last year, I expressed the hope that the Agreement would be honoured both in the spirit and the letter, and that no occasion would arise for any disagreement over the way in which its provisions were working. That hope has not materialised, and the working of the Agreement will, therefore, require the continual vigilance of commercial bodies.

STRIKE.

When I addressed you last year, we were in the throes of a general strike. It lasted for several weeks and inflicted considerable losses on workers and employers alike. It made heavy demands upon those responsible for the maintenance of law and order, and I would like to express my grateful appreciation of the manner in which the situation was handled by them and "the ring kept clear." As certain issues arising out of the strike are still under the consideration of a court of law, I shall make no further comments. While the strike was going on, your Committee undertook the task of bringing about some sort of uniformity in the wages paid to the various classes of operatives. A time scale was evolved, which took into account the need for the maintenance of a fair scale of wages in relation to the conditions which were existing in different mills. Minimum wages for all classes of time workers were accordingly fixed, and it was decided to maintain them even after the inauguration of the 54-hour week. The fixation of minimum dear food allowances for piece-workers was also decided upon, and here also, account was taken of the conditions which would arise when the shorter working week came into force, and an increase of 5 per cent. was given when that change came into being. I can claim for these changes that they have done away with a great many anomalies, and have been accepted as fair in the circumstances of the Industry. In this connection, I can only repeat what I said last year that we would like to see a continued improvement in the earnings and the standards of life of those who are labouring in our mills, but that it was impossible for the Industry in Bombay to continue to pay wages on a scale which it could not afford and which seriously affected its competitive capacity. The future is largely in the hands of our workpeople. They can raise their earnings and their standard of life by the attainment of a greater degree of efficiency, and to the extent to which they contribute in this fashion to economy in production, they will be ensuring the continuity of their employment and raising their economic status.

Our experiences during the strike of the methods by which it was prolonged once again demonstrated the necessity of radical amendments in the Trade Disputes and Trade Unions Acts, and your Committee made a representation to the Government of India embodying their views on the subject. The amendments which were suggested would in no

way hamper the development and functioning of trade unions conducted on legitimate principles. What was urged was that some of the grosser forms of abuse of the existing law should be dealt with by suitable amendments, ensuring the proper fulfilment of the objects with which these Acts were passed. The matter is still under the consideration of the Government of India.

THE TRADE DISPUTES CONCILIATION ACT.

A notable piece of legislation was the enactment of a measure designed to bring about conciliation in trade disputes and the appointment of an officer to watch the interests of labour. Your Committee from the first accorded their approval to the principle underlying the measure, in spite of its somewhat unusual character. They agreed with the Government of Bombay that the situation was abnormal, and that in the absence of proper trade unions, it was necessary to devise some machinery for the purpose of ensuring the prompt redress of individual grievances and the establishment of better contact between employers and workpeople. The Government of Bombay have appointed Mr. W. B. Gilligan, I.C.S., as Labour Officer under the Act. Mr. Gilligan's methods are somewhat unorthodox, and we find ourselves sometimes in violent disagreement with him. But he has brought to his task energy and enthusiasm which do him great credit and which have largely enabled him to achieve results. In pursuance of an undertaking given by us to the Government of Bombay, we have appointed our own Labour Officer with much the same object in view. Mr. C. A. Dalal was selected for the post, and his collaboration with Mr. Gilligan has been very helpful. I look forward to a distinct improvement in our relations with labour as a result of their efforts.

TRADE WITH TURKEY.

Our export trade, never very substantial, has been still further affected by restrictions placed upon it in certain countries, partly as a result of economic troubles and partly owing to the development of indigenous production. The Government of Turkey has denounced the Indo-Turkish Convention of 1930. Our trade with Turkey is mostly in cotton yarns and jute manufactures. The volume is not very considerable, but it is none the less necessary to ensure the continuance of the most favoured nation treatment in any new agreement which is to be reached, and it is to be hoped that the Government of India will take the necessary steps in that direction. Our trade with Persia is of greater importance, and here the bargaining power of India is strong. For many years the balance of trade between the two countries has been consistently adverse to India, and the Government of India should be in a position to enter into an arrangement which would effectively safeguard Indian interests.

THE NEW FACTORIES ACT.

In my speech last year, I referred to the helpful attitude adopted by our Association towards the question of the amendment of the Factories Act, particularly with reference to the provision for a 54-hour week. The measure came up for discussion before the Simla session of the Assembly in July last, and I took the occasion to point out the handicaps imposed upon industries in British India through the existence of inferior standards of labour in the Indian States. I pressed Government to use all their influence to try and secure the adoption by the States of the shorter working week. The Employers' Federation of India has also been pressing the matter upon the attention of Government, and in response to a request for fuller information with regard to the States and industries in which it was feared that developments might take place prejudicial to British Indian interests, the Federation has submitted a statement elaborating their view-point. The matter is understood to be under the consideration of the Government of India and so far as I am concerned, you may be sure they will not be allowed to be overlooked.

The Kathiawar Ports still continue to engage our interest. The Government of India are dealing with the problem, but it is full of complications, and we shall probably have to wait for some time for a satisfactory solution. Meanwhile, we have been told that the customs cordon has been tightened up and that every effort is being made to prevent smuggling across the frontier. The prosperity of her port is a matter of considerable importance to Bombay,

and public bodies like ours are not a little interested in the re-capture of the trade which has been so largely diverted in recent years, thanks to the supineness of the Government of India.

I spoke at some length last year on the Indo-Lancashire Agreement and dealt with some of its critics. I referred in particular to the way in which Lancashire was seeking to implement the undertaking given to use more Indian cotton, and it is a matter of great gratification to find that her takings reached the record figure of 360,000 bales in the last Cotton Year. The excellent report issued by the Lancashire Indian Cotton Committee affords convincing testimony of the manner in which the Committee is pursuing its task, which it describes as a by no means unimportant contribution to the policy of developing mutual trade within the Empire. I am confident that if the goodwill which the Agreement did so much to foster subsists, Great Britain will be one of the best customers of India in respect of a crop whose value to the agriculturist cannot be over-estimated.

PROSPECTS FOR THE FUTURE.

It is necessary I should say a few words about the future. While it would be foolish and premature to talk of prosperity, the tide seems to have turned at long last. The severity of Japanese competition has been brought under some control, and if the Industry wisely regulates its production, it may look forward to a steady and remunerative market. As far as Bombay is concerned, the re-organisation and improvements carried out in the last few years are bearing fruit, and the products of her mills in respect of the finer types can stand competition with those of any other centre. With the return to more normal times, the process of re-equipment will have to be speeded up. There is no hope, and there should not be, for inefficient plants. Museums, and not mills, are the proper places for out of date machinery, and the first charge on profits must be the reconditioning and the re-equipment of the plant. But it is ultimately on the raising of the standard of life of the masses that the prosperity of the textile or any other industry must depend. Indian production shows a tendency continually to go up, but unless the consuming power of the population is increased, the Industry cannot be regarded as being on a stable basis. The enormous load of indebtedness which the agriculturist is carrying, and which is continually being added to largely on account of his chronic poverty, and partly on account of wasteful expenditure and the absence of proper credit facilities, is creating a situation which is fraught with grave consequences. As I have recently pointed out in another place, Finance Members have a very limited field of operation. They can only put a little on and take a little off individual items of taxation. It is only by a radical improvement in the internal purchasing power of the country that economic salvation can be achieved. What is wanted is a more resolute handling of the agricultural problem and a more active policy of industrialisation. It is true that the standard of life of the people has been definitely improved in urban areas in the course of the last 30 years, but except in cases of lands favourably situated, it is questionable whether any amelioration has taken place in the economic condition of the cultivator. Industrialists have a part to play in the task that lies ahead, and by economic production and cultivation of fresh markets can do a great deal to lay the foundation of a greater future than ever before for an industry which enjoys considerable natural advantages, and which is founded on the satisfaction of one of the most elementary needs of the people.

COMMITTEE.

During the last few months, death or retirement has taken away from us some of our most familiar figures. Sir Manmohandas Ramji passed away a few months ago at a ripe old age, respected by all who valued his great abilities and his exceptional knowledge of commercial and industrial conditions. His connection with the Association extended over a period of 42 years and his passing away has left a gap which cannot be easily filled. His portrait, which has been very kindly presented by his family, hangs on these walls, and will be a perpetual reminder of the notable part he played in the well being of the Association and the Industry. The retirement from the country of Mr. H. H. Sawyer, Mr. H. H. Lakin and Mr. Albert Raymond has robbed the Committee of the services of three most valued members whose advice and experience were always ungrudgingly placed at its disposal. Having worked in close collaboration with them for a number of years, I am in a special position to appreciate the measure of the services they rendered to the Association. We

regret their retirement, and wish them careers of increasing usefulness in whatever spheres they may be working, and if some day they return to this so-called land of regrets, I need not assure them of a warm welcome back into the fold. Sir Naoroji Saklatvala has after a connection lasting for well over 30 years retired from the Committee. He was its Chairman as far back as 1916, and represented the Association with distinction on many committees and public bodies. The Committee, while appreciating his reasons for retirement, hope to continue to have the benefit of his ripe experience and judgment.

Another great loss sustained unfortunately through death was that of Mr. Lalji Naranji. Mr. Lalji was also connected with the Association for a number of years, and his intimate experience of commercial conditions in Bombay, particularly in the piecegoods trade, was of very great help to the Committee in their deliberations.

Gentlemen, I am sorry I am obliged to make a reference to myself once again. I have much the same feeling as that which made a famous English King apologise for being so long a time a-dying. I took my leave of you last year, and if I could have readily found a successor, I would not have been presiding at this annual meeting. The delay, however, has been helpful in a way, because on Sir Joseph Kay's return from a holiday, I was able to induce him to accept the Chairmanship if the office were offered to him. He has since been duly elected, and I can only say that the Association is fortunate in having secured his services. His unique experience of various public bodies and his long connection with the Industry are a guarantee that the affairs of the Association will be in very safe and capable hands. Sir Joseph was Chairman of the Association what time I was learning the rudiments of the economics of the Industry, and he comes back to you with his knowledge and experience enriched by the many important positions he has since filled. He will be assisted in his task by a very capable staff. In Mr. Maloney, he has a Secretary of proved capacity and devotion to work. We have been very glad to secure his services for another five years, and I am confident that, with the help of Mr. Aiyer, the Assistant Secretary, whose appointment it gave me much pleasure to recommend to the Committee, the office of the Association will be equal, as in the past, to any demands that may be put upon it. It is not often realised how greatly the success of an institution depends upon the loyalty and devotion of its staff, and from my close experience of the work of the office, I can testify to the devotion with which each and every man connected with it has been serving the Association.

Gentlemen, I have the satisfaction of leaving the Association in an even stronger position than when I took charge of its affairs. Its work and its usefulness have enormously increased, and its prestige stands as high as ever it did. It has become in every sense an association of the millowners of India, and the services it has rendered to the Industry in general have been recognised on all hands. I wish it ever-increasing success, and hope it may continue to play an important part in the economic development of India. At this moment of handing over charge of its affairs, my feeling is one of profound gratitude towards all my colleagues for the support and co-operation they have extended to me in such abundant measure, and which made possible whatever success has been achieved in the last few years.

Gentlemen, I beg to move the adoption of the Report.

In seconding the motion, Mr. V. N. Chandavarkar made the following observations :—

It is my privilege now to second the adoption of the Report, and in doing so, I would just deal with one or two matters which have not been referred to in the Chairman's speech.

POWER COSTS.

I shall take up the question of power costs in the first instance. Practically all mills in Bombay are under long-term contracts with the Tata-Hydro Companies for the supply of power. Considering the depressed state of the Industry, the Association in 1933 made representations to the Power Companies for lightening the power cost burden and as a result of these representations a special trade depression discount of 10 per cent. was granted to the mills, which was due to terminate on 31st January 1934 after which date the Power Companies

proposed to introduce a cash discount of 2 per cent. to all consumers paying their bills within 10 days from the date of submission and also to put into effect a sliding scale of discounts on power bills based on the extent by which the average monthly power factor of any textile consumer exceeded 80 per cent. As the depression in the Industry was still extremely severe, and in view of the fact that without adopting special power factor correcting apparatus it would not be possible for mills to obtain any advantages from the power factor discounts which the Hydro Companies proposed to introduce, further representations were made by the Association for a continuance of the special trade depression discount. This concession was eventually granted, but at the same time it was made clear by the Power Companies that it would be definitely terminated on 31st December 1934. Later in the year, the Power Companies intimated that the power charges would be still further reduced as from 1st January 1935. The new tariff schedule which would come into operation in 1935 conferred the following advantages on the consumer compared with the old schedule.

1. It eliminated the lighting charge of $1\frac{1}{2}$ annas per unit.
2. It reduced the monthly minimum charge from 85 to 75 per cent. of the maximum demand.
3. It gave additional free units, and in the energy section of the proposed schedule, the units chargeable at .5 anna per unit were reduced from 200,000 units to 100,000 units ; in other words, the rate on an additional 100,000 units per month was reduced from .5 to .4 anna.

At the same time, however, the trade depression discount was to be removed. While appreciating the valuable and permanent concessions granted by the Power Companies, the Power Costs Sub-Committee of the Association were of opinion that the rates to be charged for electric power were still unfavourable as compared with the prices at which it was possible for up-country mills to generate their own power, and in view of the fact that a large number of mills would be unable to complete the installation of their power factor correcting apparatus before 1st January 1935, the Sub-Committee recommended that representations should be made to the Power Companies with the object of obtaining further relief. Representations were accordingly made, and informal conferences were held with the representatives of the Power Companies as a result of which the Power Companies indicated that the Joint Boards and Managing Agents of the Power Companies had committed themselves to a policy of progressive rate reduction to become effective from time to time and to the extent that circumstances permitted. No further concessions were, however, obtained, but we have every reason to believe that the undertakings of the Power Companies will be faithfully carried out and that in the not too distant future they will find it possible further to reduce their charges. In the meantime, we must acknowledge the way in which the Power Companies have endeavoured to assist us despite the contractual obligations which existed between them and individual mills. We have just now been informed that the Power Companies have decided to increase the Power Factor discount from 10 to 15 per cent.—a further reduction for which we are of course grateful.

REGISTRATION OF TRADE NAMES.

During the year our system of registration of all classes of property marks has been completed by introducing a system of registration of Trade Names. The use of the Trade Names has become increasingly popular during the last year or so and your Committee considered it desirable that the problems created by their use should be minimised by ensuring, as far as possible, that mills using Trade Names to distinguish their specialities from those of other mills should be protected. After a careful study of the needs of the situation, arrangements were made for the registration of certain classes of Trade Names which it would be possible to protect in law and which would prevent the use of certain classes of names which Law Courts would possibly not recognise as property marks. The Rules covering Registration have only recently been introduced but there is every indication that they will be satisfactory for the purposes for which they were designed. With the introduction of the scheme

of registration of Trade Names, members are now adequately protected against imitations by other members and to a lesser extent by other mills of their trade marks, trade names and trade numbers. It may eventually be desirable to introduce some system by which original designs can be protected against infringement, and this question is now under consideration.

INDIA'S EXPORT MARKETS.

Until 20 years ago, the Bombay Mill Industry had a large export trade with China and other countries in Yarn, but this market was lost almost entirely owing to the growth of the indigenous textile industries of China and Japan with the result that Bombay had to instal more looms to take up the production of her surplus spindleage. For a time, a fair portion of the cloth produced on these looms found a market overseas but these overseas markets have greatly diminished owing to our inability to compete against Japan or to surmount the tariff barriers which many countries have imposed since the War with the object of encouraging or protecting their own cotton weaving industries. It has, however, always been recognized that Bombay Mills in particular would be well advised to attempt to expand their export trade, and an opportunity has been provided for doing something in this direction in the Empire Markets owing to the quota restrictions which have recently been introduced in these markets against Japan, India's most formidable competitor. The Ceylon Market is an instance, and on the adoption of a quota system a special officer (Mr. J. N. Mody) was deputed by the Association to make a detailed investigation of the possibilities of that market for Indian cotton piecegoods. Mr. Mody's preliminary report has already been circulated to members, and the valuable collection of samples, which he brought back from Ceylon, has been inspected by a large number of member mills. Mr. Mody's detailed report will shortly be made available to members, and should be of great assistance to those mills who seriously contemplate expanding their overseas business. If any considerable success is achieved in the Ceylon market, similar attempts to investigate the possibilities of other Empire Markets like the Malaya Peninsula will also be made. These investigations can be followed up by surveys of other markets like Iraq, East Africa and South Africa in which there may possibly be opportunities for a larger trade.

The desirability of extending our trade with Empire countries is all the more necessary at the present moment in view of the fact that a very substantial trade which the Indian Mills previously had with Persia has been obliterated by the Persian quota system, and the market in Turkey has been placed in danger owing to the termination of the Indo-Turkish *modus vivendi* from February this year.

RELATIONS WITH LABOUR.

The Chairman has touched on our improved relations with Labour since the appointment of Mr. Gilligan and Mr. Dalal, and I should like to add my endorsement to what he said in that connection. The Committee are now taking steps to improve the procedure which mills adopt in regard to leave and discharges, and I hope this will be followed up by the introduction of further reforms calculated to increase the loyalty of the workers to the particular mills in which they are individually employed by increasing the extent of the facilities for direct contact between the workpeople and the management by assuring efficient workers security of tenure in their occupations, and by improved opportunities for advancement from the lower paid ranks to positions of trust and responsibility.

The resolution was then put to the meeting and carried unanimously.

On the motion of Mr. F. Stones, O.B.E., seconded by Mr. A. Geddis, it was resolved :—

“ That Messrs. A. F. Ferguson & Company be and are hereby appointed as Auditors of the Association's accounts for the current year on the usual remuneration hitherto paid to the Association's Auditors.”

Sir Chunilal V. Mehta, K.C.S.I., proposing and Mr. S. D. Saklatvala, M.L.C., seconding, it was resolved :—

“ That the following donations be sanctioned and paid out of the Association's funds for the current year :—

The Victoria Jubilee Technical Institute	..	..	..	Rs.	1,500
The Police Comforts Fund	..	..	..	..	1,000
The Textile Technical School	..	..	..	..	700
The Sir J. J. Hospital Nursing Association Fund	..	..	..	..	500
The K. E. M. Hospital Poor Box Fund	..	..	..	..	400
The Naigaum Social Service Centre	..	..	..	..	350
The Goculdas Tejpal Hospital Nursing Association Fund	..	..	..	..	200
The Bombay Textile and Engineering Association	..	..	..	..	200
The Maharashtra High School	..	..	..	..	150
				<hr/>	
				Rs.	5,000”

In proposing a vote of thanks to the Chairman of the meeting, Sir Ness Wadia said :

Gentlemen,

In the absence of Sir Dinshaw Wacha, the oldest Member of our Committee, as the next oldest member, it is my pleasant duty to-day on behalf of the Committee as well as on behalf of you all to tender our grateful thanks to Mr. Mody for having served the Association so well and truly during the five or six years he has acted as our Chairman. He was at the helm of our affairs during a most difficult period. He had to carry us through two Tariff Boards and two or three Government enquiries, especially the Fawcett Committee, and he has on all occasions come through with flying colours. He has represented our Association most ably in the Assembly. I regret I do not possess Mr. Mody's fluent language, but I should like him to know how much we appreciate the work he has done in looking after our interests. I do not think we should have succeeded in getting the Protection which we eventually did from the Government of India if it had not been for his regular, unremitting efforts in the Assembly. He has also played a very important part in assisting the Government of India to bring about a satisfactory agreement as regards the new Factories Act. There were provisions in the original Bill which, if carried, would have been troublesome for us to carry through ; and I think Mr. Mody acted wisely, going as far as he possibly could in meeting the wishes of the Government of India as well as furthering the interests of Labour in the new Factories Act.

What I would like you, gentlemen, to do, both on behalf of the Committee as well as on behalf of our Association, is to pass a hearty vote of thanks for the able way in which Mr. Mody has looked after our interests for the last six years ; for the way he has brought the up-country mills to appreciate the Association's efforts and induced them to become members of our Association and made this body really strong. I feel, as the oldest member, that we should pass a sincere vote of thanks to-day. I do not think I need say more in commending this resolution for your approval and am sure it will be carried with acclamation.

Mr. Mody, replying, said :

Gentlemen,

I am extremely grateful to Sir Ness Wadia for the very generous terms in which he has referred to my work as Chairman of the Association which has just come to a close. Sir Ness has referred to the arduous time I had had to pass. However, during this time, it has been a very happy recollection of mine that I was able to carry my colleagues with me and that their co-operation rendered possible the success which has been achieved. Your kindness is going to give me another opportunity to-night of expressing my obligations to you all for the way you have co-operated and stood by me. I once again thank you all, gentlemen, for the kind references which have been made to me to-day.

Millobners' Association, Bombay.

Section II.

FOREWORD, PRELIMINARY REPORT AND ACCOUNTS
OF THE ASSOCIATION.

REPORT
OF THE COMMITTEE OF THE
MILLOWNERS' ASSOCIATION, BOMBAY

For the Period 1st January to 31st December 1934.

FOREWORD.

At the commencement of the year 1934, practically all countries of the world were still in the grip of severe economic depression. Ever since the crash took place on the American Stock Exchange in the autumn of 1929 leading to a precipitous fall in the prices both of agricultural produce and manufactured articles, one nation after another attempted to devise measures with a view to raise its trade and industries from the slough of depression. But these very devices for amelioration by individual nations raised up fresh barriers to international trade, and seemed to put off the advent of better days. Efforts to rectify the lack of balance between industrial and agricultural production failed; deflation and inflation and manipulation of currencies did not produce the desired results; the scramble for gold only led to the failure of the gold standard; high tariff walls could not prevent deficit budgets; control of prices only created a feeling of uncertainty; and economic plans did not always work according to programme. The failure of the Disarmament Conference, the turbulent conditions which prevailed in some of the European States and the growing instability of the economic structure of some others added considerably to the world's anxieties. The close of the year was marked by Japan's denunciation of the Washington Treaty.

But in spite of these adverse factors, it was generally believed that the worst of the trade depression was over, and signs of a revival of trade and industries, or rather the lessening of the acuteness of the depression appeared on the horizon in some countries of the world. Although improvement was very slow, there were clear indications during the second half of the year that a more hopeful outlook prevailed. The policy enunciated by President Roosevelt during the year, though not entirely successful, had a marked effect on prices of cotton in particular and agricultural produce in general. The programme followed by the President of the United States had considerable effects as far as India was concerned, which will be surveyed later when we review the position of the Cotton Market during the year. The improvement in commodity prices reacted on the textile industry and coupled with the economies effected during the previous year, resulted in a considerable improvement in its immediate position and prospects. Another factor which helped the industry was the low rate of interest which prevailed

throughout the year 1934, thus removing one of the heavy burdens which hampered the progress of the industry. There is no doubt that at the end of the year 1934, the outlook for the industry was slightly better than at the beginning of the year. Internal competition, however, is increasing, and with a view to reduce overhead charges night-work is being freely resorted to all over the country. Let us hope those in charge of the industry will take a long view of the situation, and make an attempt to consolidate the position of the industry as a whole rather than look to immediate profit. If this threat of over-production in the country itself was removed, the gain to the industry would not be small.

We now turn to the survey of the *Cotton Market*. The year 1934 commenced with Broach April/May at Rs. 186, Oomra December/January Rs. 131, New York July 10.72 cents and Liverpool July 5.24*d*. At the beginning of the year, the boycott of Indian cotton by Japan was lifted and this tended to raise prices. The rise was also helped by strength in foreign markets. Prices increased gradually and Broach touched Rs. 215 by the middle of February. But a setback soon followed and the higher prices could not be maintained owing to poor trade conditions and strikes in cotton mills in Bombay at the end of April. Prices gave way continuously till Broach contract finally closed on 25th May at Rs. 196. Bengals were almost neglected owing to lack of demand from outside, and the quotation at end of May stood as low as Rs. 130. The New Crop—1935—Broach contract opened at Rs. 4 premium over July/August at Rs. 192, at the beginning of May. About the middle of the year the Bankhead Bill came into effect in the States and the American market took an upward trend, particularly after the publication of the August Bureau Report of acreage. Our market also showed strength, and Broach reached Rs. 237 for new and Rs. 230 for July/August delivery by middle of August. These prices at the time were considered high and prices began to decline. A weak tone prevailed in the market and Broach touched Rs. 208 for April/May at the end of September. But in the meantime President Roosevelt's policy—although it was looked upon as an unwise experiment by many—was bearing fruit. The loan to farmers which was fixed at 10 cents per pound on 23rd September 1933, was raised to 12 cents on 22nd August 1934, and the price of American cotton has been maintained so far over the loan level. India has no doubt reason to be thankful to the President of the United States for his statesmanlike act in raising the price level of so important a commodity as cotton and we can only hope the same policy will be continued in the coming season. During October, our market kept steady whilst in November there was a rise of Rs. 10. The month of December showed further strength because of the reports of shortage of staple as well as Oomra cotton and also a late crop. Indeed, as regards staple cotton the position seems rather serious as abnormal premiums are demanded for all warp cotton. One of the reasons for abnormally high premiums is the anticipated greater demand by Indian mills, owing to double-shift working which it is expected will be resorted to freely in 1935. The market finally closed on 31st December with Broach April/May Rs. 247, Oomras Rs. 234, Bengal December/January Rs. 158—the highest level of the season—whilst New York May stood at 12.79 cents and Liverpool 6.83*d*. The Government estimate of the Indian crop is 4,555,000 bales as published on 21st December 1934.

Before we close this review, it must be mentioned that during the year the Government of Bombay felt convinced that the levy of Re. 1 per bale on imports of Indian cotton into Bombay was diverting the cotton trade from Bombay to other ports, and this obnoxious duty was at last removed. With a view to aid the cotton trade further, the railway freight from Broach and other stations was substantially reduced as also that from Bombay to Ahmedabad by the B. B. & C. I. Railway. The G. I. P. Railway authorities had also reduced their freight in some instances. Dock charges were also reduced.

It must also be mentioned that during the greater part of the year 1934 Indian cotton has been selling very much below its world parity. Since the beginning of November this position has been gradually rectified, and with reports of a short crop Indian prices have latterly remained on the whole firmer than American. By the end of the year, the loss in parity had been entirely made up. However, the full benefit of the higher prices will not be derived by the farmers owing to the shortness of our crop which, as we have seen, is estimated at 45½ lakhs of bales, but which some private advices place at about 42 lakhs only.

Having surveyed the cotton market, we shall now pass on to the markets for *cloth and yarn*, and examine the various factors which affected these. The continued low purchasing power of the ryots on account of another year of low prices for agricultural produce made it impossible for mills to move stocks freely during the early part of the year. The Indo-Japanese Trade Agreement for a time also made traders hesitant as they were afraid that Japan on account of the reduction in duties would be able to undersell Indian mills considerably. The rise in cotton prices in consequence of this agreement was not reflected in cloth prices and the *cloth market* showed little signs of improvement. The disastrous earthquakes in Bihar and Orissa made the position still worse. In March, however, some sales were effected, though at unremunerative prices. Then came the strike in Bombay mills which made business difficult. The general economic position of the country may be gauged from the fact that in spite of the strike and consequent loss in production, prices did not rise, though stocks showed considerable reduction, and large forward purchases were made by merchants in anticipation of shortage and consequent expectations of a rise in prices. The rise in cotton prices during July/August helped the movement of stocks, and good sales were then effected. During September and October, in spite of the decline in cotton prices, offtake was good, and there was ground for hope that Bombay mills would once again see better days. However, talks of double-shift working from 1st January, when the 54-hour week was to come into force, made merchants once more hesitant, and while cotton prices advanced, cloth prices remained stationary or even declined to a small extent. On *Moorut*, large sales were effected on the basis of 9½ annas per lb. for calendered shirtings with Broach quoted round Rs. 210—but since then conditions have worsened, for while Broach Contract prices rose to Rs. 248—and prices of staple cottons rose still higher, 24s warp cotton rising from about 40/45 “on” Broach to over 90 “on” Broach, the rise in cotton thus working out at about 2 annas a lb., cloth prices remained stationary at around 9½ annas for calendered shirting with a barely steady tone owing to

the impending double shift working by most mills in various centres on the introduction of 9-hour day from 1st January. The question of double shift working being of such great importance to the industry, the Millowners' Association, Bombay, took up this question in right earnest at the end of the year. Let us hope a satisfactory solution will be found and the industry saved from the evil effects of overproduction in the near future.

In the beginning of the year with Broach round Rs. 190 calendered shirtings were quoted at about 9 annas a lb. and prices improved slightly with the rise in cotton to $9\frac{1}{2}$ annas. After the textile strike, in some widths of grey shirtings in which stocks had become scarce prices rose to $10\frac{1}{4}$ annas a lb., only to decline again to $9\frac{3}{4}$ annas in spite of the rise in cotton in July and August. Prices further declined in October to $9\frac{1}{2}$ annas and sales were effected by some of the mills that were re-started under new management after long closure even at $9\frac{1}{4}$ annas and 9 annas a lb. As mentioned above, Moorut sales were effected on the basis of $9\frac{1}{2}$ annas, but by the end of the year even this price was not considered a safe level at which to transact business by merchants as it was feared that there would be under-selling by mills themselves in competition with one another.

In the *yarn market* also, the position was not very encouraging, though there was never the hesitancy that was witnessed in the cloth market. Both offtake and sales were fairly steady, and while margins were never satisfactory, there was not that dullness of feeling due to internal competition that characterised the cloth market. While the rise in cotton towards the end of the year was not fully reflected in prices, prices in the finer counts showed a rise of 1 to $1\frac{1}{2}$ annas per lb., and about $\frac{3}{4}$ anna a lb., in the coarser counts.

At the beginning of the year 10s and 20s yarns were quoted at $5\frac{1}{4}$ annas and 7 annas a lb., rose to $5\frac{3}{4}$ and $7\frac{1}{2}$ annas in February, declined by April to 5 annas and $6\frac{3}{4}$ annas with the decline in cotton, rose again with the rise in cotton to $5\frac{1}{2}$ annas and $7\frac{1}{2}$ annas by the end of August. There was a small fall in price with the decline in cotton in September, but with the abrupt rise in cotton prices in December, sales were reported at 6 annas and 8 annas a lb., respectively.

The only really satisfactory feature during the year both in cloths and yarns has been steady decline in unsold stocks with mills, partly due to the stoppage throughout the year of over a fourth of both the spinning and weaving machinery. Mills also had large unfilled orders on hand at the end of the year.

On the whole, the position in the textile industry was slightly better during the year under review than in the past six years. If the cloth market responds to the high prices that prevail for cotton, and if there are no further labour troubles, the future for the industry is by no means dark.

ELECTION OF CHAIRMAN OF THE ASSOCIATION FOR 1935

The annual ballot for the office of the Chairman of the Association was held on the 8th January 1935 and resulted in the election of Sir Joseph Kay, Kt.

ELECTION OF DEPUTY CHAIRMAN OF THE ASSOCIATION FOR 1935.

The annual ballot for the election of the Deputy Chairman took place on the 15th January 1935 and resulted in the election of Mr. V. N. Chandavarkar.

ELECTION OF THE COMMITTEE FOR 1935.

The ballot for the election of the Committee was held on 22nd January 1935 and the following members were duly elected :—

Sir Ness Wadia, K.B.E., C.I.E. ; Sir Chunilal V. Mehta, K.C.S.I. ; Sir Dinshaw E. Wacha, Kt. ; Mr. T. V. Baddeley ; Mr. B. D. Benjamin ; Mr. Bhagwandas Manmohandas Ramji ; Mr. Dharamsi Mulraj Khatau ; Mr. R. L. Ferard ; Mr. A. Geddis ; Mr. Krishnaraj M. D. Thackersey ; Mr. A. M. Mehta ; Mr. H. F. Milne ; Mr. H. P. Mody, M.L.A. ; Mr. Neville N. Wadia ; Mr. A. Pether, ; Mr. S. D. Saklatvala, M.L.C. ; Mr. F. Stones, O.B.E., and Mr. C. P. Wadia.

COMMITTEE OF THE ASSOCIATION.

During the year 1934, death or retirement from India deprived the Committee of the Association of the assistance and co-operation of a number of their distinguished colleagues, who had rendered valuable services to the Industry.

Towards the middle of May, Mr. Lalji Naranji, who was a member of the Committee since 1923 and Deputy Chairman of the Association in 1929, passed away after a short illness. In the month of July occurred the death of Sir Cowasjee Jehangir (Bart.) who held a high position in the commercial life of Bombay and rendered very useful services to the Association as a member of the Committee for very many years. Mr. Jehangir B. Petit, who had been on the Committee for a considerable number of years, retired in July. The month of August was marked by the death of Sir Munmohandas Ramji, who was connected with the Association in various capacities since 1893 and was a very able and active member up to the time of his death. The same month also witnessed the retirement from India, owing to illness, of Mr. Albert Raymond, an active member of the Committee. Mr. D. F. Batliwala, an ex-Member of the Committee passed away in September, and in December, Mr. H. H. Sawyer, Deputy Chairman of the Association, tendered the resignation of his office as Deputy Chairman

and of his seat on the Committee on his proceeding to England to take up his appointment as a Director of Messrs. David Sassoon & Co., Ltd., London.

The retirement of Mr. Sawyer necessitated the election of a new Deputy Chairman for the remaining portion of the current year, and a ballot held early in January for this purpose resulted in the election of Mr. H. H. Lakin.

LEGISLATIVE ASSEMBLY.

ASSOCIATION'S REPRESENTATIVE.

Towards the end of October, the Association was called upon to elect a representative to the Legislative Assembly. Members were duly informed of the procedure relating to the election, but as Mr. H. P. Mody was the only candidate who filed his nomination papers, he was declared elected under the rules.

THE BOMBAY LEGISLATIVE COUNCIL.

ASSOCIATION'S REPRESENTATIVE.

Towards the middle of the year, Mr. Jehangir B. Petit, the Association's representative on the Bombay Legislative Council, resigned his seat, and in accordance with the prescribed rules and regulations, Mr. S. D. Saklatvala was returned unopposed to the Council.

THE G. I. P. RAILWAY LOCAL ADVISORY COMMITTEE.

ASSOCIATION'S REPRESENTATIVE.

The term of office of the G. I. P. Railway Local Advisory Committee expired on 3rd May 1934, and the Association was, therefore, requested to appoint a representative to serve on the new Committee to be constituted for a period of two years from June 1934. The Committee re-appointed Mr. A. Geddis as their representative on the reconstituted Advisory Committee.

THE TECHNOLOGICAL RESEARCH SUB-COMMITTEE OF THE INDIAN CENTRAL COTTON COMMITTEE.

ASSOCIATION'S REPRESENTATIVES.

Early in February, the Secretary, Indian Central Cotton Committee, requested the Association to nominate two representatives of the Association for co-option on the Technological Research Sub-Committee of the Indian Central Cotton Committee for the year 1934-35. The Committee accordingly re-appointed Sir Munmohandas Ramji and Mr. F. Stones. Owing to the death of Sir Munmohandas later in the year, the Committee appointed Mr. A. D. Walwyn to fill the vacancy.

THE SENATE OF THE UNIVERSITY OF BOMBAY.

ASSOCIATION'S REPRESENTATIVE.

Mr. Jehangir B. Petit, the Association's representative on the Senate of the University of Bombay, resigned his seat early in July, and the Committee, therefore, appointed Mr. F. Stones, O.B.E., to serve on the Senate.

THE ROYAL INSTITUTE OF SCIENCE.

ASSOCIATION'S REPRESENTATIVE.

The term of office of the Advisory Committee of the Royal Institute of Science, Bombay, expired on 31st December 1934, and the Association was, therefore, requested to nominate a representative to serve on the reconstituted Committee for the triennium commencing from 1st January 1935. The Committee nominated Mr. B. D. Benjamin to represent the Association on the new Advisory Committee.

THE SYDENHAM COLLEGE OF COMMERCE AND ECONOMICS—ADVISORY BOARD.

ASSOCIATION'S REPRESENTATIVE.

Early in the year, the Association was requested to nominate a representative to serve on the reconstituted Advisory Board of the Sydenham College of Commerce and Economics for the triennium ending May 1936 and the Committee appointed Mr. Dharamsi Mulraj Khatau.

THE STANDING ADVISORY COMMITTEE FOR THE BACK BAY RECLAMATION SCHEME.

ASSOCIATION'S REPRESENTATIVE.

In view of the resignation tendered by Mr. Jehangir B. Petit of his seat on the Standing Advisory Committee for the Back Bay Reclamation Scheme as the Association's representative, the Committee appointed Mr. V. N. Chandavarkar to fill the vacancy.

THE BOMBAY SMOKE NUISANCES COMMISSION.

ASSOCIATION'S REPRESENTATIVE.

In accordance with Rule 15 of the Rules under the Bombay Smoke Nuisances Act, 1912, Mr. W. A. Sutherland, one of the Association's representatives, ceased to be a member of the Bombay Smoke Nuisances Commission owing to his absence from two consecutive half yearly meetings, and the Committee appointed Mr. Mark Binnie to fill the vacancy.

THE BOMBAY EXCISE ADVISORY COMMITTEE.

ASSOCIATION'S REPRESENTATIVE.

In view of his departure from India on leave, Mr. H. F. Milne, the Association's representative on the Bombay Excise Advisory Committee, resigned his seat towards the middle of the year, and the Committee nominated Mr. D. M. Khatau to fill the vacancy.

THE EMPIRE COTTON GROWING CORPORATION.

ASSOCIATION'S REPRESENTATIVE.

The term of office of Mr. R. J. Udani, the joint representative of the Bombay and Ahmedabad Millowners' Associations on the Administrative Council of the Empire Cotton Growing Corporation expired in January 1934, and the Committee, therefore, in consultation with the Ahmedabad Millowners' Association, nominated Sir Cusrow Wadia, Kt., C.I.E., to serve on the Council as the joint representative of the two associations for the triennium ending January 1937.

AUDITORS.

At the Annual General Meeting held on the 23rd May 1934, Messrs. A. F. Ferguson & Co. were appointed as the Association's Auditors for the current year on the usual remuneration.

VISIT OF SIR RICHARD JACKSON.

Sir Richard Jackson, Chairman of the Indian Cotton Enquiry Committee, a body set up in Lancashire following the Ottawa Conference to promote the greater use of Indian cotton in Lancashire, visited India early in the year with a view to gain first-hand knowledge of various breeding and other schemes of botanical research carried out in important cotton growing areas in the country.

A special Sub-Committee of the Association met Sir Richard towards the middle of March, and discussed with him various steps that might be taken to promote the more extensive use of Indian cotton by cotton mills in the United Kingdom.

VISIT OF MR. ANDREW T. BRENNAN.

Towards the middle of the year, the Government of the Union of South Africa deputed Mr. Andrew T. Brennan, Trade Commissioner at Batavia, to visit India with a view to discuss with the Government of India and leading public men the possibility of establishing closer trade relations between India

and South Africa. After informal talks with Sir Fazli Hussain and Mr. G. S. Bajpai, Mr. Brennan came to Bombay towards the end of August. During his short stay in the City, the Committee of the Association met Mr. Brennan for a general discussion of the subject-matter of his visit to this country, and placed before him certain proposals designed to increase the trade in Indian mill-made goods in South Africa.

MEMBERSHIP OF THE ASSOCIATION.

The total membership of the Association on 31st December 1934 was 100 as against 98 at the end of 1933. The Coimbatore Spinning and Weaving Company, Limited, the David Mills Company, Limited, and the Edward Sassoon Mills, Limited, resigned their membership during the year, while

The Swadeshi Cotton Mills Company, Limited,
The Muir Mills Company, Limited,
The Andhra Cotton Mills,
The Binod Mills Company, Limited, and
Messrs. Courtaulds (India), Limited,

were elected members.

DONATIONS.

At the Annual General Meeting of the Association held on 23rd May 1934 the following donations were sanctioned and paid out of the Association's funds :—

	Rs.
The Victoria Jubilee Technical Institute	1,500
The Police Comforts Fund	1,000
The Bihar Earthquake Relief Fund	2,000

WORKING OF THE COTTON MILLS OF BOMBAY IN 1933.

In accordance with the usual practice, an annual statement showing the results of the working of the cotton mills in Bombay was prepared by the Association and audited by Messrs. A. F. Ferguson & Co. Fifty-seven out of the seventy-five mills in Bombay submitted returns. The statement disclosed a total loss of Rs. 1,33,86,969 for the year 1933, after providing for depreciation on machinery and buildings, in spite of the fact that during the year managing agents gave up commission to the extent of Rs. 19,05,419.

THE MILL STRIKE.

One of the important subjects, which engaged the attention of the Committee during the year under review was the mill strike. To understand the genesis of the strike, it is necessary to restate briefly the principal events which preceded this unfortunate event. Early in 1933, certain mills were

compelled to reduce the wages of their operatives. Reductions were made in other mills later on, and by the beginning of April 1934, practically all mills had reduced their dear food allowances by varying amounts. In spite of unexampled depression, the industry had continued to pay the same rates of wages as were paid during the height of the boom, and it was only when it became impossible to carry on, and after every other avenue of reduction in costs of production had been explored that mills were compelled to reduce wages. In most mills, however, the wage reduction was the only alternative to complete closure.

For a considerable time the leaders of the extremist section of labour had been perfecting their plans to bring about a general strike in the textile industry throughout India by 1st May 1934, and the position created by the wage reductions in Bombay afforded them a very convenient opportunity to bring their efforts to fruition. Workers were exhorted both by speeches at meetings and by leaflets to strike work on April 23rd, and groups of volunteers with red badges of the Red Flag Union freely moved about on the 22nd April calling upon workers to strike work on the following day. The trouble started in the Phoenix Mills on the 23rd April, and for about a week the strike leaders met with a certain measure of success. Certain mills, however, continued to work, and an effort to bring out the operatives of these mills resulted in a clash between loyal workers and the strikers, and the police had to intervene in the interest of law and order. Some of the labour leaders were arrested under the Special Powers Act. The steps taken to ensure the safety of those who wanted to go to work served to restore confidence, and by the first week of June several mills were working with their full complement. The position showed further improvement in the second week of June, and a week later all the mills in Bombay were working with their normal complements.

STANDING ORDERS FOR OPERATIVES.

(See pages 12 and 83 of Report for 1933.)

On page 12 of the Report for 1933, reference was made to certain amendments, which it was proposed to introduce in the Standing Orders for Operatives formulated by the Association, with effect from 1st April 1934.

The notices suggested by the Committee concerning the alterations in the old Orders were duly put by up member mills, but no suggestions or criticisms were forthcoming within the stipulated time, either from the operatives themselves, or on their behalf. A member mill, however, drew attention to new Order 27 which read as under :—

“ Notwithstanding anything to the contrary contained in these Standing Orders, it shall be lawful for the company by a resolution of its Board of Directors that circumstances require or justify that such action shall be taken and with the previous written consent of the Mill-owners' Association, Bombay, and after giving not less than fourteen days' notice to its operatives of its intention to do so, to substitute for the then existing system of employment of

its labour a system of day-to-day employment. Upon the introduction of a system of day-to-day employment, these Standing Orders shall cease to apply to the company, and the employment of an operative shall be determinable by either the company or the operative at twenty-four hours' notice."

It was suggested that it might not be necessary, in the event of the adoption of a system of day-to-day working, to abrogate *all* the Standing Orders. The intention was that only such of the Orders as were inconsistent with a system of day-to-day working should stand abrogated, and the Committee, therefore, made this clear in the following revised order which was incorporated in the final Standing Orders :—

"Notwithstanding anything to the contrary contained in these Standing Orders, it shall be lawful for the company by a resolution of its Board of Directors that circumstances require or justify that such action shall be taken and with the previous written consent of the Mill-owners' Association, Bombay, and after giving not less than fourteen days' notice to its operatives of its intention to do so, to substitute for the then existing system of employment of its labour a system of day-to-day employment. Upon the introduction of a system of day-to-day employment, *such of the Standing Orders as are inconsistent with a system of day-to-day working*, shall cease to apply and the employment of an operative shall be determinable by either the company or the operative at twenty-four hours' notice."

The Standing Orders as revised above were introduced by almost all member mills in the City and Island from 1st April 1934. (*Appendix 1.*)

ARBITRATION RULES OF THE ASSOCIATION.

PANEL OF ARBITRATORS AND UMPIRES.

(*See pages 13 and 87 of Report for 1933.*)

In the last Report of the Association, it was stated that the Committee of the Association, in consultation with the Association's Solicitors, had increased the strength of the panel of Umpires maintained under Rule 3 of the Arbitration Rules of the Association to 10.

During the year, the Committee appointed Mr. Hurgovandas Jamnadas Ramji and Mr. Premji Veerji to serve on the panel of Umpires and Messrs. Bhagwandas Manmohandas Ramji, Pransukhlal Mafatlal and Pranjivan Vussonjee on the panel of Arbitrators to fill up the vacancies caused by the death of Sir Munmohandas Ramji and Mr. Lalji Naranji and the retirement of Mr. Ahmed F. Currimbhoy.

The revised panels of Arbitrators and Umpires will be found in *Appendix 2.*

REGISTRATION OF TRADE NAMES.

Towards the end of 1933, a suggestion was received from certain members that it would be desirable for the Association to make provision for the registration of trade names. It was pointed out that, with the improvement in the quality of the goods manufactured by Indian mills, it was

becoming common for mills to brand their specialities and to sell them under special "trade names." It was stated that this practice was likely to increase and that it was very necessary that any "trade names" invented and used by particular members should be protected against infringements, either by other members of the Association or by non-member mills.

The matter was in the first instance referred to the Trade Marks Sub-Committee, who were strongly of the opinion that it would be in the interests of those member mills who used trade names, either alone or in combination with trade marks or trade numbers, to have them registered with the Association and circulated for information to all member mills as and when they were introduced. The Sub-Committee further considered that the adoption of such a procedure would undoubtedly prevent imitation by other member mills, which in itself would be a great advantage, while the fact that proof of registration with the Association could be produced would assist members in case of infringements by non-members. Before proceeding with the formulation of a detailed scheme of registration, however, the Sub-Committee considered it necessary for the Association to collect full data from members in regard to the trade names used by them so as to enable the Sub-Committee to decide exactly as to what type of trade names should be registered and also to devise measures for overcoming the difficulties relating to trade names already in use and registering them, wherever possible, as the exclusive property of the present users of those names.

The Committee of the Association accepted the principle of registration, but referred back to the Sub-Committee the following three questions raised by certain members :—

- (1) the desirability of making registration applicable to all classes of members, that is to say, both cotton mills and woollen mills,
- (2) the desirability of sub-dividing the various types of cotton goods under different headings as in the case of trade marks and trade numbers, and
- (3) the type of trade names which should be accepted for registration.

On a careful examination of the data collected from members, the Sub-Committee arrived at the following decisions :—

- (a) In regard to point (1), the Sub-Committee held that, for the present, at any rate, the scope of registration should, in view of the lack of unanimity of opinion amongst woollen mill members on the question, be limited to cotton goods produced by member mills.
- (b) The Sub-Committee held that no sub-division of cotton manufactures was necessary, as, in most instances, such trade names as were in use by member mills were applied on various classes of goods.

- (c) With regard to the procedure to be followed in connection with the registration of existing trade names, the Sub-Committee were of opinion that registration should be accorded to a trade name if it differed in any way from other trade names already used by other members and was in conformity with the rules regarding "registrable" trade names.

Accordingly, tentative rules embodying the above decisions were drawn up in consultation with the Association's Solicitors, and forwarded to all members towards the middle of October, for criticism. The rules closely followed the English law on the subject with such modifications as were considered necessary to meet the special circumstances of India and to permit registration of vernacular dictionary words, the preliminaries connected with the registration of trade names being left identical with those laid down in the Association's Rules for the Registration of Trade Numbers. The rules were placed before a special general meeting of members held on 17th December 1934, and were unanimously adopted.

The new rules came into force as from the 1st January 1935.

(Appendix 3.)

MUNICIPAL ASSESSMENT.

(See page 14 of Report for 1933.)

In the last report of the Association, it was indicated that there was a possibility of the question of the assessment of Bombay cotton mills by the Municipality being fought out in the Small Causes Court.

No agreement having been found possible on the outstanding points of difference between the Association and the Municipality, the appeals filed by mills were taken up by the Chief Judge of the Small Causes Court in the month of May. The cases are now proceeding, and no final pronouncements have been made on the issues involved.

POWER COSTS.

(See pages 17 and 93 of Association's Report for 1933).

On page 17 of the Association's Report for 1933, reference was made to the special cash discount of 10 per cent. granted by the Hydro-Electric Companies, with effect from 1st February 1933, for a period of 12 months. It was also stated that as and from 1st February 1934, the Power Companies proposed to introduce a cash discount of 2 per cent. to all consumers paying their bills within ten days from the date of submission, and also to put into effect a sliding scale of discounts on power bills based on the extent by which the average monthly power factor of any textile consumer exceeded 80 per cent.

The question was considered by the Committee early in the year under review. The Committee were fully aware that the charges for electric power to Bombay mills had been fixed under contracts which were recently entered into between the mills and the Power Companies; they also realized that in most cases, these contracts had still several years to run, and that under the circumstances, any departure made from the terms set forth in the contracts was a concession to which mills were not entitled in law. At the same time, it was felt that, in view of the sympathetic attitude taken up by them in 1933, the Power Companies would give favourable consideration to a request that the concessions then granted should be continued for a further period of twelve months.

In regard to the sliding scale of discounts based on the power factor which the Power Companies proposed to introduce with effect from 1st February 1934, it appeared that the possibility of most mills obtaining any discounts under this arrangement was negligible unless they were in a position to go to the expense of installing power factor correcting apparatus. Eventually, it was possible that a number of mills might instal such apparatus, but it was thought that very few mills would obtain any benefit. The matter was informally discussed by the Chairman with representatives of the Power Companies with the result that towards the end of January, the Association was advised that the Hydro-Electric Companies had resolved to continue for a further period of six months, i.e., up to 31st July 1934, the special cash discount of 10 per cent. granted as from 1st February 1933, to contracted consumers on T-1 supply on payment of bills within ten days from date of submission. The proposed discount for monthly power factor in excess of 80 per cent. was to remain in abeyance, the intention being that such discount should become operative only as from the termination of the period of prompt payment discount.

The position, it would appear, was further considered by the Power Companies, and towards the end of February the Association was informed that the special cash discount of 10 per cent. would be continued for a further period of five months after 31st July, definitely terminating on 31st December 1934, and that on the termination of the special discount, i.e., from 1st January 1935, the following discounts should apply as permanent discounts :—

- (1) A power factor discount of one-half of one per cent. for each completed one per cent. by which the average monthly power factor of the consumer exceeded 80 per cent.

and

- (2) A prompt payment discount of 2 per cent. on bills paid within ten days from the date of submission.

Subsequently, it was understood that the Power Companies were contemplating some reductions in their tariff rates, and early in August, in a letter to the Association, the Tata Hydro-Electric Agencies indicated that their board had decided to introduce a new schedule of charges for all industrial consumers as and from 1st January 1935. It was pointed out that the new

schedule conferred the following outstanding advantages on consumers as compared with the existing schedule :—

(1) The elimination of the lighting charge of 1.25 annas per unit. Current would hereafter be measured only at the point of supply and at voltage of supply.

(2) Reduction in the monthly minimum charge, the proposed charge being based on 75 per cent. of the maximum demand for the 12 months instead of 85 per cent. or a reduction of 12 per cent.

(3) Additional free units allowed in the new schedule fixed at 40 units for each kilowatt upto 500 and 80 units over 500 as against the existing allowances of 35 units for each kilowatt upto 1,150 and 70 units over 1,150 kilowatts.

(4) Under the energy section of the proposed schedule, the units chargeable at 0.50 anna per unit were reduced from 200,000 to 100,000 units, that is to say, the rate on an additional 100,000 units per month was reduced from .50 to .40 anna.

It was further pointed out that the power factor and prompt payment discounts which were features of the new schedule did not form part of the existing schedule. It was also indicated that though the new tariff would take effect on 1st January 1935, it was open to each consumer to change over to the new schedule or to carry on under the existing T-1 tariff, but that in any case the special cash discount of 10 per cent. would definitely expire on 31st December 1934.

The proposals of the Power Companies were carefully examined by a Special Sub-Committee of the Association, and on their recommendations the following suggestions were placed before the Power Companies :—

(1) Extension of the existing 10 per cent. special cash discount for a further period of six months in view of the depressed financial position of the industry and the fact that several mills had ordered out power factor correcting apparatus, but that these would not be delivered and installed before the end of the current year.

(2) Increase in power factor discount from 10 to 12½ per cent. at the rate of one-half of one per cent. for each completed one per cent. by which the average monthly power factor of the consumer exceeded 75 per cent., the reason being that with power factor corrective apparatus of the type which would be most economical to instal, the actual power factor reached by most mills was not likely to exceed 96 per cent. This would mean a discount of only 8 per cent. if the starting point was 80.

(3) Free supply of power factor corrective apparatus by the Power Companies to mills which had rented the Power Companies' motors.

(4) Installation by the Power Companies on the basis of a hire-purchase system, of power factor corrective apparatus in mills which had their own equipment but could not, in view of their existing financial position, afford to buy the apparatus at the moment.

(5) Reduction in the rental on Power Companies' equipments hired by mills.

Further correspondence and negotiations took place with the Power Companies, but the concessions and facilities asked for by the Association in its original representation were not forthcoming. However, at the annual general meeting of the Tata Hydro-Electric Power Supply Co., Ltd., held on 18th September, the Chairman, Sir Naoroji Saklatvala, stated that the Joint Boards and Managing Agents of the Power Companies had committed themselves to "a policy of progressive rate reduction, to become effective from time to time and to the extent that circumstances permitted."

It is understood that practically all mills in Bombay have since accepted the new T-2 Tariff. (*Appendix 4.*)

THE CITY OF BOMBAY MUNICIPAL ACT AMENDING BILL, 1934.

WATER TAX.

Towards the middle of March, the attention of the Association was drawn to a Bill published in the *Bombay Government Gazette*, which had for its object the removal of some of the defects and anomalies in the working of certain sections of the City of Bombay Municipal Act dealing with the assessment of Government properties. From the Notes on Clauses, it appeared that a further object was to enable the Corporation to make a profit on its water-supply if so desired.

The existing Act specified that the water-tax should be levied at a rate of so much per centum of the rateable value of the buildings and land in the city, and that this figure should be fixed by the Corporation at a level which was reasonable with reference to the expense of providing a water-supply to the city. This in effect meant that the Corporation was precluded from making a profit out of water supplied to various types of consumers.

While the Committee considered that the Corporation should be entitled to make a charge for water sufficient to cover the cost of providing an adequate supply to all consumers under all circumstances, and possibly sufficient to make some provision for increasing its water-supply to meet possible future demands occasioned by the natural increase in population, industrial development, etc., they were strongly of opinion that no particular class of consumers should be unfairly penalised to the advantage of other classes, and held that the Municipal Act should be amended to ensure equitable water charges for all classes of consumers in preference to amending the Act as provided in the Bill.

The amendment of Section 170 appeared to be designed to give a specially privileged position to certain Government properties, and the Committee feared that, if special provision was not made, the losses which the Municipality would incur owing to reduced payments by Government would be met by further penalisation of large industrial consumers, who paid for water on a meter measurement basis, and whose activities contributed very substantially to the city's economic well-being. In addition, such consumers might, owing to their small direct representation in the Corporation, be called upon to pay still higher charges to provide the profit which the Corporation would be entitled to make if Section 140 (a) was amended in the manner specified in the Bill.

The Committee considered that the two systems adopted by the Corporation for the levy of water-tax, by which the small consumer paid his water-tax at a percentage on the rateable value of his property and large consumers as a general rule paid for their water by measurement at so much per thousand gallons, bore no relationship whatsoever, and as a matter of fact, the large consumer paying for his water on a meter measurement basis had always paid a higher water charge than he would have had to pay if he had been taxed on a rateable value of his property and a much greater charge per 1,000 gallons than the actual cost to the Municipality. They, therefore, maintained that the time was ripe for the removal of this inequitable treatment and for the amendment of the Act in such a manner as to provide that the charges for water to consumers of all types should be fixed at such figures as would give the Municipality an income sufficient for its present and future needs.

In a representation addressed to the Government of Bombay towards the end of April, it was suggested on behalf of the Association that the Bill should be withdrawn and that a new Bill framed in consultation with representatives of various classes of consumers, and particularly large consumers of water such as the Port Trust, Railways, Cotton Mills, etc., should be substituted instead.

Government were, however, not prepared to withdraw the Bill, but pointed out that the Association's representative in the Legislative Council would have an opportunity to propose amendments to the Bill to give effect to its views. The case put forward by the Association was supported by all the industrial and commercial bodies in the city, and the Honourable the Minister for Local Self-Government, therefore, convened a conference of representatives of these bodies for an informal discussion of the question. As a result of the discussions, Government subsequently withdrew the Bill.

It is understood that the whole question of water charges levied by the Municipality is being reviewed by Government. (*Appendix 5.*)

REDUCTION OF FIRE INSURANCE RATES.

(*See page 53 of Report for 1933.*)

On page 53 of the last report of the Association it was indicated that at a joint conference of representatives of the Association and the

- Bombay Fire Insurance Association, a plea had been put forward for a reduction in the rates for fire insurance which had remained the same in the case of fireproof mills since 1927, though apparently rates for upcountry mills had been reduced since that time. The Fire Insurance Association representatives then gave an undertaking that the whole question of fire insurance rates would be investigated, and particularly the relationship between the Bombay and mofussil mill rates of insurance.

Accordingly, towards the middle of February, the Association was notified of the decision of the Fire Insurance Association to alter the special discount of 15 per cent. then allowed to cotton mills and cotton mill godowns as under :—

Risks situated within the Municipal limits of Bombay	..	25%
Risks situated elsewhere	.. .. .	15%

It was pointed out that this, in effect, amounted to a reduction of approximately 12 per cent. of the then existing net rates for Bombay mills.

The increased discount was made applicable to all new business and renewals. (*Appendix 6.*)

THE INDIAN FACTORIES ACT.

(ARRANGEMENTS IN CONNECTION WITH REDUCTION IN HOURS, ETC.)

(*See page 22 of Report for 1933.*)

On page 22 of the last Report, it was stated that the Factories Bill had been referred to a Select Committee of the Legislative Assembly and that the Committee was likely to meet early this year.

The Report of the Select Committee was presented to the House on 27th February, and towards the middle of July, the Honourable Sir Frank Noyce moved that the Bill, as amended by the Select Committee, be taken into consideration. During the debate which followed, Mr. H. P. Mody, speaking on behalf of the Association, dwelt at some length on the effect of the main provision of the Bill, namely, the reduction in hours, on the Textile Industry, particularly in Bombay. He stated that industries generally were migrating more and more to Indian States owing to the lower wage scales, long hours of labour, cheap living and low taxation which prevailed there, and urged that Government should do everything in their power to bring Indian States into line with British India in regard to labour legislation. The Honourable the Member for Industries and Labour agreed to examine this question, and after a three days' debate, the Bill was passed by the House, and the new Act was to come into force from 1st January 1935.

ARRANGEMENTS RE. SHORTER WORKING WEEK.

Towards the end of the year, the Committee had under consideration the question as to how the working hours in Bombay cotton mills should be

adjusted so as to be in conformity with the shorter working week laid down in the new Factories Act. The matter was carefully examined by the Managers' Sub-Committee and on their suggestion the Committee recommended that the 54-hour week should be divided into 6 working days of 9 hours each and that the day shift should be divided as under :—

Commence work	..	..	..	7-30 a.m.
Recess	..	..	..	12 noon to 1 p.m.
Re-start	..	..	..	1 p.m.
Cease work	..	..	..	5-30 p.m.

It was further suggested that the hours of work for *all* operatives should be made uniform at 9 hours per day, or 54 hours per week, and that consolidated wages on a 9-hour day basis should be given. As a means of reducing the undesirable practice of workpeople taking unauthorised rest intervals in mill compounds during working hours, the Committee suggested that after 1st January 1935, mills should tighten up discipline so as to prevent the taking of meals in mill compounds while the machinery was working, and that mill compound tea shops, where they existed, should only be opened for business before and after working hours and during recess intervals, but that during working hours the tea vendor should be allowed to supply the operatives with tea at their machines.

As regards wages, the attention of members was drawn to the resolutions adopted at the Special General Meeting held on 7th July 1934, in accordance with which the wages of all time workers had to be retained at levels not less than those specified in the Association's time work schedule and the dear food allowance of pieceworkers had to be maintained at a figure not lower than 40 per cent.

EXEMPTIONS UNDER THE NEW FACTORIES ACT.

Towards the end of May, the Association was furnished with a list of exemptions from the provisions of the new Factories Act which the Factory Inspection Department proposed should be granted. The proposed exemptions corresponded very closely with the existing arrangements, except that they were modified to suit a shorter working day and the provisions of Section 38 regarding "spreadover."

PROVISION OF CRECHES FOR CHILDREN.

Section 33 (1) and (2) of the new Factories Act provided that the Local Government might make rules requiring the provision of adequate shelters for the use of workers in periods of rest in factories employing more than 150 workmen, and the reservation of suitable rooms for the use of children under the age of six years belonging to women in factories ordinarily employing more than 50 women. Accordingly, certain rules were tentatively drawn up by the Factory Inspection Department which sought to make it obligatory on mills to provide rooms for children before 1st January 1936. Having regard to the existing position of the mills, the Committee held that the time allowed to mills was insufficient. The Act itself left discretion to

the Local Governments in regard to the enforcement of this provision. Representations were, therefore, made to the Commissioner of Labour, and it is understood that Government will not proceed to frame rules in this regard for the time being. In the meantime the voluntary efforts to promote the establishment of creches in all mills will be continued.

RULES UNDER THE NEW FACTORIES ACT.

The draft Rules under the new Factories Act which were published early in November were under consideration by the Managers' Sub-Committee at the close of the year. (*Appendix 7.*)

COMPETITION BETWEEN FACTORIES IN BRITISH INDIA AND FACTORIES IN INDIAN STATES.

(*See pages 20 and 153 of Report for 1932 and page 22 of Report for 1933.*)

In the Association's Report for 1932, it was pointed out that the Committee's opposition to the reduction in the length of the working week for adult employees was in no way dictated by a desire to retain a 60-hour working week in perpetuity; they indeed welcomed the reduction in hours proposed by the Whitley Commission provided, so far as the cotton mill industry was concerned, similar reduced hours of work were also enforced in Indian States.

It was also pointed out in the Association's Report for 1933 that the matter was subsequently reviewed by the Committee, and the Association's representative in the Assembly was asked not to oppose the proposed reduction in hours of work. He was also instructed to stress the necessity of Government taking steps to ensure that similar legislation was passed in all major Indian States.

The Indian Factories Bill was introduced in the Assembly on 8th September 1933 and referred to a Select Committee on 15th September. When the report of the Select Committee was again placed before the House on 17th July this year, Mr. H. P. Mody, the Association's representative in the Assembly, after explaining the circumstances which led to the Association revising its attitude on the question of the 54-hour week, said:—

"I should just like to pass on to a matter which is of very considerable importance, and that is the conditions which prevail in the Indian States. I recognize the constitutional difficulties in the way of trying to impose labour standards upon Indian States. That would impinge upon their autonomy, and I do not think that any rough and ready solution can be found, but I certainly think that the Government of India ought to exert all their influence—and that is very considerable—to bring the Indian States into line with British India in matters of labour standards. Already many of the Indian States are enjoying considerable advantages over British India. The conditions of labour are very low, there is hardly anything in the nature of factory inspection, the hours of work are long, living is cheap, taxation—thank goodness, there are some parts of the world where this is the case—taxation is low. For all these reasons there is a tendency for industries to migrate more and more to Indian States, and if more burdens and higher standards were to be imposed on British India, that

tendency would be very strongly accentuated. For these reasons, it is very essential that some action should be taken by the Government of India with regard to the Indian States in order to bring them into line, particularly in regard to the provision for a fifty-four hour week, and I hope my Honourable friend will, in the course of his reply, be able to deal with that point. I recognize that it is rather difficult for him to say anything definite, but I just want an assurance that the Government of India are alive to the danger and that they are going to do everything in their power in order to bring Indian States into line with British India."

The Hon'ble Sir Frank Noyce, in replying to the debate, stated :—

"My Honourable friend Mr. Mody raised the question of Indian States..... I can only say that, as far as the Government of India are concerned, we shall examine the question and see what, if anything, can be done. I am glad to find that my Honourable friend himself realizes that the question is a difficult one."

The question of competition between mills in British India and mills in Indian States subsequently formed the subject-matter of correspondence between the Government of India and the President of the Employers' Federation, and the latter pointed out that "the cause of the workers in this country will receive a very serious setback unless steps are taken to ensure that British India and Indian States are placed on an identical footing in matters of labour legislation." Government desired to be furnished with particulars of industries in which it was thought there was particular reason to fear developments which would result in a serious setback to the industry in British India. The matter was carefully examined by the Committee of the Association at the instance of the Employers' Federation, and a detailed memorandum setting forth the principal facts bearing on the question of competition between cotton mills in British India and mills in Indian States was submitted to the Government of India and the Federation.

The Indian Factories Act of 1922 fixed the working hours of cotton mills at 60 hours per week, and came into operation on 1st July 1922, but cotton spinning and weaving mills affiliated to this Association had in anticipation of this legislation reduced their working hours even from 1st January 1920. At that time, the question of the hours of labour worked in Indian States was not considered to be of very great importance as the capacity of the industry in Indian States was limited. Since 1923, however, there had been a very rapid increase in the loomage and spindleage of cotton mills located outside British India. The actual figures are :—

			<i>Spindles.</i>		<i>Looms.</i>	
			States.	British India.	States.	British India.
1919-20	..	..	405,178	6,309,087	8,158	109,400
1920-21	..	..	408,526	6,243,948	8,531	109,422
1921-22	..	..	438,713	6,375,560	9,412	118,902
1922-23	..	..	579,179	6,665,940	11,617	125,621
1923-24	..	..	708,648	7,194,548	14,027	133,060
1926-27	..	..	791,228	7,621,589	15,390	142,734
1928-29	..	..	840,277	7,653,033	16,537	148,847
1932-33	..	..	1,071,580	8,500,088	21,031	168,009

In a period of about 12 years the number of spindles in Indian States had increased by about 162 per cent. and the number of looms by about 147 per cent. In British India there had also been considerable expansion, but

the rate of expansion had not been anything like so rapid as in Indian States. This, it was thought, might be due to three main causes. In the first place, the average rate of wages paid per operative had been very much lower in Indian States than in the very important centres of the industry in British India such as Bombay and Ahmedabad. Secondly, this advantage of low wages had been greatly increased by the delay, which in many cases had taken place in introducing a working week of the same length as existed in British India. Thirdly, the encouragement given by the State authorities in certain instances for the development of the cotton industry.

The advantages which mills possessed in Indian States in the directions mentioned above, added to the benefits which in certain instances accrued to them owing to their proximity to cotton-growing centres and yarn and cloth consuming markets in British India, had enabled them to market their goods in British India at prices against which mills in British India had the greatest difficulty in competing, since these advantages could only be made up by a higher all-round efficiency in British Indian mills. The attainment of this high efficiency had been hampered by the economic depression which had existed for many years, and had made it difficult for old-established concerns to install machinery of as up-to-date a character as had been installed in the more recently established mills in Indian States. As far as the Committee were aware, no Indian State had declared its intention of amending its factory legislation in conformity with the new legislation in British India, and this being the case, it was anticipated that the cotton textile industry in Indian States was likely to develop in the immediate future at the expense of the textile industry in British India, unless adequate steps were taken by the Government of India to offset the advantage, which the Indian States mills would possess *vis-a-vis* mills in British India by retaining a working week of 60 hours.

A correct assessment of the effect on costs of manufacture which would follow on the institution of a 9-hour day was somewhat difficult, as it was not possible at the moment to estimate to what extent, if any, the efficiency of workers would increase when the length of the working day was reduced. An inquiry, which was recently made from a number of mills in Bombay City and Island, however, showed that a curtailment in hours might put up the Bombay costs of production by about $6\frac{1}{4}$ pies per pound in the case of Calcutta dhoties and by about $4\frac{1}{2}$ pies per pound in the case of 40's grey singles yarn. Such a difference in costs would be sufficient to cripple completely the trade of British Indian mills in certain lines, and it was, therefore, urged that immediate steps should be taken with the object of removing this disability which British Indian mills were apparently called upon to suffer for an indefinite period commencing from 1st January 1935. (*Appendix 8.*)

THE TRADE DISPUTES ACT.

PROPOSALS FOR AMENDMENT.

(See pages 25 and 114 of Report for 1933.)

In the last issue of the Association's Report, reference was made to the proposals submitted by the Committee for amending the Trade Disputes

Act in certain directions. It was then stated that the Trade Disputes Act of 1929, which was due to expire in 1934, should be converted into a permanent measure, but that an opportunity should be afforded for reviewing the position at the end of five years. There were also other suggestions, but in view of the pre-occupations of Government, it was not possible for them to bring an amended Bill before the Assembly before the expiry of the existing legislation. Government, however, introduced a Bill on 26th February 1934 to extend the operation of the 1929 Act. The Honourable Sir Frank Noyce, in asking leave to introduce the Bill, stated :

“ In order to remove possible misapprehensions, I should like to make one observation. As the House is aware, we have canvassed opinions on the amendment of the Trade Disputes Act, and have received a number of suggestions. The fact that this Bill is limited to the continuance of the Act in its present form should not be taken to mean that we have rejected proposals for change. The position, as the House knows, is that legislative business this Session is very heavy and this has made it almost impossible for us to ask the House to consider further amendments to this measure during the present Session. The Act is due to expire on the 7th May and we could not, therefore, defer our proposals to a later date, but, if the present Bill is passed, the other proposals will be carefully examined with a view to considering what further amendments are required in the main Act.”

This was immediately followed by the unfortunate strike in Bombay cotton mills. The method by which the strike was brought about and sought to be sustained clearly revealed that the labour legislation of the country required to be completely overhauled if the disastrous cessations of work which had been a feature of the last 10 or 12 years were to be completely avoided and the growth of a real and healthy trade union movement achieved. The Association had already suggested certain amendments of the existing Trade Disputes Act, but it was felt that this would not provide adequate safeguards against unnecessary dislocation of work in organised industries unless at the same time the Trade Union Act was also drastically amended.

The matter was carefully examined by the Committee of the Association, and the following additional suggestions were submitted to Government for amending the Trade Disputes Act and the Trade Union Act.

Trade Disputes Act :

- (a) Extension of Local Government's powers in the direction of declaring illegal certain types of strikes, for instance,
 - (i) any strike brought about by an unregistered employees' organisation.
 - (ii) any strike in which due notice had not been given by the employees' organisation concerned.
 - (iii) any strike brought about by a registered employees' organisation in contravention of its rules and regulations.
- (b) Similar extension of Local Government's powers in dealing effectively with persons or bodies responsible for the promotion of a strike declared illegal.

- (c) Prohibition of picketing at or near a workman's place of residence.
- (d) Cessation of picketing on the appointment of a Court of Inquiry or Board of Conciliation.

Trade Union Act :

- (a) Workers' organisations which countenanced direct action, or encouraged workers to strike work without notice to the employers should be refused registration.
- (b) The Registrar of Trade Unions should be empowered to refuse a certificate of registration unless the rules of the union applying for registration contained :
 - (i) specific provisions expressly prohibiting the calling of a general strike without previously consulting the general body of members, and without giving proper notice to employers,
 - (ii) satisfactory provisions concerning the presentation of workers' grievances to employers and the preliminary negotiations, which should take place before a strike was called by a union.
 - (iii) stipulations that work should be resumed on the appointment of a Board of Conciliation or a Court of Inquiry.
- (c) Failure to comply with these provisions subsequent to the registration of the Union should empower the Registrar of Trade Unions to cancel the certificate of registration of the employees' organisation, and the Local Government should *ipso facto* be empowered to declare the Union an illegal organisation.
- (d) The percentage of outsiders on the executive of an employees' organisation should be reduced from 50 to 30.

It was thought that with the above amendments, the development of responsible Trade Unions in this country should be very much more rapid than it had been in the past, for there was little doubt that employers as a whole would be willing to recognise and treat with organisations which saw fit to agree to the procedure recommended. The amendments suggested would, it was thought, also have the effect of preventing the growth of communistic organisations, or, at any rate, would reduce the power of such organisations to interfere in industrial disputes ; and the fact that any strike called without notice would be declared illegal would go far to prevent the repetition of the serious losses to employers, workers, the Local Government and the general public by lightning strikes during the last decade.

A representation for amending the Trade Disputes Act and the Trade Union Act was also, it was understood, addressed to Government by the

Employers' Federation of India, and it is hoped that early in 1935 Government would place before the Assembly proposals for amending the existing Trade Dispute and Trade Union laws of this country. (*Appendix 9.*)

BOMBAY TRADE DISPUTES CONCILIATION BILL.

Towards the middle of July, the Government of Bombay requested the Association to express an opinion on the draft of a Bill to provide for the settlement of trade disputes by conciliation, which Government proposed to bring before the August session of the Legislative Council. It was suggested that in the event of the Bill being passed, it would be desirable for the Association to appoint a labour officer of its own and constitute a standing sub-committee to deal with labour questions in the textile industry with whom the Government labour officer appointed under the Act would be able to deal when any disputes arose between the mill-workers and their employers. It was stated :—

“ In view of the labour unrest which has prevailed in the textile industry in Bombay City since 1921 and of its disastrous results not only on the industry itself but also on the prosperity of Bombay City as a whole, the Government of Bombay decided that steps must be taken without further delay to establish a regular system of conciliation of disputes between the mill-hands and the employers with the object of preventing or at any rate reducing strikes as far as possible in the future. They consider that the best system to adopt will be to appoint a Government Labour Officer whose duty it should be to look after the interests of labour in the industry and do his best to promote closer contact between the employers and their employees, the absence of which has undoubtedly contributed greatly to the numerous strikes which have occurred in the past. Government also decided that the Commissioner of Labour should be appointed ex-officio as Chief Conciliator and that they should have the power to appoint suitable persons as special or Assistant Conciliators when occasion demands that they should be appointed. The best means of establishing this system appeared to be by means of an Act of the Legislature describing the duties of the Labour Officer and of the Chief Conciliator and other Conciliators and the methods by which the employers and labour could approach them for conciliation when disputes may arise. Government consider that though for the present the Act should be applicable to the textile industry in Bombay City and the Bombay Suburban District only, it is desirable that they should be invested with power to extend its provisions to any industry elsewhere in the Presidency which might in the future require a similar system of conciliation.”

The Committee recognized the desirability of immediate action being taken to provide a more satisfactory means of dealing with trade disputes, and preventing unnecessary cessations of work that existed at the moment in the Bombay textile industry. In recent years the cotton trade of Bombay had been very seriously affected by a series of disastrous strikes. These strikes had greatly impaired the financial and competitive position of the local textile industry; in addition they had involved the workers of Bombay mills in great hardships and financial loss. In the report of the departmental enquiry conducted by the Government of Bombay Labour Office, it was estimated that since 1926, the loss to the workmen alone had been no less than 427½ lakhs of rupees in wages. In addition, the general public of Bombay and the revenues of the City and the Presidency had been severely affected. The Government of Bombay had also been involved in heavy additional expenditure on police and military assistance, which had to be requisitioned to maintain law and order. The Committee maintained

that the exceptional circumstances of Bombay as reflected in the number and seriousness of strikes which had taken place during the last few years pointed to the need for extraordinary measures being taken to avoid the possibility of a repetition of this state of affairs in the future. In these circumstances, they were inclined to welcome the broad procedure outlined in the present Bill as a purely experimental measure. They could not, however, agree that legislation of the type proposed should find a permanent place in the statute book and, therefore, suggested that the life of the proposed measure should be limited to a period of three years in the first instance. If and when labour organizations working on constitutional lines successfully developed in the Bombay textile industry—as the Committee hoped they would be during the next few years—then, they maintained that Government should amend this legislation to suit the needs of the times. What the Committee wished to make clear was that they were still of the opinion that labour disputes and grievances could be dealt with most effectively by direct negotiations between the parties themselves, and that these direct negotiations without the intervention of a third party in the person of a Government labour officer or conciliation officer could be achieved if real trade unions existed in the Bombay mill industry.

A weakness of the legislation proposed was that it was open to criticism that Government were weighting the scale in favour of labour. The Committee, however, recognized the need for providing an effective procedure under which workers' grievances could be investigated and their accumulation prevented, and, therefore, were prepared to accept the broad principles laid down in the measure.

In the opinion of the Committee there was one very important omission in the Bill, namely that it made no provision for preventing a cessation of work during the pendency of proceedings before a conciliation officer, and they deemed it desirable that Government should consider the incorporation in the Bill of provisions which would remedy this defect.

It was felt that the legislation proposed should only be of a temporary character, pending the development of employees' organizations working along constitutional lines. In order to assist this development, the Committee maintained that the Government of Bombay should take a very early opportunity to indicate to the Government of India the need for amending the Indian Trade Unions Act in such way as would ensure that only such organizations as were prepared to work along recognized trade-union lines should be registrable or have authority to act on behalf of workers involved in any dispute.

Turning to the detailed provisions of the Bill, the Committee made the following observations :

*Clause 3 (h) :—*The clause laid down :

“ A ‘trade dispute’ means any dispute or difference between employers and workmen, which is connected with the employment or non-employment or the terms of employment or with the conditions of labour of any person.”

The Committee considered that the definition of the term "trade dispute" required amendment so as to include trade disputes between a single employer and workmen.

*Clause 5 (2) :—*Provided that :—

"The Labour Officer shall exercise the powers conferred and perform the duties imposed on him by or under this Act. It shall be the duty of the Labour Officer to watch the interests of workmen and to take steps to represent the grievances of workmen to employers for the purpose of obtaining their redress."

The Committee were of opinion that it was necessary to make clear in the Bill that the primary duty of the Labour Officer should be to promote harmonious relations between workers and their employers. The presentation of grievances by the Labour Officer to an employer or employers or in a conciliation proceeding should, in the opinion of the Committee, be restricted to cases in which the grievance had, in the original instance, been brought to the notice of the employer directly by the workers concerned. Any worker had free access to his departmental head and to the management of a mill, and it was in the opinion of the Committee extremely desirable that the continuation of the practice of direct presentation of grievances should not in any way be jeopardized by the contemplated legislation.

*Clause 5 (3) :—*Provided that :—

"For the purpose of exercising such powers and performing such duties, the Labour Officer may enter any place used for the purpose of any trade or industry to which this Act applies and shall be entitled to inspect and call for documents in the possession of any employer or workmen as the Labour Officer deems necessary. The Labour Officer may for the same purpose, enter any premises provided by an employer for the purpose of residence of his workmen...."

The Committee held that the powers given under this clause to the Labour Officer "to inspect and call for documents in the possession of any employer or workmen" appeared to be unnecessarily wide. They suggested that the Labour Officer should only be empowered to *inspect* documents strictly connected with and relevant to the specific grievance or grievances being investigated by him or presented to him. It was also thought that provision should be made to give reasonable notice to the employers or workmen as the case might be when documents were required for inspection. A further restriction somewhat similar to the restriction in clause 13 of the Bill appeared to be necessary to limit the class of documents or information which the Labour Officer should be entitled to inspect.

The clause also gave permission to the Labour Officer "to enter any premises provided by an employer for the purpose of residence of his workmen." As the Labour Officer would in any event be entitled to enter any premises occupied by workmen on the invitation of the tenants themselves, the Committee considered it unnecessary to make a provision in the Bill of the character suggested.

Clause 8.—Provided for notice to be served by the Conciliator on the parties to the dispute to appear before him when he was satisfied that a trade

dispute existed or was apprehended. The Committee considered it necessary that the Conciliator should be given freedom to give notice only in such instances as appeared to him to be advisable.

Clause 9 (1).—Prescribed the mode of electing the delegates by the parties to appear before the Conciliator on receipt of notice. The clause in its present form provided that delegates should be appointed by the parties from among themselves. According to Clause 3 (e) an “employer” included any body of persons, whether incorporated or not, and any managing agent of an employer. Clause 9 (1) appeared to restrict the selection of delegates in the case of employers to Directors and Managing Agents of companies. It was considered that the clause should be modified so as to make it possible for employers to be given the liberty to be represented in conciliation proceedings by any responsible officer of the firm or company, such as secretary, manager, or departmental head, or by any specially appointed labour officer of an employers’ association connected with the industry in which the dispute had occurred.

Clause 9 (3).—Laid down a penalty of Rs. 100 for failure or refusal to appoint a delegate by an employer, and a further sum of Rs. 100 for every day on which such failure or refusal continued after the date of first conviction. The Committee considered that the question of conviction should arise only when such failure to appoint a delegate or delegates had been deliberate. They also suggested a reduction in the penalties proposed in view of the fact that no similar penalties were imposed on the workers in the event of their not appointing delegates. It was also thought that the clause should provide that in case where the employer was a company or firm, copies of any notice sent to the employer should also be sent to the Directors of the Company concerned individually in view of the fact that they were also sought to be made liable under this clause.

Clause 12.—Prescribed the procedure to be followed in conciliation proceedings, and gave the Conciliator the same powers as are vested in courts under the Code of Civil Procedure 1908 in trying a suit in respect of the following matters, namely,—

- (a) summoning and enforcing the attendance of any person and examining him on oath ;
- (b) compelling the production of documents and material objects ;
and
- (c) issuing commissions for the examination of witnesses ;

and such further powers as may be prescribed.

The clause did not make it clear whether the conciliation proceedings were to be public or private. The Committee were of opinion that it would be advisable that the proceedings should be *in camera*, but that during the course of the proceedings, press notes might be published if the parties so desired.

Clause 14.—Provided for the maintenance by the Conciliator of records of conciliation proceedings in the prescribed manner. The Committee were of opinion that one copy of the report made by the Conciliation Officer should be supplied to each party. It was further suggested that a provision should also be made that, where a settlement was arrived at in any conciliation proceeding, that settlement should be carried into effect by the parties concerned.

As regards the suggestion made by Government that it would be desirable for the Association to appoint a labour officer of its own and constitute a standing sub-committee to deal with labour questions in the textile industry with whom the Government labour officer would be able to deal when any disputes arose between the mill-hands and their employers, it was stated that if the Bill was passed into law, the Association would at once take in hand the appointment of their own labour officer, whose duties would include the investigation of disputes in member mills and negotiation with the Government labour officer in the initial stages of those disputes.

As regards the suggestion that the Association should also appoint a standing labour sub-committee, it was stated that such a sub-committee was already in existence and that the scope of its functions would be expanded to include consultation and negotiation with the Governmental labour officer if the present Bill became law.

The Bill was subsequently published in the *Bombay Government Gazette* on 3rd August under Rule 18 of the Bombay Legislative Council Rules. The most important alteration which had been made in the published Bill was in regard to clause 15. It was laid down in the draft Bill originally forwarded to the Association that persons instigating or inciting others not to take part in a conciliation proceedings or otherwise obstructing or instigating others to obstruct a conciliator in the discharge of his duties would on conviction be punished with imprisonment not exceeding two years or with fine not exceeding Rs. 5,000. The published Bill provided that molestation of others or abetment thereof "with intent to prevent them from taking part in a conciliation proceeding or from carrying on their usual work or business" should also be punished under this section. For purposes of this section "Molestation" was defined as below :—

"... A person is said to molest any person who :—

- (a) with intent to cause any person to abstain from doing or to do any act which such person has a right to do or to abstain from doing, obstructs or uses violence to or intimidates such person or any member of his family or person in his employ, or loiters at or near a place where such person or member or employed person resides or works or carries on business or happens to be, or persistently follows him from place to place, or interferes with any property owned or used by him, or deprives him of or hinders him in the use thereof, or
- (b) loiters or does any similar act at or near the place where a conciliation proceeding is held, in such a way and with intent that any person may thereby be deterred from entering or approaching such place."

In other words, the Bill made picketing at the mills during the pendency of a conciliation proceeding an offence.

The Bill was introduced in the Council on 14th August by the Hon'ble Mr. R. D. Bell. In explaining the functions of the proposed labour officer the Hon'ble Member said —

“ His functions will be various. Without a trade dispute existing at all, if he sees abuses existing or conditions of labour prevailing which are bound to lead to discontent amongst the workers, it will be his business in the first place to see what can be done to remove them. At the first stage, therefore, he will be a kind of welfare officer for the purpose of removing or preventing conditions which inevitably, in course of time, would lead to discomfort and dissatisfaction among the workers. Then, when the feeling of grievance becomes acute amongst the workers, it will be his business, before it takes the form of a dispute at all, to attempt to get the employers to realise the desirability of removing the grievances. Put very briefly, therefore, at the first stage the functions of the Labour Officer will be to promote more harmonious relations than have existed in the recent past in the textile industry and to prevent disputes arising at all. It is more than we can hope for that disputes will be entirely prevented by this simple artifice. When a dispute arises, it will be the Labour Officer's duty to represent the workers' case to the employers and to negotiate with the employers and endeavour to get the dispute settled.”

He continued :—

“ It will be his business to try to get the employers to settle the disputes and bring it to a close. In a certain degree he will be a conciliator himself.”

The Hon'ble Member then referring to clause 15 of the published Bill said :—

“ I wish to refer to one matter connected with the subject of picketing. In clause 15 you will see that provision is made for preventing picketing of conciliation proceeding and also for preventing the molestation of any individuals in order to prevent them 'from carrying on their usual work or business during a conciliation proceeding connected with such work or business.' In other words, it was the intention of the Government that after conciliation proceedings began, picketing at the mill should not be allowed. Even if a strike is already in progress, it was intended that picketing in the mill premises should be stopped. If the two parties intend to come to a settlement, it was considered that this would be a desirable measure. On the other hand we have no prohibition against the employers locking out the mill-hands. It is considered in some quarters that the right of picketing is something like a sacred right and, after full and careful consideration, we have decided to move an amendment to omit the words in clause 15 which prevent picketing at the mill gate.”

Several amendments were tabled, notably by Mr. Bakhale, who suggested certain changes in the principles visualised in the Bill. However, in consultation with the House, the President allowed discussion on the motion for the first reading of the Bill. Mr. Bakhale opposed the first reading, but the principle underlying the Bill appeared to have met with the general approval of the House. The Bill passed the first reading, and though it was open to Government to proceed with the second reading, the Hon'ble Mr. Bell indicated, in order to save the time of the House, that Government were prepared to discuss the Bill at an informal conference with a few members of the House representing Capital and Labour in the hope of arriving at a compromise on the detailed provisions of the Bill. This suggestion was agreed to, and it was decided that the second reading of the Bill should be proceeded with at a later date.

The informal Conference was attended by Mr. S. D. Saklatvala representing the Association, Mr. Winterbotham representing the Bombay Chamber of Commerce and Mr. Pestonshah Vakil representing the Ahmedabad Millowners' Association and Rao Bahadur Bole, Rao Bahadur Asavale and Mr. Syed Munawar representing Labour, and in moving the second reading of the Bill on the 21st August, Mr. Bell indicated :

“ We reached an agreement so that, in moving amendments to-day, in some cases by representatives of Labour, and in some cases by the representatives of Capital and in some cases by myself, it will not be necessary to make any remarks.”

Mr. Bakhale, unfortunately, was unable to attend the informal Conference, and he, therefore, indicated his desire to move the amendments tabled by him, but most of his amendments were defeated. The second and third readings were completed on the 27th August. Mr. Bakhale opposed the third reading, but on a show of hands only seven members voted against the third reading, and the President, therefore, declared that the Bill had been read and passed.

The Government of Bombay subsequently appointed Mr. W. B. Gilligan, I.C.S., as Labour Officer under the provisions of the Act, and in accordance with the undertaking given by the Committee to the Government of Bombay, Mr. C. A. Dalal was appointed as the Association's Labour Officer to collaborate with Mr. Gilligan. (*Appendix 10.*)

LIABILITY OF EMPLOYERS UNDER THE WORKMEN'S COMPENSATION ACT FOR INJURIES ARISING OUT OF EARTHQUAKE.

Towards the middle of May, the attention of the Committee was drawn to a recent decision of the Privy Council in an appeal from New Zealand Court, which held the employers liable to pay compensation under the Workmen's Compensation Act, in respect of death or injuries sustained by workmen in the course of their employment, from earthquakes and other similar causes. According to the Indian Workmen's Compensation Act, the employers' liability was only confined to a personal injury caused to a workman by accident “ arising out of and in the course of his employment,” but it appeared, in connection with certain claims arising out of the recent earthquake in Bengal and Bihar, the Commissioner for Workmen's Compensation relied on the findings of the Privy Council mentioned above, and held it was applicable to India also.

The Committee held that the decision of the Privy Council, which appeared to have been accepted by the Commissioner for Workmen's Compensation, Bengal, and sought to be made applicable to India also was in direct contravention of the letter and spirit of the Indian Workmen's Compensation Act. The matter was, therefore, taken up with the Government of India by the Millowners' Mutual Insurance Association and the Employers' Federation of India at the instance of the Committee.

It was pointed out on behalf of the Millowners' Mutual Insurance Association that the fundamental principle of the Workmen's Compensation legislation was that the workman should be compensated by his employer for injuries and consequent loss of earning capacity arising out of risks *ordinarily attendant on his employment* in the industry. The risk must be connected with the work which the workman was employed to do. The accident must have arisen from some peculiar danger to which the workman was exposed because of his employment. A danger which was common to all mankind was not necessarily a risk incidental to the employment. It had been held that the fact that a workman was killed or injured *whilst at work* by lightning or by exposure to the weather did not *in itself* point to an accident arising out of the employment. There was, however, no doubt that where, from the circumstances of the employment, the workman was specially exposed to risk of injury from natural causes, he was entitled to recover compensation. The effect of the present decision would be to make the employers liable to pay compensation even in cases where the nature or the conditions of the employment did not expose the workman to any special risks. This was not contemplated by the Workmen's Compensation Act as originally framed, as was shown by the Statement of Objects and Reasons appended to the Bill passed by the Legislature in 1922. It was then stated that "*The growing complexity of industry in this country, with the increasing use of machinery and consequent danger to workmen, along with the comparative poverty of the workmen themselves, rendered it advisable that they should be protected, as far as possible, from hardship arising from accidents.*" The words in italics made it clear that the accidents contemplated were those arising from the dangers of the industry itself, and not dangers to which the community at large might be subjected to an equal degree. The scope of the Act was, moreover, limited to certain scheduled classes of employment only, which would appear to show that the intention of the legislation was to provide compensation for accidents connected with the workmen's employment and not for accidents arising from a general community risk such as was involved in accidents arising from convulsions of nature beyond the control of human agency. It would be considerably widening the scope of the Act and certainly widening it beyond the limits contemplated by the Legislature if the principle of the Privy Council's decision was to be followed in this country, as it had in fact been done by the Commissioner for Workmen's Compensation, Bengal, in claims for compensation arising out of the recent earthquake in Bengal and North Bihar.

It was significant that in the workmen's compensation legislation of certain South American States situated in the earthquake belt, accidents attributable to a case of *force majeure* extraneous to the work or due to a fortuitous event unconnected with the industry in which the workman was employed, were specifically excluded. It would, therefore, appear desirable to amend the Workmen's Compensation Act so as to make it clear that "accidents caused by or arising out of earthquake or other convulsions or forces of nature, unless it could be proved that the nature of the employment itself involved some special exposure to such risks and that the accident arose out of such special exposure," were definitely excluded from the operation of the Act. This amendment would, it was submitted, serve to clarify

the intention of the Legislature in framing the Act to provide compensation to workmen injured from causes solely and directly connected with their work.

The Government of India in reply stated that they were aware that uneasiness had been felt among employers in some parts of the Empire owing to the Privy Council's decision, but they felt that this feeling did not extend to British India. This, they thought, might be due either to the law having been already interpreted in India in the same way as the Privy Council had decided that it ought to be interpreted, or to the real incidence of earthquake risk in India being negligible. In any event, they thought that the actual extent of earthquake liability upon employers in this country would be most satisfactorily determined by its effect on insurance rates. The Government of India, therefore, asked whether the Millowners' Mutual Insurance Association had, in consequence of the Privy Council's decision, raised its rate of insurance, and, if so, whether the Association had any experience of the reception of these rates by its members in different parts of India. In other words, the Government of India felt that no case existed for an amendment of the Act in the direction suggested if the decision of the Bengal Workmen's Compensation Commissioner had not resulted in an increase in insurance rates, and if these increases had not been objected to by the insured in all parts of the country. (*Appendix 11.*)

THE WORKMEN'S COMPENSATION ACT.

The Royal Commission on Labour in India had recommended that pamphlets summarising the provisions of the Workmen's Compensation Act should be made available to the workmen and that if the Act was substantially amended, steps should be taken to diffuse information on the amended law. The workmen's compensation law was subsequently amended in several respects by Act No. XV of 1933, and in accordance with the recommendations of the Royal Commission, it would appear, the preparation of a pamphlet, summarising the principal provisions of the law was considered by Government, but before taking action, they desired to ascertain whether the Association was prepared to co-operate in the matter of cost and distribution to factories and other places where workmen are employed. It was estimated that an eight-page pamphlet printed in English or vernacular would cost about Rs. 2 to Rs. 2-8-0 per 100 copies.

The Committee entirely agreed as to the desirability of disseminating information with regard to the provisions of the Workmen's Compensation Act where it was necessary, but it was doubtful whether anything in the way of propaganda was necessary so far as workers employed in Bombay cotton mills were concerned, since they were adequately protected by insurance with the Millowners' Mutual Insurance Association. The Committee, however, offered to assist Government by reprinting any leaflet which might be issued in the *Girni Samachar* published by the Association every month. In the case of small employers, who did not insure against workmen's compensation risks, it was thought that a pamphlet of the type contemplated by Government would serve a very useful purpose, but it was pointed out

that in such cases, Government would have to make their own arrangements for distributing the pamphlets. Subsequently, the pamphlet compiled by Government was reproduced in the Association's *Girni Samachar*, the Millowners' Mutual Insurance Association kindly meeting the expenses. (*Appendix 12.*)

AMENDMENT OF THE BOMBAY MATERNITY BENEFIT ACT, 1929.

(See pages 35 and 209 of Report for 1932.)

Reference was made in the Report for 1932 to the views expressed by the Association on certain proposals which had been made to Government for an amendment of the Bombay Maternity Benefit Act, 1929. These proposals were embodied in a Bill to amend the Bombay Maternity Benefit Act, 1929, which was introduced in the Legislative Council on 11th August 1934. Briefly stated, the Bill sought to reduce the rate of maternity benefit payable to a mother, in cases where that rate was above her average earnings for the period preceding her confinement, to the amount of the wages she was actually enjoying. It proposed to raise the maximum period for which a woman should be entitled to maternity benefit from 7 to 8 weeks, but, as against that, to extend the qualifying period for which she should work in the factory before she would be entitled to maternity benefit from 6 to 9 months. The old Act provided for the payment of benefit in three instalments, the first instalment, relating to the three weeks prior to birth, to be paid within 48 hours of confinement and two equal instalments at fortnightly intervals for the four weeks after confinement. The Bill sought to provide for lump sum payments in any of the following three ways :—

- (i) Benefit for 4 weeks to be paid within 48 hours of production of a certificate from a registered medical practitioner certifying that the woman was expected to be confined within one month following, and for the remaining 4 weeks, within 48 hours of production of a certificate of birth.
- (ii) For the period up to and including the day of delivery within forty-eight hours of the production of a certified extract from a birth register stating that the woman had given birth to a child, and for the remainder of the total period for which she was entitled to maternity benefit under sub-section (2) of section 5—punctually four weeks after the production of such certified extract from a birth register ; or
- (iii) For the entire period for which the woman was entitled to maternity benefit under sub-section (2) of section 5—within forty-eight hours of the production within six weeks of her delivery of a certified extract from a birth register stating that she had given birth to a child.

The Bill further laid down a time limit within which a claim for maternity benefit should be made. The Bill was referred to a Select Committee

and the report of the Select Committee was presented to the Council towards the middle of March.

The Select Committee, with the casting vote of the Chairman, considered a flat rate of Annas 8 a day for maternity benefit not to be excessive wherever the woman might be employed and to be preferable to a varying rate dependent upon local wages. A number of dissenting minutes were appended to the report, the chief of which was one signed by the Government Members, who were in favour of the original Bill on the ground that, if employers were not convinced of the fairness of the rates imposed, they would discharge their women employees as soon as the latter were likely to become liabilities. They further suggested that the experience of the Act up to date indicated that employers in some factories in the mofussil were already evading payments when the earnings were less than 8 annas.

The report of the Select Committee was taken up for consideration on 17th March. A number of amendments were moved but the Bill was finally passed in the form in which it was originally introduced in the Council and became law on 9th May 1934. The operative part of the Act, however, did not take effect for a period of 6 months, i.e., until 9th November 1934.

The revision of the Act necessitated a consequential amendment of the Rules made thereunder and certain modifications which had to be made in the muster roll maintained by mills, particularly in mofussil centres, were duly notified to members.

The Act, as amended, and the revised rules are reproduced in *Appendix 13*.

GENERAL WAGE CENSUS.

The Royal Commission on Labour in India drew attention to the paucity of information relating to wages in industrial occupations in India. With a view to rectifying the defect so far as the Bombay Presidency was concerned, the Labour Office, Bombay, decided to undertake a general wage census in May 1934. Owing to the absence of a Census of Production Act or similar legislation in this country, there was no statutory obligation upon employers to supply information in regard to wages, etc., in an enquiry of this character. The Commissioner of Labour, therefore, consulted all the chief employers of the Presidency in an endeavour to obtain their co-operation in the enquiry which the Labour Office proposed to undertake.

It appeared that the procedure followed in the Textile Wage Census Enquiry in 1926 would be considerably simplified and that the information to be asked for from individual mills would be much less than in the 1926 enquiry. As a preliminary to the investigation proper, the Labour Office proposed to ask for information as to the numbers of the various classes of workers employed in every mill and industrial establishment in the Presidency. Special forms would later on be sent and instructions conveyed

personally by an Officer from the Labour Office in regard to the manner in which the final wage census forms had to be filled in.

The Committee of the Association agreed to co-operate in the enquiry and advised member mills to give all facilities and help possible to the Labour Office in order to ensure that the results of the enquiry might accurately reflect the wage levels in the Cotton Textile Industry.

The strike of mill operatives which commenced towards the end of April, however, prevented the enquiry being conducted in the month of May, as originally planned, and the census was subsequently undertaken in the month of October. The report is expected to be published in 1935. (*Appendix 14.*)

WAGES IN BOMBAY COTTON MILLS.

On 26th February, the Honourable the Finance Member announced in the Bombay Legislative Council that, in view of the reductions in wages which had been effected, or were in contemplation in several centres of the cotton mill industry in this Presidency, Government considered it desirable that the fullest possible information should be obtained and made available to the public on this important matter, and that, as the quickest and most satisfactory method of achieving this object, they had instructed the Labour Office to make a special investigation and ascertain :—

- (a) The extent of the reduction in wages of workpeople employed in the cotton mills in the Bombay Presidency since 1st January 1926 ;
- (b) Whether these reductions have been uniform in the cotton mills at each centre of the industry ;
- (c) Whether the cost of living of the working classes has fallen during this period and to what extent ;
- (d) What has been the average rise or fall in real wages during this period in the various centres of the industry ;
- (e) Where wage reductions have been effected or are contemplated, the reasons therefor ;
- (f) The extent to which 'rationalisation,' for example, 'efficiency schemes' have been introduced in the cotton mills of the Bombay Presidency, and the effect such schemes have had upon wages and the conditions of work of the operatives ; and
- (g) What is the extent of unemployment in the cotton mill industry, and what are its causes."

Early in March, the Commissioner of Labour, Bombay, requested the Association to co-operate in the inquiry, and a circular letter was accordingly

addressed to all member mills in Bombay Presidency, asking them to supply the information required by the Labour Office. At the same time, statistical and other information, similar to that submitted by mills to the Labour Office, was collected by the Association from all Bombay mills, and a special Sub-Committee was appointed to examine and report on the data collected, so as to enable the Association to deal with the Labour Office report with the least practicable delay after its publication.

The strike, however, intervened before the Labour Office had concluded its examination of the problem, but in order that the findings of the Labour Office might not be vitiated by any further adjustments in wages, the Association gave an undertaking to the Government of Bombay on behalf of its members that no changes would be made in conditions of work and wages in member mills until the report of the departmental investigation had been published.

The report of the Labour Office was published on 21st June, and after careful consideration of the report, in conjunction with the recommendations made by their own Sub-Committee, and taking into consideration the imminent introduction of the shorter working week, the Committee of the Association came to the following decisions in so far as members of the Association in Bombay City and Island and Coorla were concerned:—

Time Workers :—

- (1) Wages of time workers in all unrationalised occupations in all mills should be consolidated ;
- (2) The consolidated scales of pay for time workers in all unrationalised occupations in all Bombay and Coorla Mills should not be less than the wages specified for such occupations by the Association ;
- (3) Where the wages now paid by any mill for particular occupations were below those specified by the Association, they should be raised to those specified in the Schedule and given effect to from 1st July 1934 ;
- (4) Wages not lower than those specified in the Schedule should continue to be paid in unrationalised occupations in all member mills in Bombay even after the introduction of the 9-hour day.

Piece Workers :—

- (1) In the case of piece workers in unrationalised occupations, the dear food allowances to be paid by all mills from 1st July 1934, should not be less than 35 per cent. ;
- (2) As and from the date of introduction of the 54-hour week, the dear food allowances to be paid to piece workers in unrationalised occupations should not be less than 40 per cent.

These proposals were placed before a Special General Meeting of Members held on 7th July and were duly passed.

The effect of these decisions was that time workers were safeguarded against any decrease in wages on the introduction of the 54-hour week ; in addition, the wages of large numbers of time workers in various occupations were immediately raised in a number of mills.

As regards piece workers, the dear food allowance was immediately increased in a number of mills, and it was probable that this number would be substantially increased if and when the 54-hour week was introduced.

In brief, the new scales removed existing disparities to a material extent, ensured consolidated rates of pay for time workers and an increase in the dear food allowances for piece workers, and laid down standards of wages for time workers below which Bombay and Coorla Members of the Association would not be permitted to go.

The question of wages in 'rationalised' occupations was also discussed by a special Sub-Committee subsequently, and various proposals were made. These were placed before a Special General Meeting of Members of the Association with mills situated in Bombay City and Island on 24th October, and the following resolutions were unanimously adopted :—

"RESOLVED that in all mills in Bombay City and Island which are members of the Association and which have adopted, or may hereafter adopt any of the efficiency systems in respect of any occupation dealt with in the report of the special Sub-Committee dated 15th August 1934, and circulated to members on 21st September 1934, the conditions specified in the report shall as far as possible be provided and maintained.

"RESOLVED also that the wages of all workers engaged in rationalised occupations shall not be less than the scales laid down in the report ; that is to say, the wages of all operatives engaged in the rationalised time work occupations specified in the report shall be consolidated at rates not lower than those laid down in the report for such occupations, and the wages of all operatives engaged in rationalised piece-work occupations shall be calculated and paid as suggested with dear food allowances not lower than those specified in the report."
(Appendix 15.)

INTERNATIONAL LABOUR CONFERENCE: EIGHTEENTH SESSION.

REDUCTION OF HOURS OF LABOUR.

The question of reducing hours of work in industrial establishments had been before successive International Labour Conferences, but no decisions had been possible in view of the divergent opinions expressed by member States. It appeared that, generally speaking, most governments were opposed to the measure ; some gave their support with a view to relieve unemployment, while others who favoured a 40-hour week distinctly stated that such a proposal if approved by the Conference should be adopted by certain industrially advanced countries. Nevertheless, the matter came up for second discussion at the Eighteenth Session of the Conference, and Sheth Kasturbhai

Lalbai, the Employers' Delegate of India, in explaining his opposition to the proposal, said :—

“ Whatever the supposed advantages of the proposal before us may be, it is evident that so far as India is concerned it will not result in any gain. Whenever a measure of this nature is proposed, it must be remembered that its application cannot be universal; otherwise it would disturb the equilibrium between the various countries, and might hinder the legitimate aspirations of some of them, who have not attained their fullest growth.

Looked at from this point of view, in putting forward these proposals the case of countries such as India and China, where the workers are less efficient and comparatively less experienced, should have been considered, and these countries should have been treated differently. This was kept in mind when fixing hours of work under the Washington Convention on this subject, and India was allowed to have a working week of sixty hours. If, therefore, India were to reduce her hours of work to fifty-four per week, as has been proposed by her Government, she will be in line with other countries which are being called upon to reduce their hours to forty per week.”

Sheth Kasturbhai continued :—

“ If the object of this measure, however, is to improve upon the first Convention passed by this organization on the subject—what has come to be known as the Washington Convention—let us examine the state of affairs which exists. Of the 58 States Members, only 20 have ratified the Convention, and the countries which have not ratified it are precisely those which are highly industrialised and which are suffering the most from unemployment. In the circumstances it is imperative that we should get the Washington Convention ratified by all countries before advancing further.

Fifteen years have passed since the Washington Convention was adopted, yet a country such as Japan, which has made great strides in industrial development and the products of which are highly competitive, has not on its statute book, even today, provision with regard to hours of work or even for “ a weekly rest period of twenty-four consecutive hours to all classes of workers.” Nor is the weekly rest customary in Japan. The legal maximum of working hours at present in force in Japan applies to women and young persons only. India, on the other hand, has kept herself in advance of the requirements of International Conventions, and although the Washington Convention, by Article 10, allows India sixty working hours per week, it is now proposed to reduce that to fifty-four.”

In concluding Sheth Kasturbhai pointed out :—

“ I am strengthened in my opposition to this measure by the unequivocal attitude taken up by the Government of India. They have given their opinion that, generally speaking, the efficiency of the Indian worker has not reached a point that will enable him to produce enough in forty hours to secure an adequate living wage, so that any attempt to reduce hours to the extent proposed would, they say, militate against the interests of the workers themselves. The Government of India have not thought it necessary, therefore, to discuss the specific points mentioned in the preamble. They appointed a Commission to inquire into the whole question of labour legislation in India and, after a very thorough inquiry, and in accordance with the recommendations of this Commission, they have brought forward a measure to reduce the hours of work to fifty-four. It is very certain, therefore, that India is not going to be a party to this Convention.

If, however, this Conference decides to adopt a Convention, let us be guided by the experience of the past and provide that it shall not come into force until it has been ratified by at least the ten or twelve countries of chief industrial importance, with their specific problems of unemployment. Otherwise the whole force of the measure will be lost, and we shall have added yet another to the fruitless measures undertaken to relieve the effects of this devastating depression.”

After a full discussion, the Employers' Group at the Conference decided to dissociate themselves from further proceedings of the Conference, and did not even appoint a representative on the Committee to draft the Convention. The Convention regarding reduction in hours had, however, to be abandoned later as the requisite quorum could not be obtained.

On his return from Geneva, the Committee of the Association met Sheth Kasturbhai in the rooms of the Association. Sheth Kasturbhai after being welcomed by the Chairman on behalf of the Committee dealt with the proceedings of the last International Labour Conference in some detail, and pointed out the desirability of India being adequately represented at all future Conferences. It was not, in his opinion, sufficient to appoint an Employers' Delegate. He thought that the Delegate should always be accompanied by an adequate number of advisers in order to make it possible for him to participate effectively in the work of the Conference. Another point made by Sheth Kasturbhai was that, as far as possible, the representation of employers should be vested in a limited number of persons. The appointment of the same person to represent employers in India at successive conferences had obvious advantages as new members had to spend a great deal of their time in acquainting themselves with the procedure of the Conference and in getting to know the representatives of other countries. While it would not be possible for the same person to be the Employers' Delegate at every Conference, Sheth Kasturbhai was of the opinion that the representative chosen should, wherever possible, have previous experience of these Conferences.

INTERNATIONAL LABOUR CONFERENCE.

XIX SESSION.

Early in October, it was understood that the Agenda for the XIX Session of the International Labour Conference would be :—

- I. Maintenance of acquired rights and rights in course of acquisition under invalidity, old age, and widows' and orphans' insurance on behalf of workers who transfer their residence from one country to another.
- II. Employment of women on underground work in mines of all kinds.
- III. Unemployment among young persons.
- IV. The recruiting of labour in colonies and other territories with analogous conditions.
- V. Holidays with pay.

Suggestions relating to the nomination of non-Government delegates were invited by a Government *Press Communique* dated 2nd October, and the Committee suggested the appointment of Mr. Husseinbhoj Lalljee as the Employers' Delegate to the next Conference. It was subsequently learnt that Mr. Husseinbhoj Lalljee's name had also been suggested by other organizations. (*Appendix 16.*)

EXCESSIVE DAMPING OF COTTON AND OTHER MALPRACTICES IN COTTON TRADE.

LICENSING OF GINS AND PRESSES.

Towards the end of March, in a letter addressed to the Association by over 40 cotton merchants of the City, the attention of the Association was drawn to the increasing malpractice of watering raw cotton which was doing immeasurable harm to the cotton trade. It was pointed out that in the season 1927-28, the trade had suffered a loss of over a crore of rupees owing to various malpractices, and it was suggested that the Association should approach the Government of India with a view to amending the Cotton Ginning and Pressing Factories Act, in such a manner as would render any person who watered, or assisted in watering raw cotton before pressing, liable to fine or to have his license suspended temporarily or permanently.

It will be remembered that the MacKenna Cotton Committee (1917-18), in paras 226 and 228 of their report recommended *inter alia* that all ginning and pressing factories should be licensed, and that such license should only be granted on certain conditions and should be withdrawn for breach of those conditions and on proof of such malpractices as damping, mixing and adulteration. The question was subsequently examined by the Indian Central Cotton Committee, and though they did not appear to have favoured an all-India system of licensing gins and presses, they seemed to have made it quite clear to the Government of India that each province should be free to introduce licensing if they found it necessary and practicable, and that the Indian Cotton Ginning and Pressing Factories Bill, which was then under preparation, should contain a clause to this effect. Subsequently, in July 1924, the Indian Central Cotton Committee went so far as to state that they were "convinced that the licensing of gins and presses will provide the only remedy for mixing in the Punjab....." In the Ginning and Pressing Factories Bill, which was introduced in the following September Session, a licensing clause was not included, presumably in order not to prejudice the chances of the Bill in the Assembly. The desirability of counteracting the various malpractices which were found to exist by the MacKenna Committee had always been admitted by Government, but what they wanted the House to do when the Bill was introduced was merely to agree in principle that legislation was required to tackle these abuses and malpractices, and to enable the trade to protect itself and the cultivator against them as these malpractices severely injured the reputation of Indian cotton and prevented the Indian cultivator from getting an adequate price for his crop.

The Cotton Ginning and Pressing Factories Act had been in operation for more than 8 years, and the Committee had been endeavouring to find out whether the objects which the Government had in view when the Bill was introduced had since been realized. From representations received from member mills and the results of the investigations conducted by the Indian Central Cotton Committee on various occasions, it appeared that the existing provisions of the Cotton Ginning and Pressing Factories Act and the Cotton Transport Act had not been adequate to realize fully the object which the Government had in view, and that the undesirable practices which existed when the MacKenna Committee conducted their investigations, obtained

even at the moment. The matter was also considered by the Indian Central Cotton Committee in August 1933, and in a letter addressed by them to the Government of India, they recommended that the Cotton Ginning and Pressing Factories Act should contain a clause providing for the licensing of gins and presses and that this clause should be made operative in each province by a resolution of the provincial legislatures. From inquiries made at the Indian Central Cotton Committee, it appeared that no reply had yet been received from the Government of India to the proposal put forward by them in August 1933. The matter was, therefore, reviewed by the Committee of the Association early in June, and a representation was addressed to the Government of India in which the Committee stated that, on a careful examination of the problem, they were convinced that the Cotton Ginning and Pressing Factories Act should be amended at the earliest opportunity so as to provide local governments with powers to introduce a system of licensing of gins and presses as, in their opinion, that provided the only effective method of preventing the various malpractices prevailing in the cotton trade. The Committee stated that they were aware of the objections which had been urged against the introduction of a system of licensing, but they thought that adequate safeguards could be devised to prevent innocent parties being unfairly penalised.

Towards the end of October the Government of Bombay requested the Committee to express an opinion regarding the introduction of legislation for the licensing of gins and presses in the Bombay Presidency. It was pointed out that the Indian Cotton Committee, over which Sir James MacKenna presided, had recommended as far back as 1917 the licensing of gins and presses as the only practical means of controlling a number of abuses such as the mixing of different varieties of cotton, false packing, watering and adulteration. The Indian Central Cotton Committee, to whom the proposal was referred, recommended that an enabling clause should be inserted in the Cotton Ginning and Pressing Factories Act, 1925, giving local governments power to introduce licensing. The Government of India negatived the proposal at the time as it was hoped that the marking of bales and the records maintained at gins and presses would enable the trade itself to deal with the various abuses complained of. The existing Cotton Ginning and Pressing Factories Act, 1925, Government pointed out, had been of value, but it had been represented that the hope that the existing Act by itself would enable the cotton trade to suppress such abuses as mixing had not been realized. It was reported that the mixing of Punjab-American cotton had increased to such an extent that pure cotton for use in Indian mills and for export to the United Kingdom, was practically unobtainable. This mixing was alleged to take place in the ginneries and not in the field, and efforts made hitherto to prevent it both by the trade and the Indian Central Cotton Committee under the existing law had failed.

Government then went on to point out that the case for licensing of gins and presses had materially strengthened since the introduction of the Cotton Ginning and Pressing Factories Act in 1925. It was then considered that the only cottons which required protection were the Punjab-American and the Cambodia. It had since been pointed out to Government that the research work initiated by the Indian Central Cotton Committee in the

Central Provinces had resulted in the evolution of a new and valuable medium cotton, namely Verum. This cotton occupied an area of 120,000 acres in the Central Provinces and the acreage was steadily increasing. It was pointed out that Verum cotton was an Indian cotton and was capable of hybridising naturally with other Indian cottons. There was, however, a great risk of mixture taking place, and the problem would be even more complicated in the Central Provinces than in the Punjab as the seed supply would be rendered hopelessly impure. Even at the moment a certain proportion of the Verum cotton was marketed pure, and in the opinion of Government the proposed legislation was necessary to prevent the result of successful research being wasted.

Another material factor which, in the opinion of Government, had contributed to the change in the situation was the development of the long-staple cotton area under the Sukkur Barrage in Sind. It would appear that the Indian Central Cotton Committee had impressed upon the Government of Bombay the desirability of securing a large compact area of long staple cotton in Sind as it was necessary that this long staple cotton should be marketed pure. It had also been urged that improvement in the purity of Punjab-American cotton and a guarantee of purity both in Verum and Sind cotton was urgently required, and a definite recommendation had been received from the Sind Cotton Committee that legislation should be introduced to give powers to local governments enabling them to license gins and presses. It had been indicated that there was already a risk of too many gins springing up in certain areas in Sind and the proposed legislation would be useful not only to secure purity, but also to obviate the trouble which had arisen in other provinces as regards "pools."

The Committee were strongly of the opinion that the necessities of the situation would not be adequately met unless licensing was introduced in each and every province. In submitting their reply to Government, they, therefore, favoured all-India legislation making licensing compulsory in every cotton growing district of the country. It was also pointed out that there was at the moment a general demand in India that Indian cotton should be used more extensively by other countries and this demand had been incorporated in the recent agreement entered into between this Association and the cotton textile trade of the United Kingdom. Considerable progress had been made in the evolution of new and improved strains of staple cotton suitable for the export market and for the spinning of higher counts by Indian mills, but the joint efforts of the Agricultural Department, the Indian Central Cotton Committee, and the cotton spinning industries of India and the United Kingdom were being hampered considerably by malpractices such as deliberate mixing, watering, and false packing. Under these circumstances, the Committee urged that unless these malpractices were done away with, the anticipations of obtaining full prices for, and the building up of, extensive home and export markets for Indian staple cottons were unlikely to be realized, and that their experience of the last 20 years had clearly demonstrated that the only really effective way of removing the malpractices referred to was by the introduction of a system of licensing of gins and presses. (*Appendix 17.*)

FUMIGATION OF AMERICAN COTTON.

(See pages 41 and 165 of Report for 1933.)

On page 41 of the last Report, it was stated that a representation had been submitted by the Association to the Government of India urging that the cost of fumigating American cotton should be met out of Central Revenues. One of the reasons urged in support of the proposal was that despite a specific recommendation made in 1927 by the Indian Central Cotton Committee, it had not been established by means of scientific investigations that the boll weevil could be imported alive in consignments of cotton from America, and that if it were imported, it could ravage the cotton growing districts.

Government realized the need for keeping the fumigation charges as low as possible, but regretted their inability to accede to the request made by the Association. Referring to the investigation suggested by the Indian Central Cotton Committee, they explained that the question was carefully considered at the time, but that on the advice of their Agricultural Adviser, they had declined to take any action as the experiments were fraught with the possibility of most dangerous consequences.

The reply from Government was considered at a meeting of the Committee held early in March, and it was resolved that the Association's representative on the Indian Central Cotton Committee should endeavour to obtain the support of that body to the proposal originally made by the Association, namely, that the cost of fumigation should be met from Central Revenues.

Government have since announced the following reductions in the charges for fumigation for a period of two years from 1st April 1934:—

<i>Fair Weather :—</i>				<i>Existing</i>	<i>Revised</i>
				<i>Scale.</i>	<i>Scale.</i>
				Rs. a. p.	Rs. a. p.
Per square bale	..	..	..	3 1 0	2 7 0
Per round bale ..	..	..	..	1 13 0	1 8 0
 <i>Monsoon :—</i>					
				Rs. a. p.	Rs. a. p.
Per square bale	..	..	..	3 12 0	3 2 0
Per round bale ..	..	..	..	2 8 0	2 3 0

(Appendix 18.)

ABOLITION OF THE TOWN DUTY ON COTTON.

(See pages 22 and 107 of Report for 1933.)

On page 22 of the last report of the Association, reference was made to an attempt made at the instance of the East India Cotton Association to frame a joint representation to Government by all the commercial and industrial interests in the City in regard to the town duty of Re. 1 per bale

on raw cotton, which it was generally felt had accentuated the diversion of the import trade in cotton from Bombay. The proposal, however, did not materialise, but representations were made individually by a number of public bodies. Towards the end of February, a conference of the interests concerned was held under the presidency of His Excellency the Governor to discuss the best means of restoring to the City the cotton trade which had been captured by the Kathiawar Ports, when representatives of the trade pressed for the abolition of the town duty, and the Railway and Port Trust authorities indicated their willingness to reduce their freight and landing charges respectively to such a point as would meet the competition from the Kathiawar Ports and attract cotton to Bombay. No decisions were, however, arrived at as the Government of Bombay desired to consult the Municipal Corporation who shared a portion of the revenue derived from the tax.

The subject came up for discussion before the Corporation on 27th February, when it was suggested that the town duty on cotton transhipped through Bombay should be abolished and that the duty on locally consumed cotton should be retained. The Association strongly protested against the adoption of the above proposal, as it would be grossly unfair to the local industry which was already severely handicapped *vis-a-vis* its foreign competitors and *vis-a-vis* upcountry mills. The Tariff Board (1926) had suggested that, in view of the disabilities from which it was suffering, the local industry should be assisted by reducing the town duty to 8 annas per bale on cotton consumed by Bombay mills, while the duty on exported cotton should be retained at Re. 1 per bale. The suggestion made in the Corporation was not only in direct opposition to the Tariff Board's recommendation, but would be entirely opposed to the principle enumerated when the Bill was first introduced, namely, that the tax should be imposed at the same rate on *all* cotton coming into Bombay, whether intended for local consumption or for export.

On 6th March, Major W. Ellis Jones moved a token cut in a demand made in the Legislative Council for a grant of Rs. 3,30,000 under the head "Bombay Development Scheme," in order to enable the House to convey to Government the strength of feeling entertained by several members on the question of the town duty on cotton. After tracing the history of the tax, the mover stressed the fact that conditions had vastly changed since the inception of the duty in 1921. He called attention to the handicap inflicted by the tax on the cultivator of cotton, in whose interests it was essential that all the charges between himself and the consumer should be reduced to a minimum. He referred to the remarkable development of Mumbra, which in a very few months had been turned into a small port where over 17,000 bales of cotton had been handled. In his opinion, Thana with 10,000 bales was also ready to come into the trade of the port, and unless action was taken immediately, Trombay would also enter the drive for the trade of Bombay. The mover was convinced that insistence by the Corporation on the retention of the town duty in any shape or form would sound the death knell of Bombay, and urged its entire abolition.

The motion was supported by practically all the members of the Council. The Honourable Sir Ghulam Hussain Hidayatallah, replying to

the debate, explained the position of Government, and in view of the unanimity of opinion in the House on this question, undertook to consider seriously the question of the fresh legislation which was necessary to set matters right. The cut motion was, however, put and carried without a division.

On 19th March the Government of Bombay introduced in the Council a Bill further to amend the City of Bombay Municipal Act, 1888, with the following Statement of Objects and Reasons :—

“ It is considered necessary to abolish, with effect from the 1st day of April 1934, the town duty which is being levied under section 195A of the City of Bombay Municipal Act, 1888, on raw cotton imported into the City of Bombay, since the passing of the City of Bombay Municipal and Improvement (Amendment) Act, 1920. The reasons for the proposed abolition of the duty are :—

firstly, this duty assists the increasing diversion from the City of Bombay of the trade in the export of raw cotton, and

secondly, in view of the prevailing low prices of raw cotton, it is desirable, in the interests of the grower, to remove as far as possible every hindrance to the demand for Indian cottons.”

The Bill was duly passed and became law on 1st April 1934.

Simultaneously with the abolition of the town duty, the G. I. P. Railway authorities reduced their freight rates on cotton bales imported into Bombay by an average of Re. 1-1-0 per bale, while the Port Trust reduced the dock export wharfage charge from 12 annas a bale to 8 annas and abolished the inward freight of one anna a bale charged by the Port Trust Railway. This was followed up by a 50 per cent. reduction in the cotton freights over the B. B. & C. I. Railway section from Bombay to Ahmedabad, with effect from 1st August. Mention might also be made of a contribution made in this connection by the East India Cotton Association, Ltd., who early in 1935, reduced certain charges for handling cotton. (*Appendix 19.*)

COTTON CONSUMPTION DUTY.

(*See pages 57 and 247 of Report for 1932 and pages 22 and 107 of Report for 1933.*)

Reference was made in the 1932 report of the Association to a joint memorandum submitted to the Government of India by the Bombay Chamber of Commerce and the Association in which attention was drawn to the diversion of trade in imported cotton from Bombay to Bhavnagar. The opinion was then expressed that the existence of the import duty of $\frac{1}{2}$ an anna per pound on raw cotton was mainly responsible for this diversion, and the suggestion was made that if Government could not see their way, owing to the existing financial situation, to forego the revenue derived from this duty, the half-anna import duty on raw cotton should be abolished and a consumption duty of the same amount substituted therefor on all imported cotton used by mills. Government, however, then thought that the proposal

was fraught with various difficulties and obstacles of a serious character, and was not capable of adoption.

The diversion of the trade from Bombay to Bhavnagar and other Maritime States of Kathiawar had its logical effect on the revenues of the Port of Bombay, the B. B. & C. I. and G. I. P. Railways, in addition to the Government of India, with the result that the abolition of the duty was urged by most of the bodies concerned as a means of reviving the import trade of Bombay. The matter was considered by the Government of India, and early in June, a Bill "to provide for the imposition and collection of a duty on certain raw cotton" was published by Government under Rule 18 of the Indian Legislative Rules. It was stated in the Statement of Objects and Reasons appended to the Bill that it was designed to check the diversion from the Port of Bombay of the import trade in Empire cotton and the consequent loss of revenue "by substituting for the present import duty, a consumption duty of the same amount chargeable on the entry of such cotton into cotton mills."

The main features of the Bill were :

- (a) The existing import duty of 6 pies per pound on cotton was abolished so far as Empire cottons were concerned so that the import duty would be applicable only to non-Empire cottons ;
- (b) A consumption duty of 6 pies per pound would be levied on Empire cottons received in any factory in British India.

The Committee of the Association welcomed the object which the Bill had in view, but thought that the proposals made by Government would only act as a partial check upon the diversion to Bhavnagar and other Kathiawar Ports, for the Bill in no way altered the existing position in regard to Egyptian cotton which formed at the moment a large share of the cotton entering British India through the Port of Bhavnagar. Certain grades of Egyptian cotton were directly competitive with the East African and Sudanese cottons, and it was, therefore, thought that Government should consider whether effective action could not be taken to bring back the trade in this type of cotton to Bombay.

Another defect in the proposed legislation was that it provided a benefit, which was not perhaps intended, to mills in Indian States using Empire cotton, for these mills would be in a position to import Empire cotton free of duty through Bombay, and unless a consumption duty was also levied in Indian States, would be able to obtain their cotton at half an anna per pound cheaper than mills in British India.

It was understood that Government desired to bring the provisions of the Bill into operation, but on account of the preoccupation of the Assembly, it was not taken up in the year under review. The measure, however, lapsed with the dissolution of the last Assembly, but Government might revive it by re-publication in the *Gazette of India*. (*Appendix 20.*)

AMENDMENT OF THE BYE-LAWS OF THE EAST INDIA COTTON ASSOCIATION.

MINIMUM AND MAXIMUM NETT WEIGHT TENDERABLE AGAINST FORWARD CONTRACTS IN RESPECT OF CAMBODIA, TINNEVELLY AND KARUNGANNI COTTONS.

Early in February, the attention of the Association was drawn to certain amendments which the East India Cotton Association proposed to make in their bye-laws. The Wiles Committee recommended in 1931 that the unit of tender should be reduced from 100 to 50 bales. The new bye-laws sought to give effect to this recommendation. They further provided, *inter alia*, that, in the case of Cambodia, Tinnevelly and Karunganni cotton, the minimum and maximum deliveries against all forward contracts should be 24½ candies and 32 candies respectively, representing a variation of nearly 33 per cent., whereas for the other growths the variation was only 3 to 4 per cent. This appeared to secure an indirect advantage to the sellers of cotton in the Bombay market by enabling them to deliver to purchasers 33 per cent. more cotton if the rates went below the contract rates and 33 per cent. less if the rates of cotton at the time of delivery were higher than the contract rates. An inquiry addressed to the East India Cotton Association in this connection elicited the following facts:—

1. That in amending the bye-law in question, in accordance with the recommendations of the Wiles Committee, they were not creating a position which was different from that which actually existed: in other words, even under the existing bye-laws the anomaly mentioned above existed.

2. That the proposal would not lead to any special difficulties, as it was always open to the contracting parties to specify such special weights as might be mutually agreed upon between them with regard to the maximum and minimum net weight of one bale as well as of a lot of 50 bales in the case of Cambodia, Tinnevelly and Karunganni cottons.

3. That Cambodia, Tinnevelly and Karunganni cottons were tenderable against good "M. G." Southern Hedge Contract No. 5, which was practically a "dead" contract, and no particular inconvenience should be felt by the buyers of these descriptions of cottons as a result of the variation prescribed in the bye-law.

The East India Cotton Association, however, suggested that if the Millowners' Association really objected to the disparity in the minimum and maximum net weights at present tenderable in the case of Cambodia, Tinnevelly and Karunganni cottons they would be pleased to consider any applications made by the Association in support of its contentions.

The Committee, however, did not pursue the matter further at the moment on account of their preoccupations, but members dealing in Cambodias, Tinnevelly and Karungannis were strongly advised to insist upon the weight of the bales being mentioned in the contract. (*Appendix 21.*)

FIXATION OF MINIMA STAPLE LENGTHS FOR EAST AFRICAN COTTONS.

(See pages 39 and 160 of Report for 1933.)

On page 39 of the last Report, reference was made to the views expressed by the Association on a proposal made by the East India Cotton Association for the fixation of minima staple lengths of 1-1/32" for A. R. Kampala, Busoga and Jinja cottons as a tentative measure. This standard was based on the results of 13 fibre length tests carried out at the Technological Laboratory of the Indian Central Cotton Committee during the period from 16th July 1931 to 5th October 1932 on samples representing the fair average quality of A. R. Kampala, Busoga and Jinja cottons of the seasons 1930-31 and 1931-32. In order to enable the trade to appreciate the results more correctly, the East India Cotton Association further proposed to continue the tests at the Laboratory for one more season. The Committee of the Association were of opinion that, in the interests of the trade and to prevent any deterioration in the value of recognized styles of African cottons, the minima fixed for the time being should not be less than 1-1/16". Members who had experience of these cottons considered that the samples tested at the Matunga Laboratory were unrepresentative, judged by their own purchases during recent years, and it was pointed out that the fixation of too low a standard would tend to reduce the prices of the whole range of African cottons and encourage speculation and importation of inferior types.

♦ Early in May, the Association was requested to supply the East India Cotton Association monthly with 3 or 4 samples of these cottons of fair average quality of the season for the consideration of their Special Appeal Committee along with the samples from the trade. Arrangements were accordingly made with member mills using East African cotton for the regular supply of these samples to the East India Cotton Association. It was also suggested that, for the purpose of ascertaining staple lengths, samples of arrivals between the beginning of April to the end of May every year should be tested, as arrivals during the latter part of the season showed a shorter staple length. (*Appendix 22.*)

PROPOSED EXTENSION OF THE TECHNOLOGICAL LABORATORY OF THE INDIAN CENTRAL COTTON COMMITTEE.

Towards the end of October, the Secretary of the Indian Central Cotton Committee requested the Association to nominate two representatives to attend a conference which was to discuss with representatives of the Victoria Jubilee Technical Institute, and the Bombay University certain proposals made by the Director of the Technological Laboratory of the Indian Central Cotton Committee for extending the scope of the Laboratory's activities. Messrs. H. H. Lakin and Dharamsi Mulraj Khatau were accordingly appointed to represent the Association at the conference.

It is understood that a conference was held at the end of November, and it was decided that there was no need for an extension of the Indian

Central Cotton Committee's Technological Laboratory for the time being, and that all the tests required could be obtained by co-operation between the authorities of the Victoria Jubilee Technical Institute, the Bombay University (Department of Chemical Technology), and the Matunga Laboratory. (*Appendix 23.*)

SPECIAL "STATION-TO-STATION" RATES ON COTTON BOOKED FROM SOUTH INDIAN STATIONS TO MILL CENTRES IN INDIA.

Early in May, the Indian Central Cotton Committee invited the Association to nominate two representatives to serve on a joint committee consisting of two representatives each of the Bombay and Ahmedabad Millowners' Associations and the East India Cotton Association, and one representative each of the G. I. P. and B. B. & C. I. Railways, to whom it was proposed to refer the question of railway freight rates on cotton booked from south Indian stations to mill centres in India. The Committee accordingly appointed Messrs. H. H. Sawyer and H. F. Milne.

Towards the end of September the Association was informed that, as a result of the deliberations of the joint committee, the following special "station-to-station" rates would be introduced with effect from 1st October 1934 on raw cotton booked from Coimbatore and Tiruppur to Billimora, Navsari, Surat, Broach, Baroda, Petlad, Cambay, Nadiad and Viramgam, besides Bombay and Ahmedabad, to which mill centres special rates had already been in force for some time.

Railway Rates for Cotton (raw), full-pressed, in consignments of 200 maunds, at owner's risk, loading and unloading to be done by owners from Tiruppur and Coimbatore *via* Jalarpet, Raichur and Dadar:—

To.	S. I. Ry.		M. S. M. Ry.		G. I. P. Ry.		B. B. & C. I. Ry.		Per maund Total.
	A.	p.	A.	p.	A.	p.	A.	p.	
Billimora	7	11	5	3	6	10	7	4	1 11 4
Navsari	7	11	5	3	6	10	7	11	1 11 11
Surat	7	11	5	3	6	10	8	0	1 12 0
Broach	7	11	5	3	6	10	8	0	1 12 0
Baroda	7	11	5	3	6	10	8	0	1 12 0
Petlad	7	11	5	3	6	10	9	5	1 13 5
Cambay	7	11	5	3	6	10	10	5	1 14 5
Nadiad	7	11	5	3	6	10	8	0	1 12 0
Viramgam	7	11	5	3	6	10	8	7	1 12 7

THE INDIAN TARIFF (TEXTILE PROTECTION)
AMENDMENT ACT.

(See pages 60 and 216 of Report for 1933.)

An event of outstanding importance during the year was the publication early in February of the report of the Indian Tariff Board which investigated the position of the Cotton Textile Industry in 1932. The Board upheld the claim of the Industry to substantive protection, and were of opinion that the period of protection should be fixed at ten years. They further held that for the purpose of protection, specific duties were more appropriate than *ad valorem* duties, and that these should be made applicable to all goods imported into the country. They, therefore, recommended the following rates of specific duties as an alternative to the *ad valorem* duties on the various classes of imported goods :—

Plain grey piecegoods	..	5 as. per lb.
Bordered grey piecegoods	..	5 as. 3 ps. per lb.
Bleached goods	..	6 as. per lb.
Coloured goods	..	6 as. 4 ps. per lb.

As regards artificial silk piecegoods, the Board suggested the fixation of a minimum specific duty of Re. 1-8-0 per pound, which they held should also be charged on goods made partly of artificial silk in which the proportion of artificial silk exceeded 15 per cent. of the total weight. They recommended that mixture goods in which the percentage of artificial silk was less than 15 per cent. should be assessed for purposes of duty as cotton goods or woollen manufactures as the case might be. The Board also recommended the reduction of the specific duty on cotton yarn to one anna per pound on 50s and below, and urged its abolition on higher counts. In addition, they recommended the imposition of a 15 per cent. *ad valorem* duty on imports of starch and farina.

The Board were further of opinion that power should be given to Government by the Act protecting the Cotton Textile Industry to take immediate action in case the protection granted was impaired by any considerable fall in the price of imported goods, and that steps should be taken to secure the modification of the terms of existing trade agreements which deprived Government of the power to safeguard protected industries against unfair competition from particular countries.

On 5th February, the Honourable the Commerce Member introduced in the Legislative Assembly the Indian Tariff (Textile Protection) Amendment Bill. According to the Statement of Objects and Reasons appended to the Bill, it appeared that while the Government of India accepted the conclusion reached by the Tariff Board that the Industry had established its claim to substantive protection, they had found it necessary to review the measures of protection recommended by the Board in the light of the new trade agreement with Japan and the unofficial agreement between the representatives of the Indian and United Kingdom textile industries, to both of which the Bill sought to give statutory effect. The Bill limited the period

of protection to five years, but Government recognised that the rates of duties provided in the Bill were capable of alteration within this period, and that there were at least two occasions when they might be revised, one on the expiry of the Indo-Japanese Agreement on 31st March 1937 and the other on the termination of the agreement between the Millowners' Association, Bombay, and the Lancashire Textile Delegation at the end of 1935.

Briefly stated, the main proposals embodied in the Bill were:—

- (1) The duty on artificial silk yarn was increased from $18\frac{3}{4}$ per cent. to 25 per cent. *ad valorem* or 3 as. per lb., whichever was higher.
- (2) The duties on cotton yarn were reduced as below :—

Counts above 50s :—

- (i) of British manufacture 5 per cent. *ad valorem*.
- (ii) not of „ „ $6\frac{1}{4}$ per cent. do.

and the specific duty on these yarns was removed.

Counts 50s and below :—

- (i) of British manufacture 5 per cent. *ad valorem* or $1\frac{1}{4}$ as. per lb. whichever was higher.
 - (ii) not of „ „ $6\frac{1}{4}$ per cent. *ad valorem* or $1\frac{7}{8}$ as. per lb. whichever was higher.
- (3) A fabric was to be treated as a “cotton fabric” if it contained more than 90% cotton.
 - (4) The existing definition of “plain grey” goods was dropped, as it was proposed to apply the minimum specific duty only to cotton piecegoods which, according to trade practice, were regarded as “plain greys.”
 - (5) It was further provided that grey piecegoods (excluding bordered grey chadars, dhoties, saris and scarves) should be subject to :—
 - (i) 25 per cent. *ad valorem* or $4\frac{3}{8}$ as. per lb. if of British manufacture.
 - (ii) 50 per cent. or $5\frac{1}{4}$ as. per lb. if not of British manufacture.

In the case of cotton piecegoods and fabrics not otherwise specified, a duty of 25 per cent. *ad valorem* was provided if

of British manufacture, and 50 per cent. if not of British manufacture.

- (6) The duty on artificial silk piecegoods containing more than 90 per cent. of artificial silk was reduced in the case of United Kingdom goods to 30 per cent. or $2\frac{1}{2}$ annas per square yard, while for those not of British manufacture, the existing duty of 50 per cent. *ad valorem* or 4 annas per sq. yard was retained.
- (7) The duty on artificial silk mixture fabrics containing less than 60 per cent. of artificial silk was reduced to 30 per cent. *ad valorem* or 2 annas per square yard if of British manufacture ; while in the case of goods not of British manufacture, the minimum specific duty was raised to $3\frac{1}{4}$ annas per square yard, the *ad valorem* rate of 50 per cent. remaining the same.

In the case of mixture fabrics in which the percentage of artificial silk was 60 or more, the duty on United Kingdom goods was reduced to 30 per cent. *ad valorem* or $2\frac{1}{2}$ annas per square yard, while for goods not of British manufacture the existing scale of duties, i.e., 50 per cent. *ad valorem* or 4 annas per square yard, was retained.

- (8) Fents not exceeding 4 yards in length, being *bona fide* remnants of piecegoods or other fabrics, were to be charged a duty of 25 per cent. if of British manufacture and 35 per cent. if not of British manufacture.
- (9) Cotton sateens and Italian cloths, cotton velvet and velveteen and cotton fabrics embroidered with cotton or artificial silk were to pay 25 per cent. *ad valorem* if of British manufacture and 35 per cent. if not of British manufacture.

The Bill was carefully examined by the Committee, and a representation was addressed to the Government of India setting forth the Association's views on the more important aspects of the measure.

At the outset the Committee held that it was very essential that the protective duties incorporated in the Bill should be imposed for a longer period than five years in view of the recommendation made in this connection by the Tariff Board, and the inadequacy of the protection enjoyed since Japan went off the gold standard and during which period the position of every Indian industry affected by Japanese competition had deteriorated very considerably.

(1) *Duty on Artificial Silk Yarn.*—The Committee held that the proposed increase in the duty on artificial silk yarn, which was not produced in India, was calculated to injure the power-loom and the handloom industries of the country. The Tariff Board's Report on the sericultural industry advocated a duty on such yarn as an aid to the silk weaving industry of India, but it was pointed out that the handloom silk weaving industry formed a

very small proportion of the handloom weaving industry as a whole which it was estimated consumed between 85 and 95 per cent. of the artificial silk yarn imported into the country. It was thought that a better method of protecting the silk weaving industry was to increase considerably the duty on imported artificial silk goods, which were the final products against which the silk and cotton handloom weaving, and the Indian power loom weaving industries had to compete.

If revenue was the main consideration influencing Government's decision to raise the duty, the Committee considered that the object could be better achieved by imposing a higher scale of duties on artificial silk piece-goods imported from foreign countries. They felt that the increase in duty was also inconsistent inasmuch as the duty on mercerised yarn, which could be produced in the country, was proposed to be reduced.

(2) *Duties on Cotton Yarn.*—The Committee considered that the proposal to retain the duty on foreign cotton yarn at the present level of $1\frac{3}{8}$ as. per lb. or $6\frac{1}{4}$ per cent. *ad valorem* on counts up to and including 50s was not calculated to ensure a fair selling price to the Indian mills, or to prevent the further inroads of China and Japan into the Indian market. The imports for 1932-33 of 31-40s grey singles yarn and grey two-folds yarn which had risen to 19.37 and 5.4 million lbs. respectively, as compared with 12.77 and 3.7 million lbs. in the previous year constituted, in their opinion, a very strong reason for departing from the recommendations of the Board. As a matter of fact, in the year 1932-33, the importations of these two types of yarn from China and Japan were as much as they were in 1926-27, i.e., before the introduction of the specific duty. In other words, the present specific duty of $1\frac{3}{8}$ as. per lb. had not succeeded in checking the imports of Chinese and Japanese yarns.

Coming to the proposals regarding counts over 50s the Committee were unable to understand why the arrangement arrived at with the United Kingdom Textile Mission had been set aside in this one particular. The representatives of the Indian and United Kingdom textile interests had agreed that a specific duty of $1\frac{1}{4}$ as. per lb. on all counts of United Kingdom yarns was necessary. Taken in conjunction with the retention of the duty on imported raw cotton, the removal of the specific duty on yarns above 50s was, in the opinion of the Committee, calculated to retard the progress of fine spinning in this country. It was also contended that the removal of the the duty on yarn of counts above 50s would enable such yarns to be marketed at prices lower than those of yarns under 50s to the detriment of the indigenous industry. Moreover, it would result in China and Japan switching over their imports to fine counts yarn, and the Committee, therefore, considered that a very strong case existed for the imposition of a high specific duty on foreign yarns above 50s.

A leading spinning mill in India had estimated the charge for depreciation alone, when producing 60s and over, at $1\frac{1}{2}$ annas per lb. In competition with Japanese mills working double shifts, Indian mills were, therefore, at a disadvantage of about $\frac{3}{4}$ of an anna per lb. in depreciation charges alone. In addition, the Japanese mills had an advantage of about

6 ps. per lb. in their raw cotton stocks, an advantage in costs of stores, and a further advantage in wages. The advantage in the cost of labour per lb. accruing to Japan would, it was thought, be very much greater than the other two items combined. The Tariff Board had stated that the total cost of labour per lb. of 16s yarn in a Bombay mill exceeded the cost in a Japanese mill by over 60 per cent. with exchange at gold parity. At the present rates of exchange, Indian spinning labour costs must, therefore, be at least twice those of Japan. The inadequacy of the duty which had been suggested on counts over 50s against foreign countries was strikingly borne out by these figures.

The Committee were anxious that the handloom industry should be adequately protected, but they could not agree that it was in its interests that Indian mills should find it increasingly unprofitable to manufacture yarns for sale, and leave the field more or less completely to foreign countries. The consequent dependence on foreign sources of supply was bound in the long run to lead to the handloom industry having to pay higher prices for yarns than it would have to pay if Indian mills were encouraged by an adequate protective duty to keep a share of the trade.

(3) *Definition of Cotton Fabrics.*—Under the new definition of cotton fabrics, it was proposed that a fabric should be treated as a cotton fabric for purposes of assessment if it contained more than 90 per cent. of cotton. In other words, a tolerance of 10 per cent. was allowed. This, in the opinion of the Committee, was far too great a tolerance in the case of artificial silk. In order to protect artificial silk striped goods manufactured by Bombay mills, in which the percentage of artificial silk was less than 10 per cent.—and which the powerloom industry of the country had been chiefly producing—the Committee considered that the definition should be amended as below :—

“ 158C :—Cotton fabrics not otherwise specified containing more than 95 per cent. of cotton.”

They had, however, no objection to a tolerance of 10 per cent. in the case of bordered goods in which artificial silk had only been used for the production of decorative effects in the borders.

(4) *Definition of Grey Goods.*—It appeared that the proposed definition of “grey piecegoods” would considerably reduce the protection at present afforded to the indigenous industry, since it would prevent the Customs authorities from levying the specific duty on a wide range of fabrics in the woven coloured category, which previously had to pay the specific duty applicable to plain grey goods. It was felt that the new definition would let in again certain classes of woven coloured piecegoods from Japan, which the existing definition had been instrumental in reducing materially. The Committee further considered that the restriction of the application of specific duties which the Bill effected was all the less understandable in view of the recommendations of the Tariff Board for an extension of the principle of specific duties to a wider range of goods—a method of protection which the Association had consistently supported in preference to a method of protection by *ad valorem* duties, the effect of which varied considerably from

time to time with the rise or fall in the cost of raw cotton. It was thought that there was nothing in the Indo-Japanese Agreement which ruled out the possibility of applying specific duties, and that the system should be adopted in the case of foreign goods of the following classifications at varying rates :—

- (a) plain grey ;
- (b) bordered grey, dhoties, saris and scarves ;
- (c) bleached goods ;
- (d) woven coloured, dyed and printed goods.

(5) *Duties on Cotton Fabrics.*—In view of the agreement entered into with the United Kingdom Textile Mission, the Committee had no comments to offer in regard to the rates of duty applicable to United Kingdom goods except to the extent of the criticisms made on the definition of the terms “cotton fabrics” and “plain grey cotton piecegoods.”

In regard to the duties made applicable to foreign goods, the Committee were strongly of opinion that the reduction in the rate of duty to 50 per cent. in the case of Japanese goods was unwarranted on a consideration of the prices at which these goods had been selling since the reduction in the duty was effected.

(6) *Artificial Silk Piecegoods.*—In view of the agreement with the United Kingdom Textile Mission, and the fact that the greatest severity of competition in this class of goods had always been from Japan, the new rates of duties so far as they were applicable to goods imported from the United Kingdom were considered adequate under present conditions.

In the case of foreign artificial silk goods, however, it was felt that there existed an unanswerable case for an increase in this duty to 6 as. per sq. yard to meet the protective needs of the handloom weaving industry, the silk weaving industry and the cotton textile industry. It had been argued on the basis of the imports of this class of goods in 1933 (60 million yards) as compared with the previous year (105 million yards) that the present duty of 4 as. per sq. yard had proved an effective check on imports. The Committee most emphatically maintained that the drop in the importations of artificial silk goods from Japan merely corresponded to the drop in imports of all classes of goods brought about by the prevailing depression. This was borne out by the sudden drop in the takings of artificial silk yarn by the handloom industry during 1933—7.9 million lbs. as against 12.4 million lbs. in the previous year—which showed that that industry found it increasingly difficult to withstand the competition it had been experiencing from Japanese artificial silk piecegoods. It was also thought that a reason for the decrease in the imports into British India in 1933 might have been increased imports through the ports in Indian States.

The inadequacy of the existing duty was also demonstrated by the fact that, although the duty on artificial silk piecegoods had been 4 as. per sq. yard since 1st March 1933, the wholesale market price of 26/27”

Japanese artificial silk taffetas was only 4 as. 9 ps. against an average of 4 as. 7 ps. in 1932, i.e., before the imposition of the minimum specific duty.

Read in conjunction with the increased duties on artificial silk yarn proposed in the Bill, the Committee felt that the protection afforded on artificial silk piecegoods would be actually reduced despite the fact that Japan's greatest progress during the last few years had been in this particular class of goods, and that future imports of artificial silk goods would remain unrestricted since such goods had not been included in the piecegoods quota in the Indo-Japanese Agreement. A duty of less than 6 as. per sq. yard, would, in their opinion, be entirely inadequate to prevent further inroads from Japan.

The temporary setback in artificial silk piecegoods imports from Japan was discounted by the phenomenal expansion of the Japanese rayon industry during recent years, and the Committee considered that the rate of duty advocated in the Association's representation under the Safeguarding of Industries Act, which was supported by the Textile Advisers appointed by Government during the Simla negotiations and by the representatives of the handloom industry, was thoroughly justified by the facts of the case.

(7) *Artificial Silk Mixture Fabrics—Of non-British Manufacture—*
At the present time, an artificial silk mixture was defined as a fabric composed in part of some other textile than artificial silk in which any portion of either the warp or weft but not both was artificial silk. Such fabrics if imported from foreign countries were subject to a duty of 35 per cent. *ad valorem* (recently increased to 50 per cent.) or 2 as. 3 ps. per sq. yard whichever was greater. Under the new definition of artificial silk mixtures, it was proposed that a mixture cloth containing less than 60 per cent. of artificial silk should pay a duty of 50 per cent. *ad valorem* or 3½ as. per sq. yard whichever was greater, and a fabric containing more than 60 per cent. artificial silk should pay duty at the rate of 50 per cent. *ad valorem* or 4 as. per sq. yard whichever was greater. The latter duty was the same as that made applicable to 100 per cent artificial silk goods. The new duties were inadequate judged by the prices at which Japanese artificial silk mixtures had latterly been sold, and the Committee considered that they should be raised along with the duty on pure artificial silk goods to 5 as. and 6 as. per sq. yard respectively. They were further of opinion that in view of the large class of goods which would under the old definition have been subject to the full rate of duty applicable to 100 per cent. artificial silk goods, but would under the new definition only be liable to the intermediate rate of duty, the definition should be modified to provide that goods containing more than 50 per cent. of artificial silk should pay the rate of duty applicable to pure artificial silk goods.

That a substantial increase in the duty on artificial silk mixtures was warranted was amply demonstrated by the fact that Japan had recently switched over to the production of such goods, and her sendings to India in 1933 were roughly four times what they were in 1931, the bulk of these goods being imported during the last quarter of the year.

(8) *Fents*.—While welcoming the new definition of fents as affording a salutary check on the rapidly increasing trade in such goods, the Committee failed to understand why it was considered necessary to reduce the duty to 35 per cent., more especially as it had only recently been increased to 50 per cent. The legitimate fent trade should be in a position to bear duties at least as high as those imposed on other classes of cotton piecegoods. The fact that the goods were remnants necessarily implied very low prices, as otherwise they would not be saleable, and it was thought that the increased duty on foreign fents would not, therefore, be unreasonable and would provide additional revenue.

(9) *Cotton Sateens, Italian Cloth, etc.*—Under Item No. 158, cotton sateens and Italian cloth, cotton velvets and velveteens and cotton fabrics embroidered with cotton or artificial silk, when imported from foreign countries, would only be liable to a duty of 35 per cent. *ad valorem* as against the general rate of 50 per cent. applicable to other types of cotton goods. The inclusion of cotton fabrics embroidered with cotton or artificial silk in a class by itself on which a duty lower than the general duty should be payable was not unreasonable, since these goods were not produced in this country to any appreciable extent, but the inclusion of cotton sateens and Italian cloths and cotton velvets and velveteens was definitely undesirable. The production of saleable cotton sateens was chiefly a matter of finish, and similarly the production of cotton velvets and velveteens presented no insuperable difficulties. They would certainly be new trades in this country, but both were very natural developments which might be expected to take place. During the last few years, Japan had made very rapid progress as a supplier of both cotton sateens and cotton velveteens as was evidenced from the following figures :—

	(In thousands of yards.)		
	1930.	1931.	1932.
Printed Sateens	47	156	914
Italian Cloths and Sateens (dyed)	347	537	799
Velvets and Velveteens	394	455	2,150

These goods competed either directly or indirectly with some of the better class productions of Indian mills, and the Committee, therefore, considered that the duty applicable to them should be raised from 35 to 50 per cent.

The Committee pointed out that the Industry's case, notably in respect of the necessity for the imposition of higher duties on foreign yarn and artificial silk piecegoods, would be even stronger if due consideration was given to the fact that, in the near future, a shorter working day would be introduced throughout the textile industry in British India. This reduction in the length of the working day would very seriously affect the competitive capacity of British Indian mills *vis-a-vis* their foreign competitors, who would continue to work the same number of hours per day as they were doing at present.

On 13th March, the Honourable Sir Joseph Bore moved the appointment of a Select Committee to consider and report on the provisions of the Bill. The Honourable Member pointed out in the course of his speech :—

“The tariff rates on British goods will remain in force for two years in accordance with the terms of the Agreement between the Lancashire Delegation and the Millowners' Association, Bombay, that is, the present rate of 25 per cent. *ad valorem* or 4½ annas per lb. on plain grey goods and 25 per cent. *ad valorem* on other goods will, during this period, continue until the second surcharge comes off as a general measure. If and when this happens, the duty will be reduced to 20 per cent. *ad valorem* or 3½ annas a lb. on plain grey goods and 20 per cent. *ad valorem* on other goods. On the expiry of the two years covered by the Agreement, the duty on British goods for the remaining period of protection will have to be decided on a review of the conditions then existing and in the light of such experience as may have been gained. I have referred to the second surcharge coming off as a general measure. I mean by that the removal of the surcharge on a reasonably large proportion, not necessarily all, the items now subject to it. The duties on Japanese goods imposed in accordance with the recent Agreement will normally continue during the period of that Agreement. Thereafter the Government of India will have to satisfy themselves, on a review of the existing conditions, what rates are, in the interests of the industry, essential. In short what the Government of India undertake to do is to give adequate protection to the industry for a period of five years....”

The motion was ultimately carried. The Select Committee's Report was presented to the House on 2nd April. So far as cotton and artificial silk goods were concerned, the principal alterations recommended by the Select Committee were as under :—

Item No. 158G in the original Bill read as below :—

“Fabrics not otherwise specified, containing not more than 10 per cent. silk but more than 10 per cent. and not more than 90 per cent. of artificial silk :—

(I) containing *more than 40 per cent.* cotton :—

- | | | |
|--------------------------------|----|---|
| (a) of British manufacture | .. | 30 per cent. <i>ad val.</i> or 2 as. per sq. yard whichever is higher. |
| (b) not of British manufacture | .. | 50 per cent. <i>ad val.</i> or 3¼ as. per sq. yard whichever is higher. |

(II) containing *not more than 40 per cent.* cotton :—

- | | | |
|--------------------------------|----|---|
| (a) of British manufacture | .. | 30 per cent. <i>ad val.</i> or 2½ as. per sq. yard whichever is higher. |
| (b) not of British manufacture | .. | 50 per cent. <i>ad val.</i> or 4 as. per sq. yard whichever is higher.” |

The Select Committee fixed the line of demarcation between the two classes of mixtures at 50 per cent. instead of 40 per cent., the consensus of opinion being that any fabric of which either the warp or the weft was entirely composed of cotton should be admitted at the lower of the two rates applicable to artificial silk mixtures, but that any other form of mixtures with a lower percentage of cotton than 50 per cent. should be dutiable at the higher rate. The item, as amended by the Select Committee, is reproduced below :—

“ 158G. Fabrics not otherwise specified, containing not more than 10 per cent. silk but more than 10 per cent. and not more than 90 per cent. artificial silk :—

(I) containing 50 per cent. or more cotton—

- | | | |
|--------------------------------|----|---|
| (a) of British manufacture | .. | 30 per cent. <i>ad val.</i> or 2 as. per sq. yard whichever is higher. |
| (b) not of British manufacture | .. | 50 per cent. <i>ad val.</i> or 3½ as. per sq. yard whichever is higher. |

(II) containing *no cotton or containing less than 50 per cent.* cotton—

- | | | |
|--------------------------------|----|---|
| (a) of British manufacture | .. | 30 per cent. <i>ad val.</i> or 2½ annas per sq. yard whichever is higher. |
| (b) not of British manufacture | .. | 50 per cent. <i>ad val.</i> or 4 as. per sq. yard whichever is higher.” |

The provision relating to cotton sateens and Italian cloths, etc., was redrafted as under, so as to conform to trade practice and nomenclature :—

“ 158J. The following cotton fabrics, namely, Sateens, Italians, Velvets and Velvetens and Embroidered all-overs :

- | | | |
|---------------------------------|----|---------------------------------|
| (a) of British manufacture | .. | 25 per cent. <i>ad valorem.</i> |
| (b) not of British manufacture. | | 35 per cent. <i>ad valorem.</i> |

The Select Committee further observed that in connection with the fabrics described in Item No. 158C, i.e., cotton fabrics, they were assured that the Government had reserved power under the Indo-Japanese Trade Agreement to impose a specific duty not exceeding 5½ as. per pound on classes of goods which did not come under the category of “ plain greys ” if

the respective price levels of Japanese and Indian goods necessitated it. They also appeared to have been assured that the Indo-Japanese Agreement would not be a bar to the enhancement of the duties on yarns or artificial silk goods should the duties now proposed prove inadequate. It was further stated that a majority of the non-official members desired to add to the report a recommendation to Government to consider the advisability of appointing a Trade Commissioner in Japan at an early date.

The report of the Select Committee was riddled with a number of Minutes of Dissent representing the view points of the various interests involved. In a minute signed by 8 members including the Chairman of the Association, it was pointed out :—

(1) that the duty in respect of all yarns from the United Kingdom should be 5 per cent. or $1\frac{1}{4}$ as. per lb. whichever is higher.

(2) that in respect of non-British yarns, the duties should be :—

(i) On 50s counts and under : $6\frac{1}{4}$ per cent. *ad valorem* or $2\frac{1}{2}$ as. per pound whichever was higher.

(ii) Above 50s counts : $6\frac{1}{4}$ per cent. *ad valorem* or $1\frac{7}{8}$ as. per pound whichever was higher.

(3) that a duty of 6 as. per sq. yard on pure artificial silk goods and 4 as. per sq. yard on artificial silk mixtures of non-British manufacture was necessary. Taking into consideration the fact that these goods were outside the quota, there was reasonable ground for fearing that Japan might concentrate on increasing importations of this type of goods.

Attention was also drawn to the fact that the proposed reduction of the working hours in factories from 60 to 54 per week, would materially affect the costs of production and the competitive capacity of the indigenous industry.

In another minute signed by the Chairman of the Association and five other members, the signatories expressed themselves as opposed to the proposed increase in the duty on artificial silk yarns for the reason that, in their opinion, it would affect the interests of the handloom weaver and, to a certain extent, of the mills, without in any way benefiting the silk industry.

The Bill was taken into consideration on the 13th April, and at the outset Mr. N. N. Anklesaria moved an amendment to the effect that it should be circulated for the purpose of eliciting opinions thereon, but the motion was defeated, 7 voting for and 51 against when put to vote.

The Report of the Select Committee was then taken into consideration, and on 16th April, the Bill, as it emerged from the Select Committee, passed the third reading.

In accordance with section I(2) of the Indian Tariff (Textile Protection) Amendment Act, His Excellency the Governor-General in Council fixed 1st May 1934, as the date on which the Act shall come into force. (*Appendix 24.*)

INDO-JAPANESE TRADE CONVENTION.

On page 69 of the last Report, it was stated that discussions were proceeding between the representatives of the Governments of India and Japan. These negotiations ultimately resulted in a Convention and a Protocol which were signed at London on 12th July 1934. The Convention laid down in broad outline the principles relating to Indo-Japanese trade relations in future and the Protocol specified the agreements reached regarding the importation of cotton piecegoods from Japan to India and the export of raw cotton from India to Japan. For purposes of record these two documents are reproduced in *Appendix 25.*

IMPORT DUTIES ON ARTIFICIAL SILK PIECEGOODS AND ARTIFICIAL SILK MIXTURES.

(*See page 24 of the Association's Report for 1933.*)

Reference was made in the last year's report of the Association to the proposals for increasing the duties on Japanese artificial silk piecegoods submitted by the Association to the Government of India. No immediate action was, however, taken by Government, but towards the end of December 1933 a Bill "to amend the Indian Tariff Act" was introduced in the Assembly, which *inter alia* proposed to increase the *ad valorem* duty on art. silk mixtures from 35 to 50 per cent. The increased duties came into operation on the 23rd December 1933, but it was understood that the new scale of duties was only an *ad interim* measure designed to check the growing tendency to switch over to art. silk mixtures, and did not represent the considered opinion of Government on the general question of protection necessary in the case of art. silk mixtures.

Subsequently, the duties were again revised, and in the Indian Tariff (Textile Protection) Amendment Bill, introduced in the Assembly on 5th February, the following proposals were made in regard to duties on art. silk piecegoods :—

158D. Fabrics not otherwise specified containing more than 90 per cent. of artificial silk :—

(a) of British manufacture.	30 per cent. <i>ad val.</i> or 2½ annas per sq. yard, whichever is higher.
(b) not of British manufacture.	50 per cent. <i>ad val.</i> or 4 annas per sq. yard, whichever is higher.

158G. Fabrics not otherwise specified, containing not more than 10 per cent. silk, but more than 10 per cent. and not more than 90 per cent. of artificial silk :—

(i) containing more than 40 per cent. cotton :—

(a) of British manufacture.

30 per cent. *ad val.* or
2 annas per sq. yard,
whichever is higher.

(b) not of British manufacture.

50 per cent. *ad val.* or
3½ annas per sq. yard,
whichever is higher.

(ii) containing not more than 40 per cent. cotton :—

(a) of British manufacture.

30 per cent. *ad val.* or
2½ annas per sq. yard,
whichever is higher.

(b) not of British manufacture.

50 per cent. *ad val.* or
4 annas per sq. yard,
whichever is higher.

The duty on all-art. silk goods of British manufacture had been reduced to 30 per cent. or 2½ annas per square yard whichever was higher, but this was in accordance with the Association's Agreement with the United Kingdom Textile Mission.

As regards the duties on art. silk goods of foreign manufacture, the position was substantially different. The Bill sought to continue the existing rate of duties on such goods when there was an unanswerable case for its increase to 6 annas per square yard to meet the protective needs of the handloom weaving industry, the silk weaving industry and the cotton textile industry. In 1933, importations of all-art. silk goods from Japan fell away to 63 million yards from 105 million yards in the previous year, and on the basis of this figure it had probably been thought that the existing duty of 4 annas per sq. yard had proved an effective check on imports. This, however, was not the case; the drop in the importation of all art. silk goods from Japan merely corresponded to the drop in the imports of all classes of piecegoods brought about by the prevailing depression. This was fully borne out by the sudden drop in the takings of art. silk yarn by the handloom weaving industry during the year 1933—7.9 million lbs. as against 12.4 million lbs. in 1932—which went to show that the industry found it increasingly difficult to stand against Japanese competition. It was also a matter for inquiry whether the reduced figures of imports of art. silk piecegoods represented the correct state of affairs, or whether increased imports through ports in Indian States were not responsible in some measure for the fall in the British India figures.

As an indication of the existing condition of things, it might be mentioned that the only two silk weaving mills in Bombay had to be closed down entirely. The inadequacy of the existing duty of 4 annas per sq. yard on all foreign art. silk piecegoods was also demonstrated by the fact that although the duty on art. silk piecegoods had been 4 annas since March 1933, the wholesale market price of 26"/27" Japanese art. silk taffeta was 4 annas 9 pies per yard against an average price of 4 annas 7 pies per yard in 1932 before the imposition of the specific duty.

Read in conjunction with the increase in the duty proposed in the Bill in the case of art. silk yarn, the protection afforded to art. silk piecegoods would be actually reduced despite the fact that Japan's greatest progress during the last few years had been in this particular class of goods, and that future imports of art. silk piecegoods would remain unrestricted since they had not been included in the quota specified in the Indo-Japanese Agreement. The matter was carefully considered by the Committee, and in a representation submitted to Government, it was pointed out that a duty of less than 6 annas per square yard would be inadequate to prevent further inroads from Japan.

As regards art. silk mixture fabrics, a fabric composed in part of some other textile than art. silk in which any portion of either the warp or the weft but not both was art. silk, if imported, was subjected to a duty of 50 per cent. *ad valorem* or 2 annas 3 pies per square yard, whichever was greater. Under the definition proposed in the Bill, a mixture cloth containing more than 60 per cent. art. silk would pay a duty at the rate of 50 per cent. *ad valorem* or 4 annas per square yard whichever was greater, that is to say, the rate applicable to all-art. silk piecegoods. Judged by the prices at which Japanese art. silk mixtures were being sold, the duty proposed was considered inadequate, and it was suggested that it should be raised to 5 annas per square yard. It was further pointed out that in view of the large class of goods which would under the old definition have been subject to the full rate of duty applicable to all art. silk piecegoods, but would under the new definition only be liable to the intermediate rate of duty, the definition proposed in the Bill should be modified to provide that goods containing more than 50 per cent. art. silk should pay the rate of duty applicable to all art. silk goods.

The Indian Tariff (Textile Protection) Amendment Bill was subsequently referred to a Select Committee, who amended the definition of art. silk mixtures as below :—

“ 158G. Fabrics not otherwise specified, containing not more than 10 per cent. silk but more than 10 per cent. and not more than 90 per cent. artificial silk :—

(i) containing 50 per cent. or more cotton :—

(a) of British manufacture.	30 per cent. <i>ad val.</i> or 2 annas per sq. yard, whichever is higher.
(b) not of British manufacture.	50 per cent. <i>ad val.</i> or 3½ annas per sq. yard, whichever is higher.

(ii) containing no cotton or containing less than 50 per cent. cotton.

(a) of British manufacture.	30 per cent. <i>ad val.</i> or 2½ annas per sq. yard, whichever is higher.
(b) not of British manufacture.	50 per cent. <i>ad val.</i> or 4 annas per sq. yard, whichever is higher.

The Select Committee stated in their Report :—

“ In Item No. 158G, we have fixed the line of demarcation between the two classes at 50 per cent. instead of 40 per cent. The consensus of opinion was that any fabric of which either the warp or weft was entirely composed of cotton should be admitted at the lower of the two rates applicable to artificial silk mixtures, but that any other form of mixtures with a lower percentage of cotton than 50 per cent. should be dutiable at the higher rate.”

Mr. Mody and seven other members of the Select Committee in a separate Minute of Dissent stated :—

“ *Art. Silk Piecegoods.*—The proposals embodied in the Bill with regard to art. silk piecegoods are also very unsatisfactory. It may be that the imports of this class of goods have fallen in recent months, but it is a matter for consideration whether the figures in the Seaborne Trade Returns reflect the true position. We submit that it is not possible to ignore, in this connection, the undoubted increases which have taken place in the imports through ports in the Indian States. The drop in importations corresponds, besides, to the reduction in imports of all classes of goods brought about by the prevailing depression. If the question is examined from the point of view of prices, it is noteworthy that the wholesale market price in India of Japanese pure art. silk taffetas is 4 annas 9 pies to-day as against an average of 4 annas 7 pies in 1932, that is, before the imposition of the minimum specific duty. As regards art. silk mixtures, imports from Japan have been increasing fairly rapidly, and it has to be remembered that the definitions have been so altered as to admit in this class several categories of goods which formerly paid the higher specific duty as pure art. silk goods.

“ We are of the opinion that a duty of 6 annas per sq. yard on pure art. silk goods and 4 annas per sq. yard on art. silk mixtures is necessary. Taking into consideration the fact that these goods are outside the quota, there is reasonable ground for fearing that Japan may concentrate on increasing importations of this type of goods. In this connection, regard must be had to the enormous expansion of the rayon industry which has been taking place in Japan.”

The inadequacy of the duties proposed on art. silk goods was also brought to the notice of Government by Mr. H. H. Sawyer on behalf of the Sassoon Silk Mills, and the Chhoi Silk Mills, and was stressed on the floor of the Assembly by Mr. H. P. Mody in the debate which followed on the Select Committee's Report, but Government declined to make any further alterations in the Bill ; the Honourable Sir Joseph Bhore, however, said :—

“ My Honourable friend Mr. Mody has brought up his old point about the Indian States Ports. Well, Sir, from what my Honourable colleague the Finance Member has said on more than one occasion, I think the House ought to rest satisfied that we are fully seized of the position and that we are taking all the steps we can in the matter. He also asked me what our attitude would be in the event of our finding that certain protection that we had granted was insufficient. I can only say this that we shall have to watch more particularly the case of cotton yarn, of artificial silk piecegoods and raw silk. If the duties we are imposing in this Bill fail to achieve their object, then Government will have to reconsider their position.....”

The duties proposed in the Bill as altered by the Select Committee, subsequently came into operation on 1st May. The position was, however, re-examined by the Committee towards the end of August, and it was found that the imports of all art. silk piecegoods from Japan in June were roughly four times as great as they were in February. The consistency with which Japanese imports increased in the period February to June substantiated the contention raised by the Committee in their previous representation to

Government that a duty of 6 annas per sq. yard on such goods was necessary. A further representation was, therefore, submitted to Government early in October, but so far no reply has been received from Government regarding their intentions in this matter. (*Appendix 26.*)

DUTIES ON WOOLLEN PIECEGOODS AND WOOLLEN MIXTURE GOODS.

Towards the end of July 1933, the Government of India issued an exhaustive questionnaire to various minor industries of the country, including the Woollen Mill Industry, for the purpose of ascertaining the duties which it was necessary to impose under the Safeguarding of Industries Act, 1933, to safeguard such industries against the abnormal competition with which they were faced. The replies received were carefully examined by the President of the Tariff Board and by Dr. Meek, Director-General of Statistics, and on 22nd December, the Hon'ble Sir Joseph Bore introduced in the Legislative Assembly the Indian Tariff (Amendment) Bill, which sought to afford assistance to such of the industries as had made out a case for immediate action under the Act by the imposition of minimum specific duties applicable against all countries.

The Bill contained, among other things, the following provisions with regard to woollen goods :—

	<i>Standard rate of duty.</i>	<i>Preferential rate : United Kingdom.</i>
238A. Woollen hosiery and woollen knitted apparel, that is to say, all hosiery and knitted apparel containing not less than 15 per cent. of wool by weight.	<i>Ad valorem.</i> 35% or 18 annas per lb. whichever was higher.	25%
238B. Woollen piecegoods containing not less than 90 per cent. of wool by weight.	<i>Ad valorem.</i> 35% or 18 annas per lb. whichever was higher.	25%
238C. Woollen mixtures, that is to say, piecegoods containing less than 90 per cent. and not less than 15 per cent. of wool by weight.	<i>Ad valorem.</i> 35%.	25%

On 24th January 1934, the Honourable the Commerce Member moved that the Bill be referred to a Select Committee. The motion was adopted.

The Report of the Select Committee was presented to the House on 15th February. The Select Committee altered the term "Woollen

Piecegoods ” to “ Woollen Fabrics ” and excluded “ Woollen Fabrics ” made of waste wool and shoddy from the operation of the specific duty of Re. 1-2-0 per lb. The item, as amended, read as below :—

	<i>Standard rate of duty.</i>	<i>Preferential rate : United Kingdom.</i>
238B. Woollen Fabrics, not otherwise specified, containing more than 90 per cent. wool, excluding felt and fabrics made of shoddy or waste wool.	<i>Ad valorem.</i> 35% or 18 annas per lb. whichever was higher.	25%
238C. Fabrics, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk but containing more than 10 per cent. but not more than 90 per cent. wool.	<i>Ad valorem.</i> 35%	25%

In a minute of dissent appended to the report, Mr. J. Ramsay Scott and two other members of the Select Committee expressed the view that the alteration proposed was a direct invitation to importers to flood the Indian market with fabrics made from re-worked woollen fibre which already threatened the complete disappearance from the market of the more durable materials manufactured by the indigenous industry from Indian wools. The signatories further drew attention to the danger of the development of wool-cotton mixture fabrics containing up to 89 per cent. of cotton coming into the country as piecegoods and paying 35 per cent. duty as against 50 per cent. on cotton piecegoods and thus defeating the quota arrangement in regard to Japanese piecegoods.

The Bill, as amended by the Select Committee, was subsequently taken up for consideration by the Assembly and on 15th February Mr. Ramsay Scott moved the deletion from proposed item No. 238B of the words “ and fabrics made of shoddy or waste wool ” on the grounds that it would hurt the handloom weaver, and that it would be almost impracticable to distinguish between pure and shoddy goods. The motion was, however, withdrawn on an assurance given by the Honourable the Commerce Member that the Government of India would be prepared, if asked, to send the case in respect of woollen goods to the Tariff Board and to consider very carefully any recommendations made by them. The Bill was subsequently passed, and having received the assent of the Governor-General in Council, came into force on 20th February 1934. The revised rates of duty, however, became operative from 23rd December 1933 under the Provisional Collection of Taxes Act, 1931.

According to the Act, as finally passed, “ Fabrics not otherwise specified containing not more than 10 per cent. silk or 10 per cent. artificial

silk, but containing more than 10 per cent. but not more than 90 per cent. wool were subject to 25 per cent. duty in the case of British goods and 35 per cent. in the case of foreign goods, whereas fabrics containing more than 90 per cent. wool were subject to a duty of 35 per cent. *ad valorem* or Re. 1-2-0 per lb. whichever was higher.

Cotton-wool mixture fabrics containing less than 90 per cent. wool would thus be liable to duty at an *ad valorem* rate of 35 per cent. if imported from foreign countries and 25 per cent. if imported from the United Kingdom, and such fabrics would not be liable to any specific duty whatsoever. It, therefore, appeared probable—in view of the fact that woollen fabrics containing more than 90 per cent. of wool, if imported from foreign countries would have to pay a specific duty of 18 annas per pound—that there was every incentive for foreign countries to import cotton-wool mixtures containing just under 90 per cent. of wool in order to escape the specific duty applicable to pure woollen goods, to the great detriment of the indigenous woollen industry. This, however, was not the only danger. Under this definition of woollen mixtures, it was also possible for foreign countries to escape the protective duties on cotton piecegoods by placing on the market a line of goods containing just over 10 per cent. of wool and between 80 and 90 per cent. of cotton. If the percentage of cotton was 90 or more, such mixtures would be dutiable at 50 per cent. *ad valorem*, and until recently, would, in the majority of cases, have had to pay the specific duty of 5½ annas per pound applicable to plain grey cotton piecegoods.

The Committee felt that the Government of India in framing the definition of woollen mixtures, and when altering the definition of plain grey cotton goods, must have been unaware of the possibilities which would be provided for evading both the specific duty on woollen goods and the protective duty on cotton goods. They, therefore, addressed a representation to Government towards the end of February urging that steps be taken to avoid the danger indicated above by the imposition of an adequate specific duty on all fabrics coming under the definition of woollen mixtures set out in the Act.

Samples of cotton-wool mixture fabrics made in an Indian cotton mill, as also imported goods, containing varying percentages of cotton and wool were submitted to Government, and it was pointed out that with a slightly smaller percentage of wool and a larger percentage of cotton, a very wide range of attractive designs could be produced, which would be directly competitive with the coloured goods turned out by the Indian Cotton Textile Industry, and that it was against dangers of this type that the cotton trade should be effectively protected. The need for protection was still more apparent when it was realized that such goods, classed as they would be as woollen mixtures, would be outside the cotton piecegoods quota if imported from Japan.

Though no reply was received to this representation, the whole question of Protection to the Indian Woollen Mill Industry was later on referred to the Tariff Board, and is now being examined by them. (*Appendix 27.*)

QUOTAS AND TRADE RESTRICTIONS IN PERSIA.

Towards the end of September, the attention of the Association was drawn to a notification which appeared in *The Board of Trade Journal* dated the 13th September 1934, relating to quotas fixed by the Persian Government on various classes of imports in the Persian economic year ending June 1935. From the notification it appeared that importations into Persia of all classes of Indian yarn and piecegoods had been prohibited. In the previous economic year, the total import quotas for the various classes of cotton piecegoods in which India was interested were as under :—

	<i>Rials.</i>
Cotton tissues made with coloured threads, even if mercerised or figured, plushes, etc.	9,000,000
Cotton shirtings, etc.	6,800,000
Bleached cotton tissues, also bleached cotton linen	9,900,000
Cotton cloth, printed or dyed	49,500,000
Rope, cordage and twine	210,000
Cotton yarn in hanks	25,000,000

Persia was until recently one of India's most valuable export markets for yarn and cotton piecegoods. The total trade was difficult to ascertain as a portion of it passed over the land frontiers, and no records were available as to the exact destination of such traffic or of its value. According to the Sea-borne Trade and Navigation Returns published by the Government of India, the exports from India to Persia of Indian piecegoods and yarn for the five years ending 1932-33 were as under :—

	<i>Value in Rupees.</i>				
	1928-29	1929-30	1930-31	1931-32	1932-33
Cotton Twist and Yarn	25,76,462	34,26,377	34,22,271	38,20,136	20,41,498
Cotton Piecegoods	64,39,873	44,98,920	34,19,886	47,64,158	18,24,552

In view of the seriousness to the Indian Cotton Mill Industry of the total loss of this valuable trade, the matter was carefully considered by the Committee, and in a representation addressed to the Government of India towards the end of October, they urged that proper representations should be made to the Government of Persia with a view to secure the continuance of at least a portion of the export trade in yarn and piecegoods between India and Persia. Exclusive of the trade for which no estimates could be made, it appeared that the balance of trade between India and Persia had been consistently adverse to India over a long period of years; in other words, India was purchasing from Persia goods much greater in value than she had sold to Persia. It was, therefore, thought that the Government of India should be in a position to bargain for very much more generous treatment than had been accorded to her by the Persian Government. The bulk of the imports into India from Persia by sea consisted of mineral oils for which alternative sources of supply were available, and the Committee suggested that this valuable bargaining point should not be lost sight of in any discussions which might hereafter take place with the Persian

Government. They recognised that the prohibition of the importations of cotton yarn and piecegoods applied equally to all countries with the possible exception of Soviet Russia, but, in the circumstances outlined above, suggested the desirability of Government opening up negotiations with the Persian Government jointly with His Majesty's Government in the United Kingdom.

No reply has yet been received to this communication. (*Appendix 28.*)

CEYLON MARKET FOR INDIAN MILL-MADE GOODS.

Towards the end of July, a proclamation issued by the Governor of Ceylon laid down certain limits as to the quantities of various types of textile goods which would be permitted to be imported into the Colony from foreign countries. The quota limits prescribed for Japanese goods for the period May 7th to December 31st, 1934, were reached early in August, and it appeared that Indian mills might be in a position to regain the ground they had recently lost to Japan in the Ceylon Market.

The total extent of the import trade in cotton piecegoods of Ceylon during the period 1927 to 1933 averaged 62 million yards of which 17 million yards were bleached goods, 25 million yards coloured goods, 4 million yards grey goods, and 16 million yards printed goods. During the last five years, Japan's exports to Ceylon of the above four lines were as under :

	(Figures are in thousands of yards.)				
	1929.	1930.	1931.	1932.	1933.
Cotton piecegoods—					
Bleached.. ..	553	2,686	7,986	13,891	11,934
Dyed	1,743	3,232	4,763	10,785	15,812
Grey	68	515	571	1,702	2,628
Printed	5,770	7,003	10,402	13,988	11,056

Japan's total exports of cotton piecegoods to Ceylon in 1932 amounted to 40 million yards or 59 per cent. of the total imports. In 1933, they were 41½ million yards or 68 per cent. of the total.

India's share in the same two years according to the Ceylon statistics were in 1932, 11 million yards or 16 per cent. of the total, and in 1933, 9 million yards or 15 per cent. of the total. The United Kingdom's share of the trade for the two years in question was 16 million yards or 23 per cent. of the total in 1932 and 9½ million yards or 16 per cent. of the total in 1933.

From 1st January 1935, Japan's total annual imports of piecegoods were 11.7 million yards made up as below :—

	2.2 million yards of bleached goods.
	2.5 million yards of dyed goods.
	0.3 million yards of grey goods.
	6.6 million yards of printed goods.
Total ..	11.7 million yards.

Compared with the imports from Japan into Ceylon in the years 1932 and 1933, there was thus a trade amounting to about 30 million yards of cotton piecegoods to be captured by Empire countries.

In the case of grey goods, where the trade in recent years had been monopolised by Japanese qualities, Indian goods should, it was thought, be able to make considerable progress. The field here was, however, relatively small, the average imports for the last seven years being under 4 million yards per annum.

In bleached goods, Japan's annual quota would be 2.3 million yards as compared with an import of 11.9 million yards in 1933 and 13.9 million yards in 1932. The developments which had taken place during the last few years in India seemed to indicate that there was a possibility of Indian mills capturing a portion of the Ceylon market in medium qualities of bleached goods similar to those which Japan had recently been supplying.

In coloured goods, the annual Japanese quota had been limited to 2.5 million yards against an import of 15.8 million yards in 1933 and 10.8 million yards in 1932. India's export figures to Ceylon appeared to indicate that a portion of Japan's trade in coloured goods had been captured from Indian mills and the handloom industry. With the quota in operation, therefore, it was thought, India might at least regain the trade she had recently lost in this line.

In printed goods, Japan's annual quota had been fixed at 6.6 million yards against an import of 11 million yards in 1933 and 14 million yards in 1932.

In artificial silk piecegoods, Japan's annual quota had been limited to 1.15 million yards. In the year 1933 she sent, as against this figure, 6.4 million yards, and in 1932, 6.1 million yards. Here again, there was a considerable field, but it was difficult to say whether India would be in a position to expand her trade as she had hitherto sent infinitesimal quantities of artificial silk piecegoods to Ceylon.

On a consideration of the above facts, the Committee of the Association decided to depute a special representative to investigate the possibilities of the Ceylon market and appointed Mr. Jamshed N. Mody, the Association's Bombay market correspondent, for the purpose.

Mr. Mody proceeded to Ceylon early in November with a fairly full range of samples manufactured by member mills. After making exhaustive enquiries, he submitted a detailed report as to the potentialities of the market and made various recommendations with regard to the best means by which Indian mill-made goods might be pushed in the market. A representative collection of samples brought by Mr. Mody was made available to members, and a number of them have taken up the suggestions made by Mr. Mody with a view to the development of their trade with the Colony.

IMPORT DUTIES ON COTTON FENTS.

Prior to December 1933, cotton fents not exceeding 9 yards in length were subject to import duty at the rate of 25 per cent. *ad valorem*. Under the provisions of the Indian Tariff Amendment Bill (Bill No. 49 of 1933), cotton fents were assessed with cotton piecegoods "other sorts," and fents of British manufacture were assessed at 25 per cent. *ad valorem*, and fents of non-British manufacture were subject to a duty of 75 per cent. *ad valorem*.

On 8th January 1934, in accordance with the provisions of the Indo-Japanese Treaty which had just been concluded, the duty on fents from foreign countries was reduced from 75 to 50 per cent. Fents of foreign origin continued to be assessed at this rate till 1st May 1934, when in accordance with the provisions of the Indian Tariff (Textile Protection) Amendment Act of 1934, it was further reduced to 35 per cent. It might be pointed out in this connection that when the duty was last reduced, the definition of the term "fents" was also altered so as to make the lower rate of duty applicable only to job lots of varying lengths and sizes not exceeding 4 yards.

While submitting their observations on the Indian Tariff (Textile Protection) Amendment Bill, the Committee of the Association drew Government's attention to the increased activity in the fents trade which had been noticed recently, and expressed the hope that the new definition of the term "fents" would provide a salutary check and ensure that nothing but *bona fide* fents were imported. Nevertheless, they pointed out that it was not necessary to reduce the duty to 35 per cent., especially as it had been only very recently increased to 50 per cent. The legitimate fent trade, they observed, should be in a position to bear duties at least as high as the *ad valorem* duties on other classes of cotton piecegoods as the fact that these goods were remnants necessarily implied very low prices.

Subsequently, representations were made to Government by the Ahmedabad Millowners' Association, and certain other organisations inviting Government's attention to the increased importation of fents and urging the desirability of keeping a close watch on the importations with a view to ascertain whether goods assessable to duty as "cotton piecegoods" were described as "fents" to obtain the benefit of the lower rate of duty, thus avoiding both the quota restriction and the higher duty. The matter was also raised in the Assembly, and in response to a question from Mr. B. Das, the Honourable Sir Joseph Bhore assured the House that:—

"Government have already issued instructions to the Collectors of Customs to the effect that the lower rate of duty on fents should be applied only to job lots of varying lengths and sizes, not exceeding 4 yards, rejected by mills on account of their defective weaving or dyeing or other substantial damage. Such fents would invariably be bundled (as distinct from the packing adopted for piecegoods) and invoiced by weight. There is, therefore, no reasonable scope for any evasion of customs duties."

He further explained:—

"The point really, Sir, is this, that the mere fact that a fent or a piece of cloth comes in, which is 4 yards in length, that fact by itself does not bring it under the definition of fents. Collectors of Customs have been given full instructions to see that despite the fact that a

piece of cloth may be 4 yards in length, if it does not come under the description which I have just read out, they should treat it as ordinary piecegoods which will be included in the quota which has been allotted for Japanese piecegoods."

The Committee of the Association made a careful examination of the whole case, and it was found that in the first 8 months of the year 1934, Japan had sent about 15 million yards of fents into British India as compared with 0.3 million yards in the calendar year 1932 and 7.4 million yards in 1933; in other words, Japan had sent to British India during the 8 months of the year under review twice as many fents as in the whole of 1933 and more than 40 times as many as in the whole of 1932. It was also found that simultaneously with the introduction of the lower rate of duty on fents with effect from 1st May, there had been a great acceleration in the rate of imports from Japan.

From certain figures collected by the Association it appeared that in the three months June to August 1934, more than 70,000 lbs. of spurious Japanese fents were detected by the Customs authorities in Bombay alone. Similar figures in respect of other ports were not available, but it was clear that persistent efforts were being made by Japanese importers to evade the quota and to obtain the benefit of the lower rate of duty by describing cotton goods assessable to duty as cotton piecegoods as fents.

The matter was, therefore, taken up by the Committee with the Government of India, and it was pointed out that in view of these attempts there existed a very strong case for an increase in the duty on foreign fents to 50 per cent. It was understood that consignments of spurious fents were reshipped on detection, but it was felt that the existence of a lower rate of duty on fents was itself an open invitation to the unscrupulous importer to resort to this practice again and again, and it might not be possible for the Customs authorities to detect all such consignments. Under these circumstances, it was also urged that Government should consider the advisability of imposing the more severe and logical penalty of confiscation, and should also draw the attention of the Japanese Government to the persistent attempts which were being made to evade the quota in this and other ways. (*Appendix 29.*)

IMPORT DUTY ON STARCH AND FARINA.

The Tariff Board of 1932 recommended, among other things, that a duty of 15 per cent. should be imposed on imported starching materials so as to place the Indian industry in a position of tariff equality with the foreign manufacturer, and the Indian Tariff (Textile Protection) Amendment Bill introduced in the Legislative Assembly early in February accordingly contained a provision, which sought to give effect to this recommendation.

The Board's recommendation appeared to be based upon a partial misconception of the type of product supplied by the Indian flour milling

industry to the Cotton Textile Industry for sizing purposes. An inquiry made from members in this connection indicated that the Indian milling industry had never supplied anything but wheat sizing flour to the Cotton Textile Industry, and that it still continued to supply that flour to Bombay and other textile centres though in gradually diminishing quantities. This diminution in the quantity supplied, however, was not due to the price factor, but to the fact that a great deal of the heavy sizing, which was previously common in Indian mills had been given up consequent on a demand which had recently sprung up for cloths either pure sized or lightly sized which necessitated the use of a number of other sizing and finishing materials such as maize starch, rice starch, potato starch and various types of patent products. While a duty imposed to protect a maize starch or farina manufacturing industry would have been to some extent justifiable, it appeared that no such industry existed in this country or was likely to be established in the near future, owing to the fact that the consumption of any particular type of starch was not large enough to warrant the erection of a factory, and any single type of starch could not answer the various purposes, or possess the various properties which the different grades of imported starches produced in sizing and finishing.

Another consideration which made the proposed impost unjustifiable was the consideration that it would be of no protective benefit to the flour milling industry, in view of the fact that the price of imported starches even without the proposed duty, had been consistently higher than that of wheat sizing flour, and the only effect of the duty would, therefore, be to increase the prices paid by the Indian textile industry for its sizing materials without in any way affecting the demand for Indian wheat and sizing flour, which was still used for the only purpose for which it was really suitable, namely, the production of heavy sized goods.

While the argument advanced by the Board that the duty would increase the fair selling price by $\frac{1}{3}$ per cent. was approximately correct, this fact, in the opinion of the Committee, should not be used as an argument in support of the imposition of the duty in view of the fact that the actual selling prices realised by mills were below fair selling prices. In addition, not only had the level of protection recommended by the Board not been accorded to the Industry, but duties had been imposed during the last few years on certain types of stores, dyes, textile machinery, component parts of machinery, etc., which were freed from duty as a result of the recommendations of the first Tariff Board. The cumulative effect of all these duties had been a great handicap to the Industry *vis-a-vis* its foreign competitors, which would be enhanced in the near future by reason of the increase in costs of manufacture resulting from the proposed reduction in the length of the working day.

For all these reasons, the Committee of the Association were opposed to the proposed duty on starch and farina, and a representation was accordingly addressed to the Government of India, but the proposal was subsequently approved by the Assembly, and the duty came into force on 1st May 1934. (*Appendix 30.*)

THE INDIAN WOOLLEN MILL INDUSTRY—ENQUIRY BY
TARIFF BOARD INTO CASE FOR PROTECTION.

(See page 10 of the Association's Report for 1933.)

It was indicated in the previous report of the Association that at the request of certain woollen mills in India, the Committee agreed to watch the interests of the Indian Woollen Mill Industry, and as a result, five up-country woollen mills became members of the Association.

During the year under review, the Committee had under consideration various matters connected with the Woollen Mill Industry. It was realised that the Industry contemplated the submission of a case for protection; efforts were, therefore, directed at the outset towards the reorganization of all statistical data relating to the industry, for example, output, imports, exports, financial position, prices of imported goods, etc., etc.

Detailed figures showing the production of cotton yarn and piecegoods in Indian mills are at the moment collected and published by the Director-General of Commercial Intelligence and Statistics, but no such figures are available in respect of the Indian Woollen Industry. The Department of Commercial Intelligence appeared to be willing to co-operate with the Association in this regard, provided member mills at least would agree to furnish them with the requisite data at the end of each month. It was suggested that if this could be arranged, the aggregate totals for all the mills submitting the information would be published by Government. No progress was possible, however, as certain woollen mills appeared disinclined to agree to furnish the Director-General with the figures showing their monthly production.

With regard to import statistics, a short summary showing the position is published in the Monthly Sea-Borne Trade Statistics and Navigation Accounts, but the detailed figures which are included in the annual issue of this publication are not available to the Industry until about nine months after the termination of the year to which they relate. The matter was informally discussed by the Secretary with the Director-General and Deputy Director-General of Commercial Intelligence, and through the courtesy of these officers the Association has since November 1933, been furnishing its woollen mill members every month with detailed figures relating to the importations of woollen manufactures into British India.

Information regarding the prices at which they are marketed in this country is as vital to the indigenous industry as information regarding the character and volume of imports. An enquiry was, therefore, addressed to the Government of India as to whether it would be possible for them to make arrangements through the Customs Officers in Bombay, Madras, Calcutta, etc., to obtain regular data regarding the wholesale market prices of representative lines of imported woollen manufactures, but Government regretted their inability to assist the Association in this regard. The woollen mill members were, therefore, advised to instruct their selling agents to collect such data wherever possible.

The Association had also under consideration the following matters :—

- (a) Compilation of a combined statement of accounts showing the profits and losses and financial position of the Indian Woollen Mill Industry.
- (b) Schemes for the registration of the trade marks, trade numbers and trade names used by Woollen Mills,

but these matters had ultimately to be dropped as there was no unanimity of opinion among the woollen members, and as a result, no tangible results were achieved.

Towards the end of October, the Government of India notified the appointment of a Tariff Board to investigate the Woollen Industry's claim for protection. The Association called a meeting of its woollen mill members to discuss the possibility of submitting a joint written statement to the Board, and though it was not possible for two members to participate in these discussions for domestic reasons, a representation outlining the views of those who attended the meeting was submitted to the Tariff Board.

REMOVAL OF TARIFF INEQUALITY BETWEEN IMPORTED SHUTTLES AND THE WOODEN BLOCKS REQUIRED FOR THEIR MANUFACTURE IN INDIA.

Early in September, the Committee were informed that the Tariff Board had been directed to enquire into an application from Messrs. H. M. Patel & Co. for the removal of tariff inequality between imported shuttles and the wooden blocks required for the manufacture thereof in India. In the event of it being decided to remove the inequality by increasing the duty on shuttles, the Committee were requested to supply the Board with information as to the effect on the cost of cotton products of an increase in the duty on shuttles from 10 per cent. to, say, 25 per cent.

From a special enquiry made by the Association from a representative number of member mills it appeared that an increase in the import duty on shuttles such as had been suggested by the Board would have the effect of raising the cost of manufacture of cotton piecegoods by approximately 0.02 pies per pound. The actual figure varied with different types of cloth and in different mills, but the estimate given above might, it was thought, be taken as representing approximately the increased cost per pound for the Industry as a whole for the types of goods which it was at present manufacturing. What, however, had to be considered was, in the opinion of the Committee, the increased cost to the Indian Mill Industry, and that would be approximately Rs. 70,000 every year. The Indian Jute Industry and the Indian Handloom Industry would probably be penalised to a similar extent, and the Woollen Weaving Industry to a smaller extent.

It appeared that the representation submitted by Messrs. Patel & Co. to the Government of India—which it was understood was the reason for the present investigation by the Board—was limited to a request for the removal

of tariff inequality between imported shuttles and the wooden blocks which it was apparently necessary to import for their manufacture in this country, *by a reduction or the removal of the existing duty on these special wooden blocks.* Nowhere in their representation did a claim appear to have been made that the tariff inequality now existing should be removed by increasing the duties on imported shuttles from 10 per cent. to 25 per cent. In these circumstances, the Committee were unable to understand the present enquiry from the Board, and strongly urged that it would be most unfair and inequitable to penalise the Indian Cotton Mill Industry, the Indian Handloom Industry and the Indian Jute Mill Industry by raising the duty on imported shuttles.

The Tariff Board of 1926 recommended the removal of the then existing import duties on a very large range of mill stores, and as a result of their recommendations, for some years the bulk of the mill stores used by the Cotton Mill Industry were admitted free of duty. Under the provisions of the Supplementary Finance Act of 1931, owing to the precarious position of the country's finances, a general surcharge on all existing import duties was imposed, and at the same time a duty of 10 per cent. was imposed on textile machinery and mill stores as a purely temporary measure. It was understood that it was the policy of Government to remove the duty on textile machinery and mill stores at the earliest possible opportunity. In these circumstances, it was submitted that the possibility of removing the tariff inequality between shuttles and the wooden blocks by raising the duty on the former should be ruled out of consideration. It was thought the case for the removal of the inequality by the alternative method of reducing or removing the duty on wooden blocks stood on an entirely different footing, and the proposal put forward by Messrs. Patel & Co. in this connection was, therefore, supported, since this claim was in accord with the principles laid down by the Indian Fiscal Commission, that is to say, it provided for the imposition of as low a rate of duty as possible on its essential raw materials. As, however, the Tariff Board, appeared to be considering the advantages and disadvantages of the removal of the tariff inequality by two alternative methods, the following estimate of the effects which would follow from the application of each was furnished to the Board.

So far as the Committee were aware, there was only one shuttle manufacturing company in India, namely, Messrs. H. M. Patel & Co. The capital of this company was very small, and it seemed that the capacity of the factory was about 400 gross per annum. Their total import of wooden blocks was not, therefore, likely to exceed that figure. The price of wooden blocks for the types of shuttles manufactured appeared to be 50 shillings per gross c.i.f. and the total c.i.f. cost of their imports of shuttle blocks, therefore, amounted to £1,000 a year. If, therefore, the duty on shuttle blocks were fixed at 10 per cent. instead of 25 per cent. the revenue to be derived from the import of these articles would be Rs. 1,350 per annum. In addition, Government would obtain revenue from the import of:—

400 gross of shuttle tips	5s. 6d.	per gross c.i.f.	Duty at 10 per cent.
Do.	minor shuttle fittings.	3s. 6d.	do.
Do.	shuttle tongues	30s.	do.

which would amount to a total duty of approximately Rs. 1,053. Against this increase in revenue should be set off the loss in revenue of 10 per cent. on the value of 400 gross of imported shuttles replaced by the Indian made article. It was understood that the average c.i.f. price of English and Italian shuttles which would be replaced by the Indian article was about 15s. 6d. per dozen. The revenue which would be lost would amount to Rs. 5,022. The net loss in revenue by the reduction of the duty on shuttle blocks would therefore be Rs. 5,022—(Rs. 1,350+Rs. 1,053)=Rs. 2,619. If the duty on blocks were entirely removed, the loss in revenue would be Rs. 5,022—Rs. 1,053=Rs. 3,969, which would not be a material sacrifice, and even this sacrifice would be more apparent than real since the new industry which it would assist to establish would be of benefit to the country, in however small a way. As against this method of removing the tariff inequality, an increase in the duty on imported shuttles would cost the Indian Cotton Mill Industry, the Indian Jute Mill Industry, and the Indian Handloom Industry approximately 14 per cent. on the total value of imports of all classes of shuttles. Based on the conservative figure for the Indian Cotton Mill Industry, given in an earlier para, namely, Rs. 70,000 per year, it was estimated that the additional duty would cost the three industries combined something like Rs. 2 lakhs per annum. A comparison of the results of the two methods of tariff equalization showed that by the first method, namely, removal of the duty on wooden shuttle blocks, Government revenues would suffer to the extent of not more than Rs. 4,000 per annum; whereas by the application of the second method, the Indian weaving industries would be penalised to the extent of not less than Rs. 2 lakhs per annum. On these considerations, it was submitted that there was no case whatsoever for the application of the second method.

At the same time it was pointed out that where a nascent Indian industry possessed considerable potentialities for development, and had, in addition, natural advantages in the shape of abundant supplies of raw materials, etc., the Textile Industry was prepared to make a reasonable sacrifice to assist its development. The fact that the Industry acquiesced in the imposition of a high duty on importations of magnesium chloride, an essential sizing material, was proof of this, but it was stated that the Association could not contemplate with equanimity an unnecessary penalization of the Industry such as would follow from the raising of the duty on imported shuttles from 10 per cent. to 25 per cent. more particularly in view of the fact that even the existing duty of 10 per cent. was imposed only as a temporary and emergency measure. It might be argued that the increase in the cost per pound of cloth by raising the duty on shuttles from 10 per cent. to 25 per cent. was insignificant, but as already pointed out, the total impost on the industry was not to be regarded as by any means small, and particularly if it was considered in conjunction with the other impositions which had already been made. Already the Industry had to bear the burden of a high duty imposed as a result of the former Tariff Board's recommendations on starch and farina. In addition, it had to pay an import duty of half an anna per pound on all imported cotton which it was using, and a 10 per cent. duty on imported machinery and mill stores. Few, if any, of its competitors had to pay such high charges, and in addition, these competitors had other substantial advantages which made it difficult for Indian mill goods to compete

in price with imported products. It was, therefore, maintained that the true interests of Indian industries demanded a return at the earliest opportunity to the salutary principle laid down in the Fiscal Commission Report, namely, that "raw materials required for Indian industries should ordinarily be admitted free of duty." (*Appendix 31.*)

HEALDS AND REEDS MANUFACTURING INDUSTRY.

Towards the middle of March, the Tariff Board, who were investigating an application for the removal of tariff inequality from manufacturers of healds and reeds in India, requested the Association to express an opinion regarding the extent to which an increase in the duties on imported healds and reeds, say, from 10 per cent. to 25 per cent. *ad valorem*, would affect the cost of cotton manufactures.

The subject was carefully considered by the Committee, and a reply was sent to the Tariff Board, in which it was pointed out that the increase in cost would vary considerably in different classes of fabrics; in fabrics made from coarser yarns with a low reed and pick the cost of healds and reeds per pound of cloth would be very much lower than in the case of cloths made from fine yarns with a high number of ends and picks per inch. The following estimates showing the effect of the proposed increase in duty per pound of cloth of various descriptions received from three representative mills were furnished to the Board:—

Mill A. estimated that the increase in costs per pound of cloth in their case would be 0.056 pies. The cloths included in their estimate were sheetings, leopard cloth and fine longcloth. In the first two cloths, the average count would be below 18s and the reed and pick fairly low. The fine longcloth referred to would be from about 38s warp and 44s weft and the reed and pick fairly high.

Mill B. gave an estimate covering the whole of their production. The average count produced in this mill was about 22s. Their estimate of the increase in cost was 0.054 pies per pound.

Mill C. submitted an estimate for Calcutta dhoties and for fine cloths. Their estimate on Calcutta dhoties showed that an increase of 15 per cent. in the duty on healds and reeds would put up the cost per pound by about 0.061 pies per pound. Their estimate for the finer cloths manufactured in their mills worked out at 0.23 pies per pound.

A general estimate covering the whole production of power looms in India had been made by the Healds and Reeds Manufacturing Company (India) Limited. The estimate was based on the average monthly expenditure on healds and reeds in a considerable number of mills in Bombay and Ahmedabad. According to this estimate, if the duty was increased from 10 to 25 per cent. the additional expenditure worked out at 0.01665 pies

per yard of cloth. Converted to a poundage basis, the average additional expenditure per pound over the Indian Textile Industry as a whole would work out at 0.076 pies.

It appeared that the application of the healds and reeds manufacturing industry of this country was limited to a request for the removal of tariff inequality. It had been suggested that help was required by reason of the fact that a number of the "raw materials" used by that industry had to pay a duty ranging from 20 to 25 per cent. *ad valorem* on importation, whereas imported reeds and healds had to pay a duty of 10 per cent. *ad valorem* only. Protection in the ordinary sense had not been claimed, probably for the reason that the conditions laid down by the Fiscal Commission could not be satisfied by the industry. While the Committee did not object in principle to the removal of tariff inequality, they submitted, in view of the fact that the Cotton Textile Tariff Board of 1926 after detailed examination recommended the entire removal of the import duty on the more important classes of mill stores and by reason of the fact that the industry now asking for protection was not one which satisfied the conditions laid down by the Fiscal Commission, that the tariff inequality in fairness to the textile industry should be removed by bringing into being an arrangement under which the healds and reeds manufacturing industry of this country might be permitted to import "raw materials" which they had to use, free of duty. As there were only two or three healds and reeds manufacturing companies in India, it was thought that no insuperable difficulties should be experienced in giving effect to this suggestion. In this connection, the Committee also pointed out that a recommendation for the reduction or removal of the duties on the "raw materials" of the healds and reeds manufacturing industry would be more in consonance with the original demand put forward by the representatives of that industry, who, on various occasions, had approached the customs authorities and the Central Board of Revenue in this matter. Messrs. E. D. Sassoon & Co., Ltd., who were agents for a number of cotton mills, had for a number of years been manufacturing a considerable number of healds and reeds used by their mills, and the Committee were informed that they would certainly prefer the removal of the tariff inequality by a reduction in the duty on "raw materials" in preference to the imposition of higher duties on imported healds and reeds. From the point of view of the cotton textile industry as a whole, there could be no question as to which method would be preferred since the removal of the duty on "raw material" would in no way increase the cost of manufacture of cloth.

It was also pointed out that the Indian Cotton Textile Industry had during the last few years been heavily penalised by the duties imposed on its "raw materials." For example, in 1931, duties amounting to 10 per cent. on textile machinery, spare parts and accessories, mill stores and dyes and six pies per pound on raw cotton were levied for revenue purposes. The duty on artificial silk yarn was also raised to $18\frac{3}{4}$ per cent. and would be further raised to 25 per cent. Proposals were also before the Legislature to impose a duty of 15 per cent. on starch and farina. Further, the Indian woollen mill industry contemplated making an application to the Tariff Board for a further increase in the duty on roller cloth, clearer cloth and

sizing flannel, which were free of duty till September 1931 and were now paying 10 per cent. The cumulative effect of these increases, and possible increases in duties on the Industry's "raw materials" had considerably reduced the benefits of the protective import duties on cotton piecegoods and cotton yarns, and taking into consideration the reductions recently made or contemplated in the import duties on cotton piecegoods and yarn, the proposed reduction in working hours in factories, and the serious depression now existing, any further burden, however small, on the Cotton Textile Industry's cost of manufacture should, if possible, be avoided. An undesirable precedent was set by the Tariff Board recently, when an alleged tariff inequality suffered by the Indian Flour Milling Industry was removed by raising the duty on starch and farina, which had the effect of raising the cost of manufacture of the Indian Cotton Textile Industry. The Committee pointed out that wherever possible, tariff inequalities should be removed by methods which would not have the effect of raising the cost of the finished product manufactured by one industry when that finished product was essentially an important "raw material" of another indigenous industry which had to meet very severe external competition. (*Appendix 32.*)

PROPOSED RESTRICTION IN OUTPUT OF COAL.

Early in June, the Government of Bombay, at the instance of the Government of India, requested the Committee to express an opinion on a proposal for the compulsory restriction, for a period of three years, of the output of coal in India, submitted to the Government of India on behalf of the Indian Mining Association and the Indian Colliery Owners' Association, and agreed to in principle by the Indian Mining Federation. It appeared that the main features of the scheme were:—

- (a) a reduction not exceeding 25 per cent. in the output of all but small collieries in Bengal and Bihar and Orissa ;
- (b) the maintenance of existing output in the Central Provinces ;
- (c) the grant of special treatment to recently opened collieries ;
- (d) the safeguarding of *bona fide* forward contracts up to 31st March 1935 ; and
- (e) the administration of the scheme by a committee consisting of a chairman appointed by Government and eight members of whom the Indian Mining Association would nominate four and the Indian Mining Federation and the Indian Colliery Owners' Association two each.

The Indian Mining Federation, while agreeing to the principle of restriction, held the view, apart from certain minor objections, that the recognition of forward contracts to the extent contemplated would defeat the purpose of the scheme, and took exception to the representation of the Colliery Owners' Association on the proposed committee,

In explaining the issues involved in the proposal, the Government of India stated in a lengthy communication addressed to local Governments that the case for restriction rested mainly upon the assertion that coal prices had so fallen in relation to raising costs that consumers were obtaining their coal at rates which were unfair, and might ultimately prove disastrous to the coal industry. In regard to this point, Government appeared to hold the view that the existing low prices of coal were not due to actual over-production. On the contrary, their analysis of the situation showed that the existing rate of consumption was actually in excess of production. The recent fall in production had been accompanied by the closure of a large number of small collieries, but the reason why this process had not effected a rise in price was, in the opinion of Government, the general slump in trade and the capacity of the industry to increase its production substantially at short notice. The continuance of the present state of affairs had the obvious advantage that it enabled an important raw material to be supplied at very cheap rates, and among those who profited by this state of affairs were Government themselves as an increase of Re. 1 in the pit's mouth price of coal would adversely affect their Railway and Defence budgets to the extent of about 34 lakhs of rupees. Government were not, however, unmindful of the fact that the Coal Industry was working at a loss and that such equilibrium as existed between raising costs and prices had largely been maintained by a reduction of wages and salaries and by an undesirable concentration on the best coal, and they particularly drew attention to the all-round financial losses, deterioration of the industry, especially in its power to adopt improved methods of extraction, and the undesirable reduction in wages and salaries which would follow if the present state of affairs in the Industry was allowed to continue.

Dealing with the obvious defects in the scheme proposed by the mining interests concerned, Government did not appear to be convinced that it would not be possible to establish a method of control which would provide an early and adequate rise of prices and secure the continuance of a satisfactory and not excessive price standard. The principal weakness of the scheme, in their opinion, was the inadequate protection it afforded to consumers, and this it was thought, could be remedied by providing a control board comprising an equal representation of producing and consuming interests under an official chairman.

The objections which the Government of India had to the whole proposal were, it appeared, objections of principle. In their opinion no true analogy could be drawn from the measures which had been taken to control the production of tea and rubber. Coal was one of the essential raw materials of trade and industry and it would be unjustifiable to take steps to increase the cost of coal merely because such steps were possible while the prices of all other principal raw materials which India produces were left in their present depressed condition. Government considered such action to be one-sided and likely to have undesirable effects on the industry, and consequently on the prices of other raw materials, such as cotton and wheat. Government were not also prepared to admit that an analogy could be drawn from the principle of protection. Protection, they stated, was given to industries against external competition from countries in which the conditions

of production differed from those in India. To give protection to a basic industry against internal competition would be to introduce a new principle. The cotton textile industry was suffering from uneconomic internal competition in some directions, but Government pointed out that the suggestion had never been made and could never be entertained that Government should take power to protect inefficient producers against their better competitors.

A consideration of almost equal importance was that, so far as could be foreseen, the effect of control even if it were to be successful would be merely to postpone the evil day. The mining interests concerned had proposed that control should be established for three years, and this appeared to be as long a period as could be contemplated for the purpose. Government held the view that the Coal Industry was a self-contained industry supplying a steady market and free from any real danger of external competition, and it was, therefore, eminently an industry, which should be able to organise itself, and the fact that it had so lamentably failed to do so hitherto made it reasonable to suppose that it would equally fail to adjust itself while it was protected by a control scheme from the stimulus of internal competition. Government, therefore, thought that no system of control could be established without doing a measure of injustice to some concerns, and if, on the cessation of control, the general conditions of the industry were approximately the same as it existed at the moment, these more efficient concerns would have made their sacrifices in vain, and would thus have a serious ground for complaint.

Under these circumstances, the Government of India were provisionally of the opinion that the application made by the mining interests should be rejected, but before taking any final decision, they wished to be informed of the views of local governments and other organisations interested in the proposal.

The Committee of the Association had, however, every sympathy with the difficulties through which the Indian Coal Industry was at present passing and recognised the need for steps to be taken either on its own initiative or with the assistance of Government, which would ensure its rehabilitation. Under certain circumstances and with satisfactory safeguards for consuming interests, the Association was prepared to consider favourably a scheme of restriction provided the primary object of such a scheme was the realisation of a true economic price by economic units of the Indian Coal Mining Industry. The Committee were of the opinion that it was not to the advantage of the country as a whole that an important industry like the Coal Mining Industry should be placed in a position in which it was forced to sell its production at prices below raising costs. At the same time, they felt that the restriction scheme submitted to the Government of India had defects which ruled out its acceptance either by the Government of India or by consuming interests, and suggested that Government would be well advised to refrain from coming to definite decisions in regard to the principle of compulsory restriction of production for the time being.

The Committee felt that a great deal could and should be done to assist the Indian Coal Mining Industry and that if certain measures were taken,

the necessity for restricting production in any way would be minimised and possibly eliminated; for example, it was thought that the country's coal consuming capacity had been very adversely affected by extremely high railway freight rates. Coal for Bombay, for example, had to pay freights which were two or three times the actual pit's mouth price. Similarly, high freights had to be paid by other large industrial centres. In many parts of the country inferior fuel substitutes were used at the present time in preference to coal simply on account of the terribly high freight rates, which made the final price of coal non-competitive with inferior fuels locally obtainable.

The Committee, therefore, suggested that, as an earnest of Government's intention to assist the Indian Coal Mining Industry, the 15 per cent. surcharge recently imposed on railway freights should be removed or reduced and a committee appointed to consider what further reductions in freight rates would be necessary and advisable to encourage the greater offtake of Indian coal and to inquire as to what further measures might be taken to improve the condition of the Indian Coal Mining Industry. (*Appendix 33.*)

BILL TO REGULATE MONEY-LENDING BUSINESS.

Early in September, the Government of Bombay requested the Association to express an opinion on the provisions of "A Bill to regulate the money-lending business" which had been introduced in the Legislative Council on 16th March by Mr. Syed Munawar. According to the Statement of Objects and Reasons appended to the Bill, the Bill was designed as a necessary adjunct to the Usurious Loans Act passed by the Imperial Legislature in 1918, its purpose being to exercise a legal check upon unscrupulous money-lenders as also upon reckless borrowers, who, it was stated, habitually indulged in the delight of borrowing. It also sought to control the profession of money-lending, which had admittedly assumed a menacing aspect in this Presidency, and this fact, in the opinion of the mover, justified the early introduction of this measure of social legislation.

When the Bill was read for the first time, Mr. Maxwell, speaking on behalf of Government, made the following points:—

1. While appreciating the objects underlying the Bill, Government did not think that it would straightaway achieve the mover's objects. Facts had to be faced, and there was no use in having on the Statute Book a measure which, on paper, looked attractive.
2. Inquiries made by the Government of Bombay from the Government of the Punjab regarding the working of a similar Bill passed by the Punjab Legislative Council in 1930 elicited the fact that there was an increase in the number of money suits in Civil Courts.
3. Government themselves hoped to obtain information regarding the problem and introduce a measure of their own.

Mr. Maxwell then indicated that if the mover did not withdraw his Bill, Government would not oppose the first reading as they had no desire

to be unsympathetic, but that if the first reading were passed, Government would suggest that the Bill be circulated for eliciting public opinion.

From the debate which followed Mr. Maxwell's statement, it appeared that the House was generally inclined to support the principle involved in the measure, but there was a general desire that the present Bill, which contained so many anomalies, should be withdrawn in view of the fact that Government themselves proposed to bring forward a measure at an early date.

On a consideration of the proposals embodied in the Bill, the Committee were of the opinion that the principal objects underlying the measure should be dealt with in an official Bill after all the implications of the legislation proposed had been thoroughly discussed from all points of view. It was understood that a number of provincial Governments had introduced various forms of debt legislation, but a great deal of this had proved inadequate or ineffective as a means of remedying the evils which it was intended should be removed. In these circumstances the Committee felt that the greatest care should be taken to ensure that any debt legislation introduced in Bombay should avoid the defects of similar legislation in other provinces.

The Committee, however, made it clear that they were emphatically in favour of reasonable measures being taken to prevent the unjust harassment of the "poor debtor" by the usurious money-lender. They felt that what was required was that greater facilities should be given to the "poor debtor" to obtain redress in obvious cases of fraud or excessive interest, and they were inclined to the view that habitual usury should be made a criminal offence and that certain classes of money-lenders should be licensed. *(Appendix 34.)*

INDIAN MERCHANDISE MARKS ACT.

STAMPING OF INDIAN MILL-MADE COTTON GOODS.

Towards the end of August, an inquiry was received from a member of the Association as to whether he was permitted under the law to stamp a 27-yard piece with the words "28 yards approximately." In consultation with the Collector of Customs, Bombay, the Committee pointed out that section 12 of the Indian Merchandise Marks Act required the real length of piecegoods to be stamped thereon. The instructions issued under the Act indicated the permissible variations between the real length and the stamped length of the piece, and whether or not the stamped length was qualified by the word "approximate," the variations between the marked length and the real length should be within the limits indicated in the Manual. *(Appendix 35.)*

REVISION OF RAILWAY RISK NOTE TERMS.

Towards the middle of May, the Secretary, Chamber of Commerce, Bombay, drew the attention of the Association to the following resolution which was carried unanimously at the meeting of the Associated Chambers of Commerce of India held in Calcutta in January last :—

“ This Association requests the Government of India to direct the Railway Board to revise the terms in which Railway Risk Notes are at present drawn. The Association urges that the wording of these Notes should be so amended as—

- (a) to lay upon the railway administration the burden of proof that loss of, or damage to, goods consigned was not due to misconduct on the part of their servants ;
- (b) to ensure that, in dealing with claims for loss or damage, railways shall not be able to repudiate liability on the strength of the endorsement of risk notes at the time of despatch unless the loss or damage was directly attributable to conditions noted in the endorsement ; and
- (c) generally to incorporate the principle that the railway shall be under obligation to give delivery of consignments in the same good order and condition in which they were tendered for despatch.”

It would appear that when the terms of the above resolution were communicated to the Railway Board, it was held as regards (a) and (c) that there existed no sufficient justification for re-opening the question. As regards (b) Government believed that a circular letter of instructions which the Railway Board issued to all railways in October 1933, would remove any cause for further complaint in the matter. The Chamber considered the reply as unsatisfactory, and suggested the desirability of the Association addressing Government on the subject, with a view to convince them that the weight of commercial opinion was in favour of a revision of the terms in which Railway Risk Notes were drawn.

The matter was carefully considered by the Committee of the Association. They were of opinion that the whole question had not been satisfactorily disposed of. Supposing several bales out of a large consignment of full-pressed cotton were destroyed by fire, which originated from an axle-box insufficiently lubricated ; a claim preferred by the consignor to the Railway Company would be turned down on the stereotyped ground that the consignment was booked at the reduced rate of owner's risk under Risk Note H and that the loss was not due to any misconduct on the part of the Railway authorities. Though in this case the loss could be directly attributed to misconduct or negligence on the part of the Railway authorities, the consignor would not be in a position to prove it as the railway authorities were not bound under the present terms to disclose how the consignment was dealt with throughout the time it was in their possession unless it was a case of non-delivery of the whole of the consignment, and provided that non-delivery was due to causes other than accidents to train or to fire.

The Committee held that a consignor having delivered the goods to the Railway Company, knew absolutely nothing as to the manner in which the goods were carried. It was only the Railway Company over which the goods were transported who were in a position to say in what manner the goods were conveyed ; how often and in what manner a particular wagon

was detained *en route*; what precautions were taken during such stoppages; where exactly a loss or damage occurred and by whom it was detected, and whether it was reported to the police, and if so, with what result. Under these circumstances, it would be unfair to expect the consignor to produce proof of negligence on the part of the railway administration. The Committee considered that in fairness to consignee and consignor, the onus of proving non-negligence should be laid on the railway administration concerned.

With regard to item (b) mentioned in the Associated Chambers' resolution, the Committee regretted that the circular which the Railway Board addressed to certain railway administrations in October 1933, had not completely removed all causes for complaint. As a matter of fact, several complaints of unwarranted endorsements by the railway staffs on the back of railway receipts were recently brought to the notice of this Association and other trade organizations in Bombay, and the matter was taken up with the G. I. P. and B. B. & C. I. Railways at a joint conference. As a result of the discussions which took place, the railway authorities offered to hold joint inspections by representatives of the trade and of the railways to see how far the instructions issued to prevent the misuse or abuse of Risk Note A were being followed. Whatever the results of this special enquiry, the Committee made it clear that there existed a very strong demand for a general revision of the terms of risk notes, and suggested that Government might again make further enquiries from the trading interests concerned as to the exact directions in which a revision of the terms of Risk Notes was considered to be necessary.

The Railway Board in reply stated that the views expressed by the Association had been duly considered by the Railway Risk Note Advisory Committee in 1922, and that no new circumstances had arisen justifying the re-opening of the matter.

As regards the complaints of unwarranted endorsements made on railway receipts, the Board referred to paragraph 10 of the Risk Note Committee's report, in which it was explained that no alteration in the phraseology employed would prevent abuses arising. The Board, however, believed that such difficulties as might arise in reconciling the point of view of the consignor and the railway staff concerned were susceptible of settlement if the matter was immediately brought to the notice of the responsible railway authorities.

No further action was, however, taken pending the result of a representation which, it was understood, the Associated Chambers of Commerce had addressed to the Railway Board early in December. (*Appendix 36.*)

INTRODUCTION OF FIVE-LETTER CODE WORDS IN INLAND TELEGRAMS.

Early in the year, the Director-General of Posts and Telegraphs requested the Association to express an opinion on the question of the adoption of the five-letter code system in inland telegrams in place of the existing ten-letter codes and at the usual rates of charge for inland telegrams. It

was pointed out that the system of charging at the rate of five letters to a word for all unintelligible combinations of letters in the text of a telegram had been in force in Great Britain for a number of years. The advantages to be derived from the proposed change were briefly stated to be :—

- (a) that the code words would not be subject to any conditions regarding the use of vowels (such as previously existed in the case of code language). They could be formed in any way as in the case of code words in foreign telegrams;
- (b) that it would obviate the necessity of firms having to maintain two sets of code books, one for use in foreign telegrams (5-letter code) and the other for use in inland telegrams (10-letter code). It would not be necessary to republish existing code books containing 10-letter code words;
- (c) that checking the number of vowels in code words being no longer necessary, the work of the counter clerks would be simplified in accepting code telegrams and the rapid disposal of such telegrams would be facilitated.

It was admitted that the adoption of the five-letter code system might result in a slight increase in the cost of telegrams in some cases, but considering the advantages to be gained, particularly as regards the more rapid transmission of code messages, it was hoped that the commercial community would raise no objection to the proposed change.

The matter was carefully considered by the Committee, and in opposing the proposed measure, they pointed out that the increase in charges arising out of the adoption of the five-letter code was by no means slight as had been made out. An ordinary telegram to Calcutta in code containing 12 words (10 ten-letter words in the text and 2 words in the address) was charged 13 annas whereas under the proposed scheme, the 10 ten-letter words would be counted as 20 five-letter words, and the telegram would be charged for 22 words, that is, Re. 1-7-0.: in other words, an increase of about 77 per cent., the percentage increase varying directly with the number of words in the telegram. Thus, mills which were extensively using Bentley's and other similar codes for inland telegrams would, under the proposed scheme, be compelled to incur exorbitant telegraph charges at a time when every item of overhead or business expenditure had to be ruthlessly cut down. The Committee were, therefore, of the opinion that, whatever advantages the new system might command, it would be unacceptable to the commercial and industrial community of the country owing to the higher charges involved. (*Appendix 37.*)

THE INDIAN "KHADDAR" (NAME PROTECTION) ACT, 1934.

(*See pages 43 and 172 of Report for 1933.*)

On page 43 of the Report for 1933 reference was made to the report submitted by the Select Committee on the Indian Khaddar (Name Protection) Bill.

The Bill as amended by the Select Committee was taken up for consideration on 8th February, and after a short discussion was passed by the Assembly. Having received the assent of the Governor-General, it became law on 13th March. The operative part of the Act will, however, come into force in any province only on such date as the Local Government may, by notification in the official Gazette, appoint in this behalf. (*Appendix 38.*)

CERTIFICATION BY MILL COMPANIES OF THE SIGNATURES OF TRANSFERORS OF SHARES ON TRANSFER DEEDS.

Towards the end of January, the attention of the Association was drawn to a suggestion made by the Native Share and Stock Brokers' Association that mill companies should agree to certify the signature of the seller on a transfer deed, previous to the actual transfer being effected, as it was proposed to make delivery of a transfer deed to a buyer valid only when it contained an endorsement of the character described. It was contended that this procedure would enable the transferee to ascertain whether the signature of the transferor was in order, and would also obviate the risk of the transfer being rejected when presented for registration later on.

The proposal was carefully considered by the Committee, but they felt that it was unacceptable inasmuch as it imposed an additional and unnecessary burden both on shareholders and the staffs of the companies concerned by reason of the fact that all transfers had to be presented twice at the office of the company, once for attestation of the signature and again for registration before sales of the shares could be effected. It might also encourage the undesirable practice of share certificates with blank transfer deeds attached circulating in the market for extended periods leading to the evasion of the stamp duty which should be paid for every transaction. It was further considered that the right of the companies to accept or reject the signatures of shareholders on transfer forms up to the time of registering transfers would be nullified by the adoption of the suggestion. Under these circumstances, the Committee advised member mills not to agree to the proposal put forward. (*Appendix 39.*)

RETURN OF NAMES AND ADDRESSES OF RECIPIENTS OF INTEREST.

Section 20A of the Indian Income-tax Act, reads as follows :—

“ The person responsible for paying any interest not being ‘ Interest on Securities’ shall on or before the 1st day of June each year furnish to the prescribed officer a Return in the prescribed form and verified in the prescribed manner of the names and addresses of all persons to whom during *the previous financial year* he had paid interest or aggregate interest exceeding such amount not being less than one thousand rupees as may be prescribed in this behalf together with the amount paid to each such person.”

At the instance of a member of the Association, the Association's Solicitors were asked to express an opinion as to what was meant by the term 'the previous financial year' mentioned in the section. The facts of the case were that the member mill concerned submitted to the Income-tax Officer its usual return for the year ended 31st December 1933 under Section 22 (1) of the Indian Income-tax Act. Along with this return was also submitted another return under section 20A, i.e., List of persons to whom interest or aggregate interest exceeding Rs. 1,000 was paid during the year *from 1st January 1933 to the 31st December 1933*. The Income-tax Officer thereupon reminded the Company that the term 'previous financial year' mentioned in section 20A referred to the Government financial year ending 31st March 1934, and asked them to amend the return accordingly. The member mill contended that the annual return submitted to the Income-tax Officer under section 20A was prepared on the basis of the audited accounts of the year, which in its case ended on 31st December 1933 and not on 31st March 1934, and he, therefore, wanted to know whether the Income-tax Officer was justified in calling upon him to furnish particulars in respect of a period which was not covered by his audited accounts.

The Association's Solicitors in expressing an opinion on this point stated "if the words used in section 20A had been 'previous year' the contention which the member mill sought to establish would have been correct, because, according to section 2 (ii) of the Act, it was at the assessee's option to take 'the previous year' either as a period from the 1st April to the 31st March or any period of 12 months upon which to be assessed. The words are, however, not 'the previous year' but 'the previous financial year.' 'Previous financial year' is not defined in the Act, but the General Clauses Act defined 'previous financial year' as a year commencing on the first day of April." The Association's Solicitors were, therefore, of the opinion that the member in question must furnish a return under section 20A for the period ended 31st March 1934.

The opinion expressed by the Solicitors was circulated to all members for information. (*Appendix 40.*)

PROHIBITORY ORDERS FROM THE SMALL CAUSES COURT.

Towards the middle of November the attention of the Committee was drawn to the inconvenience caused to mill managements by the Prohibitory Orders issued by the Small Causes Court to withhold and pay into Court a portion of the operatives' wages in satisfaction of decrees held by their creditors. It was pointed out that when such orders were received from the Court, it was necessary for an official of the mill concerned to make a special journey to the Small Causes Court, and pay in to the Registrar the amount specified in the Orders. The Committee accordingly submitted a

representation to the Chief Judge of the Small Causes Court, and suggested that the existing procedure might be modified so as to permit :—

- (1) the amount due from the mill to the Court to be remitted by post or by cheque at the option of the mill company ; or
- (2) the amount to be paid over to an official of the Court at the mills.

No final orders have yet been passed by the Chief Judge in this behalf.
(*Appendix 41.*)

PROPOSED BOMBAY/SIND BROAD-GAUGE RAILWAY CONNECTION.

Towards the end of September, the Agent of the B. B. & C. I. Railway requested the Committee to express an opinion on a proposal to construct a broad-gauge railway connection between Viramgaum and Badin in Sind. The cost of the railway connection was estimated at six crores of rupees and the views of the Committee were requested as to :—

- (i) whether the expenditure of such a large sum on this project was justified ;
- (ii) whether the new line was likely to secure the bulk of the traffic between Sind, Bombay and Gujarat and, if not, to what extent this traffic would move by the rail-cum-sea route ;
- (iii) whether the new line was likely to capture any part of the existing sea traffic from Karachi to Bombay and Gujarat, and if so, to what extent.

The Committee stated in reply that the proposed railway would probably give no financial return on the capital invested for a number of years, and that in the existing straitened financial circumstances of the country, an expenditure of six crores of rupees on an unproductive project would not be justified.

As regards the second point, the Committee stated that the new line would be unlikely to secure the bulk of the traffic between Sind, Bombay and Gujerat as, in their opinion, a great deal of this traffic was bound to pass along the rail-cum-sea route by reason of lower freight costs.

Under all these circumstances, the Committee held that the proposal should not be proceeded with for the time being. (*Appendix 42.*)

PROPOSED ESTABLISHMENT OF AN AERODROME ON THE BOMBAY RECLAMATION GROUND.

Towards the end of September, the Secretary, the Indian Roads and Transport Development Association, Ltd., informed the Committee that a representation to the Government of India on the question of the desirability and need for the establishment of an aerodrome on the Bombay Back Bay

Reclamation ground was under consideration. In this connection, it would appear that a suggestion had been made that a communication representing all branches of the Bombay public should be addressed to the Sheriff of Bombay requesting him to convene a public meeting at which the question could be fully discussed, and the Committee were asked whether they would associate themselves with the proposal.

The Committee felt that the procedure suggested was hardly the most appropriate one. They thought a project of this character could be most suitably ventilated at a meeting representing all the chief business interests of the city rather than at a Sheriff's meeting. A reply to this effect was accordingly sent to the Indian Roads and Transport Development Association. (*Appendix 43.*)

BIHAR EARTHQUAKE RELIEF FUND.

In view of the disastrous earthquake which occurred in Northern India early in the year, and the acute distress which prevailed in many parts of the country consequent thereon, a number of appeals for assistance was received from various organizations engaged in rendering relief in the stricken areas. A special appeal was therefore issued to all members of the Association by the Deputy Chairman of the Association in the absence of the Chairman who was at Delhi in connection with the Legislative Assembly. Special arrangements were also made with the railway authorities for the speedy transit of cloth bales donated by mills to the affected areas. As a result of the appeal, the following donations were received from member mills and credited to His Excellency the Viceroy's Earthquake Relief Fund:—

<i>Donations in Cash—</i>		Rs.
1.	Messrs. E. D. Sassoon & Co., Ltd.	5,000
2.	„ Sassoon & Alliance Silk Mills Co., Ltd. . .	500
3.	„ Sassoon Spg. & Wvg. Co., Ltd.	500
4.	„ Union Mills	500
5.	„ Gaekwar Mills, Ltd.	500
6.	„ Phoenix Mills, Ltd.	500
7.	„ Dawn Mills Co., Ltd.	500
8.	„ Gokak Mills, Ltd.	500
9.	„ Mysore Spg. & Mfg. Co., Ltd.	150
10.	„ Minerva Mills, Ltd.	100
11.	„ Burhanpur-Tapti Mills, Ltd.	100

Donations in Cloth—

1.	Messrs. W. H. Brady & Co., Ltd.	..	3 bales of cloth.
2.	Central India Spg., Wvg. & Mfg. Co., Ltd.	..	Cloth worth Rs. 500.
3.	Ahmedabad Advance Mills, Ltd.	..	Cloth worth Rs. 500.
4.	Century Spg. & Mfg. Co., Ltd.	..	5 bales of cloth.
5.	Khatau Makanji Spg. & Wvg. Co., Ltd.	..	5 bales of cloth.
6.	Sholapur Spg. & Wvg. Co., Ltd.	..	Cloth worth Rs. 700.
7.	Jam Manufacturing Co., Ltd.	..	8 bales of cloth.
8.	Vidarbha Mills, Berar, Ltd.	..	Fents worth Rs. 79-14-0.
9.	Madhowji Dharamsi Mfg. Co., Ltd.	..	4 bales of cloth.
10.	The Indian Woollen Mills	..	Woollen fents worth Rs. 400.
11.	Simplex Mills Co., Ltd.	..	3 bales of cloth.
12.	Moon Mills, Ltd.	..	3 bales of cloth.
13.	Shri Shahu Chhatrapati Mills	..	Cloth worth Rs. 200.
14.	Sir Shapurji Broacha Mills	..	Cloth worth Rs. 390.

It may be stated that prior to the issue of the Association's appeal, a number of member mills had already made their individual contributions direct to the various relief organizations, and it is gratifying to note that, in spite of the difficult times through which the industry had been passing for a number of years past, the total contributions made by member mills, their managing agents in their personal capacities and staffs combined amounted to no less than Rs. 87,587-6-3 and 42 bales of cloth. In addition, at the Annual General Meeting of the Association held on 23rd May 1934, a donation of Rs. 2,000 was sanctioned from the Association's funds for the Bihar Earthquake Relief Fund.

**FORTNIGHTLY CURRENT QUOTATIONS FOR LOCAL-
MADE PIECEGOODS AND YARN.**

(See page 6 of Association's Report for 1926.)

The Fortnightly Current Quotations published by the Association were last revised by the Committee in 1926, and the list of cloths for which quotations were obtained was enlarged so as to include typical lines of goods then produced in Bombay mills, and the published quotation for each sort represented the average of the wholesale quotations for the same cloth submitted by a number of mills. This arrangement worked very well till the closure of the Petit group of mills in 1931, but no alterations in the classifications for which quotations were published were deemed necessary as it was subsequently found possible to make other arrangements and to ensure continuity of records. The position, however, was altered in 1933 when, on account of the complete closure of the Currimbhoy group and certain other

mills, difficulty was experienced in obtaining the requisite number of quotations for each sort. Certain lines which had been produced in 1926 had also been given up, or their construction so substantially altered that the Committee found it advisable again to revise the basis of their Current Quotations. The question was examined by a special Sub-Committee of the Association, whose proposals in this connection were ultimately accepted by the Committee. The principal features of the revised list framed by the Sub-Committee are :—

(1) The classifications and dimensions selected for the new list are more or less representative of the sorts manufactured at the moment.

(2) The margin of error in each quotation has been minimised by taking the average of the quotations submitted by a number of mills producing a particular sort.

(3) The list has been extended so as to include finer counts of yarn and piecegoods.

The revised Current Quotations will be supplied to members from January 1935.

PIECEGOODS MARKET REPORTS.

During the year, the Association regularly received reports from Mr. N. Khaitan and Mr. J. N. Mody on the Calcutta and the Bombay piecegoods markets respectively. Copies of these reports have been regularly supplied to members, and have been greatly appreciated. The services of Mr. J. N. Mody, the Association's Bombay Market correspondent, were also utilised with advantage in connection with the preparation of the case submitted by the woollen mill members of the Association to the Tariff Board.

BOMBAY FIRE INSURANCE ASSOCIATION

RULES FOR BUILDING CONSTRUCTION.

Early in February, the Bombay Fire Insurance Association forwarded for the information of the Committee certain amendments in their rules for construction under the Bombay and Salsette Cotton Mills and Cotton Mills Godowns Tariff. On an examination of the proposed rules, it was found that both in fireproof and non-fireproof buildings the principal exterior walls of godowns were required to be not less than 18" in thickness, whereas the existing rules provided for a minimum thickness of 14" only. It was thought that while the increase in thickness of the walls alone would not materially affect the insurance risk, it would undoubtedly increase the cost of the building to the detriment of the insured. Representations were accordingly made to the Insurance Association as a result of which they agreed to retain the minimum provided in the existing rules. (*Appendix 44.*)

FIRE INSURANCE RATES—COTTON MILLS.

CALENDER MACHINES HEATED BY PETROL GAS.

Towards the end of September, the Committee were informed that the Bombay Fire Insurance Association had sanctioned the following rates for buildings in which singeing of cloth or yarn was carried on by petrol gas machines and/or in which calendering machines heated by petrol gas were installed :—

	Fire-proof.	Non-Fire-proof.
	Annas	%.
(a) Having adequate ventilation of the compartment provided at floor level ..	22	28
(b) Where the machines are segregated by party walls from other portions of the buildings		
(c) Prohibiting the use of artificial light except electric filament lamps in the compartment except for igniting the burners. This should preferably be done by electric means also		
Free of such conditions	26	32

So far as the Committee were aware, there were no petrol singeing or calendering machines in Bombay mills, and no action was, therefore, taken in the matter. (*Appendix 45.*)

RAW COTTON STOCKS HELD BY BOMBAY MILLS ON
31st AUGUST 1934.

Quantity of Raw Cotton in stock on 31st August 1934.					
Cotton actually on hand in Mill Godowns.		Ready cotton bought but not taken delivery of.		Total.	
Actual Number of Bales.	Actual weight of bales (in Candies of 784 lbs.)	Actual Number of Bales.	Actual weight of bales (in Candies of 784 lbs.)	Actual Number of Bales.	Actual weight of bales (in Candies of 784 lbs.)
205,833	104,771	38,799	22,453	244,632	127,224

MILL HOLIDAYS AND PAY-DAYS FOR 1935.

The following mill holidays, which are in accordance with the provisions of the Indian Factories Act, have been fixed by the Committee of the Mill-owners' Association Bombay, for adoption by the Bombay members of the Association during the year 1935.

MONTH.	DATE OF HOLIDAY.	DAY OF WEEK.	FESTIVAL.	MONTHLY PAY-DAY.	DAY OF WEEK.
JANUARY	1st	Tuesday	<i>New Year Day</i>	13th	Sunday.
	6th	SUNDAY	<i>Makar Sankarant</i>		
	14th	Monday			
	20th	SUNDAY*			
	27th	Do.			
FEBRUARY	3rd	SUNDAY			9th	Saturday.
	10th	Do.			
	17th	Do.			
	24th	Do.			
MARCH	3rd	SUNDAY	<i>Maha Shivratri</i>	9th	Saturday.
	10th	Do.	<i>Holi</i>		
	20th	Wednesday			
	21st	Thursday			
	22nd	Friday			
31st	SUNDAY				
APRIL	4th	Thursday	<i>Gudi Padva</i>	11th	Thursday.
	12th	Friday	<i>Ram Navami</i>		
	21st	SUNDAY			
	28th	Do.			
MAY	5th	SUNDAY.		11th	Saturday.
	12th	Do.			
	19th	Do.			
	26th	Do.			
JUNE	2nd	SUNDAY.		8th	Saturday.
	9th	Do.			
	16th	Do.			
	23rd	Do.			
	30th	Do.			
JULY	7th	SUNDAY		11th	Thursday.
	12th	Friday			
	21st	SUNDAY.			
	28th	Do.			
AUGUST	4th	SUNDAY	<i>Nag Panchami</i>	13th	Tuesday.
	14th	Wednesday	<i>Narli Purnima</i>		
	21st	Do.	<i>Gokul Ashtami</i>		
	25th	SUNDAY.			
SEPTEMBER	1st	SUNDAY	<i>Ganesh Chaturthi</i>	10th	Tuesday.
	11th	Wednesday	<i>Anant Chaturdashi</i>		
	15th	SUNDAY.			
	22nd	Do.			
OCTOBER	27th	Friday	<i>Sarva Pitri Amvasa</i>	12th	Saturday.
	7th	Monday	<i>Dasara</i>		
	13th	SUNDAY.			
	20th	Do.			
	27th	Do.			
	28th	Monday			
29th	Tuesday				
NOVEMBER	3rd	SUNDAY.		9th	Saturday.
	10th	Do.			
	17th	Do.			
	24th	Do.			
DECEMBER	1st	SUNDAY.		14th	Saturday.
	8th	Do.			
	15th	Do.			
	22nd	Do.			

* There is a lunar eclipse on Saturday, 19th January 1935. If it is decided to close the mills on this day, Sunday, the 20th January, will be a working day.

TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT.

For purposes of record, the Indian Customs Tariff, Schedules I and II, appended to the Indian Tariff Act, XXXII of 1934 (as in operation during the year 1935), showing the rates of customs duties levied on goods imported into and exported from British India, together with tariff values assigned to certain articles for the purpose of assessment of customs duties during the twelve months January to December 1935, are reproduced in full in *Appendix 46*.

THE MILLOWNERS' ASSOCIATION, BOMBAY.

Balance-sheet as at 31st December 1934.

LIABILITIES.			ASSETS.									
Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	
For Imperial Bank of India (Overdraft) (Secured on hypothecation of Government Securities of the face value of Rs. 1,70,700 as per contra.)			7,713	3	2	Interest accrued on Association's Investment of General Fund upto 31st December 1934, but not received	4,571	13	0			
For Auditors' fees, Advertisement, Printing, Stationery, Electric Lights and Fans, etc., unpaid			1,679	14	0	Outstandings due	2,016	14	3	6,588	11	3
For subscriptions received in advance for 1935			687	0	0	Advance payments made on account of Books and Periodicals, Telephones, Salary of Clerk at Calcutta, and other sundry items				561	9	3
Balance of amount appropriated for future propaganda and action for the promotion of the piecegoods and yarn trade of Member Mills			27,636	3	0	Advances to staff				1,973	9	6
Arbitration Deposits			6,020	0	0	Expenses in connection with the Municipal Assessment of Mills				600	0	0
Amount of Deposit received from Mr. H. P. Mody in connec- tion with the election of the Association's representative in the Legislative Assembly			500	0	0	ASSOCIATION'S INVESTMENTS AT COST :—						
ASSOCIATION'S GENERAL FUND—						Government 3½ per cent. Promissory Notes of 1854/55; 1865; and 1900/01; for Rs. 2,17,000	1,45,051	14	0			
Balance as on 31st December 1933	1,96,854	5	11			Government 3½ per cent. Promissory Notes of 1947-50 for Rs. 33,100	31,776	0	0			
Add—Excess of Income over Expenditure during the year ..	28,152	4	8			Government 4 per cent. Bonds 1960/70 for Rs. 40,000 ..	37,600	0	0			
						Government 5½ per cent. Promissory Notes 1938/40 for Rs. 35,600	37,813	0	0	2,52,240	14	0
						(Market value of the above is Rs. 3,30,140-4-0)						
						CASH—						
						With the Imperial Bank of India, Secretary's Account ..	7,771	12	0			
						On hand	406	6	9	8,178	2	9
Total Rs. ..			2,70,142	14	9	Total Rs. ..				2,70,142	14	9

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Examined and found correct.

A. F. FERGUSON & CO.,

Chartered Accountants,

Registered Accountants,

AUDITORS.

T. MALONEY,

Secretary.

THE MILLOWNERS' ASSOCIATION,

BOMBAY, dated the 18th February 1935.

THE MILLOWNERS' ASSOCIATION, BOMBAY.

Income and Expenditure Account for the year ended 31st December 1934.

Dr.

Cr.

EXPENDITURE.	Rs. a. p.		Rs. a. p.		INCOME.		Rs. a. p.		Rs. a. p.	
To Establishment	57,587	12 0			By Subscriptions for the year ended 31st December 1934..	1,04,848	2 0			
Conveyance Allowance to Secretary and Labour Officer ..	1,500	0 0			„ Miscellaneous Receipts	1,405	15 0			
Preparation of Monthly Import and Export Statistics for 1934	2,463	0 0			„ Registration of Trade Numbers	1,691	12 0			
Preparation of Statistics for Bombay Cotton Mill Industry for 1933	599	8 0			„ Interest on Investments of General Fund	12,522	0 3			
Office Rent	4,200	0 0								1,20,467 13 3
Printing Statistical Returns, Mill Statement for 1934 and Annual Report for 1933, etc.	5,175	5 0								
Stationery	1,883	8 6								
Advertisements	135	8 0								
Books and Periodicals	994	12 9								
Auditors' Fees	200	0 0								
Telephones	567	5 7								
Electric Lights and Fans	523	8 0								
Law Charges	242	0 0								
Furniture and Fixtures	1,485	2 0								
Petty Charges, Sundry Expenses including Postage and Telegrams	2,856	1 6								
Association's Contribution to Provident Fund	3,430	0 0								
Membership Subscriptions to the Employers' Federation of India, Textile Institute and Royal Asiatic Society for 1934	847	15 3								
Expenses in connection with Mill strike propoganda ..	3,124	2 0								
			87,815	8 7						
ASSOCIATION'S CONTRIBUTIONS FOR THE YEAR TO :—										
The Victoria Jubilee Technical Institute.. .. .	1,500	0 0								
Police Comforts Fund	1,000	0 0								
Bihar Earthquake Relief Fund	2,000	0 0								
			4,500	0 0						
Balance being excess of Income over Expenditure carried to Balance-sheet			28,152	4 8						
Total Rs. ..	....		1,20,467 13 3		Total Rs. ..	..			1,20,467 13 3	

THE MILLOWNERS' ASSOCIATION,
BOMBAY, dated the 18th February, 1935.

Examined and found correct.

A. F. FERGUSON & CO.,
Chartered Accountants,
Registered Accountants.

T. MALONEY,
Secretary.

AUDITORS.

THE MILLOWNERS' ASSOCIATION PROVIDENT FUND.

Statement of Funds for the year ended on the 31st December 1934.

PROPERTY AT OPENING AND RECEIPTS.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	EXPENDITURE AND PROPERTY AT CLOSING.	Rs.	a.	p.	Rs.	a.	p.
By Amount of Funds as at the 1st January 1934				86,939	14	8				To Claims paid	14,090	8	9			
„ Subscriptions received :—										„ Expenses during the year	10	3	0			
From Members of the Millowners' Association	3,430									„ INVESTMENTS HELD AT COST :—				14,100	11	9
From Members of the Millowners' Mutual Insurance Association Ltd., (repaid).	30			3,460		0				Government 3½ per cent. Promissory Notes 1842/43, 1854/55, 1865, and 1900/01 for Rs. 24,700	16,485	14	0			
„ Contributions from the Millowners' Association				3,430		0				Government 3½ per cent. Bonds 1947/50 for Rs. 14,000	13,639	14	0			
„ Interest (including interest accrued to date, Rs. 992-4-0)				3,430	5	3				Government 4 per cent. War Bonds 1960/70 for Rs. 52,000	49,246	4	0			
							97,260	3	11		79,372	0	0			
„ Reserve against Depreciation of Government Securities :—										„ Interest accrued and due on these Securities	992	4	0			
As per last account				1,746	14	2				(Note.—The present worth of the above Securities is Rs. 96,344.)						
Add : Profit on transfer and sale of Government securities				907	11	6	2,654	9	8	„ Cash with the Imperial Bank of India on Current Account	5,449	13	10	85,814	1	10
„ Suspense Account as per last statement ..				4,580	15	11										
Less : Claims paid				4,580	15	11										
Total Rs. ..							99,914	13	7	Total Rs. ..				99,914	13	7

THE MILLOWNERS' ASSOCIATION,
BOMBAY, dated the 20th February 1935.

Examined and found correct.

A. F. FERGUSON & CO.,
Chartered Accountants,
Registered Accountants,
AUDITORS

T. MALONEY,
Secretary.

Report for the Year 1934.

Section III.

CORRESPONDENCE.

APPENDICES 1—46.

APPENDIX 1.

STANDING ORDERS FOR OPERATIVES.

*Copy of circular No. 226/49, dated the 29th January 1934, to all Bombay
Members of the Association.*

The Committee of the Association have had under consideration the question of introducing certain amendments in the Association's Standing Orders. Order 25 of the existing Standing Orders lays down the procedure to be followed in connection with the revision or alteration of the Orders, and in compliance with the provisions of this Order, I enclose herewith 5 copies of a notice in Marathi and 3 copies in English which may be signed and put up in the Time-keeper's Office and all departments of your mills *on or before the 31st January 1934*. For your information, however, I append hereto a few notes explaining the nature and significance of the alterations now proposed.

Existing Order No. 14.—It was pointed out to the Committee that the existing Order 14 was very vaguely worded, and that it was not clear whether the time-limit of two days for which an operative could be "played off" under Order 14 (b) covered a period of two days in a week or otherwise. In a recent case brought against the Sassoon and Alliance Silk Mills by one of their operatives, it was held by the final Court of Appeal that under the existing Order 14 (b) *it was not within the competence of mill authorities to decide to close their mills for more than two days at a time and play off their operatives without notice and without compensation in lieu of notice.* As to whether they could meet again on the expiration of these two days and again decide to close down the mill for a further period of two days, the Court did not express an opinion. Whatever interpretation the Fawcett Committee attached to this order, a clarification of the position became necessary, and the Committee have therefore decided that the existing Order 14 should be entirely deleted. The object which has been kept in view in framing a substitute order is that a distinction should be drawn between the three possible contingencies under the operation of any one of which a mill may be closed down, and the rights and liabilities of the owners in each case should be placed beyond doubt. The three possible contingencies referred to above are :—

- (a) Fire, epidemics, Acts of God, etc.
- (b) Trade Depression, Shortage of Orders, etc.
- (c) Strike.

I enclose herewith (*for reference only*) copies* of the amended Standing Orders and would invite your attention to new Order 14 (a) which deals with Fire, Epidemics, etc. *New Order 14 (b)* empowers mills to play off their operatives for not more than three days in a week or for a period not exceeding 12 days in the aggregate in a month in the event of shortage of orders, trade depression, etc. *New Order 16* empowers the Company to close down the entire mill and to play off the operatives in the event of a strike in any one or more department or departments of the mill.

The next important amendment is that "Bribery" has now been included in the list of offences punishable with dismissal.

The following footnote to *old Order No. 20* has, in view of impending legislation on the subject of fines, been dropped :

"The total amount of fines inflicted under this Order during any particular month shall in no case exceed two per cent. of the operative's total earnings for that month."

* Not printed.

Old Order 25 has been entirely deleted, as the procedure laid down in regard to consultation with labour unions prior to making any alterations or amendments in the Orders has been found unworkable in practice. New Order 26 (which replaces Old Order 25), empowers the mills to amend the Standing Orders with the previous consent of the Millowners' Association.

New Order 27 would make it possible for mills to work either partially or fully on a day-to-day basis by giving 14 days' previous notice to the operatives. The services of the operatives engaged on such basis could be terminated by giving 24 hours' notice. An arrangement of this character would enable mills to keep on working on small orders in the hope of an improvement in the situation where the only alternative would have been complete closure of the mill.

I have now set forth the principal amendments. For the present, at any rate, the introduction of the revised Standing Orders has to be preceded by all the formalities prescribed under old Order No. 25 or such portions thereof as are practicable. The Committee of the Association are of the opinion that no useful purpose would be served by discussing the matter with labour representatives. They, therefore, suggest that the attached English and Marathi notices which explain the proposed amendments should be signed by the Agents and displayed in all prominent positions in your mill compound, Time-keeper's Office and departments. The name of the mill should also be filled in bold characters in the blank space provided before the notices are displayed. Objections or suggestions, if any, in writing from the operatives should be forwarded as early as possible to the Association for consideration. After completing this formality, I will send you as many copies of the final Standing Orders as you may require. The charges will be reasonable as I propose to keep the types standing. I should, therefore, be glad if you could let me know on the attached* Order Form the number of copies you require. Special arrangements will be made to insert the names of the mills on the Orders in the copies required by the mills concerned. The final copies of the Standing Orders will be forwarded to you with complete instructions on or before the 10th March, so that they may be put up at the mills a day or two before the 14th March.

NOTICE.

Notice is hereby given under Standing Order No. 25 of this Mill's Standing Orders that the following alterations will be made in the said Standing Orders with effect from 1st April 1934.

In Order No. 1 for the words " March 1931 " insert the words " April 1934."

Delete existing Order No. 14 and insert the following Orders 14 (a) and (b) :—

14 (a) "The Company may, at any time or times, in the event of a fire, catastrophe, breakdown of machinery or stoppage of the power supply, epidemic or other cause, whether of a like nature or not, beyond the control of the company, stop any machine or machines or department or departments wholly or partially for any period or periods, without notice and without compensation in lieu of notice."

(b) "The Company may, at any time or times, in the event of a shortage of orders or for any other trade reason, stop any machine or machines, or department or departments, wholly or partially, for a period not exceeding three consecutive days in any one week and not exceeding twelve days in the aggregate (excluding statutory holidays) in any one calendar month without notice and without compensation in lieu of notice. If an employee is played off under this rule for a period of twelve days in the aggregate in any one calendar month, he may leave the Company's service on intimation of his intention to do so without any further notice."

* Not printed.

“ Any employee played off is not to be considered as dismissed from service, but as temporarily unemployed, and will not be entitled to wages during such unemployment except to the extent mentioned in Order 15. Every such employee will be given the first chance of work on resumption of normal working.”

After the existing Order No. 15 insert the following Order No. 16 :—

“ The Company may, in the event of a strike affecting either wholly or partially, any one or more department or departments of the Mill close down, either wholly or partially, such department or departments, and any other department or departments affected by such closing down, and for any period or periods and without notice or payment of compensation in lieu of notice to the operatives employed in such department or departments.”

Existing Orders Nos. 16, 17, 18, 19, 20, 21, 22, 23 and 24 should be renumbered as 17, 18, 19, 20, 21, 22, 23, 24 and 25 respectively.

In the footnote to the existing Order No. 19 delete the following words :—

“ among other things justifying summary dismissal under the ordinary laws of Master and Servant.”

In the same footnote insert the word “ and ” at the end of clause (e) and insert the following additional clause (f) :—

“ taking bribes from or giving bribes to any other operative or person employed in the mill or from or to any other person having dealings with the Company as a motive or reward for doing or omitting to do any act, the performance or omission whereof would be prejudicial to the interests of the Company.”

In the existing Order No. 20 (gA) omit the “ ; ” and the word “ and ” at the end of the clause, and insert a “ fullstop ” instead, and delete clause (h). The following footnote should also be deleted :—

“ The total amount of fines inflicted under this Order 20 during any particular month shall in no case exceed 2 per cent. of the operative’s total earnings for that month.”

In existing Order No. 24 the figure “ 25 ” where it occurs in the Order should be changed to “ 26.”

The existing Order No. 25 with the proviso and sub-clauses should be deleted and the following Clauses Nos. 26 and 27 should be inserted instead :

26. “ Except to the extent of making by-laws or rules, not inconsistent with these Standing Orders, for the maintenance or running of any departments, maintaining cleanliness or other similar matters of internal administration, the Company will not rescind, add to or otherwise alter these Standing Orders without the previous written consent of the Millowners’ Association, Bombay.”

27. “ Notwithstanding anything to the contrary contained in these Standing Orders, it shall be lawful for the Company by a Resolution of its Board of Directors that circumstances require or justify that such action shall be taken and with the previous written consent of the Millowners’ Association, Bombay, and after giving not less than fourteen days’ notice to its operatives of its intention to do so, to substitute for the then existing system of employment of its labour a system of day-to-day employment. Upon the introduction of a system of day-to-day employment, these Standing Orders shall cease to apply to the Company, and the employment of an operative shall be determinable by either the Company or the operative at twenty-four hours’ notice.”

31st January 1934.

Agents.

Copy of circular No. 498/49, dated the 2nd March 1934, to all Members of the Association with Mills situated in Bombay City and Island.

I am directed to invite your attention to my circular letter No. 226/49 dated 29th January 1934, regarding certain alterations in the Association's Standing Orders which the Committee proposed to introduce with effect from 1st April 1934.

Notices as suggested in my circular were put up by members as required under the old Standing Order No. 25, but no suggestions or criticisms were forthcoming within the stipulated time, either from the operatives themselves or on their behalf. There was one suggestion, however, from Messrs. E. D. Sassoon & Co., Ltd., which necessitated certain minor alterations in the new Standing Order No. 27. This Standing Order at present reads as below :—

“ 27. Notwithstanding anything to the contrary contained in these Standing Orders, it shall be lawful for the Company by a Resolution of its Board of Directors that circumstances require or justify that such action shall be taken and with the previous written consent of the Millowners' Association, Bombay, and after giving not less than fourteen days' notice to its operatives of its intention to do so, to substitute for the then existing system of employment of its labour a system of day-to-day employment. Upon the introduction of a system of day-to-day employment, these Standing Orders shall cease to apply to the Company, and the employment of an operative shall be determinable by either the Company or the operative at twenty-four hours' notice.”

Messrs. E. D. Sassoon & Co., Ltd., suggest that it may not be necessary, in the event of the adoption of a system of day-to-day working, to abrogate all the Standing Orders. The intention is that only such of the Standing Orders as are inconsistent with a system of day-to-day working should stand abrogated, and this intention has been made clear in the following amended Order which will be incorporated in the final Standing Orders :

27. “ Notwithstanding anything to the contrary contained in these Standing Orders, it shall be lawful for the Company by a Resolution of its Board of Directors that circumstances require or justify that such action shall be taken and with the previous written consent of the Millowners' Association, Bombay, and after giving not less than fourteen days' notice to its operatives of its intention to do so, to substitute for the then existing system of employment of its labour a system of day-to-day employment. Upon the introduction of a system of day-to-day employment, *such of the Standing Orders as are inconsistent with a system of day-to-day working*, shall cease to apply, and the employment of an operative shall be determinable by either the Company or the operative at twenty-four hours' notice.”

According to old Standing Order No. 25, the final copy of the revised Orders should be posted up at the Mills 14 days prior to the date from which they take effect. It is, therefore, necessary to put up the final copy of the Standing Orders at the Mills *on or before Thursday, the 15th March 1934.*

In this connection, I have to point out that certain Mills have not yet intimated their requirements of the final copies of the Orders. It is necessary to bear in mind that copies of the Orders forwarded to you already cannot be utilised by Mills for the reason that Order No. 27, as mentioned above, has since been altered. I shall, therefore, be glad if you will kindly indicate, if you have not already done so, the number of copies of the Standing Orders you require. *As the printers require at least a day to print off and deliver the required number of copies, Mills are requested to send in their requisitions for copies on or before the 9th March 1934.*

In the case of Mills which have already registered their requirements with me, copies will be forwarded to them *on or before the 10th of March 1934.* Before putting up these Orders it is necessary, *in the case of each Mill, to insert the name of the Company in Standing Order No. 2 (b) and the signature of the Agents in the blank space provided at the bottom of the Orders.*

Copy of circular No. 552/49, dated the 9th March 1934, to all Members of the Association.

In continuation of my letter No. 498/49 of the 2nd instant, I have to inform you that in accordance with the provisions of the old Standing Order No. 25, it is necessary that the accompanying Orders should be put up at the Mills *on or before the 15th of March 1934*.

Before putting up these Orders, the signature of the Agents has to be inserted in the space provided, and the name of the Mill Company has to appear on the top of the Orders and in Order 2 (b).

In the case of Mills where on account of the fact that the proposed changes in the Orders were notified to workers only on the 28th of February, or on a later date, the revised Orders will come into effect only on 1st May or later, the date is to be altered accordingly in Order 1 and initialled by the Agents. Where Mills have already informed me about the postponement of the introduction of the Standing Orders, I have not filled in the date of introduction in Order 1, and they are requested to see that the actual date is inserted before the Orders are put up at the Mills.

STANDING ORDERS FOR OPERATIVES.

1. These Orders shall come into force as and from the 1st April 1934.
2. In these Orders, unless there is anything repugnant in the subject or context :
 - (a) "Operatives" means all work-people male or female employed in the mill and includes "Jobbers."
 - (b) "The Company" means.....Company, Limited.
 - (c) "The Manager" means the Company's Manager or Acting Manager for the time being ; and
 - (d) Masculine includes feminine.
3. The decision of the Manager upon any question arising out of, in connection with, or incidental to, these Orders, shall be final subject however to appeal to the Managing Agents and without prejudice to any right of an operative aggrieved by his or their decision to resort to legal proceedings in a Court of Law.
4. The Mill will work each day for such number of hours (not ordinarily exceeding ten) as the Manager may from time to time fix in accordance with the Factories Act.
5. Notice of the time of beginning and ending work will be posted on the Board outside the Time-keeper's Office.

The present hours of work for adult operatives are as follows :—

7 a.m. to 12 noon.
 12 noon to 1 p.m. (Recess).
 1 p.m. to 6 p.m.

Provided that, with the approval of the Factory Inspector and the consent of the operatives or their representatives, these hours may be modified.

Operatives attending late are liable to be shut out and treated absent, but may be admitted on payment of a fine.

6. Each operative without exception will be provided with a departmental ticket showing his number, and on attendance each day shall deliver up the ticket at the place provided.

7. Any operative who after presenting his ticket is found absent from his proper place or places of work without leave or other sufficient excuse is liable to be treated as absent without leave. Any operative who desires to leave his work, except for a temporary purpose within the mill premises, must apply previously in accordance with Order 8.

8. Any operative who desires to obtain leave of absence must apply previously to the Head of his Department or any officer appointed by the Manager for the purpose who, if he thinks fit, may grant him leave for a period not exceeding two months. If the leave granted exceeds one day, the Officer granting it shall keep a record of its grant and give the operative a written and signed certificate as to the period of leave granted to him. In the event of an operative taking leave in excess of the period granted, he shall lose all his rights to reinstatement, unless he has previously secured written permission to extend the leave originally granted and returns to work on the first working day following the period covered by any such extension, or unless on his return to work he gives a satisfactory explanation for his omission to apply for such an extension and the extension is retrospectively sanctioned.

9. Operatives will be classed as (1) Probationary and (2) Permanent. A probationary operative is one who is provisionally engaged for the first time on a particular post for a period of two months during which he may be discharged or may leave at any time without notice. At the end of two months, if not discharged, a Probationary operative becomes permanent.

10. No operative shall enter or leave the mill premises except by the gate appointed for the purpose.

11. All male operatives are liable on leaving the mill premises to be searched by the gateman, and all female operatives are liable to be detained by the gateman for search by the female searcher, if acting without malice he suspects that any operative so detained or searched has wrongful possession of property belonging to the company.

12. Before the beginning of each month a notice will be posted outside the Time-keeper's office and in the mill stating (a) the days on which the mill will be closed during the following month, and (b) the date or dates on which wages will be paid.

13. Wages will be calculated to the nearest pie and the percentage allowance paid for the high cost of living shall be calculated on this amount including annas and pies, but no payment of pies shall be made. If the last figure of this calculation is five pies or less, it shall be neglected; if the last figure of this calculation amounts to six or more, the annas column will be increased to the next higher figure.

14 (a) The Company may, at any time or times, in the event of a fire, catastrophe, breakdown of machinery or stoppage of the power supply, epidemic or other cause, whether of a like nature or not, beyond the control of the company, stop any machine or machines or department or departments, wholly or partially for any period or periods, without notice and without compensation in lieu of notice.

(b) The Company may, at any time or times, in the event of shortage of orders or for any other trade reason, stop any machine or machines, or department or departments, wholly or partially, for a period not exceeding three consecutive days in any one week and not exceeding twelve days in the aggregate (excluding statutory holidays) in any one calendar month without notice and without compensation in lieu of notice. If an employee is played off under this rule for a period of twelve days in the aggregate in any one calendar month, he may leave the company's service on intimation of his intention to do so without any further notice.

Any employee played off is not to be considered as dismissed from service, but as temporarily unemployed, and will not be entitled to wages during such unemployment except to the extent mentioned in Order 15. Every such employee will be given the first chance of work on resumption of normal working.

15. In the event of a stoppage of any machine or department under Order 14 during working hours, the operatives affected shall be informed, as soon as practicable, when work will be resumed and whether they are to remain or leave the mill. The period of detention in the mill shall not ordinarily exceed one hour after the commencement of the stoppage. If the period of detention does not exceed one hour, operatives so detained shall not be paid for the period of detention. If the period of detention in the mill exceeds one hour, operatives so detained shall be entitled to receive wages for the whole of the time during which they are detained in the mill as a result of the stoppage. In the case of pieceworkers, the average daily earnings for the previous month shall be taken to be the wages for ten hours.

16. The Company may, in the event of a strike affecting either wholly or partially, any one or more department or departments of the Mill, close down, either wholly or partially, such department or departments, and any other department or departments affected by such closing down, and for any period or periods, and without notice or payment of compensation in lieu of notice to the operatives employed in such department or departments.

17. The service of any operative may be terminated by fourteen days' notice or by payment of 13 days' wages in lieu of notice. If he draws wages on a piece-rate basis the 13 days' wages shall be computed on the average daily earnings of such operative for the previous calendar month.

18. Any operative desirous of leaving the Company's service shall give 14 days' notice to the Head of the Department concerned. The wages due to such an operative must, if possible, be paid on the day the notice expires and in any case within 3 days after the expiry of the notice. If any permanent operative leaves without notice, he shall be liable to forfeit by way of liquidated damages at the discretion of the Manager the whole or part of the wages due to him for the 14 days immediately prior to his so leaving, provided that no such order of forfeiture shall be passed without giving the operative an opportunity of being heard, if he is present, or his attendance can be procured without undue difficulty.

19. Any wages due to an operative but not paid on account of their being unclaimed will be paid by the Company at any time on their being claimed by the operative or his legal representatives, subject to the operative being sufficiently identified.

20. Any operative who is adjudged by the Manager on examination of the man, if present, and of the facts to be guilty of misconduct is liable to be summarily dismissed without notice, or, at the Manager's discretion, to be fined.

The following acts or omissions will be treated as misconduct, namely :—

- (a) wilful insubordination or disobedience whether alone or in combination with another or others to any lawful and reasonable order of a superior or of the Manager ;
- (b) striking work either singly or with other operatives without giving 14 days' previous notice ;
- (c) inciting whilst on the premises any operative to strike work without giving 14 days' previous notice ;
- (d) habitual breach of any rules for the maintenance and running of any department and maintaining its cleanliness ;
- (e) theft, fraud or dishonesty in connection with the Company's business or property ; and

- (f) taking bribes from or giving bribes to any other operative or person employed in the mill or from or to any other person having dealings with the Company as a motive or reward for doing or omitting to do any act, the performance or omission whereof would be prejudicial to the interests of the Company.

21. Operatives will ordinarily be fined after being heard (but the acts on being repeated or in any gross case may be treated as misconduct under Order 20) for any of the following offences, namely :—

- (a) absence without leave for more than three days without sufficient cause ;
- (b) negligence in work or neglect of work ;
- (c) smoking on the mill premises except in places where smoking is permitted ;
- (d) entering or leaving or attempting to enter or leave the mill premises except by the gate provided for that purpose ;
- (e) habitual late attendance ;
- (f) absence without leave or without other sufficient excuse from appointed work in the mill ;
- (g) quarrelling or behaving in a noisy or obnoxious manner or doing anything likely to cause a breach of the peace ; and
- (gA) breach of any rules for the maintenance and running of any department and maintaining its cleanliness.

All fines imposed under this Order will be credited to a Welfare Fund and utilised for such benefit or benefits to the operatives as the Company may determine.

No fine shall be inflicted by an Officer lower than the head of the Department in which the operative fined is employed.

22. The order and the reasons for fine or dismissal of any operative shall be in writing and shall be dated and signed in the case of a fine by the Head of the Department concerned, and in case of dismissal by the Manager, and shall, in the event of a fine, state the amount. A copy of such order should, in the case of a dismissal, be supplied to the operative concerned, unless it is impracticable to do so, and in the case of a fine, should be supplied if demanded by the operative concerned. Any operative aggrieved by any such order of the Head of a Department can appeal to the Manager, and any order of the latter is appealable to the Managing Agents under the provisions of Order 3.

23. The Company shall not be entitled to debit a weaver's wages with the cost of cloth damaged by his negligence, unless he elects to take it over on those terms. Otherwise the Company may deduct from his wages an amount corresponding to the estimated loss caused to it by such negligence, provided that, if the proposed deduction exceeds the sum of Rs. 5 or the weaver disputes the damage being due to his negligence, the deduction shall not be made by an Officer of the Company lower in rank than an Assistant Weaving Master. If the latter Officer directs a deduction of Rs. 5 or over, and the weaver disputes his liability to pay the same, there shall be a joint examination of the damaged cloth by such Officer of the Company as the Manager appoints and a representative of the weavers who may be either an employee of the Company or an official of a registered Trade Union recognised by the Millowners' Association, Bombay. If they agree in their decision, the Manager shall accept their decision. If they disagree and there is no independent person to whom the Manager and the weavers' representative agree to refer the dispute, the Manager shall decide what amount (if any) shall be deducted from the weaver's wages.

24. Each Overseer, Jobber or Mucadum will be personally held responsible for the proper and faithful observance of the special rules made under the Factories Act and posted in the mill, particularly regarding the employment and working of women and children under him.

25. A copy of these Orders or of the Orders as altered under Rule 26 in the vernacular will be read to each operative when engaged, and he shall accept work at the mill on the understanding that he agrees to abide by them.

26. Except to the extent of making by-laws or rules, not inconsistent with these Standing Orders, for the maintenance or running of any departments, maintaining cleanliness or other similar matters of internal administration, the Company will not rescind, add to or otherwise alter these Standing Orders without the previous written consent of the Millowners' Association, Bombay.

27. Notwithstanding anything to the contrary contained in these Standing Orders, it shall be lawful for the Company by a resolution of its Board of Directors that circumstances require or justify that such action shall be taken and with the previous written consent of the Millowners' Association, Bombay, and after giving not less than fourteen days' notice to its operatives of its intention to do so, to substitute for the then existing system of employment of its labour a system of day-to-day employment. Upon the introduction of a system of day-to-day employment, such of these Standing Orders as are inconsistent with a system of day-to-day employment shall cease to apply, and the employment of an operative shall be determinable by either the Company or the operative at twenty-four hours' notice.

APPENDIX 2.

ARBITRATION RULES OF THE ASSOCIATION : PANEL OF ARBITRATORS AND UMPIRES.

*List of Arbitrators appointed in accordance with Rule 3 of the Rules for Arbitrations
on Piecegoods for the triennium 1935-37.*

The Millowners' Panel.

1. Mr. F. Stones, O.B.E.
2. Mr. S. D. Saklatvala, M.L.C.
3. Mr. Bhagwandas Manmohandas Ramji.
4. Mr. Dharamsi Mulraj Khatau.
5. Mr. Hurgovandas Jamnadas Ramji.
6. Mr. Bomanji Adurji.
7. Mr. Pransukhlal Mafatlal.
8. Mr. Pranjiwandas Vussonji.
9. Mr. J. G. Anderson.
10. Mr. B. D. Benjamin.
11. Mr. A. D. Walwyn.
12. Mr. H. F. Milne.
13. Mr. A. M. Mehta.
14. Mr. A. Pether.
15. Mr. T. V. Baddeley.

The Piecegoods Merchants' Panel.

1. Mr. Devidas M. Thackersey.
2. Mr. Vithaldas D. Govindji.
3. Mr. Premji Goculdas.
4. Mr. Harjivan Valji.
5. Mr. Vaman Shridhar Apte.
6. Mr. Devjibhai Damodar.
7. Mr. Premji Virji.
8. Mr. Gordhandas Vandravandas.
9. Mr. Maganlal Chakubhai.
10. Mr. Ranchoddas Dhanji.
11. Mr. Bhimji Jethabhai.
12. Mr. Purshotamdas Jamnadas.
13. Mr. Ratansey Champsey.
14. Mr. Jamnadas Mathradas.
15. Mr. Mansukhlal Premji.

List of Umpires appointed in accordance with Rule 4 of the Rules for Arbitrations on Piecegoods.

1. Mr. F. Stones, O.B.E.
2. Mr. S. D. Saklatvala, M.L.C.
3. Mr. Devidas Madhowji Thackersey.
4. Mr. Hurgovandas Jamnadas Ramji.
5. Mr. Premji Virji.
6. Mr. T. V. Baddeley.
7. Mr. A. Pether.
8. Mr. Devji Damodar.
9. Mr. Vithaldas Damodar Govindji.
10. Mr. Vaman Shridhar Apte.

APPENDIX 3.

REGISTRATION OF TRADE NAMES.

Copy of circular No. 535/60, dated the 8th March 1934, to all members of the Association.

Towards the end of 1933, a suggestion was received from certain members that it would be desirable for the Association to make provision for the registration of Trade Names. It was pointed out that, with the improvement in the quality of goods manufactured by Indian mills, it was becoming common for mills to brand their specialities and to sell them under special Trade Names. It appeared to them that this practice was likely to increase and that it was very necessary that any Trade Names invented and used by particular members should be protected against infringement either by other members of the Association or by non-member mills. The matter was referred by the General Committee to the Trade Marks Sub-Committee of the Association for consideration and report. The first report of the Sub-Committee—a copy of which is enclosed herewith—was considered at a meeting of the General Committee held on 29th January 1934, and it was resolved :—

“That the principle of registration of trade names be approved, and that the various suggestions made by members be referred back to the Sub-Committee for consideration prior to the framing of draft rules for circulation to all members of the Association.”

The suggestions referred to in the resolution quoted above are :—

- (1) The desirability of making registration applicable to all classes of members, that is to say, both to cotton mills and to woollen mills.
- (2) The desirability of sub-dividing the various types of cotton goods manufactured under different heads as is the practice in the case of trade marks registration and trade numbers registration.
- (3) The type of Trade Names which should be accepted for registration.

On a consideration of the various suggestions made by members of the General Committee, the Trade Marks Sub-Committee are of the opinion that it would be advisable, before proceeding to formulate hard and fast rules governing registration, to obtain from all members of the Association a list of Trade Names which they are at present using. The object of collecting such a list is two-fold : firstly, it will help to decide exactly what types of Trade Names shall be registrable and what types of Trade Names shall not be accepted for registration. In this connection I am to point out that the original suggestions of the

Trade Marks Sub-Committee on this point will not necessarily be adopted. The second and perhaps the more important object is to overcome the difficulties relating to the Trade Names already in use and to register these wherever possible as the exclusive property of the present users of those Trade Names. In this connection, I am to say that as regards the existing Trade Names, it is the intention of the Trade Marks Sub-Committee to record as exclusive all such Trade Names now used as would be registrable under the final rules. In cases where two or more mills are using the same Trade Name or Trade Names which are very similar to each other, their attention will be drawn to the position.

As regards the question as to whether registration of Trade Names shall be made applicable to both woollen mills and cotton mills, the Trade Marks Sub-Committee are willing to be guided by the views expressed by the woollen mill members of the Association. If they consider that it is desirable to register Trade Names used on woollen goods, the rules eventually framed will be drawn up accordingly.

As regards the desirability of registering Trade Names according to particular classes of fabrics on which they are used, the Sub-Committee are tentatively of the opinion that no sub-division is necessary, that is to say, they hold that Trade Names should be usable on any class of goods by the mill concerned. If, of course, particular mills desire to use a registered Trade Name on one particular class of goods only, they would be at liberty to do so, but the Trade Name itself would be registered for use on any class of goods manufactured by them.

The Sub-Committee do not anticipate that there will be any insuperable difficulties to be overcome if a system of registration is adopted at this stage, as the practice of using Trade Names instead of trade numbers or trade marks or in combination with either the one or the other, is comparatively new in India, and probably very little infringement has taken place of Trade Names used by any particular member.

Enclosed with this letter you will find a form* in duplicate on which you are requested to insert the Trade Names which you are now using, as also the dates from which you have been using them. The Sub-Committee will greatly appreciate it if individual mills would fill in and return the form to this office together with any comments or suggestions they have to make on the subject-matter of this letter *on or before the 22nd March 1934*.

Report of the Trade Marks Sub-Committee, dated the 11th January 1934.

In pursuance of a resolution adopted by the General Committee at their meeting held on 20th December 1933, we were asked to consider and report on the advisability of the Association instituting a system of registration of trade names. We have accordingly considered the question carefully, and beg to report as below :—

The present position is that the Association's Rules for the registration of Trade Marks make provision for the registration of trade marks which consist of a distinctive mark, device or design not being a name, signature or word or words (invented or otherwise) either alone or in combination with one or more of the following :—

- (a) The name of a company, individual or firm represented in a special or particular manner ;
- (b) An invented word or invented words ;
- (c) A word or words having no direct reference to the character or quality of the goods and not being according to its or their ordinary signification a geographical name or surname.

From this it will be seen that it is at present only possible to register a trade name in combination with a distinctive mark, device or design. The position to-day is that a large

* Not printed.

number of firms have recently commenced to use what they describe as trade names instead of, or in combination with, trade marks and trade numbers, though none of these trade names have hitherto been registered with the Association. They are, however, recognized by law as special marks, and can be protected against infringement in the same manner as stamps or labels of members. A good deal of infringement of these trade names is known to have been attempted, and we are, therefore, strongly of the opinion that it would be in the interests of these member-mills who use trade names either alone or in combination with trade marks or trade numbers to have them registered with the Association, and circulated for the information of all member-mills as and when they are introduced. The adoption of such a procedure would undoubtedly prevent imitation by other member-mills, which in itself would be a great advantage. As regards non-member-mills, the fact that proof of registration with the Association could be produced would greatly assist our members on occasions when they have to threaten, or to take legal action to defend their trade names against infringement.

Before we proceed with the formulation of a detailed scheme of registration, we would like to have an indication as to whether the Committee agree with us as to the desirability of the Association undertaking the registration of trade names. If they agree, then as a first step in the direction of initiating a satisfactory system of registration, we suggest that all members of the Association should be called upon to send us a list of the trade names which they *now* employ (as distinct from trade mark titles) together with particulars of the date from which they have been used and the class or classes of goods on which they have been used. On receipt of full particulars of all trade names which are at present in use, we suggest that the Secretary should proceed with the elimination of those which are not registrable. For this purpose, trade names might be deemed registrable or otherwise in accordance with the principles laid down below :—

What trade names should be registered.—The following descriptions of trade names should, in our opinion, constitute what shall be registrable :—

- (a) Invented word or words, written or printed in the English language.
- (b) Word or words written or printed in the English language having no direct reference to the character, quality, dimensions or weight of the goods on which they are stamped.

We propose that the following types of words should not be registrable :—

- (i) Geographical names ;
- (ii) Misspelt words ;
- (iii) Names of Gods and Goddesses ;
- (iv) Word or words describing scenes from scriptures or mythology of any religion whatsoever ;
- (v) Descriptions likely to offend religious susceptibilities ;
- (vi) Indecent or obscene words ;
- (vii) Trade names known or suspected to be current on imported piecegoods ;
- (viii) Textile terms, e.g., " Bedford Cords," " African Domestic," " Alhambra Quiltings," " Grandrelle Shirtings," " Holland Checks," etc., etc. ;
- (ix) Words already registered with the Association as the name of a ticket or stamp ;
- (x) Words invented or otherwise in vernacular scripts ;
- (xi) Monograms ;
- (xii) Names of Indian Mills.

We suggest that all trade names which are registrable under the above provisions and which are exclusive to particular mills might be immediately recorded in anticipation of the General Body of Members agreeing to a compulsory system of registration later on. The rights to trade names used by more than one mill should be settled according to priority of use unless they have been used for more than five years. Other cases might be decided by the parties concerned direct, but we consider that the Association should agree to recognize any special arrangement which might be entered into between the parties direct.

Copy of circular No. 2051/68, dated the 15th October 1934, to all members of the Association.

In my circular letter No. 535/160, dated the 8th March 1934, copies of the special Sub-Committee's Report on the subject of a scheme for the registration of trade names were forwarded to all members. It was then pointed out that the Committee of the Association had accepted the principle of registration of trade names and that the various suggestions made by members had been referred back to the Sub-Committee for consideration prior to the framing up of draft rules for circulation to all members of the Association.

The suggestions made by members referred to above related to :—

- (1) the desirability of making registration applicable to all classes of members, that is to say, both to the cotton mills and the woollen mills ;
- (2) the desirability of sub-dividing various types of cotton goods into various classifications as in the case of trade marks and trade numbers ; and
- (3) the type of trade names which shall be accepted for registration.

These points were subsequently considered by the Sub-Committee and they thought that it would be advisable, before proceeding to formulate hard and fast rules governing registration, to obtain from all members of the Association a list of trade names which were in current use. The object of collecting such a list was two-fold. Firstly, it was thought that the data submitted by members would enable the Sub-Committee to decide exactly what types of trade names should be accepted and what types of trade names should not be accepted for registration. The second, and perhaps the most important, object was to overcome the difficulties relating to the trade names already in use, and to register these wherever possible as the exclusive property of the present users.

The information referred to in the above paragraph was subsequently collected, and from a careful consideration of the whole problem, the Sub-Committee arrived at the following decisions :—

On the question as to whether registration of trade names should be made applicable to woollen mills and cotton mills, the Sub-Committee were willing to be guided by the views expressed by the woollen mill members of the Association. Accordingly, the latter were consulted, but as there was no unanimity of opinion among them, the Sub-Committee held the view that for the present, at any rate, the scope of registration should be limited to all manufactures of member-mills except woollen fabrics and woollen yarn.

As regards the second point, the Sub-Committee held that no further sub-division of cotton manufactures was necessary, as in most instances such trade names, as are now used, are applied on various classes of goods.

With regard to the procedure to be followed in connection with the registration of existing trade names, the Sub-Committee were of the opinion that registration should be accorded to a trade name if it differed in any way from other trade names already used by other members and was in conformity with the rules regarding "registrable" trade names according to the rules.

In accordance with these decisions, tentative rules have been framed in consultation with the Association's Solicitors, and a copy of these rules* is enclosed for your consideration. It may be explained that the preliminaries connected with the registration of trade names are practically identical with those laid down in the Association's Rules for the Registration of trade numbers, but for purposes of ready reference the purport of the principal provisions is stated below :—

Rules 3 and 4 lay down what types of trade names will be accepted for registration. These closely follow the provisions of English Law on the subject, but modifications have been introduced to suit the special circumstances of India and to permit the registration of vernacular dictionary words.

Rules 7 and 8 deal with the registration of existing trade names. The principle followed is that if a trade name is in conformity with the provisions of Rules 3 and 4 and is, on the introduction of these rules, used by *only* one member of the Association, it is registered as the exclusive property of the member concerned in the Association's Exclusive Register. An existing trade name, which is in conformity with Rules 3 and 4, but is used by more than one member of the Association on the introduction of these Rules, will be entered in the Suspense Register as the joint property of the mill companies concerned. Here again, it may be pointed out that, as in the case of trade numbers, a provision has been made in Rule 9 under which, by mutual agreement, a trade name, now used by more than one member, may be transferred to the Exclusive Register as the exclusive property of one of the users.

Rule 12 lays down that no trade name shall be used by any member on his manufactures before obtaining a Certificate of Registration from the Secretary of the Association.

Rules 13 and 14 lay down the procedure in connection with applications for the registration of trade names.

Rules 15, 16, 17, 18 and 19. These rules outline the procedure followed subsequent to the receipt of an application by the Secretary of the Association.

Rules 21 and 22 relate to the registration of trade names of mills which become members of the Association for the first time after the introduction of these rules.

It is proposed to place the rules for the registration of trade names before a special General Meeting of members to be held as early as possible. If, therefore, individual members have to offer any criticisms or suggestions in connection with the draft rules framed by the Sub-Committee, such suggestions or criticisms should be forwarded so as to reach me not later than Thursday, the 1st November 1934.

If members desire to have any further information on any of the rules or proceedings outlined in the enclosed draft, I shall be pleased to help them as far as possible on hearing from them.

Copy of circular No. 2289/68, dated 26th November 1934, to all members of the Association.

I am directed to invite your attention to my letter No. 2051/68, dated the 15th October 1934, with which was enclosed a copy of the draft rules for the registration of trade names, and to inform you that in view of the fact that no amendments or suggestions for alterations of the rules or to their early introduction has been received from any member of the Association, it is proposed, in anticipation of the rules being approved and adopted at a special General Meeting of members to be held shortly, to put them into operation from 1st January 1935.

* Not printed.

The attention of members is specially invited to Rules 3, 4 and 13 of the proposed rules for the registration of trade names, and they are requested to submit to this office on or before the 15th December 1934 a full list of trade names introduced by them till that date, giving in each case the particulars required in Rule 13. Trade names introduced after the 15th December up to the date of introduction of the scheme of registration should be forwarded to the Association as and when they are introduced. These details will be dealt with by the staff of the Association, and, if possible, a complete list of all registrable trade names introduced up to the 1st January, 1935, will be made available to members immediately after the introduction of the scheme of registration.

Several members of the Association have already submitted to the Association a full list of the trade names introduced by them. It is pointed out that the information which they have forwarded is incomplete, and that it is necessary in each case to re-submit the names with the particulars called for in Rule 13.

Copy of circular No. 2465/68, dated the 19th December 1934, to all members of the Association.

I am directed to inform you that at the Special General Meeting of Members held on Monday, the 17th December, 1934, the following resolution was unanimously adopted:—

“ Resolved that the Rules for the Registration of Trade Names as circulated to all members of the Association with the Secretary’s letter, dated the 7th December, 1934, be and are hereby adopted.”

I would, in this connection, again invite the attention of members to my letter No. 2289/68, dated the 26th November, 1934, and subsequent reminders thereto, and request members, who have not already done so, to send me full particulars regarding trade names which are at present used by them.

Particulars of trade names introduced between now and 1st January, 1935 should be forwarded to the Association for record as and when they are introduced.

On and from the 1st January 1935 the Rules provide that no trade name shall be used by a member till “ until he shall have obtained from the Secretary a certificate of registration of the trade name ” as provided in the Association’s Rules.

Copy of circular No. 2526/68, dated the 28th December 1934, to all members of the Association.

Rule 3 of the Association’s Rules for the Registration of Trade Names reads as below :—

“ For the purposes of these Rules a registrable trade name shall be :—

- (a) an invented word or words printed or written in English characters ; or
- (b) an English dictionary word or words having no direct reference to the character, quality, design, colour, border or dimensions of the cloth on which it is used ; or
- (c) an Indian vernacular dictionary word or words having no direct reference to the character, quality, design, colour, border or dimensions of the cloth on which it is used.

Provided that such vernacular word or words shall only be used in the vernacular or vernaculars from which it/they is/are taken and shall be recorded in the Trade Names Registers of the Association (phonetic spelling) in English characters.”

Questions have been asked as to the exact implications of the proviso to Rule 3 quoted above. The interpretation of this Rule is that a word or words derived from any particular language should, as far as possible, be used in the characters of the language in question. For example, a word adopted from the Gujerathi language should be stamped in Gujerathi characters.

The attention of members is drawn to the fact that where an application is made for the registration of any vernacular word, the application must specify :—

- (a) the vernacular from which the trade name has been taken ; and
- (b) its English meaning.

The phonetic sound of the trade name must also be interpreted in English characters in the application.

The proviso to Rule 3 does not, however, apply to invented words, which must in all cases be stamped in English characters.

Copy of circular No. 231/68, dated the 4th February 1935, to all members of the Association.

I enclose herewith for your confidential information a statement* showing :—

- (a) Trade Names submitted for registration Column (1).
- (b) Whether they are registrable or not (R.=Registrable ; N.R.=Not Registrable ; S.R.=Transferred to the Suspense Register) Column (2).
- (c) Name of Mill using each Trade Name Column (3).
- (d) The characters in which each Trade Name is being used Column (4).
- (e) The reasons for not according registration to certain Trade Names.. . Column (5).

For convenience, the serial numbers of the Rules under which certain names have been adjudged unregistrable have been mentioned in column (5). As appendix to this letter I am sending you for ready reference a full reprint of the relevant Rules, so that each mill may ascertain precisely on what grounds registration has not been accorded to any particular trade name.

Effect of Registration.—Trade names shown as registrable will be transferred to the Exclusive Register of the Association as the exclusive property of the mill concerned for use in the language or languages indicated.

Entry in the Suspense Register.—Trade names which are *prima facie* registrable under these Rules, but which have been claimed by two or more mills, have been entered in the Suspense Register. While in general trade names which differ from one another in *any* respect have been registered if they satisfy the conditions laid down in Rules 3 and 4, it has been found desirable, in view of their close similarity or phonetic resemblance, to bracket certain names used by different mills and transfer them to the Suspense Register. For instance :—

- “ Public Demand ” and “ Public Diamond ” ;
- “ Popular Demand ” and “ Public Demand ” ;
- “ President ” ; “ Chief President ” ; and “ First President,”

have been transferred to the Suspense Register in the joint names of the mills concerned, but it is understood that in all such cases the mills concerned will strictly confine themselves to the use of the particular trade name which belongs to them at present. In the examples quoted above, the Sir Shapurji Broacha Mills, Ltd., and the New Great Eastern Spinning and Weaving Co., Ltd., will confine themselves to the use of the name "President," while the New Kaiser-I-Hind Spinning and Weaving Co., Ltd., will continue to use "Chief President" and the Sholapur Spinning and Weaving Co., Ltd., "First President."

Trade names entered in the Suspense Register will form the joint property of the mills mentioned, and no *other* member of the Association will be allowed to use them, or a colourable imitation thereof in future. Any trade name at present entered in the Suspense Register may be transferred to the Exclusive Register if the mills concerned arrive at an agreement to waive their right to the use of the trade name in favour of any one of the present users, but all negotiations in this connection must be carried on by the parties concerned, and the Association will only record the final agreement.

Trade Names not registrable.—Trade names which are not registrable *should be given up by the mills concerned as early as possible*, since it is extremely doubtful whether exclusive rights could be obtained in law over these names. A list of such trade names given up by members from time to time should also be forwarded to the Association for purposes of record. The ban against the use of trade names which are not registrable under these Rules is not applicable to the following cases :—

- (a) Any trade name rejected under *Rule 4 (k)* need not be given up if the mill concerned *is itself the owner of the trade mark* which forms the basis of rejection, *but must be given up immediately if the trade mark, which is the basis of rejection, is the property of another mill and registered accordingly in the Permanent Register of the Association.*
- (b) Any trade name rejected under *Rule 4 (a), 4 (b), 4 (e) or 4 (m)* need not be discontinued if the trade name in question is associated with the Agent or Owner of the mill or the mill itself. For instance, the word "Mulraj" sent in by Messrs. The Khatau Makanji Spinning and Weaving Co., Ltd., will not be registrable as it is a personal name ; so will the name "Eve" sent in by Messrs. E. D. Sassoon & Co., Ltd. ; but there is no question whatsoever of the two mills being compelled to give up these trade names on account of their association with the respective firms in question.

Scheme of Registration.—I should like to take this opportunity of reminding members that trade names submitted for registration hereafter will come under the new Rules. The attention of members is drawn to my circular letter No. 2526/68, dated the 28th ultimo, regarding applications for future registrations ; omission to furnish any of the details mentioned therein will necessitate further correspondence from this office and delay in registration.

Fees for Registration.—In accordance with Rule 20 of the Association's Rules for the Registration of Trade Names, the Committee have fixed Rs. 2/- per Temporary Certificate issued under these Rules, Certificates of Registration being free of charge.

I enclose herewith two copies of the list mentioned in the opening paragraph of this letter, and shall thank you to return to me one copy with any corrections which you may have to make *within a week from the receipt of this letter*. Even if you have no corrections to make, *one copy of the list should be returned to the Association duly certified as to the correctness of the entries made.*

I ought to point out that the trade names included in the list against the names of the Indian Woollen and Raymond Woollen Mills are not registrable under the Rules, as Rule 5 makes the scheme of registration applicable only to cotton mill members of the Association. The trade names used by these mills are, therefore, circulated for information only. The trade names mentioned against the Bangalore Woollen, Cotton and Silk Mills Co., Ltd., are all used on their cotton goods and are, therefore, covered by these Rules.

APPENDIX 4.

POWER COSTS.

Copy of letter No. 97/41, dated the 11th January 1934, from the Chairman of the Association to Mr. T. G. Mackenzie of Messrs. Tata Hydro-Electric Agencies.

The Committee of the Association have recently been considering the position which will arise in regard to the charges for electric power at the end of this month. You will remember that, in February last year, as a result of a representation made by us, your Companies were good enough to take into consideration the extremely difficult position which the Industry in Bombay was facing, and granted a special discount of 10 per cent. on all power bills under the T-1 Tariff for a period of twelve months to all mills who paid their bills within ten days from the date of submission. It was then stated by you in your letter dated the 17th February, that after the 1st February 1934 this cash discount for prompt payment would be reduced to 2 per cent.

My Committee are fully aware that the charges for electric power to mills in Bombay have been fixed under contracts which exist between them and your Companies, that in most cases these contracts have still several years to run, and that, under these circumstances, any departure made from the terms set forth in the contracts is a concession to which mills are not entitled in law. At the same time, they feel certain that, in view of the attitude taken up by your Companies last year, you will give favourable consideration to our request that the concession in price which was given last year in view of the difficult times through which the Industry was passing, should be continued for a further period of twelve months.

The position of the Industry should be well known to you. A large number of mills have been forced to close down during the past year, and of those that are working, several have had to curtail their production materially. The prices realized for yarn and cloth have been very low and most mills are working at a loss. Those engaged in the Industry are doing all they possibly can to meet the situation by drastic economies, and it is hoped that in the near future a much healthier condition of things may develop.

My Committee feel that they are not demanding too much in asking your Companies to assist the Industry at this critical juncture, particularly in view of the fact that in past years the mills were largely instrumental in enabling your concerns to overcome similar difficulties. I have every expectation that the Municipality and other bodies whom I have approached for similar relief will see their way to temper the wind to the shorn lamb.

In regard to the sliding scale of discounts which your Companies intend to introduce we understand the proposal is as under :—

“For each whole or completed per cent. by which the average monthly power factor of the consumption under T-1 contracts exceeds 80 per cent., a discount of one-half of one per cent. will be allowed according to the following schedule :—

<i>Average Monthly Power Factor.</i>	<i>Discount allowed.</i>
80 per cent. 	Nil.
81 per cent. 	0.5%
82 per cent. 	1.0%
83 per cent., etc., etc. 	1.5%
100 per cent. 	10.0%.”

It would appear that the possibility of most mills obtaining any discounts under this arrangement is negligible unless they are in a position to go to the expense of installing power factor correcting apparatus. Eventually it is possible a number of mills may instal such apparatus, but I think you will agree that as things are, very few mills would obtain any benefit. In any event, my Committee feel that, in view of the benefit which the Hydro-Companies will derive if power factors are improved, the case for a discount for prompt payment has to be considered independently.

I trust the contentions set out above will appeal to you and the Boards of your Companies, and that it will be recognized that the position of the Industry requires special consideration at the hands of all those who in one way or another are interested in its well-being.

Copy of letter No. BH14/34, dated the 26th January 1934, from Messrs. Tata Hydro-Electric Agencies, Ltd., to the Association.

We are pleased to advise that the Boards of the Hydro-Electric Companies in Joint Meeting held on 25th instant have resolved to continue for a further period of six months, i.e., upto 31st July 1934, the special cash discount of 10 per cent. granted as from 1st February 1933 for a period of twelve months to contracted consumers on T-1 supply, on payment of bills within 10 days from date of submission.

The proposed discount for monthly power factors in excess of 80 per cent. remains in abeyance ; it having been intended that such discount should become operative only as from the termination of the period of the abnormal prompt-payment discount above referred to.

We shall thank you to promptly advise your members of the above resolution in order that they may be able to take full advantage thereof.

Copy of circular No. 223/41, dated the 27th January 1934, to all mills in Bombay City and Island.

In response to a representation made by the Association we have received the under-quoted letter from the Tata Hydro-Electric Agencies, Ltd. :—

“ We are pleased to advise that the Boards of the Hydro-Electric Companies in Joint Meeting held on 25th instant have resolved to continue for a further period of six months, i.e., upto 31st July 1934, the special cash discount of 10 per cent. granted as from 1st February 1933 for a period of twelve months to contracted consumers on T-1 supply, on payment of bills within 10 days from date of submission.

The proposed discount for monthly power factors in excess of 80 per cent. remains in abeyance ; it having been intended that such discount should become operative only as from the termination of the period of the abnormal prompt-payment discount above referred to.

We shall thank you to promptly advise your members of the above resolution in order that they may be able to take full advantage thereof.”

You will observe from the letter that the present special discount for trade depression, which was obtained as a result of a representation made by the Association last year, is to be continued for a further period of six months.

Copy of letter No. BH44/34, dated the 22nd February 1934, from the Tata Hydro-Electric Agencies, Ltd., to the Association.

We advised you on 26th January 1934 (our letter No. BH14/34) that it had been decided to continue the special discount of 10 per cent. for payment within 10 days of date of billing for a further period of six months, i.e., from 1st February to 31st July 1934.

We are now pleased to further advise that the Boards of the Hydro Companies in joint session on the 21st instant have further considered the matter and have resolved that such special cash discount should be extended to contracted consumers on T-1 supply for a further period of five months after 31st July, definitely terminating in consequence on 31st December 1934.

It was further resolved at said meeting that, on the termination of the above special discount, i.e., from 1st January 1935, the following discounts should apply as permanent discounts to all contracted consumers on T-1 supply :—

- (1) A power-factor discount of one-half of one per cent. for each completed one per cent. by which the average monthly power factor of the consumer exceeds 80 per cent.

plus

- (2) A prompt-payment discount of 2 per cent. on bills paid within 10 days from date of submission.

We may say that one of the reasons for further extension of the special 10 per cent. cash discount was realization by the Joint Boards of the additional period necessary for the installation of power-factor-corrective equipment.

Will you be good enough to promptly advise your Members of the above resolution as we should like to see all of them take full advantage of the opportunity to enjoy a substantial discount from standard T-1 rates after the expiration of the period of the special cash discount, which first came into effect as a temporary measure on 1st February 1933 and which will now finally terminate with the current calendar year.

Copy of letter No. 451/41, dated the 23rd February 1934, from the Association to Messrs. Tata Hydro-Electric Agencies, Ltd.

I am directed to acknowledge receipt with thanks your letter No. BH44/34, dated 22nd February 1934, advising extension of the special discount upto 31st December 1934.

Copies of your letter have been forwarded to all members of the Association in Bombay.

Copy of circular No. 724/41, dated the 7th April 1934, to all Members in Bombay City and Island.

I am directed to invite your attention to my circular letter No. 442/41, dated the 23rd February 1934, with which was forwarded copy of a letter dated 22nd February 1934 addressed to me by Messrs. Tata Hydro-Electric Agencies, Ltd., on the above subject.

The present special discount of 10 per cent. granted to consumers definitely terminates on 31st December 1934, and with effect from 1st January 1935, a special discount based on the percentage by which the average monthly power factor of the consumption under T-1 contracts exceeds 80 per cent. will be introduced. I am, therefore, directed to enquire by

the Power Costs Sub-Committee of the Association whether, and if so, which mills have made arrangements to instal power correcting apparatus in their mills to enable them to take advantage of the special discount.

I should greatly appreciate an early reply to this communication, as the question has to be placed before the Sub-Committee for review at a very early date.

If power correcting apparatus has not already been installed, mills might indicate in their reply whether they expect the installation of the apparatus before 1st January 1935.

*Copy of circular No. 766/41, dated the 13th April 1934, to all
Members in Bombay City and Island.*

Further to my letters on the above subject, dated 27th January, 23rd February and 7th April 1934, I am now in a position to convey to mills an offer made by the Tata Hydro-Electric Agencies, Ltd., to place the expert advice of the Engineering Department of the Hydro-Electric Companies at the service of any millowner—without cost to the mills concerned—in connection with any problems arising out of the installation of power factor correcting apparatus. The objective behind the offer is a desire on the part of the Hydro-Electric Companies to collaborate in suggesting to mills the most economical method of power factor correction, combined with the one which would give the mills the largest discount on their power bills.

An extract from the minutes of a meeting of the Joint Board of the Hydro-Electric Companies is enclosed herewith for the information of members. It is now suggested that mills should take the earliest opportunity to avail themselves of the offer made by the Tata Hydro-Electric Agencies, Ltd.

Extract from the minutes of a meeting of the Joint Board of the Hydro-Electric Companies.

Mr. Mackenzie then proceeded to explain how the power factor of the mills could be improved and said that it could be done in three ways :—

- (1) by installing synchronous motors in place of the present induction motors ;
- (2) by installing synchronous condensers at the mills ; and
- (3) by installing a static condenser between the point of supply and their motors.

The first method was really applicable only to new mills or to mills which were standardizing their equipment. In such cases, he would recommend the use of a certain percentage of synchronous motors.

The second method did not require any change in the actual motor drives and was the method which had been used by the Hydro Companies for many years past to try to hold up the system power factor to a reasonable figure. The Hydros continually operated large synchronous condensers both at Dharavi and at Parel for this purpose.

The third method would cost less than either of the first two and would require no change in existing mill equipment, with merely the addition of a static condenser or condensers at some point between the consumer's transformers and his motors. 100 per cent. power factor was not readily possible as the last 3 or 4 per cent. was apt to cost more than it was worth. But it was quite possible to instal static condensers at a reasonable cost to bring the consumer's monthly power factor up to 95 or 96 per cent. which would give a power factor discount of $7\frac{1}{2}$ per cent. to 8 per cent. on his bill, followed by a further discount for prompt payment of 2 per cent., or approximately 10 per cent. in all. The proposition in fact was calculated to give the consumer a permanent discount on T-1 rates, but we were asking the consumer to do something in the way of a contribution to such a result.

He himself was firmly convinced that adequate power factor correction could not be secured unless we made it worth while for the mills to incur the relatively small expense of installing static condensers. He felt that erroneous ideas were abroad as to the cost of such equipment, but he was prepared to place the Engineering Department of the Hydro Companies at the service of the millowners, without cost, with the object of securing the maximum corrective effect at the minimum of cost. He pointed out that a higher power factor would reduce energy losses both for the consumers and for the companies, and would permit of closer system regulation.

Copy of letter No. BH141/34, dated the 9th August 1934, from the Tata Hydro-Electric Agencies, Ltd., to the Association.

We are pleased to advise that the Boards of the three Hydro-Electric Companies in Joint Meeting held on 19th July 1934 have approved the new schedule T-2 for all industrial consumers using 500,000 units and upwards per annum where steam is an essential element in the manufacturing process, as is the case with textile mills. The new schedule T-2 will become effective from 1st January 1935.

On comparing the new schedule with the existing one, you will find that the outstanding modifications are as follows :—

- (1) The elimination of the lighting charge of 1.25 annas per unit. Current will hereafter be measured only at point of supply, and at voltage of supply.
- (2) Reduction in the monthly minimum charge being based on 75 per cent. of the maximum demand for the 12 months instead of 85 per cent., or a reduction of about 12 per cent.
- (3) Additional free units allowed in the new schedule being fixed at 40 units for each kilowatt up to 500 and 80 units over 500 as against 35 units for each kilowatt up to 1,150 and 70 units over 1,150 in the existing rate schedule.
- (4) Under the Energy section of the rate, the units chargeable at .50 anna per unit are reduced from 200,000 to 100,000 units ; that is to say, the rate on an additional 100,000 units per month is reduced from .50 to .40 anna.
- (5) The power factor and prompt-payment discounts which are features of the new schedule did not form part of the existing one.

Having explained the various modifications in favour of the consumer made in the new schedule T-2, we herewith enclose 75 copies for being circulated among the members. They may be informed that the new schedule T-2 will come into effect from 1st January 1935 and will replace the old T-1. It is however open to each consumer to change over to the new schedule or to carry on under his existing contract for its duration. It should however be pointed out that the 10 per cent. special discount forms no part of the existing T-1 contracts, and this special discount in any case expires on 31st December.

In connection with the introduction of a Power Factor discount, a small addition to the Technical Regulations will be necessary merely to ensure that the effect of the operation of the corrective equipment will be felt during the hours of full load. You will readily appreciate that no real advantage would be obtained by keeping the corrective equipment shut down during hours of work, and running it only during the night. The minor modification in the Technical Regulations will deal with that point.

We shall be grateful if each individual mill under contract will express its intention by, say, 31st October, in order that we may make suitable metering arrangements prior to 1st January.

SPECIAL RATES—SCHEDULE T-2 : PROCESS STEAM RATE.

(Approved by the Boards of the three Hydro-Electric Companies in Joint Session on 19th July 1934 to become effective as from 1st January 1935.)

Application of Schedule.—This schedule is applicable only to industrial consumers using 500,000 units and upwards per annum where steam is an essential element in the manufacturing process.

Description of Supply.—Electrical supply will be furnished under this schedule in accordance with the provisions of the General Conditions and Technical Regulations attached hereto (marked Exhibit " B ") for factory operation and incidental purposes.

Schedule Rate (Two-Part Tariff) :—

Maximum Demand Charge.—Rs. 3-8-0 per month per kilowatt of maximum demand which payment entitles consumer to use without additional charge 40 units for each kilowatt up to 500 kilowatts and 80 units for each kilowatt in excess of 500 kilowatts,

plus

Energy Charge.—50 anna per unit for the next 100,000 units used per month and .40 anna per unit for all additional units used per month.

Power Factor Discount.—A discount (up to a maximum of 10 per cent.) will be allowed on the above tariff at the rate of one-half of one per cent. for each completed one per cent. by which the average monthly power factor of the consumer exceeds 80 per cent.

Prompt-Payment Discount.—A cash discount of 2 per cent. will be allowed on bills paid within 10 days from date of submission.

Minimum Monthly Bill.—The maximum demand for billing purposes during any month shall be the maximum demand registered as occurring during that month provided however that such maximum demand shall not in any case be taken as less than seventy-five (75) per cent. of the maximum demand occurring during the twelve months ending with the billing month, whether or not the consumer takes supply to that extent.

Copy of letter No. 1721/44, dated the 29th August 1934, from the Association to Messrs. Tata Hydro-Electric Agencies, Ltd.

On the 26th January last, in response to a case put forward by the Association you indicated that the special cash discount which had been granted as from 1st February 1933 would be continued up to the end of July 1934, and that the system of power factor discounts which had previously been suggested, would be held in abeyance until the termination of the period for which the special cash discount had been given. On the 22nd of February you indicated a further extension of the special discount of 10 per cent. until the 31st December 1934 and you intimated that on the termination of the above special discount, that is, from 1st January 1935, the following discounts should apply as permanent discounts to all contracted consumers on T-1 supply :—

- (1) A power factor discount of one-half of 1 per cent. for each completed one per cent. by which the average monthly power factor of the consumer exceeds 80 per cent.

plus

- (2) A prompt payment discount of 2 per cent. on bills paid within 10 days from the date of submission.

You further stated that one of the reasons for further extension of the special 10 per cent. cash discount was realization by the Joint Boards of the Power Companies of the additional period necessary for the installation of power factor corrective equipment.

The contents of your letters of the 26th January and 22nd February were communicated at the time to all member-mills in Bombay, and, in addition, your proposals were referred to a special Sub-Committee of the Association for consideration. From time to time enquiries were also made from members as to the steps taken by individual mills to improve their power factor so as to be in a position to obtain some advantage from any system of power factor discounts which would eventually become operative. As a result of these communications, it became readily apparent that several difficulties would have to be overcome by most mills before any benefit could be obtained by them from a system of power factor discounts. The greatest difficulty of all was that of finance. The installation of power factor corrective apparatus would necessitate a considerable capital outlay, and in many instances, the financial position of mills is such that this could not be sanctioned immediately. A further difficulty arose in regard to the type of power factor corrective apparatus to be chosen, but this difficulty was reduced to some extent owing to your being good enough to place at the disposal of individual mills the services of your engineering department in an advisory capacity. A third difficulty to be dealt with was that of mills of which either a portion or the whole of the motor equipment or transformers was rented from the Power Companies. In this last case the position was that, in order to obtain any power factor discounts, mills were called upon to purchase power factor corrective apparatus for attachment to motors which belonged to the Power Companies, or alternatively to purchase from the Power Companies the present rented motor equipment which, in many instances, would be a difficult proposition owing, among other things, to the heavy expenditure involved.

In the middle of June, the work of my Sub-Committee, which had been interrupted for a period of two months by the strike, was resumed, and information was called for and supplied by you regarding the power factors now existing and the proportion of equipment rented from the Power Companies.

On 10th August you sent us a new schedule of power charges which you propose to introduce on 1st January 1935.

The special Sub-Committee of the Association have now considered this new schedule of rates as also certain relevant problems connected with power contracts of Bombay mills and I am to submit below for the consideration of your Board the following points which they have made :—

Trade Depression Discount.—According to the present decision of your Boards, the present discount of 10 per cent. will no longer be granted after 31st December 1934. While my Committee appreciate the spirit in which the Association's demand for a special discount has been met hitherto, they would urge that a further extension of the discount for a period of at least 6 months might be granted for the reason that the trade depression, which has so badly hit the Bombay Mill Industry during the last 10 years, is only slightly less severe at the present time than it was during the two previous years, and the 1934 trading results of most mills in the City are again expected to disclose serious losses. During the last few months the position of some mills has undoubtedly improved, but not to such an extent as to warrant the conclusion that the improvement is of a general or permanent character. Under these circumstances, many mills have been more reticent than would otherwise have been the case in proceeding with schemes for the installation of power corrective apparatus.

Apart from these financial difficulties, even those mills which have decided to instal apparatus to improve their power factor have had to overcome certain difficulties which have involved delay in placing their orders with manufacturers, and as a result of these difficulties and the extended delivery which certain manufacturers are demanding, very few mills will have their power factor corrective apparatus installed before the date now fixed for the termination of the special discount.

My Sub-Committee are, therefore, of the opinion that they are justified in requesting that the special discount for trade depression should be continued for a further period of six months.

Power Factor Discount.—Consideration of the existing power factor obtaining in various mills and the probable power factor which will be attained after power corrective apparatus had been installed in each case, has led my Sub-Committee to the conclusion that a power factor discount up to a maximum of $12\frac{1}{2}$ per cent. should be allowed on the T-2 tariff at the rate of one-half of 1 per cent. for each completed 1 per cent. by which the average monthly power factor of the consumer exceeds 75 per cent. The reasons for this conclusion are briefly that, even with a power factor corrective apparatus of the type which would be most economical to instal, the actual power factor reached by most mills is not likely to exceed 96 per cent. This would mean a discount of only 8 per cent. if the starting point is 80 per cent. as proposed by the Power Companies. The special Sub-Committee believe that it was the intention of the Power Companies to provide a 10 per cent. power factor discount and, therefore, suggest that the starting point from which the discount should be reckoned should be 75 per cent. and not 80 per cent. If the starting point was fixed at the level suggested by my Sub-Committee, the average discount would not be likely to exceed 10 per cent.

Power Factor Corrective Apparatus for Hired Equipment.—At the present time a very considerable proportion of motor equipment used by mills is rented from the Power Companies, and the question, therefore, arises as to whether the Power Companies are justified in asking the mills to instal power factor correcting apparatus at their own cost for attachment to motors, which are not their own property. If, for instance, at the end of the present contract, mills were in a happier financial position and were generally able to contemplate capital outlay on synchronous or other up-to-date types of motors, the power factor correcting apparatus which they are now called upon to instal in order to obtain a power factor discount would be useless to them.

The age of the rented motor equipment and its low power factor are also points which my Sub-Committee consider merit the attention of the Power Companies in connection with this problem.

Power Factor Correcting Apparatus for Mills' Own Equipment.—As far as my Sub-Committee can ascertain, it is the present poor financial position of the mills which has, in certain instances, prevented them from ordering power factor correcting apparatus and they, therefore, suggest that the Power Companies might consider whether it would not be possible to come to some arrangement under which power factor correcting apparatus for mills owning their own motor equipment might be supplied by the Power Companies on a hire-purchase basis. It is understood that a power factor correcting apparatus should pay for itself from the discounts which it would make possible within two to three years, and it is proposed that this should be the basis of any hire-purchase arrangement which might be entered into.

The New T-2 Tariff.—My Sub-Committee welcome the T-2 tariff which it is proposed to introduce in replacement of the existing T-1 schedule. They estimate that the savings made from mills as a result of the new tariff would vary from 7 to 10 per cent. according to the size of the mill. They would, however, like to point out that the rate is still very much higher than the cost to mills in Ahmedabad generating their own power from geared turbines.

My Sub-Committee also desire to suggest that the minimum clause incorporated in the schedule should be taken as applying to working mills and that special arrangements should be made in regard to the payment which should be made by mills to the Power Companies when a mill or a large proportion of a mill is closed down temporarily owing to causes beyond the control of the management, such as strike, breakdown of machinery, etc.

Rental for Motor Equipment.—A general question which my Sub-Committee consider deserves the immediate attention of the Power Companies is that of rental rates for motor and transformer equipment. My Sub-Committee consider that a good case exists for a

reduction in the present rates and an alteration of the method by which rentals are calculated, and trust that the Power Companies will agree to investigate the possibilities of effecting a reduction after a study of the receipts from and expenditure on, and the present value of motor equipment and the cost of maintenance.

As regards mills working double shift, the present position is that they are called upon to pay roughly double the rent for motor and transformer equipment. This, on the face of it, is inequitable and my Sub-Committee trust that a fairer arrangement will be found possible and given retrospective effect.

Copy of letter No. BH182/34, dated the 1st October 1934, from Messrs. Tata Hydro-Electric Agencies, Ltd., to the Association.

We are writing in acknowledgment of your letter No. 1721/41 of 1934 of 29th August, in which, after a historical resume of our more recent negotiations, and a statement of the present position, you urge consideration of an extension of the trade depression discount, and of various matters connected with power factor and the equipment rental.

Your letter was not replied to earlier because, at the time of its receipt, the Boards of the three Hydro Companies were considering the closing accounts for the year ended 30th June, and the form of their report to the Shareholders. The Chairman's speech at the Annual General Meeting of the Tata Hydro-Electric Power Supply Co., Ltd., on 18th September subsequently specifically dealt with some of these matters, e.g. :—

- (1) It stated that the trade depression discount to textile mills would definitely terminate on 31st December 1934.
- (2) It stated that the total cost of that discount to the three Companies up to that date would be approximately Rs. 12,50,000.
- (3) It referred to the new standard tariff (T-2) which would become effective as from 1st January 1935.
- (4) It stated that the Joint Boards and this Agency Company had committed themselves to a policy of progressive rate reduction, to become effective from time to time and to the extent that circumstances permitted.

For your further information we are attaching three printed copies of that address.*

We shall therefore now refer only to those points not dealt with in the speech referred to :—

Power Factor Discount.—The basis of 80 per cent. as the starting point is taken because this is the basis laid down not only in existing contracts, but also in the earlier contracts which they superseded. A lower basis is not admissible. But for the fact that 80 per cent. was the basis in existing contracts, we should have liked to have established it at 85 per cent. The latest rates of the Calcutta Electric Supply Corporation, Ltd., are in fact based on 95 per cent. power factor.

Correction up to an average monthly power factor of 96 would bring this discount to 8 per cent. The addition of 2 per cent. for prompt payment will bring it up to 10 per cent. Actually, the benefit of correction to the consumer is so great that several of the more progressive of our textile consumers have ordered out equipment to correct their power factor to unity.

* Not printed.

When it is next possible for us to revise the tariff to textile mills we should in fact like, in consideration of concessions in other directions, to initiate a penalty for power factors below 80 per cent., coupled with a premium for those above 80 per cent. Possibly we may even be able to go at one step to a simpler tariff where the basic energy charge is for kilovolt-ampere hours, instead of kilowatt hours.

Power Factor Corrective Apparatus for Hired Equipment.—It is true that a considerable proportion of motor equipment used by mills is still rented from the Power Companies, but that proportion becomes smaller with each passing year. Such motor equipment was purchased in the first instance by the Hydros and rented to the mills for the convenience of the mills themselves. The power factor of that equipment is not lower than the power factor of induction motors purchased then and subsequently by the mills. The Companies are prepared to sell this rented equipment at very reasonable rates, but that is a matter which each individual mill must decide for itself on its merits.

Power Factor Correcting Apparatus for Mills' Own Equipment.—The Hydro Companies are Electric Supply Companies. They do not favourably regard the purchase of additional plant to be hired out. The emergency discount already conceded up to 31st December 1934 will, in the case of most mills, amount to 3/4ths of the cost of the corrective equipment. The balance of that cost is recoverable, under the new T-2 tariff, within a very few months.

The New T-2 Tariff.—We note with pleasure that your Sub-Committee appreciate its advantages. But we further note that you have again introduced the comparison of power costs in up-country mills which generate their own power, without presenting the supporting data and calculations which we requested many months ago.

The new minimum clause is more advantageous to mills than the minimum under T-1. The present minimum cannot be considered as burdensome. Our own costs are not diminished when a mill shuts down. We are naturally unaware as to whether the shut-down will continue for a day, a month or a year. We cannot otherwise utilize the supply contracted to that mill. Our staff remains standing by ready to renew service, and the consumer merely has to "throw in" his switches. The charge, we believe, is not greater than that incidental to fixed charges and maintenance on a prime-mover plant on consumer's premises.

Rental for Motor Equipment.—Our rental charges have recently been re-calculated and have been found to be reasonable. They are based, not only on interest and depreciation, but also on supervision, maintenance and cost of spares held in stock for equipment on hire. To any consumer who thinks the rental charge burdensome, we are willing to negotiate an outright sale on favourable terms.

In regard to mills working double shift, the charge is not so inequitable as you seem to think. It has in fact a direct relation to the use made of the equipment. To such mills our undertaking to sell the hired equipment at a favourable rate should appeal with double force.

Copy of letter No. 1965/41, dated the 4th October 1934, from the Association to Messrs. Tata Hydro-Electric Agencies, Ltd.

I am directed to acknowledge the receipt of your letter No. BH182/34, dated the 1st instant, on the above subject, and to say that the matter is receiving attention.

Copy of circular No. 2337/41, dated the 5th December 1934, to all Bombay member-mills.

Further to my letter No. 1713/41, dated the 30th August 1934, with which was enclosed a copy of the new T-2 power tariff, I am writing to advise you that the negotiations

which have taken place between the Association and the Hydro-Electric Companies have not resulted in any further concessions from the Power Companies. Efforts will, of course, be continued to obtain a charge for electric power more in consonance with the cost of power from geared turbines, but in the interim, you are advised to intimate, as early as possible, to the Hydro-Electric Agencies your acceptance *under protest* of the T-2 schedule in preference to the T-1 schedule.

APPENDIX 5.

THE CITY OF BOMBAY MUNICIPAL ACT AMENDING BILL, 1934 : WATER TAX.

BILL NO. VI OF 1934.

A Bill further to amend the City of Bombay Municipal Act, 1888.

Whereas it is expedient further to amend the City of Bombay Municipal Act, 1888, for the purposes hereinafter appearing ; And whereas the previous sanction of the Governor required by section 80-C of the Government of India Act, has been obtained for the passing of this Act ; It is hereby enacted as follows :—

1. *Short title and commencement.*—(1) This Act may be called the City of Bombay Municipal (Amendment) Act, 1934.

(2) This Act shall come into force on the 1st day of April 1934.

2. *Amendment of section 109 of Bombay III of 1888.*—In clause (b) of section 109 of the City of Bombay Municipal Act, 1888, hereinafter called the said Act, after the word “ taxes ” the words “ and any sum or tax in lieu of property taxes ” shall be added.

3. *Amendment of section 140 of Bombay III of 1888.*—In clause (a) of section 140 of the said Act, for the words “ with reference to the expenses of ” the word “ for ” shall be substituted.

4. *Amendment of section 143 of Bombay III of 1888.*—To clause (b) of sub-section (1) of section 143 of the said Act, the following explanation shall be added, namely :—

“ *Explanation.*—Government House and buildings and lands in the compound thereof and buildings or lands or parts thereof, as the case may be, used for the purposes of Post or Telegraph offices shall be deemed to be buildings or lands used solely for public purposes and not used or intended to be used for purposes of profit within the meaning of this clause.”

5. *Amendment of section 144 of Bombay III of 1888.*—In section 144 of the said Act :—

(1) in sub-section (1)—

(i) after the word “ annually ” the words “ in two half-yearly instalments ” shall be inserted ; and

(ii) after the letter and brackets “ (b) ” the words, figure and brackets “ of sub-section (1) ” shall be inserted ;

(2) in sub-section (2)—

(i) for the words “ the buildings and lands in the City vesting in Her Majesty and ” the words “ such buildings and lands when ” shall be substituted ; and

(ii) for the words " the buildings and lands vesting in Her Majesty in the City " the words " such buildings and lands " shall be substituted ; and

(3) in sub-section (3) :—

(i) for the word " annually " the words, figure and brackets " under sub-section (1) " shall be substituted ; and

(ii) after the word " Council " the words, figure and brackets " in respect of buildings and lands of which the rateable value is fixed under sub-section (2) " shall be inserted.

6. *Amendment of section 146 of Bombay III of 1888.*—To sub-section (1) of section 146 of the said Act, the following proviso shall be added, namely :—

" Provided that property-taxes due in respect of the tenements for the working classes provided by Government and referred to in sub-section (2) of section 195B shall be leviable primarily from Government."

7. *Amendment of section 169 of Bombay III of 1888.*—After sub-section (1) of section 169 of the said Act, the following new sub-section shall be inserted, namely :—

" (1A). The provisions of sub-section (1) shall not apply to the four sets of tenements provided by Government for the working classes at Worli, Naigaum, Sewri and DeLisle Road."

8. *Amendment of section 170 of Bombay III of 1888.*—For section 170 of the said Act the following shall be substituted, namely :—

" 170. *Government and the Port Trust to be charged for water by measurement.*—(1) If, in respect of any premises (other than public parks, gardens and open spaces) used solely for public purposes and not used or intended to be used for purposes of profit or for residential, charitable or religious purposes, water tax would be leviable under this Act from the Secretary of State for India in Council, the Commissioner, in lieu of levying such tax, shall charge for the water supplied to such premises, by measurement, at such rate as shall have been prescribed by the Standing Committee in this behalf in the preceding official year. Such rate shall not exceed the minimum rate charged in the said year under clause (a) of sub-section (1) of section 169 to any other person and shall not also exceed the cost to the Corporation of the supply to the City in the said year of the quantity of water for which the rate is prescribed plus twenty per centum of such cost.

(2) If, in respect of any premises water tax would be leviable under this Act, from the Trustees of the Port of Bombay, the Commissioner, in lieu of levying such tax, shall charge for the water supplied to such premises, by measurement, at such rate as shall be prescribed by the Standing Committee in this behalf, not exceeding the maximum rate, at the time being charged under clause (a) of sub-section (1) of section 169 to any other person.

(3) Charges leviable under sub-sections (1) and (2) shall be recoverable as provided in sub-section (3) of section 169."

9. *Amendment of section 172 of Bombay III of 1888.*—For sub-section (2) of section 172 of the said Act, the following sub-section shall be substituted, namely :—

" (2) The halalkhore-tax payable by the Secretary of State for India in Council in respect of premises used solely for public purposes and not used or intended to be used for purposes of profit or for residential or charitable or religious purposes and the halalkhore-tax payable by the Trustees of the Port of Bombay in respect of any premises shall be fixed by the Commissioner at a special rate approved as aforesaid."

10. *Insertion of a new section 179A in Bombay III of 1888.*—After section 179 of the said Act, the following new section shall be inserted, namely :—

“ 179A. *Deductions in lieu of drawback and refund in certain cases.*—The Commissioner shall allow from time to time in lieu of drawback under sub-section (2) of section 158 and of refund under section 175, such deduction on account of vacancies in each of the four sets of tenements provided by Government for the working classes at Worli, Naigaum, Sewri and DeLisle Road and regarded as four separate properties as having regard to the provisions of the said sections he may deem fit. Such deduction shall be made in the bills for property taxes leviable for the half year following that in which the vacancies have occurred and shall not be less than the actual percentages of vacancies as ascertained from the accounts of Government for the half year preceding that in which the vacancies have occurred.”

11. *Amendment of section 181 of Bombay III of 1888.*—In section 181 of the said Act, for clause (e) the following shall be substituted, namely :—

“ (e) vehicles and animals belonging to His Majesty and used solely for public purposes and not used or intended to be used for purposes of profit, or vehicles and animals belonging to the Corporation ;

If a question arises whether any vehicle or animal belonging to His Majesty is or is not used solely for a public purpose it shall be referred for decision to the Local Government whose orders shall be final.”

STATEMENT OF OBJECTS AND REASONS.

The question of removing some of the difficulties and anomalies in the working of the sections of the City of Bombay Municipal Act, 1888, dealing with the assessment of Government properties to *municipal taxes has been engaging the attention of the Corporation for a long time.* At the instance of the Municipal Commissioner for the City of Bombay, a Committee of experts was appointed by Government to discuss what changes should be made in the system under which municipal taxes are assessed on Government properties in Bombay in order to adapt it to the present position of Government, which has altered in certain important respects, since the Act was passed in 1888. The Committee recommended :—

- (1) that Government residential properties including military officers' rentable quarters should be made legally liable for water tax and halalkhore tax on value,
- (2) that charitable and religious institutions owned by Government should be made eligible for the same concessions in respect of water charges as private institutions of the same nature,
- (3) that the properties of State-owned Railways should be excluded from section 143 (1) (b), (this has been done by Bombay Act X of 1928),
- (4) that a special section corresponding to section 85 of the City of Bombay Improvement Trust Transfer Act of 1925, should be enacted for the taxation of Development Department Chawls, referred to in section 195B (2) and that these chawls should also be liable to pay water tax and halalkhore tax as private properties.

The main provisions of this Bill have been drafted in the light of the recommendations of the Committee which have to a large extent been accepted by the Corporation. The following notes on clauses explain the objects of the Bill :—

NOTES ON CLAUSES.

Clause 2.—The object of the amendment in this clause is to include for the purposes of section 109 (b) the rateable value of premises assessable under section 144 to a lump payment in lieu of the general tax.

Clause 3.—Under section 140 (a), as it stands, the Corporation is precluded from making a profit on its water-tax. Such a binding provision is not considered desirable. The amendment is intended to make it clear that the Corporation is not precluded from making a profit on its water-tax, if it so chooses.

Clause 4.—Post and Telegraph offices are not exempt at present from the general tax like other Government offices under section 143 (1) (b), because these Departments are run for the purposes of trade and profit even though they may not be self-supporting. They are, however, not on exactly the same footing as either Government residential bungalows from which rent is derived or railway premises which are used for business purposes. Also, the Government House and buildings are not rented like other residential buildings and cannot, therefore, be said to be used, or intended to be used, for purposes of profit, simply because they are used for purposes of residence. Since, however, the decision of the question as to which Government properties are exempt or not exempt under section 143 (1) rests with the valuer appointed to assess the rateable value of buildings under section 144 (2), it is considered desirable that a specific provision should be made exempting Government House buildings from the general tax, similarly to Government offices under section 143 (1) (b) and bringing them under the provisions of section 144. The proposed explanation makes the position clear as regards these two classes of premises.

Clause 5.—(1) A private rate-payer has to pay his dues in advance in two instalments, *i.e.*, on April 1st and October 1st each year. At present Government pay their dues in arrears at the end of the year. The proposed amendment gives effect to the arrangement that dues of Government should be paid in two half-yearly instalments in arrears, one in September and one in March. A corresponding amendment has been made in section 144 (3) also.

(2) It is not considered necessary to repeat the description “vesting in Her Majesty in the City” in sub-section (2) of section 144. The sub-section deals only with those buildings which are exempt from general tax under section 143 (1) (b) and are beneficially occupied.

Clause 6.—Under section 146 as it stands when a room in a Development Department Chawl, or a flat in a Government residential property is let, the occupier and not Government is responsible for the municipal taxes, whereas if the premises are vacant, Government as the person in whom the right to let them vests is so responsible. As it has been proposed in clause 10 of the Bill that Development Department Chawls should be taxed in the manner similar to the properties of the Improvement Trust, the proposed proviso enacts that the property taxes on Development Department Chawls shall not be leviable from the tenant occupiers but from Government.

Clause 7.—The object of this amendment is to enable the water-tax on the Development Department Chawls to be levied under section 141 read with section 140 (a).

Clause 8.—Water tax which was formerly levied on hospitals and such other charitable buildings owned by Government at a compounded rate is now levied at the minimum rate prescribed by the Standing Committee for water charged for by measurement. The proposed amendment will do away with this anomaly and will enable the Corporation to charge for the water used both for charitable buildings owned by Government and on open spaces, *e.g.*, the Maidans, Charni Road Garden, Back Bay Reclamation ground, maintained by Government at similar concessional rates to those charged on open spaces maintained by the Corporation. Also it is proposed that any rate prescribed and chargeable to Government for

water supplied by measurement shall not have any operation till after the expiry of the official year in which it is prescribed. Further in order to protect Government from being overcharged it is proposed that the rate charged under section 169 (1) (a) shall not exceed by more than 20 per cent. the average cost of the supply of water to the City in the preceding year.

Clause 9.—Under section 172, as it exists, the Municipal Commissioner has to fix a special rate of halalkhore tax for Government properties with reference to the cost of collection, removal and disposal by the agency of municipal halalkhores of excrementitious matter. Private owners similarly situated pay halalkhore tax under section 140 (b) limited to 3 per cent. on the rateable value. As far as ordinary public buildings are concerned, the existing method of taxation for halalkhore services is reasonable and adequate. It is intended not to apply this method to charitable institutions such as hospitals. The amendment is intended to secure for such Government institutions the same concessional rates as are charged to similar private institutions.

Clause 10.—Section 85 of the City of Bombay Improvement Trust Transfer Act, 1925, which has since been repealed by Bombay Act XIII of 1933, provided that the allowance for vacancy is to be calculated with respect to each Trust estate. The Corporation accordingly have proposed that the Development Department Chawls should be treated similarly, each set of chawls being taken as one unit. The amendment is intended to meet the views of the Corporation.

Clause 11.—The object of this amendment is to give effect to the recommendation of the Corporation that section 181 (e) should be amended so as to make the railway and other commercial departments of Government liable to the payment of the tax on vehicles and animals which are not used solely for public purposes but are used or intended to be used for purposes of profit. The amendment proposed is on the lines of proviso (a) to section 73 (xv) of the Bombay Municipal Boroughs Act, 1925.

Copy of letter No. 861/78, dated the 25th April 1934, from the Association to the Secretary to the Government of Bombay, General Department.

The attention of my Association has been drawn to the text of a Bill framed by the Government of Bombay for the purpose of amending the City of Bombay Municipal Act. The Bill was published in Part V of the *Government of Bombay Gazette*, dated 12th March 1934. The purposes of the Bill, according to the Statement of Objects and Reasons, is to remove some of the defects and anomalies in the working of sections of the City of Bombay Municipal Act, dealing with the assessment of Government properties, and from the Notes on Clauses, it would appear that a further object is to enable the Corporation to make a profit on its water supply if it so chooses. This is apparently not permitted by the Municipal Act, as at present framed if that Act is strictly interpreted.

While my Committee do not object to the amendment of the Municipal Act in certain directions concerning the method by which water charges to various consumers are levied, they emphatically maintain that no justification exists for the proposed amendment of Section 140 (a), or for the proposed amendment of Section 170 of the Act, and they recommend that Government should withdraw the Bill as published on 12th March, and substitute for it a Bill framed in consultation with the representatives of various classes of consumers, and particularly large consumers of water such as the Port Trust, Railways, Cotton Mills of the City, etc.

The present Act specifies that the water tax shall be levied at a rate of so many per centum of the rateable value of the buildings and land in the City, and that this figure shall

be fixed by the Corporation at a level which is reasonable with reference to the expense of providing a water supply to the City. This in effect means that the Corporation is precluded from making a profit out of water supplied to various types of consumers.

While my Committee consider that the Corporation should be entitled to make a charge for water sufficient to cover the cost of providing an adequate supply to all consumers under all circumstances and possibly sufficient to make some provision for increasing its water supply to meet possible future demands occasioned by the natural increase in population, industrial development, etc., etc., they are strongly of the opinion that no particular class of consumers should be unfairly penalised to the advantage of other classes and hold that the Municipal Act should be amended to ensure equitable water charges for all classes of consumers in preference to amending the Act as provided in the Bill.

The amendment of Section 170 appears to be designed to give a specially privileged position to certain Government properties. If it is the contention of Government that concessional rates should be given to them for any reason, then my Committee maintain that there are equally good reasons for the grant of relief to other classes of consumers like the textile industry, the Port Trust, the railways, and large industrial consumers in general whose activities contribute very substantially to the City's economic well-being.

If some such provision is not made, my Committee fear that the losses which the Municipality will incur owing to reduced payments by Government will be made up by further penalisation of consumers who pay for water on a measurement basis. In addition, consumers paying on a measurement basis may, owing to their small direct representation in the Corporation, be called upon to pay still higher charges to provide the profit, which the Corporation would be entitled to make if Section 140 (a) is amended in the manner specified in the Bill.

At the present time, two methods are adopted by the Corporation for levying water tax. The small consumer pays his water tax at a percentage on the rateable value of his property and large consumers as a general rule pay for their water by measurement at so much per thousand gallons. There is no relationship, whatsoever, between the two systems of assessments, and as a matter of fact, the larger consumer paying for his water on a meter measurement, has according to our calculations always paid a far higher charge than he would have had to pay if he had been taxed on rateable value of his property and a much greater charge per thousand gallons than the actual cost to the Municipality. In other countries, an entirely different principle has been followed and large consumers usually pay a lower rate than smaller consumers. The principle of a reasonable charge in comparison to cost laid down in Section 140 (a),—which when framed was probably intended to cover all classes of consumers—has been consistently flouted by the Municipality in so far as the rates made applicable to consumers paying for water on a measurement basis are concerned and my Committee maintain that the time is ripe for the removal of this inequitable treatment and propose that the Act should be amended—after previous consultation with the important parties concerned—in such a way as would provide that the charges for water to consumers of all types should be upon an equitable basis, and fixed at such figures as would give to the Municipality an income sufficient for its present and future needs. They suggest that a Committee representing all interests should at once be appointed for the purpose of arriving at a fair solution of the whole problem. It would be necessary for this Committee to be supplied with the following information :—

- (a) Total water revenue requirements of the Corporation for the next five years.
- (b) The average cost per thousand gallons to the Municipality which this revenue would represent exclusive of water supplied free for special purposes.
- (c) The varying scale of charges now made including the equivalent charges per thousand gallons represented by existing percentage on rateable value.

Copy of letter No. S. 108/4919-A, dated the 23rd May 1934, from the Secretary to the Government of Bombay, General Department, to the Association.

With reference to your letter No. 861/78, dated the 25th April 1934, I am directed by the Government of Bombay (Transferred Departments), to say that they regret that they are not prepared, as suggested by your Association, to move the Legislative Council to accord its permission to the withdrawal of the Bill No. VI of 1934—a Bill further to amend the City of Bombay Municipal Act, 1888, as it has already been referred to a Select Committee of the Council. I am, however, to point out that during the passage of the Bill in the Council, the representative of the Millowners' Association on the Council will have an opportunity to propose amendments to the Bill to give effect to the views of your Association.

Copy of D. O. letter No. S. 108-A, dated the 21st June 1934, from the General Department to the Chairman of the Association.

With reference to the representation dated the 25th April 1934, from the Millowners' Association, Bombay, regarding Bill VI of 1934, regarding the rate to be charged by the Bombay Corporation for the use of water by meter, I am directed to say that the Hon'ble Minister, Local Self-Government, wishes to discuss informally this question with some of the representatives of the interests concerned. I am therefore to invite you to attend an informal conference on this matter which will be held on Friday, July 6th, in the Committee Room of the Secretariat, Bombay, at 12 noon. I am also to add that if you so desire the Secretary of the Association may also attend.

Copy of letter dated the 25th June 1934, from the Association to the Secretary to the Government of Bombay, General Department.

I am writing to acknowledge Mr. Knight's letter addressed to the Chairman of the Association dated the 21st June. The Chairman of the Association wishes me to explain that this matter of water rates has not been in his hands, but in the hands of a special Sub-Committee of the Association, and if there is no objection, my Committee would like to be represented at the informal Conference to be held at the Secretariat on Friday, the 6th July, by Mr. V. N. Chandavarkar, Mr. J. B. Petit (the Association's representative in the Legislative Council), and Mr. T. Maloney, the Secretary of the Association.

Copy of letter No. S.108-7.401-A, dated the 29th June 1934, from the Under Secretary to the Government of Bombay, General Department, to the Association.

With reference to your letter dated the 25th June 1934, I am directed to say that Government have no objection to the suggestion made by the Chairman of your Association that Messrs. V. N. Chandavarkar, J. B. Petit and T. Maloney should attend as representatives of your Association the informal conference to be held at the Secretariat, Bombay, on Friday, the 6th July 1934.

APPENDIX 6.

REDUCTION OF FIRE INSURANCE RATES.

Copy of letter No. 2265-AB, dated the 15th February 1934, from the Bombay Fire Insurance Association to the Association.

I refer to the joint meeting of our Sub-Committees which took place on 22nd November last, and to subsequent correspondence resting with my letter of 6th December last.

My Committee have given careful consideration to the case put forward by your Sub-Committee for a reduction in rates for Cotton Mills and Cotton Mills' Godowns situated within the Municipal limits of Bombay and have now received the approval of the Fire Offices' Committee (Foreign) to the reduction they recommended to that body.

This is embodied in a circular issued to members of this Association, of which I enclose a copy.

You are aware that, at present, a special discount of 15 per cent. is allowed for Cotton Mills and Cotton Mills' Godowns and my Committee have decided to alter this concession as follows :—

Risks situated within the Municipal limits of Bombay	.. ..	25%.
Risks situated elsewhere	.. ..	15%.

In effect, this amounts to a reduction of approximately 12 per cent. of the present net rates for Bombay Mills and my Committee feel that your Association will appreciate this response to your Sub-Committee's request.

The increased discount is applicable to new business and renewals from this date.

My Committee desire to take this opportunity to refer to the statement made by a member of your Sub-Committee to the effect that insurance rates for Cotton Mills are higher in Bombay than in Lancashire and to point out that the following increases in the latter rates recently took place :—

Buildings and Machinery	.. ..	20%.
Stock in Spinning Mills	.. ..	47%.
Stock in Weaving Mills and non-sprinklered Warehouses..	.. ..	17½%.

The point was also referred to the Fire Offices' Committee (Foreign) who state that in their experience it is frequently the case that comparison of Tariffs in one country with those in another not only serves no useful purpose but is actually misleading. Conditions vary so much as to render impossible comparison of like with like, the only true basis from which useful results can be expected, and this is particularly so in the case of Cotton Mills in India and Lancashire. They further state that so far as comparison can be made, the suggestion that Bombay Cotton Mill rates are higher than the rates in Lancashire, does not appear to be justified.

My Committee trust the matters discussed with your Sub-Committee have now all been disposed of to the satisfaction of your Association.

Copy of circular No. G. 2, dated the 16th January 1934, from the Bombay Fire Insurance Association to the Representatives of Fire Offices, Bombay.

I refer to circular G. No. 107 of 1933, dated 13th ultimo, and am directed to inform you that it is proposed to amend the note printed in red on Sheet 1 of the Bombay and Salsette Cotton Mills Tariff and Sheet 1 of the Bombay and Salsette Cotton Mills' Godowns Tariff to read as follows :—

“As from.....all rates under this Tariff are reduced as follows, and this concession is to be shown on the face of the policy and/or specification and should be styled ‘Special Reduction’ :—

Risks situated within the Municipal limits of Bombay	.. ..	25%.
Risks situated elsewhere	.. ..	15%.”

The Committee have given careful consideration to the case put forward by the Bombay Millowners' Association and they are of the unanimous opinion that this concession is due, in recognition of the adequate water supply and efficient Fire Brigade Service available for Cotton Mills and Cotton Mills' Godowns situated within the Municipal limits.

The Committee await the confirmation of the Fire Offices' Committee (Foreign) before fixing a date from which the new concession will come into force and in order that there may be no undue delay, members who wish to comment upon the subject to their Head Offices are requested to do so by this week's sea mail, by which the Committee's advices are going forward to London.

Copy of letter No. 527/126, dated the 6th March 1934, from the Association to the Bombay Fire Insurance Association.

I am directed to acknowledge the receipt of your letter No. 2265-AB, dated 15th February 1934, in which is intimated the decision of your Association to increase the special discount allowed to cotton mills and cotton mill godowns located within the Municipal limits of Bombay, and to say that my Committee greatly appreciate the manner in which your Association has met their claims for a reduction in rates of fire insurance in Bombay.

APPENDIX 7.

THE INDIAN FACTORIES ACT.

Copy of circular No. 98/33, dated the 11th January 1934, from the Association to all up-country members of the Association.

As you may be aware, the Government of India, in the September Session of the Legislative Assembly, introduced a Bill to amend the Indian Factories Act, which makes provision, among other things, for a 54-hour week in substitution of the present 60-hour working week. The Bill has passed the first reading, and has been referred to a Select Committee of which the Chairman of the Association is a member.

The 54-hour week was one of the recommendations of the Whitley Commission. Shortly after that Commission issued its report, the Government of India framed a draft Bill incorporating many of the recommendations which the Commission had made. This Association was asked for its views, and at that time objected to the proposed reduction in working hours, mainly on the ground that it would not be possible to introduce this reform without considerably increasing the Industry's costs of production, and thus placing it at a disadvantage *vis-a-vis* foreign competitors. The basis of this assumption was that Labour would not accept a *pro-rata* reduction in wages when hours were reduced. Another important objection urged against the shorter working week was that the reduction could only be made applicable to mills situated in British India, and that if Indian States did not introduce similar legislation, mills in British India would be badly handicapped in their competition with mills in Indian States.

From the information which the Association has on the subject, it would appear that a large number of industrial associations and chambers of commerce in this country has supported the proposal to reduce working hours in all perennial factories in India. In addition, the measure has the solid support of the representatives of Labour, Provincial Governments and the majority of the members of the Legislative Assembly. In other words, whatever the attitude adopted by the Association's representative in the Assembly, it is practically certain that the suggested reform will be passed into law.

In all the circumstances of the case, and taking into consideration the fact that during the last 12 or 15 months reductions in wages have been effected in many individual mills in various centres, the Committee have come to the conclusion that it is desirable to modify their previous attitude towards the proposal, and have accordingly decided to ask their representative in the Assembly not to oppose those clauses in the new Bill which deal with the length of the working week. Mr. Mody will, of course, both in the Select Committee and on the floor of the Assembly, point out the sacrifices which the Industry will have to make, the difficulties which it will have to face as a result of the reduction in hours, and the inappropriateness of the time selected for the introduction of this reform, and will, in addition, stress the necessity of Government taking steps to ensure that similar legislation is passed in all major Indian States.

My Committee trust that the attitude which they propose to adopt will commend itself to you. If you have any views to communicate to Mr. Mody in this connection, I shall be glad to pass them on to him on hearing from you.

Copy of circular No. 2268/33, dated the 21st November 1934, from the Association to all members of the Association in Bombay (and up-country mill members for information only).

On 1st January 1935, the new Indian Factories Act will come into operation. This Act provides for a working week of not more than 54 hours, and the Committee of the Association have recently been considering the system of work which should be adopted. They recommend that the 54-hour week should be divided into 6 working days of 9 hours each and that as far as the mills in Bombay are concerned, the day shift be divided as under :—

Commence work	..	..	..	..	..	..	7-30 a.m.
Recess	..	..	..	..	..	..	12 noon to 1 p.m.
Re-start	..	..	..	..	..	..	1 p.m.
Cease work	..	..	..	..	..	..	5-30 p.m.

At the present time, mills are working a 60-hour week divided into 6 days of 10 hours each, but in some cases certain classes of male operatives like mechanics, folders, etc., either work shorter hours than the remainder of the operatives, or are paid overtime rates if more than a certain number of hours are put in. When the 54-hour week is introduced, the Committee recommend that the hours of work for all male operatives should be the same, namely, 9 hours per day or 54 hours per week and that consolidated wages on a 9-hour day basis should be given.

As regards female operatives, although the nominal hours are now the same as for male operatives, a certain amount of latitude is allowed in most cases regarding time of admission and leaving work. While the Committee feel that with the introduction of the 54-hour week the daily hours of work for female operatives should be made uniform with that of other operatives, a certain amount of latitude may be necessary according to the special circumstances of individual mills.

During the discussions which have taken place in the Committee and in the Sub-Committee, reference was made to the fairly general practice, which now exists, of taking unauthorized rest intervals in mill compounds during working hours. With the shortening of the working day, it is unanimously agreed that steps should be taken by all mills to stop this practice. As a means of reducing the evil, it is recommended that mills after 1st January 1935, should tighten up discipline so as to prevent, as far as practicable, the taking of meals in mill compounds while the machinery is working.

The Committee further suggest that mill compound tea shops, where they exist, should only be opened for business before and after working hours and during recess intervals, but that during working hours the tea vendor should be allowed to supply the operatives with tea at their machines.

Copy of circular No. 2350/33, dated the 5th December 1934, from the Association to all member-mills in Bombay (and up-country mills for information only).

Further to my letter No. 2268/33, dated 21st November, containing the recommendations of the Committee in regard to working hours when the 54-hour week comes into operation, I am writing to inform you that it will be advisable for all mills to give notice to their work-people and to the Chief Inspector of Factories as to the hours of work, which will be worked on and from 1st January 1935. The alteration in working hours will, it is pointed out, make it necessary to alter the hours shown in Rule (5) of the Standing Orders now posted in the mills. In addition, it would be advisable to post a general notice *on or before the 15th December 1934*, in the Time-keeper's Office specifying what the hours of work will be from 1st January 1935.

I am also writing to remind you that in accordance with the resolutions adopted at the special general meeting of members held on 7th July 1934, the monthly wages of all time-workers after 1st January 1935, will have to be retained at levels not less than those specified in the Millowners' time-work wage schedule, and that, in the case of mills which are at present paying a Dear Food Allowance below 40 per cent. to their piece-workers, it will be necessary as and from the 1st January 1935 to raise it to 40 per cent.

Copy of circular No. 2509/33, dated the 27th December 1934, from the Association to all members of the Association.

I enclose herewith for your information one copy of the Indian Factories Act, 1934 (Act No. XXV of 1934), which will come into force on 1st January 1935. The enclosed may kindly be passed on to your mill manager as early as possible and his attention may be drawn to the new provisions incorporated in Chapters IV and V. If you require additional copies of the Act, a requisition should be sent immediately to the Manager, Government of India Press, New Delhi. The supplementary provisions incorporated in Chapter VII empower the local government to frame certain rules under the Act. These rules are not yet ready, but as soon as they are finally notified in the *Gazette*, I shall obtain copies for the use of members.

THE FACTORIES ACT, 1934 (ACT NO. XXV OF 1934).

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor-General on the 20th August 1934.)

An Act to consolidate and amend the law regulating labour in factories.

Whereas it is expedient to consolidate and amend the law regulating labour in factories ; It is hereby enacted as follows :—

CHAPTER I. PRELIMINARY.

1. *Short title, extent and commencement.*—(1) This Act may be called the Factories Act, 1934.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) It shall come into force on the 1st day of January 1935.

2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context,—

(a) “adolescent” means a person who has completed his fifteenth but has not completed his seventeenth year ;

(b) “adult” means a person who has completed his seventeenth year ;

(c) “child” means a person who has not completed his fifteenth year ;

(d) “day” means a period of twenty-four hours beginning at midnight ;

(e) “week” means a period of seven days beginning at midnight on Saturday night ;

(f) “power” means electrical energy, and any other form of energy which is mechanically transmitted and is not generated by human or animal agency ;

(g) “manufacturing process” means any process—

(i) for making, altering, repairing, ornamenting, finishing or packing, or otherwise treating any article or substance with a view to its use, sale, transport, delivery or disposal, or

(ii) for pumping oil, water or sewage, or

(iii) for generating, transforming or transmitting power ;

(h) “worker” means a person employed, whether for wages or not, in any manufacturing process, or in cleaning any part of the machinery or premises used for a manufacturing process, or in any other kind of work whatsoever incidental to or connected with the manufacturing process or connected with the subject of the manufacturing process, but does not include any person solely employed in a clerical capacity in any room or place where no manufacturing process is being carried on ;

(j) “factory” means any premises including the precincts thereof whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on,

but does not include a mine subject to the operation of the Indian Mines Act, 1923 ;

(k) “machinery” includes all plant whereby power is generated, transformed, transmitted or applied ;

(l) “occupier” of a factory means the person who has ultimate control over the affairs of the factory :

Provided that where the affairs of a factory are entrusted to a managing agent, such agent shall be deemed to be the occupier of the factory ;

(m) where work of the same kind is carried out by two or more sets of workers working during different periods of the day, each of such sets is called a “relay,” and the period or periods for which it works is called a “shift” ; and

(n) "prescribed" means prescribed by rules made by the Local Government under this Act.

3. *References to time of day.*—References to time of day in this Act are references—

(a) in British India, excluding Burma, to Indian Standard Time, which is five and a half hours ahead of Greenwich Mean Time, and

(b) in Burma, to Burma Standard Time, which is six and a half hours ahead of Greenwich Mean Time :

Provided that for any area in British India in which Indian Standard Time is not ordinarily observed the Local Government may make rules—

(i) specifying the area,

(ii) defining the local mean time ordinarily observed therein, and

(iii) permitting such time to be observed in all or any of the factories situated in the area.

4. *Seasonal factories.*—(1) For the purposes of this Act, a factory which is exclusively engaged in one or more of the following manufacturing processes, namely, cotton ginning, cotton or jute pressing, the decortication of groundnuts, the manufacture of coffee, indigo, lac, rubber, sugar (including *gur*) or tea, or any manufacturing process which is incidental to or connected with any of the aforesaid processes, is a seasonal factory :

Provided that the Local Government may, by notification in the local official *Gazette*, declare any such factory in which manufacturing processes are ordinarily carried on for more than one hundred and eighty working days in the year, not to be a seasonal factory for the purposes of this Act.

(2) The Local Government may, by notification in the local official *Gazette*, declare any specified factory in which manufacturing processes are ordinarily carried on for not more than one hundred and eighty working days in the year and cannot be carried on except during particular seasons or at times dependent on the irregular action of natural forces, to be a seasonal factory for the purposes of this Act.

5. *Power to declare premises to be factories.*—(1) Notwithstanding anything contained in clause (j) of section 2, the Local Government may, by notification in the local official *Gazette*, declare any premises whereon or within the precincts whereof a manufacturing process is carried on, whether with or without the aid of power, and whereon or within the precincts whereof, on any one day of the twelve months preceding the notification, ten or more workers were employed, to be a factory for all or any of the purposes of this Act.

(2) A notification under sub-section (1) may be made in respect of any specified premises or class of premises.

(3) A notification under sub-section (1) shall cease to have effect in respect of any premises after the lapse of twelve months during which not more than nine workers were employed thereon on any day.

6. *Power to declare departments to be separate factories.*—The Local Government may, by order in writing, direct that the different departments or branches of a specified factory shall be treated as separate factories for all or any of the purposes of this Act.

7. *Power to exempt on a change in the factory.*—Where the Local Government is satisfied that, following upon a change of occupier of a factory or in the manufacturing processes carried on therein, the number of workers for the time being working in the factory

is less than twenty and is not likely to be twenty or more on any day during the ensuing twelve months, it may, by order in writing, exempt such factory from the operation of this Act :

Provided that any exemption so granted shall cease to have effect on and after any day on which twenty or more workers work in the factory.

8. *Power to exempt during public emergency.*—In any case of public emergency the Governor-General in Council may, by notification in the *Gazette of India*, exempt any factory from any or all of the provisions of this Act for such period as he may think fit.

9. *Notice to Inspector before commencement of work.*—(1) Before work is begun in any factory after the commencement of this Act, or before work is begun in any seasonal factory each season, the occupier shall send to the Inspector a written notice containing—

- (a) the name of the factory and its situation,
- (b) the address to which communications relating to the factory should be sent,
- (c) the nature of the manufacturing processes to be carried on in the factory,
- (d) the nature and amount of the power to be used, and
- (e) the name of the person who shall be the manager of the factory for the purposes of this Act.

(2) Whenever another person is appointed as manager, the occupier shall send to the Inspector a written notice of the change, within seven days from the date on which the new manager assumes charge.

(3) During any period for which no person has been designated as manager of a factory under this section, or during which the person designated does not manage the factory, any person found acting as manager, or, if no such person is found, the occupier himself, shall be deemed to be the manager of the factory for the purposes of this Act.

CHAPTER II. THE INSPECTING STAFF.

10. *Inspectors.*—(1) The Local Government may, by notification in the local official *Gazette*, appoint such persons as it thinks fit to be Inspectors for the purposes of this Act within such local limits as it may assign to them respectively.

(2) The Local Government may, by notification as aforesaid, appoint any person to be a Chief Inspector, who shall, in addition to the powers conferred on a Chief Inspector under this Act, exercise the powers of an Inspector throughout the province.

(3) No person shall be appointed to be an Inspector under sub-section (1) or a Chief Inspector under sub-section (2) or, having been so appointed, shall continue to hold office, who is or becomes directly or indirectly interested in a factory or in any process or business carried on therein or in any patent or machinery connected therewith.

(4) Every District Magistrate shall be an Inspector for his district.

(5) The Local Government may also, by notification as aforesaid, appoint such public officers as it thinks fit to be additional Inspectors for all or any of the purposes of this Act, within such local limits as it may assign to them respectively.

(6) In any area where there are more Inspectors than one, the Local Government may, by notification as aforesaid, declare the powers which such Inspectors shall respectively exercise, and the Inspector to whom the prescribed notices are to be sent.

(7) Every Chief Inspector and Inspector shall be deemed to be a public servant within the meaning of the Indian Penal Code and shall be officially subordinate to such authority as the Local Government may specify in this behalf.

11. *Powers of Inspector.*—Subject to any rules made by the Local Government in this behalf, an Inspector may, within the local limits for which he is appointed,—

- (a) enter, with such assistants (if any), being persons in the employment of Government or of any municipal or other public authority, as he thinks fit, any place which is, or which he has reason to believe to be, used as a factory or capable of being declared to be a factory under the provisions of section 5 ;
- (b) make such examination of the premises and plant and of any prescribed registers, and take on the spot or otherwise such evidence of any persons as he may deem necessary for carrying out the purposes of this Act ; and
- (c) exercise such other powers as may be necessary for carrying out the purposes of this Act :

Provided that no one shall be required under this section to answer any question or give any evidence tending to criminate himself.

12. *Certifying surgeons.*—(1) The Local Government may appoint such registered medical practitioners as it thinks fit to be certifying surgeons for the purposes of this Act within such local limits as it may assign to them respectively.

(2) A certifying surgeon may authorize any registered medical practitioner to exercise any of his powers under this Act :

Provided that a certificate of fitness for employment granted by such authorized practitioner shall be valid for a period of three months only, unless it is confirmed by the certifying surgeon himself after examination of the person concerned.

Explanation.—In this section a “ registered medical practitioner ” means any person registered under the Medical Act, 1858, or any subsequent enactment amending it or, under any Act of any legislature in British India providing for the maintenance of a register of medical practitioners, and includes, in any area where no such register is maintained, any person declared by the Local Government, by notification in the local official *Gazette*, to be a registered medical practitioner for the purposes of this section.

CHAPTER III. HEALTH AND SAFETY.

13. *Cleanliness.*—Every factory shall be kept clean and free from effluvia arising from any drain, privy or other nuisance, and shall be cleansed at such times and by such methods as may be prescribed, and these methods may include lime-washing or colour-washing, painting, varnishing, disinfecting and deodorising.

14. *Ventilation.*—(1) Every factory shall be ventilated in accordance with such standards and by such methods as may be prescribed.

(2) Where gas, dust or other impurity is generated in the course of work, adequate measures shall be taken to prevent injury to the health of workers.

(3) If it appears to the Inspector that in any factory gas, dust or other impurity generated in the course of work is being inhaled by the workers to an injurious extent, and that such generation or inhalation could be prevented by the use of mechanical or other devices, he may serve on the manager of the factory an order in writing, directing that mechanical or other devices for preventing such generation or inhalation shall be provided before a specified date, and shall thereafter be maintained in good order and used throughout working hours.

(4) The Local Government may make rules for any class of factories requiring mechanical or other devices to be provided and maintained for preventing the generation or inhalation of gas, dust or other impurities, which may be injurious to workers and specifying the nature of such devices.

15. *Artificial humidification.*—(1) The Local Government may make rules—

- (a) prescribing standards for the cooling properties of the air in factories in which the humidity of the air is artificially increased ;
- (b) regulating the methods used for artificially increasing the humidity of the air ; and
- (c) directing prescribed tests for determining the humidity and cooling properties of the air to be carried out and recorded.

(2) In any factory in which the humidity of the air is artificially increased, the water used for the purpose shall be taken from a public supply or other source of drinking water, or shall be effectively purified before it is so used.

(3) If it appears to the Inspector that the water used in a factory for increasing humidity which is required to be effectively purified under sub-section (2) is not effectively purified, he may serve on the manager of the factory an order in writing, specifying the measures which in his opinion should be adopted, and requiring them to be carried out before a specified date.

16. *Cooling.*—If it appears to the Chief Inspector or to an Inspector specially authorized in this behalf by the Local Government that the cooling properties of the air in any factory are at times insufficient to secure workers against injury to health or against serious discomfort, and that they can be to a great extent increased by measures which will not involve an amount of expense which is unreasonable in the circumstances, the Chief Inspector may serve on the manager of the factory an order in writing, specifying the measures which in his opinion should be adopted, and requiring them to be carried out before a specified date.

17. *Overcrowding.*—In order that no room in a factory shall be crowded during working hours to a dangerous extent or to an extent which may be injurious to the health of the workers, the proportion which the number of cubic feet of space in a room and the number of superficial feet of its floor area bears to the number of workers working at any time therein shall not be less than such standards as may be prescribed either generally or for the particular class of work carried on in the room.

18. *Lighting.*—(1) A factory shall be sufficiently lighted during all working hours.

(2) If it appears to the Inspector that any factory is not sufficiently lighted, he may serve on the manager of the factory an order in writing, specifying the measures which in his opinion should be adopted, and requiring them to be carried out before a specified date.

(3) The Local Government may make rules requiring that all factories of specified classes shall be lighted in accordance with prescribed standards.

19. *Water.*—(1) In every factory a sufficient supply of water fit for drinking shall be provided for the workers at suitable places.

(2) The supply required by sub-section (1) shall comply with such standards as may be prescribed.

(3) In every factory in which any process involving contact by the workers with injurious or obnoxious substances is carried on, a sufficient supply of water suitable for washing shall be provided for the use of workers, at suitable places and with facilities for its use, according to such standards as may be prescribed.

20. *Latrines and urinals.*—For every factory sufficient latrines and urinals, according to the prescribed standards, shall be provided, for male workers and for female workers separately, of suitable patterns and at convenient places as prescribed, and shall be kept in a clean and sanitary condition during all working hours.

21. *Doors to open outwards.*—In every factory the doors of each room in which more than twenty persons are employed shall, except in the case of sliding doors, be constructed so as to open outwards, or, where the door is between two rooms, in the direction of the nearest exit from the building, and no such door shall be locked or obstructed while any work is being carried on in the room.

22. *Precautions against fire.*—In every factory such precautions against fire shall be taken as may be prescribed.

23. *Means of escape.*—(1) Every factory shall be provided with such means of escape in case of fire as can reasonably be required in the circumstances of each factory.

(2) If it appears to the Inspector that any factory is not so provided, he may serve on the manager of the factory an order in writing, specifying the measures which in his opinion should be adopted, and requiring them to be carried out before a specified date.

(3) The means of escape shall not be obstructed while any work is being carried on in the factory.

24. *Fencing.*—(1) In every factory the following shall be kept adequately fenced, namely :—

(a) every exposed moving part of a prime mover and every flywheel directly connected to a prime mover,

(b) every hoist or lift, hoist-well or lift-well, and every trap-door or similar opening near which any person may have to work or pass, and

(c) every part of the machinery which the Local Government may prescribe.

(2) If it appears to the Inspector that any other part of the machinery in a factory is dangerous if not adequately fenced, he may serve on the manager of the factory an order in writing, specifying the measures which in his opinion should be adopted, and requiring them to be carried out before a specified date.

(3) All fencing required by or under this section or under sub-section (1) of section 26 shall be maintained in an efficient state at all times when the workers have access to the parts required to be fenced except where they are under repair or are under examination in connection with repair or are necessarily exposed for the purpose of cleaning or lubricating or altering the gearing or arrangements of the machinery.

(4) Such further provisions as may be prescribed shall be made for the protection from danger of persons employed in attending to the machinery in a factory.

25. *Power to require specifications of defective parts or tests of stability.*—If it appears to the Inspector that any building or part of a building, or any part of the ways, machinery or plant in a factory is in such a condition that it may be dangerous to human life or safety, he may serve on the manager of the factory an order in writing requiring him before a specified date—

(a) to furnish such drawings, specifications and other particulars as may be necessary to determine whether such building, ways, machinery or plant can be used with safety, or

(b) to carry out such tests as may be necessary to determine the strength or quality of any specified parts and to inform the Inspector of the results thereof.

26. *Safety of buildings and machinery.*—(1) If it appears to the Inspector that any building or part of a building or any part of the ways, machinery or plant in a factory is in such a condition that it is dangerous to human life or safety, he may serve on the manager of the factory an order in writing specifying the measures which in his opinion should be adopted, and requiring them to be carried out before a specified date.

(2) If it appears to the Inspector that the use of any building or part of a building or of any part of the ways, machinery or plant in a factory involves imminent danger to human life or safety, he may serve on the manager of the factory an order in writing prohibiting its use until it has been properly repaired or altered.

27. *Restrictions on work near machinery in motion.*—(1) No woman or child shall be allowed to clean or oil any part of the machinery of a factory while that part is in motion under power, or to work between moving parts or between fixed and moving parts of any machinery which is in motion under power.

(2) The Local Government may, by notification in the local official *Gazette*, prohibit, in any specified factory or class of factories, the cleaning or oiling by any person of specified parts of machinery when these parts are in motion under power.

28. *Power to exclude children.*—(1) The Local Government may make rules prohibiting the admission to any specified class of factories, or to specified parts thereof, of children who cannot be lawfully employed therein.

(2) If it appears to the Inspector that the presence in any factory or part of a factory of children who cannot be lawfully employed therein may be dangerous to them or injurious to their health, he may serve on the manager of the factory an order in writing directing him to prevent the admission of such children to the factory or any part of it.

29. *Prohibition of employment of women and children near cotton-openers.*—No woman or child shall be employed in any part of a factory for pressing cotton in which a cotton-opener is at work :

Provided that, if the feed-end of a cotton-opener is in a room separated from the delivery end by a partition extending to the roof, or to such height as the Inspector may in any particular case specify in writing, women and children may be employed on the side of the partition where the feed-end is situated.

30. *Notice of certain accidents.*—Where in any factory an accident occurs which causes death, or which causes any bodily injury whereby any person injured is prevented from resuming his work in the factory during the forty-eight hours after the accident occurred, or which is of any nature which may be prescribed in this behalf, the manager of the factory shall send notice thereof to such authorities, and in such form and within such time, as may be prescribed.

31. *Appeals.*—(1) The manager of a factory on whom an order in writing by an Inspector has been served under the provisions of this Chapter, or the occupier of the factory, may, within thirty days of the service of the order, appeal against it to the Local Government, or to such authority as the Local Government may appoint in this behalf; and the Local Government or appointed authority may, subject to rules made in this behalf by the Local Government, confirm, modify or reverse the order.

(2) The appellate authority may, and if so required in the petition or appeal shall, hear the appeal with the aid of assessors, one of whom shall be appointed by the appellate authority and the other by such body representing the industry concerned as the Local Government may prescribe in this behalf;

Provided that if no assessor is appointed by such body, or if the assessor so appointed fails to attend at the time and place fixed for hearing the appeal, the appellate authority may, unless satisfied that the failure to attend is due to sufficient cause, proceed to hear the appeal without the aid of such assessor, or, if it thinks fit, without the aid of any assessor.

(3) In the case of an appeal against an order under section 16 the appellate authority shall, and in any other case except an appeal against an order under sub-section (2) of section 26 or sub-section (2) of section 28 the appellate authority may, suspend the order appealed against pending the decision of the appeal, subject however to such conditions as to partial compliance or the adoption of temporary measures as it may choose to impose in any case.

32. *Power of Local Government to make rules to supplement this Chapter.*—The Local Government may make rules—

- (a) providing for any matter which, according to any of the provisions of this Chapter, is or may be prescribed ;
- (b) requiring the managers of factories to maintain stores of first-aid appliances and provide for their proper custody ;
- (c) providing against danger arising from the use of mechanical transport in factories, other than railways subject to the Indian Railways Act, 1890 ;
- (d) prescribing the manner of the service of orders under this Chapter on managers of factories ;
- (e) regulating the procedure to be followed in presenting and hearing appeals under section 31, and the appointment and remuneration of assessors ;
- (f) regulating the exercise by Inspectors of their powers under this Chapter ; and
- (g) providing for any other matter which may be expedient in order to give effect to the provisions of this Chapter.

33. *Additional power to make health and safety rules relating to shelters during rest, rooms for children, certificates of stability and hazardous operations.*—(1) The Local Government may make rules requiring that in any specified factory, wherein more than one hundred and fifty workers are ordinarily employed, an adequate shelter shall be provided for the use of workers during periods of rest, and such rules may prescribe the standards of such shelters.

(2) The Local Government may also make rules—

- (a) requiring that in any specified factory, wherein more than fifty women workers are ordinarily employed, a suitable room shall be reserved for the use of children under the age of six years belonging to such women, and
- (b) prescribing the standards for such rooms and the nature of the supervision to be exercised over the children therein.

(3) The Local Government may also make rules, for any class of factories and for the whole or any part of the province, requiring that work on a manufacturing process carried on with the aid of power shall not be begun in any building or part of a building erected or taken into use as a factory after the commencement of this Act, until a certificate of stability in the prescribed form, signed by a person possessing the prescribed qualifications, has been sent to the Inspector.

(4) Where the Governor-General in Council is satisfied that any operation in a factory exposes any persons employed upon it to a serious risk of bodily injury, poisoning or disease, he may make rules applicable to any factory or class of factories in which the operation is carried on—

- (a) specifying the operation and declaring it to be hazardous,
- (b) prohibiting or restricting the employment of women, adolescents or children upon the operation,
- (c) providing for the medical examination of persons employed or seeking to be employed upon the operation and prohibiting the employment of persons not certified as fit for such employment, and
- (d) providing for the protection of all persons employed upon the operation or in the vicinity of the places where it is carried on.

CHAPTER IV. RESTRICTIONS ON WORKING HOURS OF ADULTS.

34. *Weekly hours.*—No adult worker shall be allowed to work in a factory for more than fifty-four hours in any week, or, where the factory is a seasonal one, for more than sixty hours in any week :

Provided that an adult worker in a non-seasonal factory engaged in work which for technical reasons must be continuous throughout the day may work for fifty-six hours in any week.

35. *Weekly holiday.*—(1) No adult worker shall be allowed to work in a factory on a Sunday unless—

- (a) he has had or will have a holiday for a whole day on one of the three days immediately before or after that Sunday, and
- (b) the manager of the factory has, before that Sunday or the substituted day, whichever is earlier,—
 - (i) delivered a notice to the office of the Inspector of his intention to require the worker to work on the Sunday and of the day which is to be substituted, and
 - (ii) displayed a notice to that effect in the factory :

Provided that no substitution shall be made which will result in any worker working for more than ten days consecutively without a holiday for a whole day.

(2) Notices given under sub-section (1) may be cancelled by a notice delivered to the office of the Inspector and a notice displayed in the factory not later than the day before the Sunday or the holiday to be cancelled, whichever is earlier.

(3) Where, in accordance with the provisions of sub-section (1), any worker works on a Sunday and has had a holiday on one of the three days immediately before it, that Sunday shall, for the purpose of calculating his weekly hours of work, be included in the preceding week.

36. *Daily hours.*—No adult worker shall be allowed to work in a factory for more than ten hours in any day :

Provided that a male adult worker in a seasonal factory may work for eleven hours in any day.

37. *Intervals for rest.*—The periods of work of adult workers in a factory during each day shall be fixed either—

- (a) so that no period shall exceed six hours, and so that no worker shall work for more than six hours before he has had an interval for rest of at least one hour ;
- (b) so that no period shall exceed five hours and so that no worker shall work for more than five hours before he has had an interval for rest of at least half an hour, or for more than eight and a half hours before he has had at least two such intervals.

38. *Spread over.*—The periods of work of an adult worker in a factory shall be so arranged that along with his intervals for rest under section 37, they shall not spread over more than thirteen hours in any day, save with the permission of the Local Government and subject to such conditions as it may impose, either generally or in the case of any particular factory.

39. *Notice of Periods for Work for Adults and preparation thereof.*—(1) There shall be displayed and correctly maintained in every factory in accordance with the provisions of sub-section (2) of section 76 a Notice of Periods for Work for Adults showing clearly the periods within which adult workers may be required to work.

(2) The periods shown in the Notice required by sub section (1) shall be fixed beforehand in accordance with the following provisions of this section and shall be such that workers working for those periods would not be working in contravention of any of the provisions of sections 34, 35, 36, 37 and 38.

(3) Where all the adult workers in a factory are required to work within the same periods, the manager of the factory shall fix those periods for such workers generally.

(4) Where all the adult workers in a factory are not required to work within the same periods, the manager of the factory shall classify them into groups according to the nature of their work.

(5) For each group which is not required to work on a system of shifts, the manager of the factory shall fix the periods within which the group may be required to work.

(6) Where any group is required to work on a system of shifts and the relays are not to be subject to predetermined periodical changes of shift, the manager of the factory shall fix the periods within which each relay of the group may be required to work.

(7) Where any group is to work on a system of shifts and the relays are to be subject to predetermined periodical changes of shifts, the manager of the factory shall draw up a scheme of shifts whereunder the periods within which any relay of the group may be required to work and the relay which will be working at any time of the day shall be known for any day.

(8) The Local Government may make rules prescribing forms for the Notice of Periods for Work for Adults and the manner in which it shall be maintained.

40. *Copy of Notice of Periods for Work to be sent to Inspector.*—(1) A copy of the Notice referred to in sub-section (1) of section 39 shall be sent in duplicate to the Inspector within fourteen days after the commencement of this Act, or, if the factory begins work after the commencement of this Act, before the day on which it begins work.

(2) Any proposed change in the system of work in a factory which will necessitate a change in the Notice shall be notified to the Inspector in duplicate before the change is made, and, except with the previous sanction of the Inspector, no such change shall be made until one week has elapsed since the last change.

41. *Register of Adult Workers.*—(1) The manager of every factory shall maintain a Register of Adult Workers showing—

- (a) the name of each adult worker in the factory,
- (b) the nature of his work,
- (c) the group, if any, in which he is included,
- (d) where his group works on shifts, the relay to which he is allotted, and
- (e) such other particulars as may be prescribed :

Provided that, if the Inspector is of opinion that any muster roll or register maintained as part of the routine of a factory gives in respect of any or all of the workers in the factory the particulars required under this section, he may, by order in writing, direct that such muster roll or register shall to the corresponding extent be maintained in place of and be treated as the Register of Adult Workers in that factory :

Provided further that, where the Local Government is satisfied that the conditions of work in any factory or class of factories are such that there is no appreciable risk of contravention of the provisions of this Chapter in the case of that factory or factories of that class, as the case may be, the Local Government may, by written order, exempt, on such conditions as it may impose, that factory or all factories of that class, as the case may be, from the provisions of this section.

(2) The Local Government may make rules prescribing the form of the Register of Adult Workers, the manner in which it shall be maintained and the period for which it shall be preserved.

42. *Hours of work to correspond with Notice under section 39 and Register under section 41.*—No adult worker shall be allowed to work otherwise than in accordance with the Notice of Periods for Work for Adults displayed under sub-section (1) of section 39 and the entries made beforehand against his name in the Register of Adult Workers maintained under section 41.

43. *Power to make rules exempting from restrictions.*—(1) The Local Government may make rules defining the persons who hold positions of supervision or management or are employed in a confidential position in a factory, and the provisions of this Chapter shall not apply to any person so defined.

(2) The Local Government may make rules for adult workers providing for the exemption, to such extent and subject to such conditions as may be prescribed in such rules,—

- (a) of workers engaged on urgent repairs—from the provisions of sections 34, 35, 36, 37 and 38 ;
- (b) of workers engaged in work in the nature of preparatory or complementary work which must necessarily be carried on outside the limits laid down for the general working of the factory—from the provisions of sections 34, 36, 37 and 38 ;
- (c) of workers engaged in work which is necessarily so intermittent that the intervals during which they do not work while on duty ordinarily amount to more than the intervals for rest required under section 37—from the provisions of sections 34, 36, 37 and 38 ;
- (d) of workers engaged in any work which for technical reasons must be carried on continuously throughout the day—from the provisions of sections 34, 35, 36, 37 and 38 ;

- (e) of workers engaged in making or supplying articles of prime necessity which must be made or supplied every day—from the provisions of section 35 ;
- (f) of workers engaged in a manufacturing process which cannot be carried on except during fixed seasons—from the provisions of section 35 ;
- (g) of workers engaged in a manufacturing process which cannot be carried on except at times dependent on the irregular action of natural forces—from the provisions of section 35 and section 37 ; and
- (h) of workers engaged in engine-rooms or boiler-houses—from the provisions of section 35.

(3) Rules made under sub-section (2) providing for any exemption may also provide for any consequential exemption from the provisions of sections 39 and 40 which the Local Government may deem to be expedient, subject to such conditions as it may impose.

(4) In making rules under this section the Local Government shall prescribe the maximum limits for the weekly hours of work for all classes of workers, and any exemption given, other than an exemption under clause (a) of sub-section (2), shall be subject to such limits.

(5) Rules made under this section shall remain in force for not more than three years.

44. *Power to make orders exempting from restrictions.*—(1) Where the Local Government is satisfied that, owing to the nature of the work carried on or to other circumstances, it is unreasonable to require that the periods of work of any adult workers in any factory or class of factories should be fixed beforehand, it may, by written order, relax or modify the provisions of sections 39 and 40 in respect of such workers to such extent and in such manner as it may think fit, and subject to such conditions as it may deem expedient to ensure control over periods of work.

(2) The Local Government, or subject to the control of the Local Government the Chief Inspector, may, by written order, exempt, on such conditions as it or he may deem expedient, any or all of the adult workers in any factory, or group or class of factories, from any or all of the provisions of sections 34, 35, 36, 37, 38, 39 and 40, on the ground that the exemption is required to enable the factory or factories to deal with an exceptional press of work.

(3) Any exemption given under sub-section (2) in respect of weekly hours of work shall be subject to the maximum limits prescribed under sub-section (4) of section 43.

(4) An order under sub-section (2) shall remain in force for such period as it may specify, but in no case for more than two months from the date on which notice thereof is given to the manager of the factory.

45. *Further restrictions on the employment of women.*—(1) The provisions of this Chapter shall, in their application to women workers in factories, be supplemented by the following further restrictions, namely :—

- (a) no exemption from the provisions of section 36 may be granted in respect of any woman ; and
- (b) no woman shall be allowed to work in a factory except between 6 a.m. and 7 p.m. :

Provided that the Local Government may, by notification in the local official *Gazette* in respect of any class or classes of factories and for the whole year or any part of it, vary the limits laid down in clause (b) to any span of thirteen hours between 5 a.m. and 7-30 p.m. :

Provided further that, in respect of any seasonal factory or class of seasonal factories in a specified area, the Local Government may make rules imposing a further restriction by defining the period or periods of the day within which women may be allowed to work, such that the period or periods so defined shall lie within the span fixed by clause (b) or under the above proviso and shall not be less than ten hours in the aggregate.

(2) The Local Government may make rules providing for the exemption from the above restrictions, to such extent and subject to such conditions as it may prescribe, of women working in fish-curing or fish-canning factories where the employment of women beyond the said hours is necessary to prevent damage to or deterioration in any raw material.

(3) Rules made under sub-section (2) shall remain in force for not more than three years.

46. *Special provision for night-shifts.*—Where a worker works on a shift which extends over midnight, the ensuing day for him shall be deemed to be the period of twenty-four hours beginning when such shift ends, and the hours he has worked after midnight shall be counted towards the previous day :

Provided that the Local Government may, by order in writing, direct that in the case of any specified factory or any specified class of workers therein the ensuing day shall be deemed to be the period of twenty-four hours beginning when such shift begins and that the hours worked before midnight shall be counted towards the ensuing day.

47. *Extra pay for overtime.*—(1) Where a worker in any factory works for more than sixty hours in any week,

or where a worker in a factory other than a seasonal factory works for more than ten hours in any day,

he shall be entitled in respect of the overtime worked to pay at the rate of one-and-a-half times his ordinary rate of pay.

(2) Where a worker in a factory other than a seasonal factory works for more hours in any week than are permitted under section 34, he shall be entitled, in respect of the overtime worked excluding any overtime in respect of which he is entitled to extra pay under sub-section (1), to pay at the rate of one-and-a-quarter times his ordinary rate of pay.

(3) Where any workers are paid on a piece rate basis, the Local Government in consultation with the industry concerned may for the purposes of this section fix time rates as nearly as possible equivalent to the average rate of earnings of those workers, and the rates so fixed shall be deemed to be the ordinary rates of pay of those workers for the purposes of this section.

(4) The Local Government may prescribe the registers that shall be maintained in a factory for the purpose of securing compliance with the provisions of this section.

48. *Restriction on double employment.*—No adult worker shall be allowed to work in any factory on any day on which he has already been working in any other factory, save in such circumstances as may be prescribed.

49. *Control of overlapping shifts.*—The Local Government may make rules providing that in any specified class or classes of factories work shall not be carried on by a system of shifts so arranged that more than one relay of workers is engaged in work of the same kind at the same time save with the permission of the Local Government and subject to such conditions as it may impose, either generally or in the case of any particular factory.

CHAPTER V. SPECIAL PROVISIONS FOR ADOLESCENTS AND CHILDREN.

50. *Prohibition of employment of young children.*—No child who has not completed his twelfth year shall be allowed to work in any factory.

51. *Non-adult workers to carry tokens giving reference to certificates of fitness.*—No child who has completed his twelfth year and no adolescent shall be allowed to work in any factory unless—

(a) a certificate of fitness granted to him under section 52 is in the custody of the manager of the factory, and

(b) he carries while he is at work a token giving a reference to such certificate.

52. *Certificates of fitness.*—(1) A certifying surgeon shall, on the application of any young person who wishes to work in a factory, or of the parent or guardian of such person, or of the manager of the factory in which such person wishes to work, examine such person and ascertain his fitness for such work.

(2) The certifying surgeon, after examination, may grant to such person, in the prescribed form,—

(a) a certificate of fitness to work in a factory as a child, if he is satisfied that such person has completed his twelfth year, that he has attained the prescribed physical standards (if any), and that he is fit for such work ; or

(b) a certificate of fitness to work in a factory as an adult, if he is satisfied that such person has completed his fifteenth year and is fit for a full day's work in a factory.

(3) A certifying surgeon may revoke any certificate granted under sub-section (2) if, in his opinion, the holder of it is no longer fit to work in the capacity stated therein in a factory.

(4) Where a certifying surgeon or a practitioner authorized under sub-section (2) of section 12 refuses to grant a certificate or a certificate of the kind requested, or revokes a certificate, he shall, if so requested by any person who could have applied for the certificate, state his reasons in writing for so doing.

53. *Effect of certificate granted to adolescent.*—(1) An adolescent who has been granted a certificate of fitness to work in a factory as an adult, under clause (b) of sub-section (2) of section 52, and who, while at work in a factory, carries a token giving reference to the certificate, shall be deemed to be an adult for all the purposes of Chapter IV.

(2) An adolescent who has not been granted a certificate of fitness to work in a factory as an adult under sub-section (2) of section 52, shall, notwithstanding his age, be deemed to be a child for the purposes of this Act.

54. *Restrictions on the working hours of child.*—(1) No child shall be allowed to work in a factory for more than five hours in any day.

(2) The hours of work of a child shall be so arranged that they shall not spread over more than seven-and-a-half hours in any day.

(3) No child shall be allowed to work in a factory except between 6 a.m. and 7 p.m. :

Provided that the Local Government may, by notification in the local official *Gazette*, in respect of any class or classes of factories and for the whole year or any part of it, vary these limits to any span of thirteen hours between 5 a.m. and 7-30 p.m.

(4) The provisions of section 35 shall apply also to child workers, but no exemption from the provisions of that section may be granted in respect of any child.

(5) No child shall be allowed to work in any factory on any day on which he has already been working in another factory.

55. *Notice of Periods for Work for Children.*—(1) There shall be displayed and correctly maintained in every factory, in accordance with the provisions of sub-section (2) of section 76, a Notice of Periods for Work for Children, showing clearly the periods within which children may be required to work.

(2) The periods shown in the Notice required by sub-section (1) shall be fixed beforehand in accordance with the method laid down for adults in section 39 and shall be such that children working for those periods would not be working in contravention of section 54.

(3) The provisions of section 40 shall apply also to the Notice of Periods for Work for Children.

(4) The Local Government may make rules prescribing forms for the Notice of Periods for Work for Children and the manner in which it shall be maintained.

56. *Register of Child Workers.*—(1) The manager of every factory in which children are employed shall maintain a Register of Child Workers showing—

- (a) the name of each child worker in the factory,
- (b) the nature of his work,
- (c) the group, if any, in which he is included,
- (d) where his group works on shifts, the relay to which he is allotted,
- (e) the number of his certificate of fitness granted under section 52, and
- (f) such other particulars as may be prescribed.

(2) The Local Government may make rules prescribing the form of the Register of Child Workers, the manner in which it shall be maintained, and the period for which it shall be preserved.

57. *Hours of work to correspond with Notice and Register.*—No child shall be allowed to work otherwise than in accordance with the Notice of Periods for Work for Children displayed under sub-section (1) of section 55 and the entries made beforehand against his name in the Register of Child Workers maintained under sub-section (1) of section 56.

58. *Power to require medical examination.*—Where an Inspector is of opinion—

- (a) that any person working in a factory without a certificate of fitness is a child or an adolescent, or
- (b) that a child or adolescent working in a factory with a certificate is no longer fit to work in the capacity stated therein,

he may serve on the manager of the factory a notice requiring that such person, or that such child or adolescent, as the case may be, shall be examined by a certifying surgeon or by a practitioner authorized under sub-section (2) of section 12, and such person, child or adolescent shall not, if the Inspector so directs, be allowed to work in any factory until he has been so examined and has been granted a certificate of fitness or a fresh certificate of fitness, as the case may be.

59. *Power to make rules.*—The Local Government may make rules—

- (a) prescribing the forms of certificates of fitness to be granted under section 52, providing for the grant of duplicates in the event of loss of the original certificates and fixing the fees which may be charged for such certificates and such duplicates ;
- (b) prescribing the physical standards to be attained by children and adolescents ;
- (c) regulating the procedure of certifying surgeons under this Chapter, and specifying other duties which they may be required to perform in connection with the employment of children and adolescents in factories ; and
- (d) providing for any other matter which may be expedient in order to give effect to the provisions of this Chapter.

CHAPTER VI. PENALTIES AND PROCEDURE.

60. *Penalty for contraventions of Act and rules.*—If in any factory—

- (a) there is any contravention—
 - (i) of any of the provisions of sections 13 to 29 inclusive, or
 - (ii) of any order made under any of the said sections, or
 - (iii) of any of the said sections read with rules made in pursuance thereof under clause (a) of section 32, or
 - (iv) of any rule made under any of the said sections or under clause (b), clause (c) or clause (g) of section 32 or section 33, or
 - (v) of any condition imposed under sub-section (3) of section 31, or
- (b) any person is allowed to work in contravention—
 - (i) of any of the provisions of sections 34 to 38 inclusive, 42, 45 and 48, or
 - (ii) of any rule made under any of the said sections, or under section 49, or
 - (iii) of any condition attached to any exemption granted under section 43 or section 44 or section 45 or to any permission granted under section 38 or section 49, or
- (c) there is any contravention of any of the provisions of sections 39 to 41 inclusive or of any rules made under section 39, section 41 or section 47, or of any condition attached to any exemption granted under section 41 or to any modification or relaxation made under section 44, or
- (d) any person is not paid any extra pay to which he is entitled under the provisions of section 47, or
- (e) any adolescent or child is allowed to work in contravention of any of the provisions of sections 50, 51, 54, 55, 57 and 58, or
- (f) there is any contravention of section 55 or section 56 or of any rules made under either of these sections, or under clause (d) of section 59,

the manager and occupier of the factory shall each be punishable with fine which may extend to five hundred rupees :

Provided that if both the manager and the occupier are convicted, the aggregate of the fines inflicted in respect of the same contravention shall not exceed this amount.

61. *Enhanced penalty in certain cases after previous conviction.*—If any person who has been convicted of any offence punishable under clauses (b) to (f) inclusive of section 60 is again guilty of an offence involving a contravention of the same provision, he shall be punishable on the second conviction with fine which may extend to seven hundred and fifty rupees and shall not be less than one hundred rupees, and if he is again so guilty, shall be punishable on the third or any subsequent conviction with fine which may extend to one thousand rupees and shall not be less than two hundred and fifty rupees :

Provided that for the purposes of this section no cognizance shall be taken of any conviction made more than two years before the commission of the offence which is being punished :

Provided further that the Court, if it is satisfied that there are exceptional circumstances warranting such a course, may, after recording its reasons in writing, impose a smaller fine than is required by this section.

62. *Penalty for failure to give notice of commencement of work or of change of manager.*—An occupier of a factory who fails to give any notice required by sub-section (1) or sub-section (2) of section 9 shall be punishable with fine which may extend to five hundred rupees.

63. *Penalty for obstructing Inspector.*—Whoever wilfully obstructs an Inspector in the exercise of any power under section 11, or fails to produce on demand by an Inspector any registers or other documents in his custody kept in pursuance of this Act or of any of the rules made thereunder, or conceals or prevents any worker in a factory from appearing before or being examined by an Inspector, shall be punishable with fine which may extend to five hundred rupees.

64. *Penalty for failure to give notice of accidents.*—A manager of a factory who fails to give notice of an accident as required under section 30 shall be punishable with fine which may extend to five hundred rupees.

65. *Penalty for failure to make returns.*—If in respect of any factory any return is not furnished as required under section 77, the manager and the occupier of the factory shall each be liable to fine which may extend to five hundred rupees :

Provided that if both the manager and the occupier are convicted, the aggregate of the fines inflicted shall not exceed this amount.

66. *Penalty for smoking or using naked light in vicinity of inflammable material.*—Whoever smokes, or uses a naked light or causes or permits any such light to be used in the vicinity of any inflammable material in a factory shall be punishable with fine which may extend to five hundred rupees.

Exception.—This provision does not extend to the use, in accordance with such precautions as may be prescribed, of a naked light in the course of a manufacturing process.

67. *Penalty for using false certificate.*—Whoever knowingly uses or attempts to use, as a certificate granted to himself under section 52, a certificate granted to another person under that section, or who, having procured such a certificate, knowingly allows it to be used, or an attempt to use it to be made, by another person, shall be punishable with fine which may extend to twenty rupees.

68. *Penalty on guardian for permitting double employment of a child.*—If a child works in a factory on any day on which he has already been working in another factory,

the parent or guardian of the child or the person having custody of or control over him, or obtaining any direct benefit from his wages, shall be punishable with fine which may extend to twenty rupees, unless it appears to the Court that the child so worked without the consent, connivance or wilful default of such parent, guardian or person.

69. *Penalty for failure to display certain notices.*—A manager of a factory who fails to display the notice required under sub-section (1) of section 76 or by any rule made under this Act, or to display or maintain any such notice as required by sub-section (2) of that section, shall be punishable with fine which may extend to five hundred rupees.

70. *Determination of "occupier" for purposes of this Chapter.*—(1) Where the occupier of a factory is a firm or other association of individuals, any one of the individual partners or members thereof may be prosecuted and punished under this Chapter for any offence for which the occupier of the factory is punishable :

Provided that the firm or association may give notice to the Inspector that it has nominated one of its number who is resident in British India to be the occupier of the factory for the purposes of this Chapter, and such individual shall so long as he is so resident be deemed to be the occupier for the purposes of this Chapter until further notice cancelling his nomination is received by the Inspector or until he ceases to be a partner or member of the firm or association.

(2) Where the occupier of a factory is a company, any one of the directors thereof, or, in the case of a private company, any one of the shareholders thereof, may be prosecuted and punished under this Chapter for any offence for which the occupier of the factory is punishable :

Provided that the company may give notice to the Inspector that it has nominated a director, or, in the case of a private company, a shareholder, who is resident in either case in British India, to be the occupier of the factory for the purposes of this Chapter, and such director or shareholder shall so long as he is so resident be deemed to be the occupier of the factory for the purposes of this Chapter until further notice cancelling his nomination is received by the Inspector or until he ceases to be a director or shareholder.

71. *Exemption of occupier or manager from liability in certain cases.*—(1) Where the occupier or manager of a factory is charged with an offence against this Act, he shall be entitled upon complaint duly made by him to have any other person whom he charges as the actual offender brought before the Court at the time appointed for hearing the charge ; and if, after the commission of the offence has been proved, the occupier or manager of the factory proves to the satisfaction of the Court—

- (a) that he has used due diligence to enforce the execution of this Act, and
- (b) that the said other person committed the offence in question without his knowledge, consent or connivance,

that other person shall be convicted of the offence and shall be liable to the like fine as if he were the occupier or manager, and the occupier or manager shall be discharged from any liability under this Act.

(2) When it is made to appear to the satisfaction of the Inspector at any time prior to the institution of the proceedings—

- (a) that the occupier or manager of the factory has used all due diligence to enforce the execution of this Act, and
- (b) by what person the offence has been committed, and
- (c) that it has been committed without the knowledge, consent or connivance of the occupier or manager, and in contravention of his orders,

the Inspector shall proceed against the person whom he believes to be the actual offender without first proceeding against the occupier or manager of the factory, and such person shall be liable to the like fine as if he were the occupier or manager.

72. *Presumption as to employment.*—If a child over the age of six years is found inside any part of a factory in which children are working, he shall, until the contrary is proved, be deemed to be working in the factory.

73. *Evidence as to age.*—(1) When an act or omission would, if a person were under or over a certain age, be an offence punishable under this Act, and such person is in the opinion of the Court apparently under or over such age, the burden shall be on the accused to prove that such person is not under or over such age.

(2) A declaration in writing by a certifying surgeon relating to a worker that he has personally examined him and believes him to be under or over the age set forth in such declaration shall, for the purposes of this Act, be admissible as evidence of the age of that worker.

74. *Cognizance of offences.*—(1) No prosecution under this Act, except a prosecution under section 66, shall be instituted except by or with the previous sanction of the Inspector.

(2) No Court inferior to that of a Presidency Magistrate or of a Magistrate of the first class shall try any offence against this Act or any rule or order made thereunder, other than an offence under section 66 or section 67.

75. *Limitation of prosecutions.*—No Court shall take cognizance of any offence under this Act or any rule or order thereunder, other than an offence under section 62 or section 64, unless complaint thereof is made within six months of the date on which the offence is alleged to have been committed :

Provided that when the offence consists of disobeying a written order made by an Inspector, complaint thereof may be made within twelve months of the date on which the offence is alleged to have been committed.

CHAPTER VII. SUPPLEMENTAL.

76. *Display of factory notices.*—(1) In addition to the notices required to be displayed in any factory by this Act or the rules made thereunder, there shall be displayed in every factory a notice containing such abstracts of this Act and of the rules made thereunder, in English and in the vernacular of the majority of the workers, as the Local Government may prescribe.

(2) All notices required to be displayed in a factory shall be displayed at some conspicuous place at or near the main entrance to the factory, and shall be maintained in a clean and legible condition.

77. *Power of Governor-General in Council to make rules.*—The Governor-General in Council may make rules requiring occupiers or managers of factories to submit such returns, occasional or periodical, as may in his opinion be required for the purposes of this Act.

78. *Control of rules made by Local Governments.*—All rules made by a Local Government under this Act shall be subject to the control of the Governor-General in Council.

79. *Publication of rules.*—(1) All rules made under this Act shall be subject to the condition of previous publication, and the date to be specified under clause (3) of section 23 of the General Clauses Act, 1897, shall not be less than three months from the date on which the draft of the proposed rules was published.

(2) All such rules shall be published in the *Gazette of India* or the local official *Gazette*, as the case may be, and shall, unless some later date is appointed, come into force on the date of such publication.

80. *Application to Crown factories.*—This Act shall apply to factories belonging to the Crown.

81. *Protection to persons acting under this Act.*—No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act.

82. *Repeal and savings.*—The enactments mentioned in the Schedule are hereby repealed to the extent specified in the fourth column thereof :

Provided that anything done under the said enactments which could have been done under this Act if it had then been in force shall be deemed to have been done under this Act.

THE SCHEDULE.

ENACTMENTS REPEALED.

(See section 82.)

Year.	No.	Short Title.	Extent of Repeal.
1	2	3	4
1911	XII	The Indian Factories Act, 1911	The whole.
1922	II	The Indian Factories (Amendment) Act, 1922.	The whole.
1923	IX	The Indian Factories (Amendment) Act, 1923.	The whole.
1926	XXVI	The Indian Factories (Amendment) Act, 1926.	The whole.
1930	VIII	The Repealing and Amending Act, 1930 ..	So much of the First Schedule as relates to the Indian Factories Act, 1911.
1931	XIII	The Indian Factories (Amendment) Act, 1931.	The whole.

APPENDIX 8.

COMPETITION BETWEEN FACTORIES IN BRITISH INDIA AND FACTORIES IN INDIAN STATES.

Copy of letter dated the 3rd May 1934, from the Employers' Federation of India, to the Association.

As you have been already informed, the President had addressed the Government of India on the 27th March, on behalf of the Federation with regard to the competition between the factories in British India and those in the Indian States. As advanced labour-legislation in British India was placing the factories here at a disadvantage *vis-a-vis* the States, he had urged Government to take early action to see that the States and British India are placed on an identical footing in these matters.

In their reply, dated the 27th April, copy of which has been forwarded to you, Government have informed the President that the question "is under examination, and it would be of assistance to the Government of India to have particulars of Industries and States in

which the Federation has particular reason to fear developments that will result in a serious set-back to industry in British India."

As the President proposes to make a further representation, he will feel obliged if your organization will supply him with any information or material bearing on the question, with particular reference to what the Whitley Commission have stated in their Report on pages 472, 473 and 474, relevant extracts from which are herewith enclosed.

P.S.—A copy of the President's letter to Government, dated the 27th March, with regard to the Factories Bill, reference to which is made in paragraph I above, was sent to you at that time. I am, however, enclosing a copy of the relevant paras herewith.

Copy of the relevant paragraphs from the President's letter to the Government of India, dated 27th March 1934.

While taking up this attitude, the members think it is necessary to emphasize that many of the industries in this country will have to face increased costs of production and will find it even more difficult than before to compete with the manufactures of countries where labour is cheaper or more efficient, or where, as in the case of the Indian States, there are advantages in the costs of production which are not enjoyed by industrial centres in British India.

With regard to the States, the Federation hope Government will do what they can to ensure that similar legislation is adopted by them. In this connection, I desire to draw attention to the observations made in the Report of the Whitley Commission and to the position taken up by the late Lord Birkenhead in a communication addressed to the Secretary General of the League of Nations on the 28th September 1927. In the opinion of my Federation, the cause of the workers in this country will receive a very serious set-back unless steps are taken to ensure that British India and the Indian States are placed on an identical footing in matters of Labour legislation.

Copies of letters from the Secretary, Government of India, Industries and Labour Department, in reply to a letter from the President of the Employers' Federation of India, dated 27th March 1934, with regard to the Factories Bill.

I.

In reply to your letter of the 27th March 1934, I am directed to say that the Government of India much appreciate the attitude of your Federation in this matter and the co-operation which has been given by the Associations composing the Federation. The points raised in your letter are receiving the close attention of the Government of India. (7th April 1934.)

II.

In continuation of my letter dated the 7th instant, I am directed to inform you that the Government of India have considered your proposal that tea and rubber factories should be definitely classed as seasonal without reference to the number of days for which they work in a year.

2. The Government of India attach considerable importance to clause 4 (1) of the Factories Bill, the terms of which were settled after much discussion, and they consider that the present provision will enable those factories which are genuinely seasonal all the latitude they need. The 180 days mentioned in the clause are working days so that even if a factory works for six days a week regularly this will cover a period of seven months working, continuous or otherwise. The Government of India feel that factories working their operatives for a longer period than this cannot reasonably claim the benefit of the longer week.

3. The wider question of competition between factories in British India and factories in Indian States is under examination. It would be of assistance to the Government of India to have particulars of Industries and States in which your Federation has particular reason to fear developments that will result in a serious set-back to industry in British India. (21st April 1934.)

Copy of letter No. 1174/101, dated the 20th June 1934, from the Association to the Secretary, Employers' Federation of India, Bombay.

I am directed to acknowledge the receipt of your letter dated the 29th May, with which was enclosed a copy of a letter received by the President of the Federation from the Government of India, asking to be furnished with particulars of Industries and States in which the Federation has particular reasons to fear developments which would result in a serious set-back to a corresponding industry in British India. This Association, as you are aware, are mainly concerned with the cotton spinning and weaving industry, and the observations made below, therefore, only deal with the danger to be apprehended to that Industry. The Association have no information of special value in regard to other Industries.

The Indian Factories Act at present in operation fixes the working hours of cotton mills at 60 per week. This Act came into operation on 1st July 1922, but in anticipation of it, the cotton spinning and weaving mills affiliated to this Association had, with effect from 1st February 1920, reduced their working hours to conform with the contemplated legislation and the Washington Hours of Labour Convention. At that time the question of the hours of labour worked in Indian States was not considered to be of very great importance as the capacity of the Industry in Indian States was limited. In the years that have passed since 1921, however, there has been a very rapid increase in the loomage and spindleage of cotton mills located outside British India. The actual figures are shown below :—

	SPINDLES.		LOOMS.	
	States.	Br. India.	States.	Br. India.
1919-20	405,178	6,309,087	8,158	109,400
1920-21	408,526	6,243,948	8,531	109,422
1921-22	438,713	6,375,560	9,412	118,902
1922-23	579,179	6,665,940	11,617	125,621
1923-24	708,648	7,194,548	14,027	133,060
1926-27	791,228	7,621,589	15,390	142,734
1928-29	840,277	7,653,033	16,537	148,847
1932-33	1,071,580	8,500,088	21,031	168,009

It will be seen from the above figures that in about 12 years the number of spindles in Indian States has increased from 409,000 to 1,072,000 or by 162 per cent. The number of looms has increased from 8,500 to 21,000 or by 147 per cent. In British India there has also been considerable expansion, but the rate of expansion has not been anything like so rapid as in Indian States. This, in the opinion of this Association, is due to three main causes. In the first place, the average rate of wages paid per operative has been very much lower in Indian States than in the more important centres of the Industry in British India such as Bombay and Ahmedabad. Secondly, this advantage of low wages has been greatly increased by the delay which in many cases has taken place in introducing a working week of the same length as existed in British India. Thirdly, the encouragement given by the State Authorities in certain instances for the development of cotton Industries.

The advantages which the Indian States mills possessed in the directions mentioned above, added to the benefits which in certain instances, accrued to them owing to their proximity to cotton growing centres and yarn and cloth consuming markets in British India, have enabled them to market their goods in British India at prices against which mills in British India have the greatest difficulty in competing, since these advantages can only be made

up by a higher all-round efficiency in British India mills. The attainment of this high efficiency has been hampered by the economic depression which has existed for many years, and has made it difficult for old established concerns to instal machinery of as up-to-date a character as has been installed in the more recently established mills in Indian States. As far as my Association are aware, no Indian State has declared its intention of amending its Factory legislation to conform with the new legislation in British India, and this being the case, it is anticipated that the cotton textile industry in Indian States is likely to develop in the immediate future at the expense of the cotton textile industry in British India unless adequate steps are taken by the Government of India to offset the advantage which the Indian State mills will possess *vis-a-vis* mills in British India, by retaining a working week of 60 hours.

A correct assessment of the effect on costs of manufacture which will follow on the institution of a 9-hour day is somewhat difficult, as it is not possible at the present time to estimate to what extent, if any, the efficiency of workers will increase when the length of the working day is reduced. An enquiry which was recently made from a number of mills in Bombay City and Island, however, goes to show that a curtailment in hours might put up the Bombay costs of production by about 6½ pies per pound in the case of Calcutta Dhoties, and by about 4½ pies per pound in the case of 40s grey singles yarn. Such a difference in costs would be sufficient to cripple completely the trade of British Indian Mills in certain lines and it is, therefore, urged that immediate steps should be taken with the object of removing this disability which British Indian mills are apparently to be called upon to suffer for an indefinite period commencing from 1st January 1935.

Copy of letter No. 1343/101, dated the 18th July 1934, from the Association to the Secretary to the Government of India, Department of Industries and Labour, Simla.

My Committee have been favoured with a copy of Government's letter dated 21st April 1934, addressed to the President of the Employers' Federation of India requesting to be furnished with particulars of Industries and States in which the Federation has particular reasons to fear development which would result in a serious setback to a corresponding Industry in British India.

This Association, as Government are aware, are mainly concerned with the cotton spinning and weaving industry, and the observations made below, therefore, only deal with the danger to be apprehended to that Industry. The Association have no information of special value in regard to other Industries.

The Indian Factories Act, at present in operation fixes the working hours of cotton mills at 60 per week. This Act came into operation on 1st July 1922, but in anticipation of it, the cotton spinning and weaving mills affiliated to this Association had with effect from 1st February 1920, reduced their working hours to conform with the contemplated legislation and the Washington Hours of Labour Convention. At that time, the question of the hours of labour worked in Indian States was not considered to be of very great importance as the capacity of the Industry in Indian States was limited. In the years that have passed since 1921, however, there has been a very rapid increase in the loomage and spindleage of cotton mills located outside British India. The actual figures are shown below :—

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APPENDIX 9.

THE TRADE DISPUTES ACT—PROPOSALS FOR AMENDMENT.

Copy of letter dated the 7th May 1934 from the Employers' Federation of India to the Association.

As you are aware, the Indian Trade Disputes Act has been recently made a permanent measure. The provisions and working of the original Act passed in 1929 had been examined by the Whitley Commission, who suggested certain changes in it. In view of these recommendations, the Government of India circulated on the 14th June 1933 their proposals for its revision; and various organisations, including certain members of our Federation, have expressed their opinions as to the necessary improvements. As the measure of 1929 was, however, to expire in May, and time was required to consider the various opinions on the

subject, a Bill was introduced and passed in the last Session of the Assembly to extend the Act indefinitely. In the course of the debate, it was indicated that an early opportunity would be taken for revising the measure in a suitable manner.

The President is having a representation prepared, embodying, as far as possible, the views which have already been expressed by the members of the Federation on the proposals, so as to urge the Government to revise and amend the Act on the lines of these suggestions. (I may mention that all the opinions regarding this measure have been already made available to the President by the Government of India.) Meanwhile, however, the President desires to be informed if members would like to add to the opinions already expressed, particularly in view of certain recent events that have happened in Bombay. For your information I may state that the textile mills of Bombay had been compelled to regulate wages to an economic level, and the Local Government had instituted a fact-finding inquiry to investigate this reduction in wages. Before this inquiry could proceed, certain labour leaders, who happen to be professed communists, called for a General Strike, which was accompanied by violence and intimidation. The Government of Bombay have, therefore, invoked the assistance of the Emergency Powers Act in this matter and placed under detention the leaders of the strike, all of whom are professed communists. As labour disputes in future may reproduce in a large measure the particular incidents that have occurred in Bombay, and as the Act under which the Local Government took action is liable to expire soon, it is a question for consideration whether the Trade Disputes Act itself should not contain certain salutary provisions to deal with similar situations in the future.

Various suggestions have been already made to deal with illegal strikes and strikes pending an inquiry, and with the question of intimidation. It might be necessary to extend the provisions now proposed in the Act so as to empower the authorities to deal with purely communistic agitation. At the same time, the strictest safeguards will be necessary to ensure that bona fide trade union activities are not in the least hampered or penalised.

Your opinion on this question is requested.

Copy of letter No. 1464/128, dated the 31st July 1934, from the Association to the Secretary, the Employers' Federation of India, Bombay.

I am directed to acknowledge the receipt of your letter dated the 7th May, in which you request my Association to indicate whether they have anything to add to the views which they have already expressed to Government on the amendment of the Trade Disputes Act. As you state in your letter, a further unfortunate strike has taken place in the Bombay Textile Industry since the Association submitted their views to Government on 27th September 1933. The methods by which this strike was brought about by communist elements and the volume of intimidation of various kinds which took place while it was proceeding have led my Association to the conclusion that there can be no peace in the Industry unless the Labour Legislation of this country is completely overhauled, and in the opinion of my Association, the utility and effectiveness of the amendments proposed in the Trade Disputes Act will be jeopardised unless at the same time the Trade Unions Act is also satisfactorily amended.

The position to-day, owing to the lack of any 'real' trade union in the Bombay Textile Industry, is that strikes invariably take place without any notice having been given to the employers, and without any previous formulation of grievances. In addition there is always a tendency for a strike in an individual mill to lead to a stoppage of work in a large number of other mills, or even to develop into a general cessation of work owing to various forms of intimidation, combined with a notable lack of a sense of responsibility amongst a certain type of labour leaders. The possibility of a continuance of the existing state of affairs should, in the opinion of my Association, be prevented not only in the interests of employers, but also in the interests of the workers and the Local Governments. While the Bombay Textile Industry has undoubtedly suffered enormous losses owing to the lightning strikes which have taken place during the last ten years, the suffering and losses to the workers have been

even greater, and the Local Government has also been involved in a very heavy expenditure, which could have been prevented if the legislation on the Statute Book had been better suited to the peculiar needs of this country.

Considering in the first place the amendments which are necessary in the Trade Disputes Act, my Association desire to stress the need for an extension of Government's powers in the direction of declaring certain types of strikes illegal, and a similar extension of Local Governments' powers to deal effectively with persons or bodies responsible for the promotion of any strike which has been declared illegal. In a representation dated the 27th September 1933 the need for an amendment of the law relating to picketing has already been dealt with, and my Association have nothing to add to the suggestions then put forward except to say that the experience of the last few months has strengthened the arguments then submitted by the Association in support of their proposals that picketing shall not be permitted under any circumstance at or near a workman's place of residence, and that picketing of all kinds should cease after the dispute has been referred to any of the processes of conciliation or enquiry laid down in the Trade Disputes Act, or provided for in any mediation machinery jointly agreed upon by employers and workmen in any particular industry or section of the industry.

In the present Trade Disputes Act, the following provisions are laid down regarding illegal strikes :—

“ A strike or lock-out shall be illegal which :—

- (a) has any object other than the furtherance of a trade dispute within the trade or industry in which the strikers or employers locking out are engaged ; and
- (b) is designed or calculated to inflict severe, general and prolonged hardship upon the community and thereby to compel the Government to take or abstain from taking any particular course of action.”

There is a certain measure of doubt in the minds of my Committee as to whether even under the present provisions of the Act, the Local Government would not have been justified in declaring the recent strike in the Bombay Cotton Textile Industry as illegal, inasmuch as the object aimed at by the persons responsible for the strike was to bring about a general strike in the Textile Industry throughout the country and to force Government to take certain courses of action in matters entirely unconnected with the alleged grievances of workers in the cotton textile industry (*vide* enclosure which is a translation of a leaflet issued by the Secretary of the Working Committee appointed by the All-India Workers' Conference on 28th January 1934). Whether or not the Government of Bombay were justified in withholding action under Section 16 of the Trade Disputes Act in the case of the recent Bombay textile strike is now a matter of purely academic interest, but there is little doubt, in the opinion of my Association, that in the interest of all the parties concerned, Government should have powers to declare any strike illegal which is either preventible or wanton in character. It is, therefore, suggested that the types of strikes which the Local Government may declare illegal should include :—

- (a) Any strike which has been brought about by an unregistered employees' organization.
- (b) Any strike in which due notice has not been given by the employees' organizations concerned.
- (c) Any strike brought about by a registered employees' organization in contravention of its rules and regulations.

If such provisions as my Committee have indicated above are incorporated in the Trade Disputes Act, they would materially increase the utility of that Act and do a great deal towards preventing lightning strikes. An amendment of the Trade Disputes Act on

the aforementioned lines would not, however, in itself be sufficient to protect adequately the interests of either the employers or the workers, and it is suggested that it is equally necessary that Government should drastically amend the Trade Unions Act. At the present time the development of real trade unionism in this country is being hampered owing to the fact that the existing Trade Unions Act has in no way facilitated direct negotiations between representatives of labour and representatives of employers ; and has not in any way assisted the building up of employees' organizations working along lines acceptable to the employers and helpful to the employees themselves. In addition, the present legislation has, if anything, encouraged the formation of loose organizations of a communistic type, which cannot possibly achieve any substantial amelioration in the lot of the worker owing to the fact that their objects are the entire destruction of the capitalist system, which naturally prevents their recognition by any responsible employers' organizations. This being the situation, my Association contend that the interests of all parties demand that the Trade Unions Act should be modified in such a way as to prevent any workers' organization functioning on behalf of labour which countenances direct action or encourages workers to strike work without notice.

It is also considered necessary that the Act should be amended so as to empower the Registrar of Trade Unions to refuse a certificate of registration unless a Union's rules contain specific provisions expressly prohibiting the calling of strike without consulting the general body of members and without giving notice to the employers. It might also be laid down that failure to consult its general body of members or to give the prescribed notice to the employers would entitle the Registrar to cancel registration ; and that a Local Government should be empowered, in extreme cases, to declare a union which has had its certificate of registration cancelled, to be an illegal organization.

It may be urged that this restriction on the freedom of trade unions in the matter of strikes would be resented, but this should not be so. The only restriction which the amendment proposes is that no union should be entitled to call a strike without notice. This is a legitimate and essential restriction in India, and it would, at the same time, restrict the employers' power to forfeit wages if and when a strike took place.

The Trade Unions Act should also be amended in such a way that no employees' organization shall be registrable unless its rules include a satisfactory procedure concerning (a) the presentation of workers' grievances and (b) the preliminaries which shall be observed before a strike is called by the Union. It should also be stipulated in any registered Trade Union's Rules that work shall be resumed on the appointment of a conciliation officer, Board of Conciliation or Court of Enquiry under the Trade Disputes Act.

With amendments of the Trade Disputes Act, and of the Trade Unions Act, of the character suggested in this letter, the development of responsible trade unions in this country should be very much more rapid than it has been during the last few years, for there is little doubt that employers would be willing to recognize and treat with any trade unions which saw fit to agree to the procedure recommended. The amendments advocated would also have the effect of preventing the growth of communistic organizations, and the fact that any strike called without notice would be declared illegal would go far to prevent the repetition of the serious losses which have been incurred by employers, workers, Local Governments and the general public by lightning strikes during the last decade.

Copy of letter No. 1700/128, dated the 29th August 1934, from the Association to the Secretary to the Government of India, Department of Industries and Labour, Simla.

In June last year, the Association received from the Labour Commissioner, Bombay, a copy of:—

- (1) Letter No. L-3005 dated the 14th June 1933 from the Government of India, Department of Industries and Labour ;

(2) Extract from Chapter XVII of the report of the Royal Commission on Labour in India ; and

(3) The Trade Disputes Act,

and were requested to favour Government with the Association's views on (a) the desirability of converting the Trade Disputes Act to a permanent measure, and (b) the amendments that should be made in the Act. My Committee's considered views on the questions involved were submitted to the Labour Office in a letter No. 1460/113 dated the 27th September 1933, a copy of which is enclosed herewith for ready reference.

Since the letter referred to above, a further unfortunate and unnecessary strike has taken place in the Cotton Textile Industry in Bombay City. The methods by which this strike was brought about, and the volume of intimidation of various kinds which took place while it was proceeding, have led my Committee to the conclusion that the labour legislation of India needs to be completely overhauled if the disastrous cessations of work which have been a feature of the last ten or twelve years are to be avoided and the growth of a really healthy trade union movement achieved.

In the Association's letter of 27th September 1933, certain suggestions were put forward for the amendment of the Trade Disputes Act; in addition, a Bill has recently been introduced by the Government of Bombay, which, if it becomes law, should do something towards improving the situation, but my Committee would like to point out that, neither the amendments proposed in their letter of 27th September 1933, nor the recent Bill are likely to provide adequate safeguards against unnecessary dislocations of work in organized industries, unless at the same time the Trade Unions Act is also drastically amended.

The position to-day, owing to the lack of any *real* trade unions in Bombay, is that strikes invariably take place without any previous notice having been given to the employer and without any previous formulation of grievances. In addition, there is always a tendency for a strike in an individual mill to lead to a stoppage of work in a large number of other mills, or even to develop into a general cessation of work owing to various forms of intimidation, and a notable lack of a sense of responsibility amongst a certain type of labour leaders. The possibility of a continuance of the existing state of affairs should, in the opinion of my Committee, be prevented not only in the interests of employers, but also in the interests of the workers and of local Governments. It is well known that the Bombay Textile Industry has suffered enormous losses owing to the lightning strikes which have taken place during the last decade. The suffering and losses to the workers have been even greater. In a recent departmental enquiry report, it was estimated that the workers in Bombay Mills had lost no less than Rs. 427½ lakhs in wages on account of strikes since 1926. The recent strike must have added another Rs. 80 lakhs to this figure. The local Government has also been involved in very heavy additional expenditure on account of the strikes which have taken place; and in addition, the general public have also suffered considerably. In the opinion of my Committee, much of this loss could have been prevented had the legislation on the Statute Book been better suited to the peculiar needs of this country.

Considering in the first place the amendments which are necessary in the Trade Disputes Act, my Association again desire to stress the need for an extension of Government's powers in the direction of declaring certain types of strikes illegal and a similar extension of local Government's power to deal effectively with persons or bodies responsible for the promotion of any strike which has been declared illegal. In the letter of 27th September last, the need for an amendment of the law relating to picketing was dealt with, and my Committee have nothing to add to the suggestions then put forward, except to say that the experience of the last few months has strengthened the arguments then submitted in support of the Association's proposals that picketing should not be permitted under any circumstances at or near a workman's place of residence, and that picketing of all kinds should cease after a dispute had been referred to any of the processes of conciliation or enquiry laid down in the Trade Disputes Act, or provided for in any mediation machinery jointly agreed upon by the employers and their workmen in any particular industry or section of an industry.

In the existing Trade Disputes Act, the following provisions are laid down regarding illegal strikes :—

“ A strike or lockout shall be illegal which :—

- (a) has any object other than the furtherance of a trade dispute within the trade or industry in which the strikers or employers locking out are engaged ; and
- (b) is designed or calculated to inflict severe general and prolonged hardship upon the community and thereby to compel the Government to take or abstain from taking any particular course of action.”

My Committee now wish to suggest that the Government of India or a local Government as the case may be, should have powers to declare any strike illegal which is either preventible or wanton in character. It is further suggested that the types of strikes which Government may declare illegal should include :—

- (a) any strike which has been brought about by an unregistered employees' organization ;
- (b) any strike in which due notice has not been given by the employees' organizations concerned ;
- (c) any strike brought about by a registered employees' organization in contravention of its rules and regulations.

The incorporation of provisions such as those indicated above in the Trade Disputes Act would materially increase the utility of that Act and do a great deal towards preventing lightning strikes.

An amendment of the Trade Disputes Act on the aforementioned lines would not, however, in itself be sufficient to protect adequately the interests of either the employers or the workers, and my Committee consider it equally necessary that Government should drastically amend the Trade Unions Act. At the present time, the development of real trade unionism in this country is being hampered owing to the fact that the existing Act has not facilitated direct negotiations between the representatives of labour and representatives of the employers, and has not in any way assisted the building up of employees' organizations working along lines acceptable to the employers and helpful to the employees themselves. The existing legislation has, if anything, encouraged the formation of loose organizations of a communistic type which cannot possibly achieve any substantial amelioration in the lot of the workers because their avowed object is the entire destruction of the capitalist system and this naturally prevents their recognition by responsible employers' organizations. This being the situation, my Committee contend that the interests of all parties demand that the Trade Unions Act should be modified in such a way as to prevent any workers' organization functioning on behalf of labour which countenances direct action or encourages workers to strike work without notice.

It is also considered necessary that the Trade Unions Act should be amended so as to empower a Registrar of Trade Unions to refuse a certificate of registration unless a Union's Rules contain specific provisions expressly prohibiting the calling of strikes without consulting the general body of members and without giving notice to the employers. It should also be laid down that failure to consult the general body of members or to give the prescribed notice to employers would entitle the Registrar to cancel registration. A Local Government should be empowered, in extreme cases, to declare a union which has had its certificate of registration cancelled, to be an illegal organization.

A further amendment which is essential is that the percentage of outsiders permitted to hold executive positions in a Union should be reduced considerably. At the present time, the law permits a Union to have 50 per cent. of outsiders on the executive committee, and

it is suggested that this allowance be immediately reduced to 30 per cent., and that ultimately all registered unions should be managed entirely by persons drawn from the ranks of the particular industry concerned.

The Trade Unions Act should also be amended in such a way that no employees' organization should be registrable unless its rules included a satisfactory procedure concerning :—

- (a) the presentation of workers' grievances ; and
- (b) the preliminary negotiations which shall take place before a strike is called by a Union.

It should also be stipulated in any registered Trade Unions' Rules, that work shall be resumed on the appointment of a Board of Conciliation or a Court of Enquiry called in accordance with the provisions of the Trade Disputes Act.

With amendments of the Trade Disputes Act and of the Trade Unions Act of the character suggested in this letter, the development of responsible trade unions in this country should be very much more rapid than it has been in the past, for there is little doubt that employers as a whole would be willing to recognise and treat with organizations which saw fit to agree to the procedure recommended. The amendments advocated would also have the effect of preventing the growth of communistic organizations, or, at any rate, would reduce the power of communist organizations to interfere in industrial disputes. The fact that any strike called without notice would be declared illegal would, in the opinion of my Committee, go far to prevent the repetition of the serious losses which have been incurred by employers, workers, local Governments, and the general public by lightning strikes during the last decade.

Copy of letter No. L-3005, dated the 8th September 1934, from the Deputy Secretary to the Government of India, Department of Industries and Labour, to the Association.

I am directed to acknowledge receipt of your letter No. 1700/128, dated the 29th August 1934, on the subject of certain amendments in the Trade Union and Trade Disputes Act and to say that the suggestions made therein will receive due consideration.

APPENDIX 10.

BOMBAY TRADE DISPUTES CONCILIATION BILL.

Copy of letter dated the 19th July 1934, from the Chief Secretary to the Government of Bombay, Political and Reforms Department, Poona, to the Association.

I am directed to send you herewith a copy of a draft of the Bombay Trades Disputes Conciliation Bill, 1934, which the Government of Bombay propose to bring before the Bombay Legislative Council at its next session at Poona commencing on 13th August 1934, and to request you to refer it to the Bombay Millowners' Association for their consideration and favour of their remarks, if any, which may be forwarded to me by the 1st August 1934, at the latest, as the Bill will have to be published by the 4th of August, and it will be impossible to make any changes in it after that date except by way of amendment in the Legislative Council itself.

2. I am to add that if this Bill is passed by the Legislative Council it will, in the opinion of the Government of Bombay, be most desirable for the Association to appoint a Labour Officer of their own and constitute a standing sub-committee to deal with labour

questions in the textile industry with whom the Government Labour Officer appointed under the Act will be able to deal when any disputes arise between the millhands and their employers. Government trust that the Millowners' Association will give their earnest consideration to these suggestions.

*A Bill to make further provision for the settlement of trade disputes by conciliation
and for certain other purposes. (Draft.)*

Whereas it is expedient to make further provision for the settlement of trade disputes by conciliation and for certain other purposes hereinafter appearing ;

And whereas the previous sanction of the Governor-General required by sub-section (3) of section 80A of the Government of India Act and the previous sanction of the Governor required by section 80C of the said Act have been obtained for the passing of this Act ;

It is hereby enacted as follows :—

1. *Short title.*—This Act may be called the Bombay Trade Disputes Conciliation Act, 1934.

2. *Extent, commencement and application.*—(1) Section 1 and this section extend to the whole of the Bombay Presidency. The remaining provisions of this Act extend to the City of Bombay and the Bombay Suburban District and the Governor in Council may further, by notification in the *Bombay Government Gazette*, direct that the said provisions shall extend to such other area as may be specified in the notification.

(2) Section 1 and this section shall come into force at once. The Governor in Council may, by notification in the *Bombay Government Gazette*, direct that the remaining provisions of this Act shall come into force in any area to which the said provisions extend or may have been extended under sub-section (1), on such date as may be specified in the notification.

(3) This Act shall apply, in the first instance, to the textile trade or industry. The Governor in Council may, by notification in the *Bombay Government Gazette*, direct that the provisions of this Act shall apply to such other trade or industry and in such area as may be specified in the notification.

3. *Definitions.*—In this Act, unless there is anything repugnant to the subject or context,—

(a) “ Commissioner of Labour ” means the officer appointed for the time being to be the Commissioner of Labour ;

(b) “ Conciliator ” includes the Chief Conciliator or a Special or Assistant Conciliator appointed under this Act ;

(c) “ Conciliation proceeding ” means a proceeding held by a Conciliator under this Act ;

(d) “ Delegate ” means a person appointed under section 9 to represent a party to a trade dispute in a conciliation proceeding and includes the Labour Officer acting as a delegate to represent workmen in such proceeding ;

(e) “ Employer ” includes any body of persons, whether incorporated or not and any managing agent of an employer ;

(f) “ Labour Officer ” means an officer appointed to perform the duties of a Labour Officer under this Act ;

- (g) "prescribed" means prescribed by rules made under this Act ;
- (h) "trade dispute" means any dispute or difference between employers and workmen, which is connected with the employment or non-employment or the terms of the employment, or with the conditions of labour of any person ;
- (i) words and expressions not defined in this Act, but defined in the Trade Disputes Act, 1929, shall have the meaning assigned to them in that Act.

4. *Appointment of Conciliators.*—(1) The Commissioner of Labour shall be the *ex-officio* Chief Conciliator.

(2) The Governor in Council may, by notification in the *Bombay Government Gazette*, appoint any person to be a Special Conciliator for such area as may be specified in the said notification.

(3) The Governor in Council may, by notification in the *Bombay Government Gazette*, appoint any person to be an Assistant Conciliator for such area as may be specified in the said notification.

5. *Labour Officer.*—(1) The Governor in Council may, by notification in the *Bombay Government Gazette*, appoint any person to be a Labour Officer for such area as may be specified in the said notification.

(2) The Labour Officer shall exercise the powers conferred and perform the duties imposed on him by or under this Act. It shall be the duty of the Labour Officer to watch the interests of workmen and to take steps to represent the grievances of workmen to employers for the purpose of obtaining their redress.

(3) For the purpose of exercising such powers and performing such duties, the Labour Officer may enter any place used for the purpose of any trade or industry to which this Act applies and shall be entitled to inspect and call for documents in the possession of any employer or workmen as the Labour Officer deems necessary. The Labour Officer may for the same purpose, enter any premises provided by an employer for the purpose of residence of his workmen.

6. *Jurisdiction of Conciliators.*—(1) The Chief Conciliator shall exercise powers and perform duties under this Act throughout the Presidency except in the area for which a Special Conciliator has been appointed under this Act.

(2) An Assistant Conciliator shall be subordinate to, and shall exercise such powers and perform such duties as may be delegated to him by, the Chief Conciliator or Special Conciliator, as the case may be.

7. *Application or report for settlement of trade disputes.*—If any trade dispute exists or is apprehended,—

- (a) either or both parties to the dispute may apply, whether separately or conjointly, or
- (b) the Labour Officer may make a report,

in the prescribed manner to the Conciliator for a settlement of the dispute.

8. *Conciliator to give notice to parties.*—(1) If the Conciliator,—

- (a) in any area for which a Labour Officer is appointed, on receipt of an application or report under section 7, or

- (b) elsewhere, on receipt of an application under section 7 or upon his own knowledge or information,

is satisfied that a trade dispute exists or is apprehended, he shall cause notice to be given to the parties to the dispute to appear before him at such time and place as may be specified in the notice.

A copy of such notice shall be sent to the Labour Officer.

(2) Notice to the parties shall require them to appoint, within such time as may be specified in the notice, delegates to represent them in the conciliation proceeding.

(3) Notice under this section shall be in the prescribed form and shall be served in the prescribed manner.

9. *Delegates.*—(1) On receipt of notice under section 8, the parties to a trade dispute shall within the time specified in the notice or within such time as may be fixed by the Conciliator in this behalf appoint in the prescribed manner delegates from among themselves :

Provided that when a party to the dispute is a single individual, such party may appoint himself as a delegate :

Provided further that the Labour Officer may be appointed as a delegate on behalf of the workmen.

(2) The number of delegates appointed by a party to a trade dispute shall not exceed three :

Provided that when, in the opinion of the Conciliator, such party to the dispute is divided into two or more groups, the Conciliator may allow each of such groups to appoint separate delegates not exceeding three :

Provided, further, that the total number of delegates appointed by all the groups forming the party shall not exceed twelve.

(3) If an employer who is a party to a trade dispute has failed or refused to appoint any delegate within the time specified in the notice or within such further time as may be fixed by the Conciliator, such employer shall, on conviction, be punishable with fine which may extend to Rs. 100 and with further fine which may extend to Rs. 100 for every day on which such failure or refusal continues after the date of the first conviction.

Explanation.—Where such employer is a company registered under the Indian Companies Act, 1913, every director of such company shall be liable to punishment for an offence under this sub-section.

(4) Where workmen who are parties to a trade dispute have failed or refused to appoint any delegate within the time specified in the notice or within such further time as may be fixed by the Conciliator, the Labour Officer shall act as the delegate on behalf of such workmen.

10. *Disqualification from being a delegate.*—(1) A person shall be disqualified from being appointed or acting as a delegate, if such person—

(a) has been sentenced by a criminal court to imprisonment for an offence punishable with imprisonment for a term exceeding six months, or to transportation, such sentence not having been subsequently reversed or quashed ;

(b) is less than twenty-one years of age ;

(c) is an uncertificated bankrupt or an undischarged insolvent ; or

(d) is not, in the opinion of the Conciliator, a fit and proper person to be a delegate.

(2) The decision of the Conciliator that a person is disqualified from being appointed or acting as a delegate shall be final.

(3) Nothing in this section shall apply to the Labour Officer while acting as a delegate.

11. *Conciliation proceeding.*—(1) On the date specified in the notice under clause (b) of sub-section (1) of section 8 or on such other date as may be fixed by the Conciliator on his motion or at the request of any of the parties to a trade dispute, the Conciliator shall hold the conciliation proceeding in the prescribed manner.

(2) A party to such trade dispute shall be represented in a conciliation proceeding by delegates. The Labour Officer, whether appointed or whether acting as delegate or not, shall also be entitled to appear in such proceeding.

(3) It shall be the duty of the Conciliator to endeavour to bring about a settlement of the trade dispute and for this purpose the Conciliator shall inquire into the dispute, and all matters affecting the merits thereof and the right settlement thereof and in so doing may do all such things as he thinks fit for the purpose of inducing the parties to come to a fair and amicable settlement of the dispute and may adjourn the conciliation proceeding for any period sufficient in his opinion to allow the parties to agree upon the terms of the settlement.

12. *Procedure and powers of Conciliator in conciliation proceeding.*—(1) A Conciliator shall subject to the provisions of this Act, follow in a conciliation proceeding such procedure as may be prescribed.

(2) For the purpose of holding a conciliation proceeding, the Conciliator shall have the same powers as are vested in courts under the Code of Civil Procedure, 1908, in trying a suit in respect of the following matters, viz. :—

(a) summoning and enforcing the attendance of any person and examining him on oath ;

(b) compelling the production of documents and material objects ; and

(c) issuing commissions for the examination of witnesses ;

and shall have such further powers as may be prescribed.

13. *Party not bound to furnish information prejudicial to its interest.*—Notwithstanding anything contained in section 12, a party to a trade dispute shall not be bound to give any information or to produce any documents in a conciliation proceeding, if it is shown to the satisfaction of the Conciliator that the giving of such information or the production of such documents is likely to affect the interests of such party adversely in any matter not connected with the settlement of the said dispute.

14. *Settlement and report.*—(1) If a settlement of a trade dispute is arrived at in a conciliation proceeding, a memorandum of such proceeding and settlement shall be drawn up in the prescribed form by the Conciliator and signed by the delegates. The Conciliator shall send a report of such settlement together with a copy of the memorandum to the Governor in Council.

(2) If no such settlement is arrived at, the Conciliator shall, as soon as possible after the close of the conciliation proceeding, send a full report regarding the trade dispute to the Governor in Council, setting forth the particulars of the proceeding and the steps taken by him for the purpose of ascertaining the facts and circumstances relating to the dispute and the reasons on account of which, in his opinion, a settlement could not be made.

(3) The record of such proceeding and settlement shall be maintained in the prescribed manner.

15. *Exemption of documents from stamp duty, court fee and registration fees.*—Any application, document or other instrument made or produced in the course of any proceeding under this Act shall be exempt from stamp duty, court fee or registration fee payable under any law for the time being in force.

16. *Penalty.*—If any person instigates or incites others not to take part in a conciliation proceeding or otherwise obstructs or instigates or incites others to obstruct a Conciliator in the discharge of his duties under this Act, such person shall, on conviction be punishable with imprisonment of either description which may extend to 2 years or with fine which may extend to Rs. 5,000 or with both.

17. *Power of entry.*—It shall be lawful for a Conciliator at any time and from time to time when necessary for the purposes of exercising the powers conferred and performing the duties imposed by or under this Act to enter any premises used for the purpose of any trade or industry to which this Act applies.

18. *Conciliator and Labour Officer to be public servants.*—A Conciliator and the Labour Officer shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

19. *Protection to persons acting in good faith.*—No suit or proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act.

20. *Rules.*—(1) The Governor in Council may make rules for the purpose of carrying into effect the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing provision, such rules may be made for all or any of the following purposes, namely :—

- (a) prescribing the powers and duties of the Labour Officer ;
- (b) prescribing the powers and duties which may be delegated to Assistant Conciliators ;
- (c) prescribing the manner in which an application or a report shall be made to the Conciliator under section 7 ;
- (d) prescribing the form and manner in which notice shall be given under section 8 ;
- (e) prescribing the manner of appointing delegates under section 9 ;
- (f) regulating the procedure in which a conciliation proceeding shall be held under section 11 ;
- (g) determining the scale of fees at which witnesses shall be paid for appearance in a conciliation proceeding under section 11 ;
- (h) specifying the powers which may be exercised by the Conciliator for the purpose of a conciliation proceeding under section 11 ;
- (i) prescribing the form in which and the particulars which shall be mentioned in the memorandum of a settlement under section 14 ;
- (j) prescribing the manner in which the record of a conciliation proceeding and settlement shall be maintained under section 14 ; and
- (k) providing for any other matter for which there is no provision or insufficient provision in this Act and for which provision is, in the opinion of the Governor in Council, necessary for giving effect to the provisions of this Act.

(3) The rules made under this section shall be subject to the condition of previous publication in the *Bombay Government Gazette*.

(4) Rules made under this section shall be laid upon the table of the Bombay Legislative Council at the session of the said Council next following and shall be liable to be modified and rescinded by a resolution of the said Council and such rule shall after notification in the *Bombay Government Gazette* be deemed to have been modified or rescinded accordingly :

Provided that when in the opinion of the Governor in Council such modification or rescission is likely to defeat or frustrate any of the purposes of this Act, the Governor in Council may by notification in the *Bombay Government Gazette* declare that the modification or rescission shall have no effect and thereupon the rules shall remain in force as if they had not been modified or rescinded.

21. *Saving of the provisions of the Trade Disputes Act, 1929.*—Nothing in this Act shall affect any of the provisions of the Trade Disputes Act, 1929, and no conciliation proceeding shall be held relating to any matter or trade dispute which is referred to and is pending before the Court of Inquiry or Board of Conciliation under the said Act.

STATEMENT OF OBJECTS AND REASONS.

“ In view of the labour unrest which has prevailed in the textile industry in Bombay City since 1921 and of its disastrous results not only on the industry itself but also on the prosperity of Bombay City as a whole, the Government of Bombay decided that steps must be taken without further delay to establish a regular system of conciliation of disputes between the millhands and the employers with the object of preventing or at any rate reducing strikes as far as possible in the future. They consider that the best system to adopt will be to appoint a Government Labour Officer whose duty it should be to look after the interests of labour in the industry and do his best to promote closer contact between the employers and their employees the absence of which has undoubtedly contributed greatly to the numerous strikes which have occurred in the past. Government also decided that the Commissioner of Labour should be appointed *ex-officio* as Chief Conciliator and that they should have the power to appoint suitable persons as Special or Assistant Conciliators when occasion demands that they should be appointed. The best means of establishing this system appeared to be by means of an Act of the Legislature describing the duties of the Labour Officer and of the Chief Conciliator and other Conciliators and the methods by which the employers and labour could approach them for conciliation when disputes may arise. Government consider that though for the present the Act should be applicable to the textile industry in Bombay City and the Bombay Suburban District only, it is desirable that they should be invested with power to extend its provisions to any industry elsewhere in the Presidency which might in the future require a similar system of conciliation. The following notes explain the various clauses of the Bill.”

NOTES ON CLAUSES.

Clause 2.—This clause provides that the Act shall, in the first instance, extend to the City of Bombay and the Bombay Suburban District and that Government shall have power to extend it to any other area. The main provisions of the Act shall come into force on such date as Government may appoint by notification. The clause also provides that the provisions of the Act in the first instance apply to the textile trade or industry, but Government may apply them to such other trade or industry in such area as they deem necessary.

Clause 3.—This is an interpretation clause. The term “ trade dispute ” is for the purposes of this Act defined as meaning a dispute between employers and workmen. The term “ employer ” includes any body or persons incorporated or not and any managing agent of an employer.

Clause 4.—This clause provides that the Labour Commissioner shall be *ex-officio* Chief Conciliator, but Government may appoint Special Conciliators for any particular area. Government have also been given power to appoint Assistant Conciliators who shall be subordinate to the Chief Conciliator or Special Conciliator.

Clause 5.—This clause empowers Government to appoint the Labour Officer. It provides that in addition to the powers which the Labour Officer can exercise and the duties he will have to perform under this Act, it is his duty also to watch the interests of workmen and to take steps to represent the grievances of workmen to employers for the purpose of obtaining their redress. Sub-clause (3) provides that a Labour Officer may call for any documents from employers and workmen and can enter any place of trade or industry or any place provided by the employer for the purpose of the residence of his workmen.

Clause 6.—This clause provides that the jurisdiction of the Chief Conciliator is throughout the Presidency except for the area for which Special Conciliators have been appointed by Government.

Clause 7.—This clause provides that any party to a trade dispute may make an application or a Labour Officer may make a report to a Conciliator about a trade dispute which exists or is apprehended.

Clause 8.—This clause provides that on the application or report under clause 7 or also on his own knowledge or information in any area for which no Labour Officer has been appointed, a Conciliator shall give notice to the parties to a trade dispute to appoint delegates on their behalf and to appear before him by the delegates.

Clause 9.—On the receipt of notice under clause 8, the parties are bound to appoint delegates. A Labour Officer may be appointed a delegate on behalf of workmen. The number of delegates by each party is not to exceed three, but when a party is divided into groups, the Conciliator may allow each group to appoint separate delegates but the total number of delegates so appointed by a party shall not exceed 12. If an employer fails or refuses to appoint a delegate, he is liable to be prosecuted and punished by way of fine to the extent of Rs. 100 per day for each day of failure or refusal. If the defaulting employer is a company registered under the Indian Companies Act, 1913, the Directors of such company are made liable under this clause. In the case of a failure or refusal on the part of workmen to appoint delegates, it is provided that the Labour Officer shall act as a delegate on their behalf.

Clause 10.—This clause specifies the circumstances which disqualify a person from being appointed as a delegate. The decision of a Conciliator that a person is or is not disqualified from being appointed a delegate is final.

Clause 11.—This clause provides for the holding of a conciliation proceeding. The parties to a trade dispute shall be represented in a conciliation proceeding by delegates. Sub-clause (3) lays down that the duty of the Conciliator is to endeavour to bring about a settlement of a trade dispute and provides for the steps to be taken by the Conciliator to achieve that object.

Clause 12.—This clause relates to the procedure to be followed in a conciliation proceeding and provides that a Conciliator has the powers of a civil court for the purpose.

Clause 13.—This clause provides that a party to a trade dispute is not bound to produce any document or to give any information to a Conciliator, if he can satisfy the Conciliator that the production of such document or giving of such information is prejudicial to his interest in any matter connected with the trade dispute.

Clause 14.—This clause relates to the procedure to be followed by the Conciliator on the completion of a conciliation proceeding. He has to report the matter to Government whether a settlement is or is not made.

Clause 15.—This clause exempts all applications made or documents produced in a conciliation proceeding from being liable to stamp duty, court fee and registration fee.

Clause 16.—This clause makes it an offence if any person instigates or incites others not to take part in a conciliation proceeding, or otherwise obstructs or instigates or incites others to obstruct a Conciliator in the discharge of his duties under the Act.

Clause 17.—This clause empowers a Conciliator to enter any place of trade or industry for the purpose of this Act.

Clauses 18 and 19.—Clause 18 provides that a Conciliator and a Labour Officer shall be public servants and clause 19 protects any person from any legal proceeding for anything done in good faith under the Act.

Clause 20.—This clause empowers Government to make rules for the purpose of carrying out the objects of the Act and for various matters referred to in the Act.

Clause 21.—This clause saves the provisions of the Trade Disputes Act, 1929, and provides that no conciliation proceeding shall be held in respect of any matter or dispute which may have been referred to or pending before the Court of Inquiry or Board of Conciliation under that Act.

Copy of letter No. 1457/138, dated the 30th July 1934, from the Association to the Chief Secretary to the Government of Bombay, Political Department.

I am directed to acknowledge the receipt of your letter, dated 19th July 1934, with which was enclosed copy of a draft Bill "to make further provision for the settlement of trade disputes by conciliation, etc.," in the textile industry of the Presidency, and particularly in the textile industry of Bombay. My Committee would like to make it clear at the outset that the short period allowed to them for the submission of views has not given sufficient time to the Association to consult its individual members as they would have liked to do in a matter of this importance. At the same time, they recognize the desirability of immediate action being taken to provide more satisfactory means of dealing with trade disputes, and preventing unnecessary cessations of work than exist in the Bombay textile industry at the present time.

During the last few years, the cotton trade of Bombay has been very seriously affected by a series of disastrous strikes. These strikes have gravely impaired the financial and competitive position of the local textile industry; in addition, they have involved the workers of Bombay mills in great hardships and financial loss. In the recent report on the Departmental Enquiry conducted by the Government of Bombay Labour Office it was estimated that since 1926 the loss to the workmen alone has been no less than 427½ lakhs of rupees in wages. In addition, the general public of Bombay and the revenues of the City and the Presidency have been severely affected. The Government of Bombay has also been involved in heavy additional expenditure on police and military assistance, which had to be requisitioned to maintain law and order. My Committee agree that the exceptional circumstances of Bombay as reflected in the number and seriousness of strikes which have taken place during the last few years point to the need for extraordinary measures being taken to avoid the possibility of a repetition of this state of affairs in the future. In these circumstances, they are inclined to welcome the broad procedure outlined in the present Bill as a purely experimental measure. They cannot, however, agree that legislation of the type proposed should find a permanent place in the Statute Book and, therefore, suggest that the life of the proposed measure should be limited to a period of three years in the first instance. If and when labour organizations working on constitutional lines are successfully developed in the Bombay textile industry—as my Committee hope they will be during the next few years—then they maintain that Government should amend this legislation to suit the needs of the times. What my Committee wish to make clear is that they are still of the opinion that labour disputes and grievances can be dealt with most effectively by direct negotiations between the parties themselves, and that these direct negotiations without the intervention of a third party in the person of a Government Labour Officer or Conciliation Officer could be achieved if real trade unions existed in the Bombay Mill Industry.

A weakness of the legislation proposed is that it is open to criticism that Government are weighting the scale in favour of labour. My Committee, however, recognize the need for providing an effective procedure under which workers' grievances could be investigated and their accumulation prevented, and therefore are prepared to accept the broad principles laid down in the measure.

In the opinion of my Committee, there is one very important omission in the Bill, namely, that it makes no provision for preventing a cessation of work during the pendency of proceedings before a Conciliation Officer, and deem it desirable that Government should consider the incorporation in the Bill of provisions which would remedy this defect.

We have indicated in an earlier paragraph that the legislation proposed should only be of a temporary character, pending the development of employees' organizations working along constitutional lines. In order to assist this development my Committee maintain that the Government of Bombay should take a very early opportunity to indicate to the Government of India the need for amending the Indian Trade Unions Act in such a way as would ensure that only such organizations as are prepared to work along recognized trade union lines should be registrable or have authority to act on behalf of workers involved in any dispute.

Turning to the detailed provisions of the Bill, my Committee have the following observations to make :—

Clause 3 (h).—The definition of the term "trade dispute" requires amendment so as to include trade disputes between a single employer and workmen.

Clause 5 (2).—Clause 5 (2) states that "it shall be the duty of the Labour Officer to watch the interests of workmen and to take steps to represent the grievances of workmen to employers for the purpose of obtaining their redress." My Committee are of opinion that it is necessary to make clear in the Bill that the primary duty of the Labour Officer should be to promote harmonious relations between workers and their employers. The presentation of grievances by the Labour Officer to an employer or employers or in a conciliation proceeding should, in the opinion of my Committee, be restricted to cases in which the grievance has, in the original instance, been brought to the notice of the employer directly by the workers concerned. At the present time, any worker has free access to his departmental head and to the management of a mill, and it is in the opinion of my Committee extremely desirable that the continuation of the practice of direct presentation of grievances should not in any way be jeopardized by the contemplated legislation.

Clause 5 (3).—The powers given under this clause to the Labour Officer "to inspect and call for documents in the possession of any employer or workmen" appear to be unnecessarily wide. My Committee suggest that the Labour Officer should only be empowered to inspect documents strictly connected with and relevant to the specific grievance or grievances being investigated by him or presented to him. Provision should also be made to give reasonable notice to the employers or workmen as the case may be when documents are required for inspection. A further restriction somewhat similar to the restriction in clause 13 of the Bill would appear to be necessary to limit the class of documents or information which the Labour Officer shall be entitled to inspect.

This clause also gives permission to the Labour Officer "to enter any premises provided by an employer for the purpose of residence of his workmen." As the Labour Officer would in any event be entitled to enter any premises occupied by workmen on the invitation of the tenants themselves, my Committee consider it unnecessary to make a provision in the Bill of the character suggested.

Clause 8.—An amendment of sub-clause (b) would appear to be necessary so as to give the Conciliator freedom to give notice only in such instances as would appear to him to be advisable. It is, therefore, suggested that for the words "he shall cause notice, etc.," the words "he may, if he thinks fit, cause, etc.," be inserted.

Clause 9 (1).—This clause in its present form provides that delegates shall be appointed by the parties from among themselves. According to Clause 3 (e) an “ employer ” includes any body of persons whether incorporated or not and any managing agent of an employer. Clause 9 (1) would appear to restrict the selection of delegates in the case of employers to directors and managing agents of companies. It is considered that the clause should be modified so as to make it possible for employers to be given the liberty to be represented in conciliation proceedings by any responsible officer of the firm or company, such as Secretary, Manager, or Departmental Head, or by any specially appointed Labour Officer of an employers’ association connected with the industry in which the dispute has occurred.

Clause 9 (3).—Clause 9 (3) lays down that if an employer who is a party to a trade dispute has failed or refused to appoint any delegate such an employer shall on conviction be punishable with fine which may extend to Rs. 100, etc. My Committee consider that the question of conviction should arise only when such failure to appoint a delegate or delegates has been deliberate.

My Committee would also like to suggest a reduction in the penalties proposed, in view of the fact that no similar penalties are imposed on the workers in the event of their not appointing delegates.

The clause should also provide that in cases where the employer is a company or firm, copies of any notice sent to the employer should also be sent to the Directors of the company concerned individually in view of the fact that they are also sought to be made liable under this clause.

Clause 12.—It has not been made clear whether the conciliation proceedings are to be public or private. My Committee are of opinion that it would be advisable that the proceedings should be *in camera*, but that during the course of the proceedings press notes might be published if the parties so desire.

Clause 14.—My Committee are of the opinion that one copy of the report made by the Conciliation Officer should be supplied to each party.

A provision should also be made that where a settlement was arrived at in any conciliation proceeding, that settlement shall be carried into effect by the parties concerned.

As regards the suggestion made by Government that it would be desirable for the Association to appoint a Labour Officer of their own and constitute a standing Sub-Committee to deal with labour questions in the textile industry with whom the Government Labour Officer would be able to deal when any disputes arise between the millhands and their employers, I am to inform you that if the Bill is passed into Law, the Association will at once take in hand the appointment of their own Labour Officer, whose duties would include the investigation of disputes in member-mills and negotiation with the Governmental Labour Officer in the initial stages of those disputes.

As regards the suggestion that the Association should also appoint a standing Labour Sub-Committee, I am to say that such a Sub-Committee is already in existence and that the scope of its functions will be expanded to include consultation and negotiation with the Governmental Labour Officer if the present Bill becomes Law.

BOMBAY ACT NO. IX OF 1934.

(First published, after having received the assent of the Governor General, in the “ *Bombay Government Gazette* ” on the 9th October 1934.)

An Act to make further provision for the prevention and settlement of trade disputes by conciliation and for certain other purposes.

Whereas it is expedient to make further provision for the prevention and settlement of trade disputes by conciliation and for certain other purposes hereinafter appearing ;

And whereas the previous sanction of the Governor-General required by sub-section (3) of section 80A of the Government of India Act and the previous sanction of the Governor required by section 80C of the said Act have been obtained for the passing of this Act ;

It is hereby enacted as follows :—

1. *Short title.*—This Act may be called the Bombay Trade Disputes Conciliation Act, 1934.

2. *Extent, commencement and application.*—(1) Section 1 and this section extend to the whole of the Bombay Presidency. The remaining provisions of this Act extend to the City of Bombay and the Bombay Suburban District and the Governor in Council may further, by notification in the *Bombay Government Gazette*, direct that the said provisions shall extend to such other area as may be specified in the notification.

(2) Section 1 and this section shall come into force at once. The Governor in Council may, by notification in the *Bombay Government Gazette*, direct that the remaining provisions of this Act shall come into force in any area to which the said provisions extend or may have been extended under sub-section (1), on such date as may be specified in the notification.

(3) This Act shall apply, in the first instance, to the textile trade or industry. The Governor in Council may, by notification in the *Bombay Government Gazette*, direct that the provisions of this Act shall apply to such other trade or industry and in such area as may be specified in the notification.

3. *Definitions.*—In this Act, unless there is anything repugnant to the subject or context,—

(a) “ Commissioner of Labour ” means the officer appointed for the time being to be the Commissioner of Labour ;

(b) “ Conciliator ” includes the Chief Conciliator or a Special or Assistant Conciliator appointed under this Act ;

(c) “ Conciliation proceeding ” means a proceeding held by a Conciliator under this Act ;

(d) “ Delegate ” means a person appointed under section 9 to represent a party to a trade dispute in a conciliation proceeding and includes the Labour Officer acting as a delegate to represent workmen in such proceeding ;

(e) “ Employer ” includes any body of persons, whether incorporated or not and any managing agent of an employer ;

(f) “ Labour Officer ” means an officer appointed to perform the duties of a Labour Officer under this Act ;

(g) “ prescribed ” means prescribed by rules made under this Act ;

(h) “ trade dispute ” means any dispute or difference between employers and workmen, which is connected with the employment or non-employment or the terms of the employment, or with the conditions of labour, of any person ;

(i) words and expressions not defined in this Act, but defined in the Trade Disputes Act, 1929, shall have the meaning assigned to them in that Act.

4. *Appointment of Conciliators.*—(1) The Commissioner of Labour shall be the *ex-officio* Chief Conciliator.

(2) The Governor in Council may, by notification in the *Bombay Government Gazette*, appoint any person to be a Special Conciliator for such area as may be specified in the said notification.

(3) The Governor in Council may, by notification in the *Bombay Government Gazette*, appoint any person to be an Assistant Conciliator for such area as may be specified in the said notification.

5. *Labour Officer*.—(1) The Governor in Council may, by notification in the *Bombay Government Gazette*, appoint any person to be a Labour Officer for such area as may be specified in the said notification.

(2) The Labour Officer shall exercise the powers conferred and perform the duties imposed on him by or under this Act. It shall be the duty of the Labour Officer to watch the interests of workmen with a view to promote harmonious relations between employers and workmen and to take steps to represent the grievances of workmen to employers for the purpose of obtaining their redress.

(3) For the purpose of exercising such powers and performing such duties, the Labour Officer may, after giving reasonable notice, enter any place used for the purpose of any trade or industry to which this Act applies and shall be entitled to inspect and call for documents, relevant to the grievances of workmen, in the possession of any employer or workman, as the Labour Officer deems necessary. The Labour Officer may, for the same purpose, enter after giving reasonable notice any premises provided by an employer for the purpose of residence of his workmen.

(4) All particulars contained in or information obtained from any document inspected or called for under sub-section (3) shall, if the person in whose possession the document was so requires, be treated as confidential.

6. *Jurisdiction of Conciliators*.—(1) The Chief Conciliator shall exercise powers and perform duties under this Act throughout the Presidency except in the area for which a Special Conciliator has been appointed under this Act.

(2) An Assistant Conciliator shall be subordinate to, and shall exercise such powers and perform such duties as may be delegated to him by, the Chief Conciliator or Special Conciliator, as the case may be.

7. *Application or report for settlement of trade disputes*.—If any trade dispute exists or is apprehended,—

(a) either or both parties to the dispute may apply, whether separately or conjointly, or

(b) the Labour Officer may make a report,

to the Conciliator for a settlement of the dispute.

8. *Conciliator to give notice to parties*.—(1) If the Conciliator,—

(a) in any area for which a Labour Officer is appointed, on receipt of an application or report under section 7, or

(b) elsewhere, on receipt of an application under section 7 or upon his own knowledge or information,

is satisfied that a trade dispute exists or is apprehended, he may cause notice to be given to the parties to the dispute to appear before him at such time and place as may be specified in the notice.

A copy of such notice shall be sent to the Labour Officer.

(2) Notice to the parties shall require them to appoint, within such time as may be specified in the notice, delegates to represent them in the conciliation proceeding.

(3) Notice under this section shall be in the prescribed form and shall be served in the prescribed manner.

9. *Delegates.*—(1) On receipt of notice under section 8, the parties to a trade dispute shall within the time specified in the notice or within such time as may be fixed by the Conciliator in this behalf appoint delegates in such manner as the Conciliator may direct:

Provided that when a party to the dispute is a single individual, such party may appoint himself as a delegate :

Provided further that the Labour Officer may be appointed as a delegate on behalf of the workmen.

(2) The number of delegates appointed by a party to a trade dispute shall not exceed three :

Provided that when, in the opinion of the Conciliator, such party to the dispute is divided into two or more groups, the Conciliator may allow each of such groups to appoint separate delegates not exceeding three :

Provided, further, that the total number of delegates appointed by all the groups forming the party shall not exceed twelve.

(3) If an employer who is a party to a trade dispute has failed or refused to appoint any delegate within the time specified in the notice or within such further time as may be fixed by the Conciliator, such employer shall, on conviction, be punishable with fine which may extend to Rs. 100 and with further fine which may extend to Rs. 100 for every day on which such failure or refusal continues after the date of the first conviction.

Explanation. Where such employer is a company registered under the Indian Companies Act, 1913, employer shall mean the managing agent or managing director of such company or any other officer of the company authorised to represent such company in the prescribed manner.

(4) No criminal court inferior to that of a Presidency Magistrate or a Magistrate of the First Class shall try any offence under sub-section (3).

(5) No criminal court shall take cognizance of any offence under sub-section (3) except with the previous sanction of the Governor in Council.

(6) Where workmen who are parties to a trade dispute have failed or refused to appoint any delegate within the time specified in the notice or within such further time as may be fixed by the Conciliator, the Labour Officer shall act as the delegate on behalf of such workmen.

10. *Disqualification from being a delegate.*—(1) A person shall be disqualified from being appointed or acting as a delegate, if such person—

(a) is less than twenty-one years of age ; or

(b) is an uncertificated bankrupt or an undischarged insolvent.

(2) A person shall be disqualified from acting as a delegate, if such person is not, in the opinion of the Conciliator, after the conciliation proceedings have started, a fit and proper person to be a delegate.

(3) The decision of the Chief Conciliator or the Special Conciliator, as the case may be, that a person is disqualified from being appointed or acting as a delegate shall be final.

11. *Conciliation proceeding.*—(1) On the date specified in the notice under sub-section (1) of section 8 or on such other date as may be fixed by the Conciliator on his motion or at the request of any of the parties to a trade dispute, the Conciliator shall hold the conciliation proceeding in the prescribed manner.

(2) A party to such trade dispute shall be represented in a conciliation proceeding by delegates. The Labour Officer, even if not appointed or acting as delegate, shall be entitled to be present at such proceeding.

(3) It shall be the duty of the Conciliator to endeavour to bring about a settlement of the trade dispute and for this purpose the Conciliator shall inquire into the dispute, and all matters affecting the merits thereof and the right settlement thereof and in so doing may do all such things as he thinks fit for the purpose of inducing the parties to come to a fair and amicable settlement of the dispute and may adjourn the conciliation proceeding for any period sufficient in his opinion to allow the parties to agree upon the terms of the settlement.

12. *Procedure and powers of Conciliator in conciliation proceeding.*—(1) A Conciliator shall subject to the provisions of this Act, follow in a conciliation proceeding such procedure as may be prescribed.

(2) For the purpose of holding a conciliation proceeding, the Conciliator shall have the same powers as are vested in courts under the Code of Civil Procedure, 1908, in trying a suit in respect of the following matters, viz. :—

- (a) summoning and enforcing the attendance of any person and examining him on oath ;
- (b) compelling the production of documents and material objects ; and
- (c) issuing commissions for the examination of witnesses ;

and shall have such further powers as may be prescribed.

(3) If a party to a trade dispute giving any information or producing any document in a conciliation proceeding makes a request in writing to the Conciliator that such information or the contents of such document may be treated as confidential, the Conciliator shall direct that such information or document be treated as confidential.

(4) The Conciliator may, if he thinks fit, permit the information or contents of the document in respect of which a request has been made under sub-section (3) to be disclosed to the other party to the trade dispute ;

Provided that the Conciliator shall not permit such information or the contents of such document to be so disclosed to the other party to the trade dispute, if it is shown to his satisfaction that such disclosure is likely to affect the interests of the party making the request under sub-section (3) adversely in any matter not connected with the settlement of the said dispute.

(5) Save as provided in sub-section (4), the Conciliator or any person present at or concerned in the conciliation proceeding shall not disclose any information or the contents of any document directed to be treated as confidential under sub-section (3), without the consent in writing of the party making the request under the said sub-section.

(6) Nothing in this section shall apply to the disclosure of any information or the contents of any document for the purpose of a prosecution for an offence under section 14, or under the Indian Penal Code.

13. *Settlement and report.*—(1) If a settlement of a trade dispute is arrived at in a conciliation proceeding, a memorandum of such proceeding and settlement shall be drawn up in the prescribed form by the Conciliator and signed by the delegates. The Conciliator shall send a report of such settlement together with a copy of the memorandum to the Governor in Council.

(2) If no such settlement is arrived at, the Conciliator shall, as soon as possible after the close of the conciliation proceeding, send a full report regarding the trade dispute to the Governor in Council, setting forth the particulars of the proceeding and the steps taken by him for the purpose of ascertaining the facts and circumstances relating to the dispute and the reasons on account of which, in his opinion, a settlement could not be made.

(3) Notwithstanding anything contained in sub-section (1) or (2), any information or contents of any document shall not be included in the memorandum of proceedings, settlement or report drawn up or made under sub-section (1) or (2), if such information or the contents of such document is not permitted by the Conciliator to be disclosed under sub-section (4) of section 12.

(4) The record of the conciliation proceeding held and settlement made under this section shall be maintained in the prescribed manner.

14. *Penalty for disclosing confidential information.*—(1) If the Conciliator or any person present at or concerned in a conciliation proceeding wilfully discloses any information or contents of any document in contravention of section 12, he shall, on complaint made by the party who made the request under sub-section (4) of section 12, be punishable with fine which may extend to one thousand rupees.

(2) No criminal court inferior to that of a Presidency Magistrate or a Magistrate of the First Class shall try any offence under this section.

(3) No criminal court shall take cognizance of any offence under this section except with the previous sanction of the Governor in Council.

15. *Exemption of documents from stamp duty, court fee and registration fees.*—Any application, document or other instrument made or produced in the course of any proceeding under this Act shall be exempt from stamp duty, court fee or registration fee payable under any law for the time being in force.

16. *Penalty.*—If any person instigates or incites others not to take part in a conciliation proceeding, or otherwise obstructs or instigates or incites others to obstruct a Conciliator in the discharge of his duties under this Act or molests or abets the molestation of others, with intent to prevent them from taking part in a conciliation proceeding, such person shall, on conviction, be punishable with imprisonment of either description which may extend to six months or with fine or with both.

Explanation.—For the purpose of this section, a person is said to molest any person who

(a) with intent to cause any person to abstain from doing or to do any act which such person has a right to do or to abstain from doing, obstructs or uses violence to or intimidates such person or any member of his family or person in his employ, or loiters at or near a place where such person or member or employed person resides or persistently follows him from place to place, or interferes with any property owned or used by him, or deprives him of or hinders him in the use thereof, or

(b) loiters or does any similar act at or near the place where a conciliation proceeding is held, in such a way and with intent that any person may thereby be deterred from entering or approaching such place.

17. *Power of entry.*—It shall be lawful for a Conciliator at any time and from time to time when necessary for the purposes of exercising the powers conferred and performing the duties imposed by or under this Act to enter any premises used for the purpose of any trade or industry to which this Act applies.

18. *Conciliator and Labour Officer to be public servants.*—A Conciliator and the Labour Officer shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

19. *Protection to persons acting in good faith.*—No suit or proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act.

20. *Rules.*—(1) The Governor in Council may make rules not inconsistent with the provisions of this Act for the purpose of carrying into effect the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing provision, such rules may be made for all or any of the following purposes, namely :—

- (a) prescribing the powers and duties of the Labour Officer ;
- (b) prescribing the powers and duties which may be delegated to Assistant Conciliators ;
- (c) prescribing the form and manner in which notice shall be given under section 8 ;
- (d) prescribing the manner in which the officer of a company shall be authorised to represent the company under section 9.
- (e) regulating the procedure in which a conciliation proceeding shall be held under section 11 ;
- (f) determining the scale of fees at which witnesses shall be paid for appearance in a conciliation proceeding under section 11 ;
- (g) specifying the powers which may be exercised by the Conciliator for the purpose of a conciliation proceeding under section 11 ;
- (h) prescribing the form in which and the particulars which shall be mentioned in the memorandum of a settlement under section 13 ;
- (i) prescribing the manner in which the record of a conciliation proceeding and settlement shall be maintained under section 13 ; and
- (j) providing for any other matter for which there is no provision or insufficient provision in this Act and for which provision is, in the opinion of the Governor in Council, necessary for giving effect to the provisions of this Act.

(3) The rules made under this section shall be subject to the condition of previous publication in the *Bombay Government Gazette*.

(4) Rules made under this section shall be laid upon the table of the Bombay Legislative Council at the session of the said Council next following and shall be liable to be modified and rescinded by a resolution of the said Council and such rule shall after notification in the *Bombay Government Gazette* be deemed to have been modified or rescinded accordingly :

Provided that when in the opinion of the Governor in Council such modification or rescission is likely to defeat or frustrate any of the purposes of this Act, the Governor in Council may by notification in the *Bombay Government Gazette* declare that the modification or rescission shall have no effect and thereupon the rules shall remain in force as if they had not been modified or rescinded.

21. *Saving of the provisions of the Trade Disputes Act, 1929.*—Nothing in this Act shall affect any of the provisions of the Trade Disputes Act, 1929, and no conciliation proceeding shall be held relating to any matter or trade dispute which is referred to and is pending before, the Court of Inquiry or Board of Conciliation under the said Act.

Copy of letter No. 257/34-II-B, dated the 9th October 1934, from the Chief Secretary to the Government of Bombay, Political and Reforms Department to the Association.

I am directed to refer you to your letter No. 1457/138, dated the 30th July 1934, in the penultimate paragraph of which you informed the Government of Bombay that if the Bombay Trades Disputes Conciliation Bill, 1934, were passed into Law, the Millowners' Association would at once take in hand the appointment of their own Labour Officer, whose duties would include the investigation of disputes in member-mills and negotiations with the Governmental Labour Officer in the initial stages of those disputes. The Trades Disputes Conciliation Bill having received the assent of the Governor-General has passed into Law, and I am directed to inform you that the Government of Bombay trust that your Association will now take immediate steps to appoint their Labour Officer, as it is most desirable that there should be an official representative of the Association with whom the Government Labour Officer can collaborate in dealing with matters affecting the interests of labour in the Bombay textile industry.

I am to add that Government are of opinion that an officer of experience and with some knowledge of the technical side of the textile industry would be most suitable for the appointment and hope that in making their selection the Association will bear this in mind.

Copy of letter No. 2125/142, dated the 24th October 1934, from the Association to the Chief Secretary to the Government of Bombay, Political and Reforms Department.

I am directed to acknowledge the receipt of your letters No. 257/34-II-B, dated the 9th and 17th October 1934, and to inform you that the Committee of my Association have appointed Mr. C. A. Dalal, B.A., B.Sc. (Econ.), as the Association's Labour Officer. Mr. Dalal, who for the last three years has been Labour Officer in the E. D. Sassoon Group of Mills, is expected to take over his appointment on the 1st November 1934.

Copy of circular No. 2149/142, dated the 26th October 1934, from the Association to all members of the Association with Mills in the City and Island of Bombay including Coorla.

I am instructed to inform you that in accordance with the undertaking given to the Government of Bombay, the Association has appointed Mr. C. A. Dalal, B.A., B.Sc. (Econ.), as Labour Officer on behalf of member-mills of the Association in the Bombay City and Island (including Coorla). Mr. Dalal, previous to his appointment with the Association, was for three years employed as Labour Officer in the E. D. Sassoon group of mills. He will take over his duties from the 1st of November, and members are desired to instruct their mill managers and supervising staff to assist Mr. Dalal in every way possible, when he visits the mills in the course of his duties.

The primary purposes of Mr. Dalal's appointment are :—

1. To ascertain the grievances of the workers, and to convey them to the management of the mill concerned.
2. Generally to act as a liaison officer and be present, where necessary, at any discussions which may take place between the management and the Government Labour Officer.
3. To record the settlement arrived at in the course of such negotiations, or where no such settlement has been arrived at, the reason therefor.

4. To act as a delegate or adviser to the employers' delegates in proceedings before the Commissioner of Labour in his capacity as Chief Conciliator, *vide* the Bombay Trade Disputes Conciliation Act sent to you recently.
5. To discuss with mill authorities any complaints or grievances which they may wish to bring to the notice of the Government Labour Officer, and be present at any subsequent negotiations thereon.
6. To assist and advise mills in regard to labour matters in general and welfare work in particular.
7. Generally to act as a liaison officer between the Association and individual mills on labour questions.
8. To keep in touch with the activities of all Labour organizations.

Mr. Dalal will take a very early opportunity of visiting all member-mills in order to establish personal contact with the managements and supervising staffs. Thereafter he will periodically visit each mill in connection with his duties, and in the event of his services being required by the management in connection with any dispute or apprehended dispute, will make a special visit to the mills concerned. If the services of Mr. Dalal are required by any mill, the fact should be communicated to the Association by telephone (No. 25350).

Mill managements where possible are requested to get in touch with Mr. Dalal, when any dispute or grievance connected with their individual mills is being investigated by the Government Labour Officer, so that Mr. Dalal may have an opportunity of being present during the negotiations. Similarly, it is particularly requested that Mr. Dalal should be consulted before any correspondence is entered into between the mills and the Government Labour Officer, and also when any conciliation proceedings are pending.

APPENDIX 11.

LIABILITY OF EMPLOYERS UNDER THE WORKMEN'S COMPENSATION ACT FOR INJURIES ARISING OUT OF EARTHQUAKE.

Copy of letter No. 25, dated the 11th May 1934, from the Bombay Accident Insurance Association (Workmen's Compensation Standing Committee) to the Association.

I am directed to enclose a copy of my letter addressed to the Bombay Chamber of Commerce on the above subject.

My Committee direct me to request your co-operation in supporting the proposed representation to Government and they suggest that you address Government on the subject should you agree with the view expressed.

Copy of letter No. 25, dated the 11th May 1934, from the Bombay Accident Insurance Association to the Bombay Chamber of Commerce.

I am directed by my Committee to draw the attention of the Chamber to a recent decision of the Privy Council arising out of the earthquake at Hawkes Bay, New Zealand, in February 1931, by which employers have been held liable to pay compensation under the Workmen's Compensation Act, in respect of death or injuries from this cause sustained by workmen whilst engaged in the course of their employers' business.

Shortly stated the effect of the decision is as follows :—

1. In the case of injuries happening on an employer's premises, if a workman is injured by contact with some portion of the place where he is employed, e.g., by the collapse of the building, the employer is liable under the Act regardless of the cause of such collapse.
2. If a workman is on a road or street in the course of his employer's business and is injured by any risk of the road or street, the employer is liable notwithstanding the fact that such risk was shared by all members of the public using the street.
3. If a workman is directly injured by a force of nature (e.g., struck by lightning) there is no liability upon the employer unless the workman or his dependants are able to prove that he was especially exposed by the nature of his employment to such risk.

The wording of the Indian Workmen's Compensation Act, in respect to personal injury by accident arising out of and in the course of the employment, is identical to that of the New Zealand Act, and it may be assumed that the Privy Council decision would be held to apply equally to claims of a similar nature arising under the Indian Act. In fact, in connection with claims arising out of the recent earthquake in Bengal and North Bihar, the Commissioner for Workmen's Compensation, Bengal, has held that the decision so applies.

It will hardly be disputed, however, that this decision of the Privy Council goes considerably beyond the intention of the Indian Legislature (as indeed that of other Legislatures) in framing the Workmen's Compensation Act, in that the effect is to involve employers in liability for injuries arising out of a risk which is shared by all members of the community and is not peculiar to any particular class or classes of employment.

The principle of Workmen's Compensation has always been recognised to be that an industry should support those who, by misfortune, sustain injuries and consequent loss of wage-earning capacity arising out of risks attendant on their employment in such industry or, in other words, that misfortunes attributable to employment in a particular industry should be borne by the industry as a whole and not fall upon individual members of it.

That this is the principle which was accepted by the Indian Legislature appears to be clear from the Statement of Objects and Reasons appended to the Bill introduced into the Legislative Assembly on the 13th September 1922, on the basis of which the Indian Workmen's Compensation Act, 1923, was passed. In the first paragraph of this Statement it is mentioned that "*The growing complexity of industry in this country, with the increasing use of machinery and consequent danger to workmen*, along with the comparative poverty of the workmen themselves, renders it advisable that they should be protected, as far as possible, from hardship arising from accidents." The words italicised make it clear that the accidents contemplated were those arising from the dangers of the industry itself, and not dangers to which the community at large may be subjected in an equal degree. This view is further confirmed by the fact that the Workmen's Compensation Act in this country only embraces classes of employment which, by their nature, are deemed to be "hazardous." If the intention had been to provide compensation for accidents arising from a general community risk, such as a convulsion of nature, it would clearly have been illogical to limit the scope of the Act to workmen engaged in particular industries. To impose liability on an employer, for death or injuries to his employees, arising from a convulsion of nature, merely because his business happens to come within the scope of the Workmen's Compensation Act, is a discrimination in favour of a selected group of sufferers in a catastrophe affecting the community as a whole.

To show that this view is held in other countries where Workmen's Compensation legislation exists it may be mentioned that, in May 1933, the Industrial Accident Commissioner of California ruled that employees were not entitled to compensation for injuries sustained whilst at work during the earthquake in March 1933. This decision was based on the finding that the earthquake was an "Act of God."

It is understood that following upon the decision under reference, an amendment to the New Zealand Act has recently been passed, by which the aggregate liability of individual employers in the event of a catastrophe of this nature is limited to £50,000. This amendment, however, appears to have been the result of a compromise based on political considerations and, in the opinion of the interests represented by my Committee, is neither equitable nor indeed practical and they foresee considerable difficulties in its application.

It will be recognised that this matter is not primarily one for the Insurance Companies for it is upon employers (whether insured or not), that the liability will ultimately fall, and whilst, if employers are to be liable under the Act for injuries due to earthquake, it may be that the Offices would consider it expedient to endeavour to give their insured protection, such liability has never previously been contemplated in connection with workmen's compensation insurance and would obviously necessitate an increase in premium commensurate with the risk.

I am therefore to suggest that the Chamber, in the interests of the various Employers' Associations it represents, should impress upon Government the urgent necessity for legislation to make it clear that accidents caused by or arising out of earthquake or other convulsions or forces of nature, unless it can be proved that the nature of the employment itself involved some special exposure to such risks and that the accident arose out of such special exposure, are definitely excluded from the operation of the Workmen's Compensation Act.

As the matter is an "All-India" one it is suggested that the representation might conveniently be made direct to the Government of India through the Associated Chambers.

Copy of letter No. 856/G/1, dated the 12th July 1934, from the Millowners' Mutual Insurance Association, Ltd., to the Bombay Accident Insurance Association.

I am to refer to your letter No. 25, dated 11th May, addressed to the Secretary, Millowners' Association, Bombay, enclosing a copy of the letter addressed by your Committee to the Chamber of Commerce on this subject.

Your letter was referred to this Association for disposal and it was decided by my Board of Directors to address a representation in the matter to the Government of India. I am sending you herewith a copy of the representation for your information and remarks.

Copy of letter No. 855/G/1, dated the 12th July 1934, from the Millowners' Mutual Insurance Association, Ltd., to the Secretary to the Government of India, Department of Industries and Labour, Simla.

I have the honour to invite your attention to the decision of the Judicial Committee of the Privy Council in *Brooker vs. Thomas Borthwick and Sons, (Australasia) Ltd.*, and Connected Appeals, and to point out that the application of the principle laid down by their Lordships for the grant of compensation in this case to cases falling within the same category under the Workmen's Compensation Act in India would be to seriously enhance the liability of employers to pay compensation under the Act.

The fundamental principle of all Workmen's Compensation legislation was that the workman should be compensated by his employer for injuries and consequent loss of earning capacity arising out of risks ordinarily attendant on his employment in the industry. The risk must be connected with the work which the workman was employed to do. The accident must have arisen from some peculiar danger to which the workman was exposed because of his employment. A danger which was common to all mankind was not necessarily a risk incidental to the employment. It had been held that the fact that a workman was killed or injured *whilst at work* by lightning or by exposure to the weather did not *in itself* point to an accident arising out of the employment. There was, however, no doubt that where, from the circumstances of the employment, the workman was specially exposed to risk of injury from natural causes, he was entitled to recover compensation. The effect of the present decision would be to make the employers liable to pay compensation even in cases where the nature or the

conditions of the employment did not expose the workman to any special risks. This was not contemplated by the Workmen's Compensation Act as originally framed as was shown by the Statement of Objects and Reasons appended to the Bill passed by the Legislature in 1922. It was then stated that "*The growing complexity of industry in this country, with the increasing use of machinery and consequent danger to workmen*, along with the comparative poverty of the workmen themselves, rendered it advisable that they should be protected, as far as possible, from hardship arising from accidents." The words italicised made it clear that the accidents contemplated were those arising from the dangers of the industry itself, and not dangers to which the community at large may be subjected to an equal degree. The scope of the Act was moreover limited to certain scheduled classes of employment only, which would appear to show that the intention of the Legislature was to provide compensation for accidents connected with the workmen's employment and not for accidents arising from a general community risk such as was involved in accidents arising from convulsions of nature beyond the control of human agency. It would be considerably widening the scope of the Act and certainly widening it beyond the limits contemplated by the Legislature if the principle of the present decision was to be followed in this country, as it had in fact been done by the Commissioner for Workmen's Compensation, Bengal, in claims for compensation arising out of the recent earthquake in Bengal and North Bihar.

It was significant that in the Workmen's Compensation Legislation of certain South American States situated in the earthquake belt, accidents attributable to a case of *force majeure* extraneous to the work or due to a fortuitous event unconnected with the industry in which the workman was employed, were specifically excluded. It would, therefore, appear desirable to amend the Workmen's Compensation Act, so as to make it clear that "accidents caused by or arising out of earthquake or other convulsions or forces of nature, unless it could be proved that the nature of the employment itself involved some special exposure to such risks and that the accident arose out of such special exposure," were definitely excluded from the operation of the Act. This amendment would, it was submitted, serve to clarify the intention of the Legislature in framing the Act to provide compensation to workmen injured from causes solely and directly connected with their work.

Copy of letter dated the 5th December 1934, from the Employers' Federation of India, to the Secretary to the Government of India, Department of Industries and Labour, New Delhi.

The President of the Employers' Federation of India has directed me to address you with regard to the Workmen's Compensation Act. As you are aware, the Privy Council has recently decided, in connection with injuries arising out of an earthquake in New Zealand, that employers are liable to pay compensation under the Workmen's Compensation Act of that Dominion in respect of death or injuries sustained from earthquake whilst engaged in the course of their employers' business. The effect of this decision may be stated briefly as follows :—

- (1) in the case of injuries happening on an employer's premises, if a workman is injured by contact with some portion of the place where he is employed, *e.g.*, by the collapse of the building, the employer is liable under the Act, regardless of the cause of such collapse ;
- (2) if a workman is on a road or street in the course of his employer's business and is injured by any risk of the road or street, the employer is liable, notwithstanding the fact that such risk was shared by all members of the public using the street ; and
- (3) if a workman is directly injured by a force of nature, *e.g.*, struck by lightning, there is no liability upon the employer, unless the workman or his dependents are able to prove that he was especially exposed by the nature of his employment to such risk.

As the Indian Workmen's Compensation Act contains identical wording in respect to personal injury by accident arising out of and in the course of employment, it may be assumed, that this decision of the Privy Council would be equally applicable in India. I am informed that in connection with the recent earthquake in Bengal and North Bihar, the Commissioner for Workmen's Compensation, Bengal, has held that the decision so applies, and I am to point out that this appears to go considerably beyond the intention of the Indian Legislature when they framed the Workmen's Compensation Act. The principle of this Act has been that an industry should support those who, by misfortune, sustain injuries on account of risks attendant on their employment in such industry. In the Statement of Objects and Reasons attached to the Bill introduced in 1922 as the basis of the Act passed in 1923, it was mentioned that "the growing complexity of industry in this country, with the increasing use of machinery and consequent danger to workmen, along with the comparative poverty of the workmen themselves, renders it advisable that they should be protected, as far as possible, from hardship arising from accidents." It is clear that the accidents contemplated were those arising from the dangers of the industry itself, and not from hazards to which the community at large may be subjected in equal degree, as for instance, in the case of earthquakes. The Workmen's Compensation Act only embraces classes of employment which by their nature are deemed to be hazardous. There was no intention to provide any compensation for accidents arising from a general risk such as a convulsion of nature; and it would have been clearly illogical to limit the scope of the Act to workers engaged in particular industries, unless the intention was to provide only against hazardous occupations. It would be unfair to impose liability on an employer for accidents arising from a convulsion of nature merely because his business happens to come within the scope of the Workmen's Compensation Act; and this is a discrimination in favour of a selected group of sufferers in a catastrophe affecting the community as a whole.

This view seems to have been held in other countries as well. For instance, in May 1933, the Industrial Accidents Commissioner of California ruled that employees were not entitled to compensation for injuries sustained whilst at work during the earthquake there in March 1933, this decision being based on the finding that the earthquake was an "act of God." I am also given to understand that, following upon the decision under reference, an amendment of the New Zealand Act has recently been passed by which the aggregate liability of individual employers, in the event of a catastrophe of this nature, is limited to £50,000. This amendment, however, appears to have been the result of a compromise based on political considerations, and is neither equitable nor indeed practical.

It may be that insurance companies in India have not yet increased the rates in areas where earthquakes might be apprehended. But it must be pointed out that this is a matter primarily not for the insurance companies, but for employers, on whom, whether insured or not, the liability will ultimately fall. Till recently, earthquake risk was considered rare, but in view of what has happened, it would be expedient to provide by legislation for any such contingencies. I am, therefore, to request the Government of India to take early steps for an amendment of the Workmen's Compensation Act to the effect that accidents caused by or arising out of earthquakes or other convulsions of nature are definitely excluded from the operation of the Indian Workmen's Compensation Act, unless it can be proved that the nature of the employment itself involved some special exposure to such risks and that the accident arose out of such special exposure.

Copy of letter No. L-3002, dated the 15th January 1935, from the Deputy Secretary to the Government of India, Department of Industries and Labour, to the Secretary, Employers' Federation of India, Bombay.

Subject:—DECISION OF THE PRIVY COUNCIL IN BROOKER'S CASE.

With reference to your letter dated the 5th December 1934 on the subject noted above, I am directed to inform you that the Government of India have examined with care the suggestion that the decision of the Privy Council in Brooker's case renders desirable an amendment of the Indian Workmen's Compensation Act.

2. The proposal that the Act should be amended rests on the assumption that the decision of the Privy Council involves the placing of a liability on the employer which is foreign to the intention of the Indian Act. The Government of India consider that this assumption is incorrect. The Indian Legislature, in passing the Act, must be assumed to have intended that the phrase "arising out.....of the employment" should carry the same meaning as it had in the British Act from which these words were taken. The Privy Council's decision follows a series of decisions of the House of Lords bearing on the interpretation of this phrase, and all the more important of these decisions are anterior to the passing of the Indian Act. The finding in Brooker's case is, as the judgment indicates, merely the logical application of the principles underlying those decisions and consequently must be regarded as in line with the intention of the Indian Legislature.

3. With the recognition of this fact, the main argument advanced for any change in the law disappears. But in view of the importance of the question, the Government of India have considered on its merits the proposed amendment put forward in your letter, namely, that accidents due to convulsions of nature should be excluded unless it can be proved that the nature of the employment itself involved some special exposure to such risks and that the accident arose out of such special exposure. Here much depends on what is intended to be covered by the words "nature of the employment." If it is intended by this to connote only the character of the workman's work, it would certainly introduce a restriction which is not applied by the Indian Act or, so far as the Government of India are aware, by any other Act in the British Empire. In the leading case of *Simpson or Thom v. Sinclair*, which was decided by the House of Lords in 1917 and is cited as decisive by the Privy Council in Brooker's case, Lord Shaw observed :—

"In short, my view of the statute is that the expression 'arising out of the employment' is not confined to the mere 'nature of the employment.' The expression in my opinion applies to the employment as such—to its nature, its conditions, its obligations and its incidents. If by reason of any of these the workman is brought within the zone of special danger and so injured or killed, it appears to me that the broad words of the statute 'arising out of the employment' apply."

The proposal made in your letter seems to be intended to restrict the workman's rights, in some cases but not in others, to accidents which can be shown as arising out of the nature of his employment.

4. This, in the view of the Government of India, would prove both inequitable and anomalous in its working. The risks which a workman runs by reason of his employment do not necessarily bear a close relation to the nature of his work. To take an example, if two men are engaged on the same operation and one works in the open air while the other works under a tiled roof, the nature of the employment is the same, but the risks are different. Under the proposal now made, if it has been correctly interpreted, the workman who is employed under the roof would get compensation if tiles fell on him owing to a lorry crashing into the building, but would be refused it if the fall could be traced to an earthquake or other convulsion of nature. This seems to be entirely inequitable, and it would in practice create fresh difficulties. For there can be no precise definition of a convulsion of nature. A great storm, which may dislodge tiles from the roof, is as much a convulsion of nature as an earthquake, but no Court can say when the force of the wind attains the dimensions of a convulsion. And it is illogical that the workman's rights should vary with the dimensions of the ultimate cause of his injury. He runs a definite risk by working under a tiled roof, or in any building for that matter, and should receive compensation for injuries which are associated with that risk.

5. If, on the other hand, in using the phrase "nature of the employment" your Federation intends to include not merely the character of the operation on which the workman is engaged but also the circumstances in which he is required to conduct it, the proposition put forward in your letter represents the position under the existing law. The judgment in Brooker's case, as in the British cases which preceded it, rests on the ordinary doctrine of special risk. It involves the grant of compensation where the accident is connected with

or is attributable to a special risk which the workman had to face by reason of the environment in which he had to work. It appears to the Government of India to afford, for the cases it covers, a clear and logical basis which is in conformity with the well-established principles of the law. They do not consider that there is any sufficient cause for modifying what is the central criterion of the Indian and of many other Workmen's Compensation Acts. On the contrary, they believe that the attempt to do so in the manner suggested would be productive only of hardship and confusion.

APPENDIX 12.

THE WORKMEN'S COMPENSATION ACT.

Copy of letter No. 1741, dated the 10th July 1934, from the Commissioner for Workmen's Compensation, Bombay, to the Association.

I have the honour to state that the Royal Commission on Indian Labour recommended that pamphlets summarising the provisions of the Workmen's Compensation Act should be made available to workmen, and, if the Act is substantially amended, steps should be taken to diffuse information of the amended law. Government is prepared to compile a pamphlet on these lines but before doing so desires to ascertain whether employers and others interested are prepared to co-operate in the matter of cost and distribution to factories and other places where workmen are employed.

2. For an eight page pamphlet in English or the Vernacular the cost would work out at between Rs. 2 and Rs. 2-8-0 per 100 according to the number printed. I should be glad to know if your Association would be prepared to purchase copies. If so, how many?

Copy of letter No. 1341/127, dated the 18th July 1934, from the Association to the Commissioner for Workmen's Compensation, Bombay.

I write to acknowledge the receipt of your letter No. 1741, dated the 10th July 1934. From your letter I note that Government are prepared to compile a pamphlet explaining the position of the amended Workmen's Compensation Act, and that you desire to know whether this Association is prepared to co-operate in the matter of cost and distribution to factories. In reply I am to say that my Committee entirely agree as to the desirability of spreading information with regard to the provisions of the Workmen's Compensation Act, where it is necessary, but my Committee doubt whether anything in the way of propaganda need be done in respect of workers in Bombay cotton mills since they are adequately protected by insurance with the Millowners' Mutual Insurance Association, Ltd. As far as can be ascertained no workman can be deprived of the compensation due to him, and it is the policy of our member mills to submit claims on behalf of their workers when these are not submitted direct. If, however, you approve of the suggestion, my Association will be willing to assist Government by reprinting any pamphlet, which is issued, in the columns of the *Girni Samachar*. The circulation of this journal is confined to Bombay mills and more than 10,000 copies are published every month.

My Committee further suggest in the case of small employers who do not insure against Workmen's Compensation risks, a pamphlet of the type proposed would serve a very useful purpose, but Government would probably have to make arrangements for free distribution in this class of establishments.

Copy of letter No. 1337/127, dated the 18th July 1934, from the Association to the Secretary, Millowners' Mutual Insurance Association, Ltd., Bombay.

I enclose* herewith for the consideration of your Board a copy of a letter which my Association has received from the Commissioner for Workmen's Compensation, Bombay, together with the text of a resolution adopted by my Committee at their last meeting.

Copy of letter No. 1048/G/1, dated the 6th August 1934, from the Millowners' Mutual Insurance Association, Ltd., to the Association.

I am to refer to your letter No. 1337/127 of 1934, dated 18th July, enclosing a letter from the Commissioner for Workmen's Compensation with regard to the proposed publication of a pamphlet explaining the provisions of the Workmen's Compensation Act, together with the text of a resolution passed by your Committee.

My Directors have agreed to accept the suggestion embodied in the resolution referred to above, and this Association will bear the cost of reprinting the pamphlet in the columns of the *Girni Samachar*.

Copy of letter No. 1526/127, dated the 7th August 1934, from the Association to the Secretary, Millowners' Mutual Insurance Association, Ltd., Bombay.

I am directed to acknowledge the receipt of your letter No. 1048/G/1, dated the 6th instant. My Committee greatly appreciate the action of the Directors of the "Mutual" in agreeing to accept the suggestion put forward by the Association in connection with the publication of the proposed pamphlet in Marathi dealing with the amended Workmen's Compensation Act, in the columns of the *Girni Samachar* and to bear the cost of such reprinting.

It is proposed to publish the first half of the pamphlet in the August issue of the *Samachar* which will be issued in about a week's time, when I shall be pleased to send you copies for your perusal.

APPENDIX 13.

AMENDMENT OF THE BOMBAY MATERNITY BENEFIT ACT.

THE BOMBAY MATERNITY BENEFIT ACT, 1929 (WITH AMENDMENTS).

An Act to regulate the employment of women in factories sometime before and sometime after confinement and to provide for the payment of maternity benefit to them.

Whereas it is expedient to regulate the employment of women in factories some time before and some time after confinement and to provide for the payment of maternity benefit to them in the manner hereinafter provided; And whereas the previous sanction of the Governor-General required by sub-section (3) of section 80-A of the Government of India Act and the previous sanction of the Governor required by section 80-C of the said Act have been obtained for the passing of this Act; It is hereby enacted as follows:—

1. *Short title.*—This Act may be called the Bombay Maternity Benefit Act, 1929.

* Already printed.

2. *Extent and operation.*—(1) This Act shall apply in the first instance to the Bombay Suburban District and the cities of Bombay, Ahmedabad, Viramgam, Surat, Broach, Jalgaon, Sholapur, Belgaum, Amalner and Karachi. The Government may from time to time, by notification in the *Bombay Government Gazette* extend this Act to such other places as it thinks fit.

(2) It shall come into operation on the first day of July 1929.

3. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context,—

(a) “ employer ” includes an occupier of a factory as defined in the Indian Factories Act, 1911, and the manager of a factory ;

(b) the expressions “ employ,” “ employed,” “ factory ” and “ inspector of factories ” shall have the same meanings as are respectively assigned to them under the Indian Factories Act, 1911 ;

(c) “ maternity benefit ” means the amount of money payable under the provisions of this Act to a woman employed in a factory ;

(d) “ wages ” includes the money value of any earned grain concession and any money paid to cover high cost of living but does not include a bonus given for regular attendance, or any deduction or payment made on account of fines.

4. *Employment of or work by women in factories prohibited during certain period.*—After this Act comes into operation,—

(1) no employer shall knowingly employ a woman in any factory during the four weeks immediately following the day of her delivery ; and

(2) no woman shall work in any factory during the four weeks immediately following the day of her delivery.

5. *Right to payment of maternity benefit.*—(1) Subject to the provisions of this Act every woman employed in a factory shall be entitled to the payment of maternity benefit at the rate of 8 annas a day in the Cities of Bombay, Ahmedabad and Karachi, and elsewhere at the rate of her average daily wage calculated to the nearest quarter of an anna on the total wages earned during the period of three months immediately preceding the date on which she gives notice under sub-section (1) of section 6, or at the rate of eight annas a day, whichever is less, for the actual days of her absence for the period immediately preceding her confinement as mentioned in sub-section (2).

Provided that a woman shall not be entitled to maternity benefit unless she has been employed in the factory of the employer from whom she claims maternity benefit for a period of not less than nine months immediately preceding the date on which she gives notice under sub-section (1) of section 6.

(2) The maximum period for which any woman shall be entitled to the payment of maternity benefit shall be eight weeks, that is to say, four weeks up to and including the day of her delivery and four weeks immediately following that day. If a woman dies during this period the maternity benefit shall be payable only for the days up to and including the day of her death.

6. *Procedure regarding payment of maternity benefit.*—(1) Any woman employed in a factory and entitled to maternity benefit under the provisions of this Act, who is pregnant

may, on any day, give notice in writing to her employer stating that she expects to be confined within one month next following, that her maternity benefit may be paid to her, and that she will not work in any employment during the period for which she receives maternity benefit.

(2) The employer shall thereupon permit such woman to absent herself from the factory from the following day until four weeks after the day of her delivery.

(3) Maternity benefit shall be paid by the employer to the woman entitled thereto after taking her wishes into consideration in any one of the following three ways, namely :—

(i) For four weeks—within forty-eight hours of the production of a certificate signed by a registered medical practitioner certifying that the woman is expected to be confined within one month next following, and for the remainder of the total period for which she is entitled to maternity benefit under sub-section (2) of section 5—within forty-eight hours of the production of a certified extract from a birth register stating that the woman has given birth to a child ; or

(ii) for the period up to and including the day of delivery—within forty-eight hours of the production of a certified extract from a birth register stating that the woman has given birth to a child, and for the remainder of the total period for which she is entitled to maternity benefit under sub-section (2) of section 5—punctually four weeks after the production of such certified extract from a birth register ; or

(iii) for the entire period for which the woman is entitled to maternity benefit under sub-section (2) of section 5—within forty-eight hours of the production within six weeks of her delivery of a certified extract from a birth register stating that she has given birth to a child ;

Provided that no woman shall be entitled to any maternity benefit or any part thereof the payment of which is dependent upon the production of a certified extract from a birth register under the provisions of this sub-section unless such extract has been produced within six months of the day of her delivery.

7. *Payment of maternity benefit in case of a woman's death.*—If a woman entitled to maternity benefit under this Act dies during the period for which she is entitled to maternity benefit the employer shall pay the amount of maternity benefit due, if the newly born child survives her, to the person who undertakes the care of the child ; and if the child does not survive her to her legal representative.

8. *No notice of dismissal to be given to a woman during period of maternity benefit.*—When a woman absents herself from work in accordance with the provisions of this Act it shall not be lawful for her employer to give her notice of dismissal during such absence or on such a day that the notice will expire during such absence.

9. *Forfeiture of maternity benefit.*—If a woman works in any factory after she has been permitted by her employer to absent herself under the provisions of section 6 she shall forfeit her claim to the payment of the maternity benefit to which she is entitled.

10. *Penalty for contravention of the Act by an employer.*—If any employer contravenes the provisions of this Act he shall, on conviction, be liable to a fine which may extend to five hundred rupees.

11. *Penalty for contravention of the Act by a woman.*—If any woman works in any factory within four weeks of the date of her delivery she shall be liable, on conviction, to a fine not exceeding ten rupees.

12. *Cognizance of offences.*—(1) No prosecution under this Act shall be instituted except by or with the previous sanction of the Inspector of Factories.

(2) No Court inferior to that of a Presidency Magistrate or of a Magistrate of the First Class shall try any offence against this Act or any rules thereunder.

13. *Limitation of prosecutions.*—No Court shall take cognizance of any offence against this Act or any rule thereunder unless complaint thereof is made within six months of the date on which the offence is alleged to have been committed.

14. *Rules.*—(1) The Governor in Council may make rules for the purpose of carrying into effect the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for,—

(a) the preparation and maintenance of a muster roll or register or a combined muster roll and register and the particulars to be entered in such muster roll, register or combined muster roll and register or in the register kept or deemed to have been kept under section 35 of the Indian Factories Act, 1911 ;

(b) the inspection of factories for the purpose of this Act by inspectors of factories ;

(c) the exercise of powers and the performance of duties by inspectors of factories for the purposes of this Act ;

(d) the method of payment of maternity benefit in so far as provision has not been made in this Act ; and

(e) any other matter for which no provision has been made in this Act and for which provision is, in the opinion of the Governor in Council, necessary.

(3) Any such rule may provide that a contravention thereof shall be punishable with fine which may extend to fifty rupees.

(4) The making of rules under this section shall be subject to the condition of previous publication. Such rules shall be laid on the table of the Bombay Legislative Council for one month previous to the next session thereof and shall be liable to be rescinded or modified. If any rule is modified the Governor in Council may accept the modification and re-issue the rule accordingly or may rescind the rule.

15. *Copies of this Act and rules thereunder to be exhibited.*—An abstract of the provisions of this Act and the rules thereunder in the local vernacular shall be exhibited in a conspicuous manner by the employer in every part of a factory in which women are employed.

THE BOMBAY MATERNITY BENEFIT RULES, 1929.

(As amended and brought up to 20th September 1934.)

1. *Short title.*—These rules may be cited as the Bombay Maternity Benefit Rules, 1929.

2. *Definitions.*—In these rules :—

(a) “ Act ” means the Bombay Maternity Benefit Act, 1929.

(b) “ Inspector ” means an inspector of factories appointed under sub-section (1) of section 4 of the Indian Factories Act, 1911, and includes an additional inspector appointed under sub-section (4) of the said section.

(c) “ Muster Roll ” means a muster roll, or register or a combined muster roll and register prepared and maintained under rule 3 and includes a register kept or deemed to have been kept under section 35 of the Indian Factories Act, 1911.

3. *Muster roll.*—The employer of every factory in which women are employed shall prepare and maintain a muster roll and shall enter the following particulars in such muster roll, namely :—

(a) Name of woman ;

(b) Department in which employed and name of factory ;

(c) Ticket or departmental number ;

(d) Dates with month and year on which employed and not employed ;

(e) Total days employed in the payment period ;

(f) In the case of factories situated in places other than the cities of Bombay, Ahmedabad and Karachi :—

(i) “ Wages ” as defined in section 3 (d) of the Act ;

(ii) average daily wage calculated to the nearest quarter of an anna on the total wages earned during a period of three months immediately preceding the date on which the woman gives notice under section 6 (i) of the Act ;

(g) date on which the woman gives notice under section 6 (i) of the Act ;

(h) date of birth of child ;

(i) date of production of a certificate signed by a registered medical practitioner certifying that the woman is expected to be confined within one month ;

(j) date of production of certified extract from birth register.

(k) date of first payment of maternity benefit and amount of same ;

(l) date of subsequent payments of maternity benefits and amounts of same ;

(m) if the woman dies, amount of maternity benefit paid and date of payment and the names of persons to whom paid, and

(n) remarks column for the use of the Inspector only.

All entries in the muster roll shall be maintained up-to-date and shall always be available for inspection by the Inspector.

The employer may enter in the muster roll such other particulars as may be required for any other purpose.

4. *Responsibility of Inspector.*—The Inspector shall be primarily responsible for the administration of the Act, within the area assigned to him under the Indian Factories Act, 1911 ; provided that in areas where there are more than one inspector, the Collector of Bombay may allocate the factories within such areas to such inspector as he shall deem proper.

5. *Powers of Inspector.*—(1) The Inspector may, within the area for which he is appointed, examine the muster roll maintained under rule 3 and shall have power to make such enquiries and to require the production of such papers or documents as he considers necessary for the purpose of ascertaining whether the provisions of the Act and of these rules are properly carried out in any factory or not ; provided that he shall not require any employer to answer any question or to give any evidence tending to criminate himself.

(2) Every notice given under sub-section (1) of section 6 of the Act and every receipt for maternity benefit paid to any person under the provisions of the Act or of these rules shall, on demand, be produced before the Inspector.

6. *Penalty.*—If any employer contravenes the provisions of rule 3 he shall be liable, on conviction, to a fine not exceeding fifty rupees.

7. *Penalty.*—Any person who wilfully obstructs an Inspector in the exercise of his powers or the performance of his duties or fails to produce on demand the muster roll, or notices given under section 6 (1) of the Act or receipts for maternity benefits paid or other papers or documents necessary to enable the Inspector to ascertain that the provisions of the Act and these rules have been complied with, shall be liable, on conviction, to a fine not exceeding fifty rupees.

8. *Return.*—Every employer of women in a factory shall furnish to the Chief Inspector of Factories by the 15th of January in each year a return in the form of Schedule I to these rules.

9. *Records.*—Records relating to the payment of maternity benefit under the provisions of the Act or these rules shall be preserved for a period of two years from the date of their preparation.

10. *Liability of an employer for maternity benefit on closing of factory.*—A woman entitled to maternity benefit shall not be deemed dismissed within the provisions of section 8, if she is discharged on account of the closing of the factory in which she is employed.

11. *Exhibition of Abstract of provisions of Act and Rules.*—The abstract of the provisions of the Act and rules in the local vernacular required to be exhibited by section 15 of the Act shall be in such form as the Chief Inspector of Factories may approve and be exhibited in such manner as he may require. The Chief Inspector of Factories may prepare an abstract and supply copies to employers who make an application for the same to the Inspectors at Bombay and Ahmedabad.

SCHEDULE I.

(See rule 8.)

*Return to be submitted to the Chief Inspector of Factories on or before the
15th January each year.*

Name of factory

Name of Occupier

Name of Manager

Year ending 31st December 19....

Average number of women employed daily

Number of women who claimed maternity benefit under section 6 (1) of the Act

Number of women who were paid maternity benefit for actual births

Number of other persons who were paid maternity benefit (section 7)

Total amount of maternity benefit paid

(Signature).....
Employer.

*Copy of letter No. 3287, dated the 20th November 1934, from the Factory Inspection
Office, Secretariat, Bombay, to the Association.*

Subject :—BOMBAY MATERNITY BENEFIT ACT : AMENDMENTS TO THE RULES THEREUNDER.

I enclose herewith for your information a copy of Government Notification, Political and Reforms Department, No. 8574-II, dated the 20th September 1934, on the above subject, with a request that the same may kindly be circulated to the members of your Association.

2. It is further requested that the members of the Association should be asked to maintain the muster roll mentioned in para 2 of the above notification and keep it for inspection.

POLITICAL AND REFORMS DEPARTMENT.

BOMBAY CASTLE, 20th September 1934.

No. 8574-II.—In exercise of the powers conferred by section 14 of the Bombay Maternity Benefit Act, 1929 (Bom. VII of 1929), the Governor in Council is pleased further to amend the Bombay Maternity Benefit Rules, 1929, published in Government Notification in the General Department, No. 1066, dated the 2nd August 1929, as follows, namely :—

(1) After clause (b) of rule 2 of the said rules, the following shall be added, namely :—
“(c)” ‘muster roll’ means a muster roll, or register or a combined muster roll and register prepared and maintained under rule 3 and includes a register kept or deemed to have been kept under section 35 of the Indian Factories Act, 1911.

(2) In rule 3 of the said rules, for the words and figure beginning with the words " in the form " and ending with the words " the Inspector " the following shall be substituted, namely :—

“ and shall enter the following particulars in such muster roll, namely :—

- (a) name of woman ;
- (b) department in which employed and name of factory ;
- (c) ticket or departmental number ;
- (d) dates with month and year on which employed and not employed ;
- (e) total days employed in the payment period ;
- (f) in the case of factories situated in places other than the cities of Bombay, Ahmedabad and Karachi,—
 - (i) “ wages ” as defined in section 3 (d) of the Act ;
 - (ii) average daily wage calculated to the nearest quarter of an anna on the total wages earned during a period of three months immediately preceding the date on which the woman gives notice under section 6 (1) of the Act ;
- (g) date on which the woman gives notice under section 6 (1) of the Act ;
- (h) date of birth of child ;
- (i) date of production of a certificate signed by a registered medical practitioner certifying that the woman is expected to be confined within one month ;
- (j) date of production of certified extract from birth register ;
- (k) date of first payment of maternity benefit and amount of same ;
- (l) date of subsequent payments of maternity benefits and amounts of same ;
- (m) if the woman dies, amount of maternity benefit paid and date of payment and the names of persons to whom paid ; and
- (n) remarks column for the use of the Inspector only.

All entries in the muster roll shall be maintained up-to-date and shall always be available for inspection by the Inspector.

The employer may enter in the muster roll such other particulars as may be required for any other purpose.

(3) In rule 8 of the said rules for the figure “ II ” the figure “ I ” shall be substituted.

(4) After rule 10 of the said rules, the following rule shall be inserted, namely :—

“ 11. *Exhibition of abstract of provisions of Act and rules.*—The abstract of the provisions of the Act and rules in the local vernacular required to be exhibited by section 15 of the Act shall be in such form as the Chief Inspector of Factories may approve and be exhibited in such manner as he may require. The Chief Inspector of

Factories may prepare an abstract and supply copies to employers who make an application for the same to the Inspectors at Bombay and Ahmedabad.”

- (5) Schedule I to the said rules shall be deleted.
- (6) Schedule II to the said rules shall be re-numbered as Schedule I.

Copy of letter No. 2297/115, dated 26th November 1934, from the Association to the Chief Inspector of Factories, Bombay.

I am in receipt of your letter No. 3287, dated the 19th/20th November 1934, on the above subject, and enclose herewith for your information copy of a circular letter which has been addressed to all member-mills in Bombay Presidency.

Copy of circular No. 2287/115, dated the 26th November 1934, from the Association to all members in Bombay Presidency.

I enclose herewith for your information a copy of the revised form of the special register or combined register and muster roll which has to be maintained by mills in accordance with the Bombay Maternity Benefit Act, 1929. The revision is a result of the amendments which were recently incorporated in the Act.

The revised headings are substantially the same as those existing at the present time. So far as mills situated in the cities of Bombay, Ahmedabad and Karachi are concerned, the only addition is column (i). This has been necessitated by an amendment of the Act making it permissible for a portion of the benefit to be paid to a woman operative prior to her delivery in order to enable her to utilize this amount for ante-natal or any other special food, treatment or attention which she may require prior to confinement. In such cases, the benefit for four weeks must be paid within 48 hours of the production of a certificate signed by a registered medical practitioner certifying that the woman is expected to be confined within one month next following, and for the remainder of the total period for which she is entitled to benefit, namely, four weeks, within 48 hours of the production of a certified extract from a birth register stating that the woman has given birth to a child.

As regards mills situated in centres other than Bombay, Ahmedabad and Karachi, however, three new columns have to be added to the existing register; one column [col. (i)], as in the case of mills in Bombay, Ahmedabad and Karachi, and two others [columns (f) (i) and (ii)], to show the earnings of the operative concerned. The need for the addition of these latter columns arises from the fact that the rate of maternity benefit payable in these centres has now been changed to “the average daily wage calculated to the nearest quarter of an anna on the total wages earned during a period of three months immediately preceding the date on which she gives notice under Section 6 (i) of the Act, or eight annas a day, whichever is less.” The term ‘wages’ is defined in the Act as under:—

“ ‘Wages’ includes the money value of any earned grain concession, and any money paid to cover high cost of living but does not include a bonus given for regular attendance, or any deduction or payment made on account of fines.”

It may be added that the Act requires that all entries in the Muster Roll shall be maintained up to date and shall always be available for inspection by the Inspector.

FORM OF MUSTER ROLL.

NAME OF FACTORY.....

(Muster Roll to be maintained up to date under the Bombay Maternity Benefit Act.)

Month of.....19 . . .

(a)	Name of Woman.
(b)	Department in which employed and name of factory.
(c)	Ticket or departmental number.
(d)	Dates with month and year on which employed and not employed.
(e)	Total days employed in the payment period.
(f)	<p>In the case of factories situated in places other than the cities of Bombay, Ahmedabad and Karachi,—</p> <p>(i) "wages" as defined in Section 3 (d) of the Act ;</p> <p>(ii) average daily wage calculated to the nearest quarter of an anna on the total wages earned during a period of three months immediately preceding the date on which the woman gives notice under Section 6 (1) of the Act.</p>
(g)	Date on which the woman gives notice under Section 6 (1) of the Act.
(h)	Date of birth of child.
(i)	Date of production of a certificate signed by a registered medical practitioner certifying that the woman is expected to be confined within one month.
(j)	Date of production of certified extract from birth register.
(k)	Date of first payment of maternity benefit and amount of same.
(l)	Date of subsequent payments of maternity benefits and amounts of same.
(m)	If the woman dies, amount of maternity benefit paid and date of payment and the names of persons to whom paid.
(n)	Remarks column for the use of the Inspector only.

APPENDIX 14.

GENERAL WAGE CENSUS.

Copy of letter No. 12, dated the 4th January 1934, from the Commissioner of Labour, Bombay, to the Association.

I have the honour to refer to my D. O. No. 551, dated the 10th March 1933, on the above subject. The Government of Bombay have now decided that a general wage census covering all perennial factories in the Bombay Presidency should be held for the month of May 1934, and they have issued instructions to the Labour Office accordingly.

2. The general wage census to be conducted this year will be based on the principle of the muster roll as was done in the 1926 enquiry but unlike that enquiry, the forms to be used for this census are to be very much simplified. For the 1926 enquiry, a selection of representative mills was made for each of the three important centres of the textile industry in the Bombay Presidency, namely, Bombay, Ahmedabad and Sholapur. For the 1934 census every individual mill in the Presidency will be covered but a sample of one in three will be adopted for all the larger occupational groups. By the adoption of this method possible difficulties attendant on the selection of representative units will be obviated and at the same time the work of filling up the returns by the individual concerns will be considerably reduced.

3. I enclose a copy of the schedule which was drawn up last year for the proposed enquiry in the engineering industry. It is proposed, as far as possible, to use a uniform schedule for all industries, but before arriving at a final decision in the matter it will be necessary for the Labour Office, to acquaint itself with the systems of wage payment obtaining in all individual concerns, the methods adopted for maintaining the muster and pay rolls and the terms used for occupational designations in different industries. I therefore propose to depute the two Assistant Commissioners of Labour (Mr. S. R. Deshpande and Mr. N. A. Mehrban), to visit individual concerns in all centres during the next few months in order to interview the officers in charge and I would therefore be grateful if you would be so good as to request each of the individual mills affiliated to your Association to give them all possible facilities in their work when they call. The Assistant Commissioner who will visit each individual mill will acquaint the management with the method and the manner of filling in the forms which will be sent to each individual concern with complete written instructions early in May ; but before this form is finally drawn up, I shall send a draft of it to you for your comments, if any.

4. The Labour Office sincerely hopes that your Association will lend their kind co-operation in the proposed enquiry in the same way as was done for the enquiries held in 1921, 1923 and 1926.

Copy of letter No. 257/90, dated the 31st January 1934, from the Association to the Commissioner of Labour, Bombay.

I am directed to acknowledge the receipt of your letter No. 12, dated the 4th January on the subject of a general wage census which the Government of Bombay propose to undertake during the current year. My Committee, while approving of the method which would be followed in collecting the data, would like to point out that the time chosen for the census would probably be unsuitable as far as the City of Bombay and Island mills are concerned, for the reason that a very large number of them are, at present, idle or are working only a portion of their equipment. Another point to be remembered is that rates of wages still appear to be in process of adjustment in a number of mills. If however, Government are of the opinion that it would be desirable to undertake the census during the month of May, the

Association is prepared to assist them in every way, and will request each individual mill affiliated to the Association to give the necessary facilities to the Assistant Commissioners during their visits to the mills in all centres during the next few months.

A suggestion has been made to my Committee that it would be desirable, if and when a census is taken, to obtain more detailed information in regard to wages which existed in 1914 in order that a comparison might be made of the earnings of individual operatives in 1914 and to-day.

My Committee would like to be assured that before publishing the results of the census, Government would afford them an opportunity, as in previous years, to examine and criticize the tabulated figures.

It is requested that intimation regarding the date and time on which the Assistant Commissioners will visit the various mills may be given in advance to the Association, so that the mills concerned may be instructed accordingly.

Copy of circular No. 638/90, dated the 23rd March 1934, from the Association to all Mills in the City and Island of Bombay and Member Mills in Bombay Presidency.

I beg to quote below for the information of member mills the text of a resolution passed by the Committee of the Association at a meeting held on 29th January 1934 :—

“ That the Labour Office be informed of the Association's willingness to co-operate with them in the proposed enquiry and that member mills be asked to give the necessary facilities to the Labour Office staff during the enquiry.”

As members are probably aware, the Royal Commission on Labour in India drew attention to the paucity of information relating to wages in industrial occupations in India, and it has now been decided to rectify the position so far as the Bombay Presidency, is concerned by undertaking a General Wage Census in May 1934. Owing to the absence of a Census of Production Act, or similar legislation in this country, there is no statutory obligation upon employers to supply information in regard to wages etc., in an enquiry of this character. The Commissioner of Labour, therefore, consulted all the chief employers' associations of the Presidency in an endeavour to obtain their co-operation in an enquiry which it is proposed to undertake. The views of the Association in regard to the enquiry into the wages of textile workers are incorporated in the resolution quoted in the first paragraph of this letter, and I am now writing to ask you to give all facilities and help possible to the Labour Office in this matter in order to ensure that the results of the enquiry will accurately reflect the wage levels in the Cotton Textile Industry.

The procedure followed in the Textile Wage Census enquiry in 1926 will be considerably simplified, and the information asked for from individual mills will be much less than in the 1926 enquiry. As a preliminary to the investigation proper, the Labour Office, will shortly ask for information as to the numbers of the various classes of workers employed in every mill and industrial establishment in the Presidency. Special forms will be sent to every mill for this purpose, and it is requested that replies from mills should be sent to the Labour Office as soon as possible. In the month of April, or early in May, Mr. Mehrban, Assistant Commissioner, will call on all mills and instruct the mill clerical staff as to the manner in which the final wage census forms have to be filled in.

As the enquiry which is to be undertaken in the Cotton Mills, will not cover ' badlis,' I have been specially asked to request mills to maintain a record for the month of May only of the actual earnings and attendance of individual regular workers in the weaving department. If this information is kept, it will facilitate the tabulation work of the Labour Office, and ensure the accuracy of the weaving department wage figure.

Copy of circular dated the 28th March 1934 from the Commissioner of Labour, Bombay, to the Agents of all Cotton Textile Mills in Bombay City.

In continuation of the circular letter addressed to you by the Millowners' Association, Bombay, on the above subject I have the honour to forward herewith a preliminary schedule* of standard occupations for the cotton textile industry which I shall be much obliged if you will kindly fill up and return to me as early as possible.

2. The experience gained from previous enquiries into wages in the Bombay Presidency shows that there is a wide diversity in the nomenclature adopted by different units in an industry to describe occupations. In a limited enquiry conducted in 1926 into wages in 36 selected mills in Bombay, Ahmedabad and Sholapur, over 1,000 different terms were used for designating about 200 odd occupations. As the first part of the general wage census to be held for the month of May 1934 will cover over 750 perennial factories in all industries in the Bombay Presidency it is more than probable that several thousands of different terms will be returned ; and unless an attempt were made to standardise the terms which should be used by the different units whilst filling up the forms much confusion would result. The standard terms used in the attached list have been drawn up in consultation with experienced mill managers in Bombay, Ahmedabad and several other textile centres in the Presidency. The list is divided into two parts : the first covering the engine and power house, mechanics and maintenance departments, clerical and watch and ward ; and the second covering process operatives from the blow room to finishing and packing. The first part is an abridged edition of occupations in the " Engineering Industry including Metal Trades, Electricity Generating Plants, Pumping Stations and occupations common to all factories." The second includes special dye houses and bleaching plants, sewing thread department and the combing department which is now being introduced in several mills. Although the occupations are not divided into departments they are catalogued in sequence of production and full instructions as to the manner in which certain occupations should be grouped are attached to the schedule.

3. The list may look formidable but it is more than probable that you will not be required to make entries in respect of all the occupations listed. The object of the preliminary schedule is (1) to enable me to estimate the number of forms of different types and colours which will be required for the enquiry and (2) to acquaint mill staffs with the standard terms to be used in filling up the forms. I am also sending you two copies of the different types of forms * to be used for the census. Full details regarding the filling up of these forms will be found in the " Instructions " given at the back of each form.

4. As soon as I receive the preliminary return of occupations from you I shall send either Mr. N. A. Mehrban, Assistant Commissioner of Labour, or a statistical assistant from the Labour Office, to call on the manager of your mill to explain to your clerical and time-keeping staffs the manner in which the forms are to be filled up. As we have to visit nearly 450 different factories in Bombay City between now and the end of May, I would request you to expedite the submission of the preliminary return.

Copy of circular dated the 19th September 1935 from the Assistant Commissioner of Labour, Bombay, to the Managers of all mills in Bombay.

In continuation of the correspondence which this office has had with you on the above subject and the visit which I paid to your mill early in May, to instruct your clerical and time-keeping staff the manner in which the forms for the Census were to be filled up, I am directed to inform you that it has now been decided to hold the General Wage Census in respect of the textile mills in the City and the Island of Bombay for the month of October 1934. Unless you hear from me to the contrary I/ Mr. Gokhale, a Statistical Superintendent of this office, will call and see you at _____ on _____ the _____ September 1934, in order to discuss the final details with you and to give your time-keeping staff full instructions for the rapid filling up of the forms which we should be glad if they could be submitted by the middle of November.

* Not printed.

2. Several managements have expressed fears regarding the volume of the clerical work which will be involved in giving the required information for every member of the supervisory staff and for every individual workman on *both day and night shift*, if any. The fears have proved to be groundless in all cases where the musters and pay sheets have been maintained in a manner which facilitated the easy filling up of the forms. For example, in one up-country mill which I visited recently and in which the musters and pay sheets were quite clear and required no further calculations, it took me 4 hours, with the assistance of one time-keeper, to complete 135 forms for all the 980 individual workers in the mill. In another mill where recalculations had to be made for number of days *actually worked* and for each permanent weaver's own individual earnings, it took 10 hours to complete 104 forms for 810 workers. All the mills in Sholapur except one were able to complete all their forms for 6,000, 3,000, 3,000 and 2,000 workers respectively simultaneously with the completion of their own pay rolls.

3. The information which we require for *every* individual worker is quite simple and is, in fact, an abridged copy of the muster and the pay roll. Firstly, we require an individual's ticket, serial or muster number ; secondly, the number of days *actually worked* by him *excluding overtime work* ; and, thirdly, that individual's earnings during the month selected for the census—in the case of textile mills in the City and Island of Bombay, the month of October 1934. For workers on time rates of wages we require additional information regarding actual time rates per day or per month. In giving rates, dearness allowances and good attendance bonuses are to be combined with basic rates and the consolidated rates are to be shown. No information is required regarding rates in the case of workers on piece rates of wages. In the case of weavers and sizers, the value of the amount of damaged material handed over to the worker is to be shown separately and no deduction is to be made for this from the worker's gross earnings.

4. The figures to be entered for earnings are those for gross earnings *excluding earnings for overtime work* and the only deduction to be made from these gross earnings is for cash fines. No deductions are to be made for income-tax, house-rent, advances or loans from co-operative societies, purchases of grain or cloth, etc.

5. Mills which find difficulties in filling up our forms are those in which monthly wage rates are calculated on the basis of number of days in the month and not on the basis of number of working days. In the latter case the totals for number of days worked are the actual correct figures which we require whereas in the former case the number of days entered in the musters are those for which wages are calculated and include the Sundays and holidays for which wages are paid. Should this method of payment (calculation on the basis of days in the month) be in force in your mill, I would suggest that, irrespective of the method which you employ in calculating wages, the actual number of days for which a worker attends your mill in October should be recorded in the muster and the pay sheets either by itself or in addition to the number which includes non-working days.

6. A very common mistake made by most concerns in filling up forms for supervisory and clerical establishments and the workers who are granted leave with pay is to give the full number of working days in the month against each individual in all cases where no deductions are made for casual leave or absence. This is wrong. Column 2 definitely requires the number of days which each individual actually worked irrespective of the fact whether his pay for the absent days was cut or not. For example, if a clerk on Rs. 75 per month were absent for five working days in October, the actual figure to be shown against him in column 2 would be 21 or 22, according as to whether there were 26 or 27 working days in the month of October. If no deduction is made from his pay for absence, the figure to be entered in column 5 for "Earnings" will be Rs. 75. In all cases "Earnings" includes pay granted for leave.

7. A frequent omission in the returns of several factories is the entry required at the top of the form for the number of working days in the wage period selected for the census. The Bombay Millowners' Chart of holidays for the current year shows four holidays for the month of October. The number of working days in October will therefore be 27 unless your mill has worked for a lesser number of days on account of strikes or stoppages. This

figure for the actual number of working days should be entered at the top of every form. In cases where certain groups of workers, e.g., Jamadars, Malis, Watchmen, etc., are required to work for all the days in the month, the entry at the top of the form will be 31 or less according to the number of holidays they are granted.

8. All mills which do not pay weavers' substitutes themselves but require absent weavers to pay their own substitutes for work done up to three or four days include the figures for number of days worked by substitutes and the earnings due to the substitutes in the figures shown against the permanent workers. This is a subject on which the Millowners' Association, Bombay, have already requested all mills to maintain special records of absence and the actual wages earned by each permanent worker as distinguished from the existing figures which include days worked by *badlis* and the earnings due to *badlis* for this work. If this is done correctly for the month of October, not only will much trouble and labour be saved in filling up the forms, but it will also enable the Labour Office to secure accurate wage and absenteeism statistics for weavers which it would otherwise be most difficult and onerous to ascertain.

9. There is one matter regarding which no information has been given in the instructions at the back of the census forms and that is with regard to "playing off." The term "played off" is used where a worker's absence from a mill is due not to his own volition but to his having been sent back by the management either on account of a temporary stoppage of certain machinery or the partial stopping of certain processes. In all cases where workers are "played off," I would request you to be so good as to instruct your time-keeping staff to note such absence in red ink in the musters. The number of days for which a worker is "played off" should be shown in the 'Remarks' column in the census form, thus '6 P.O.' or '3 P.O.', etc., as the case may be.

10. Forms of different colours have been provided for men and women on time and piece rates of wages. Occupations or vocations or trade names of different types of workers and members of supervisory staffs have been standardized. I left a corrected copy of the preliminary statement filled up by you of the numbers employed in each occupation in your mill with your time-keeping staff when I gave them personal instructions in the month of May. Your mill may have been closed for the period for which the statement was furnished. This list should now be brought up-to-date according to the terms used in the standard list of occupations and should *include all workers on night shift*, if any. Separate forms or sets of forms are to be used for each occupation even though there may be entries only in respect of one individual person on one form. I am herewith sending you three copies of the lists of standardized occupations for all factory industries in the Bombay Presidency, two copies each of the different types of forms to be used for the census, two copies each of the Marathi and Gujarathi instructions on the use of these forms and one copy of the General Questionnaire which we are requesting all factories to fill up. Full instructions with regard to the use of the standard lists are attached to the lists and complete instructions on the use of the census form are printed at the back of every form. All the occupations in your mill will be found in the two lists for "Engineering etc.", and Textiles-Cotton, Wool, Silk or Hosiery as the case might be. I would suggest that it would considerably facilitate your work in filling up the forms if all workers in each occupation are brought together in one place in your musters and each group of workers is designated in your musters for the month of October by the proper technical term used in the standard lists of occupations.

11. I would request you to ask every member of your time-keeping staff to read copies of this letter (three copies are enclosed herewith) and the instructions both at the back of the forms and in the standard lists, if possible before the preparation of the new musters for the month of October 1934 is taken in hand.

12. Your requirements of each type of form have been estimated on the basis of the return made by you in the preliminary statement of occupations forwarded to you by this office in March, plus 10 per cent. for wastage. These figures may, however, be subject to considerable alteration depending on the number of processes worked and the number of workers, if any, on night shift. We would, therefore, be very grateful to you if you would very kindly prepare a revised estimate of the number of forms of each type which you will

require and to give Mr. Gokhale/me this estimate when he/I actually calls/call. The forms will be forwarded to you early next month together with two copies of a General Questionnaire, one of which is to be filled up and returned to the Labour Office together with the forms. When you receive these forms, I would request you to ask your clerks to alter the word ' May, ' in the second place where it occurs on the front of each form to October, when the forms are being filled up. The information to be entered in the Questionnaire will also relate to the month of October.

APPENDIX 15.

WAGES IN BOMBAY COTTON MILLS.

Copy of circular No. 572/67, dated the 12th March 1934, from the Association to all Mills in Bombay and to all Member Mills in the Bombay Presidency.

I am directed to inform you that the Government of Bombay have decided to institute a Departmental Enquiry to ascertain facts in regard to the wages now paid to textile operatives in all industrial centres compared with what were paid in 1926. The exact terms of reference for the Enquiry are as under :—

“To ascertain the following facts :—

- (a) The extent of the reduction in wages of work-people employed in the cotton mills in the Bombay Presidency since 1st January 1926 ;
- (b) Whether these reductions have been uniform in the cotton mills at each centre of the industry ;
- (c) Whether the cost of living of the working classes has fallen during this period and to what extent ;
- (d) What has been the average rise or fall in real wages during this period in the various centres of the industry ;
- (e) Where wage reductions have been effected or are contemplated, the reasons therefor ;
- (f) The extent to which “rationalisation,” for example “efficiency schemes,” have been introduced in the cotton mills of the Bombay Presidency, and the effect such schemes have had upon wages and the conditions of work of the operatives ; and
- (g) What is the extent of unemployment in the cotton mill industry, and what are its causes.”

The Enquiry will be undertaken by the staff of the Labour Office, and all mills are requested to co-operate by supplying as expeditiously as possible the information required by the Labour Office staff. In the first instance, a Questionnaire will be sent to all mills, the terms of which will be communicated to you direct by the Labour Office, during the course of the next few days. Later on an investigator from the Labour Office will call upon you to assist you in filling in the replies to the Questionnaire, and you are requested to take in hand the preparation of your answers to the Questionnaire immediately it is received from the Labour Office. The information collected in the Questionnaire will be supplemented by a special enquiry into the actual earnings of all important categories of workers in your mills during the month of December. For this special enquiry it would be necessary to make the Muster and Pay rolls for December 1933, available to the Labour Office staff.

The general idea of the enquiry is to take a sample of one individual operative in ten for all the major occupations. The information need not, however, be extracted by you. The special staff the Labour Office proposes to employ, will undertake this work. It would be a convenience if copies of the replies sent to the Labour Office Questionnaire, etc., were furnished to this office.

Copy of letter No. 2785, dated the 4th May 1934, from the Commissioner of Labour, Bombay, to the Association.

Subject :—DEPARTMENTAL ENQUIRY INTO WAGE-CUTS IN THE COTTON MILL INDUSTRY.

I have the honour to invite your attention to para 4 of my D. O. No. 1234,* dated the 28th February 1934, on the above subject and to inform you that the above enquiry is approaching completion so far as information to be collected from individual mills is concerned. I am now to request your Association to be good enough to favour me with a general statement on the points arising out of my terms of reference, a copy of which is enclosed herewith.

Copy of Press Communique dated 22nd February 1934 issued by the Director of Information.

At to-day's meeting of the Legislative Council the Leader of the House, the Hon'ble Sir Ghulam Husain Hidayatallah made the following announcement :—

Government having observed that reductions in wages have been effected or are in contemplation in several centres of the cotton mill industry in this Presidency, consider it desirable that the fullest possible information should be obtained and made available to the public on this important matter. Government is further of opinion that the quickest and most satisfactory method of achieving this object is by departmental enquiry. They have, therefore, instructed the Labour Office to make a special investigation, which will include consideration of evidence, oral or written, submitted by the interests concerned, in order to ascertain the following facts :—

- (a) the extent of the reduction in wages of workpeople employed in the cotton mills in the Bombay Presidency since 1st January 1926 ;
- (b) whether these reductions have been uniform in the cotton mills at each centre of the industry ;
- (c) whether the cost of living of the working classes has fallen during this period and to what extent ;
- (d) what has been the average rise or fall in real wages during this period in the various centres of the industry ;
- (e) where wage reductions have been effected or are contemplated, the reasons therefor ;
- (f) the extent to which "rationalisation," for example "efficiency schemes," have been introduced in the cotton mills of the Bombay Presidency, and the effect such schemes have had upon wages and the conditions of work of the operatives ; and
- (g) what is the extent of unemployment in the cotton mill industry, and what are its causes.

Government have further decided temporarily to strengthen the staff of the Labour Office in order to enable the investigation to be completed as rapidly as possible.

* Not printed.

LABOUR OFFICE ENQUIRY INTO WAGE-CUTS IN THE COTTON MILL INDUSTRY
OF THE BOMBAY PRESIDENCY.

QUESTIONNAIRE FOR COTTON MILLS.

1. Please state what increases or decreases have taken place in the basic rates of wages and/or in the allowances either in cash or in kind of the work-people employed in your mills in the departments specified below since July 1926.

- (1) Blow room.
- (2) Card room.
- (3) Frame departments.
- (4) Spinning.
- (5) Reeling.
- (6) Winding.
- (7) Sizing.
- (8) Drawing-in department.
- (9) Weaving.
- (10) Finishing, Calendering, etc.
- (11) Folding and making-up departments.
- (12) Mechanics shop.

What further increases or decreases in rates of wages and/or allowances of the work-people in your mills in the above departments are contemplated ?

2. Please state in detail the reasons for the above increases or decreases in the rates of wages and/or allowances specifying the reasons separately for each class of workers where possible.

3. Please specify for each important department of your mills separately what changes have been effected since July 1926 which have increased or decreased the efficiency of the plant and/or have increased or decreased the efficiency and/or earnings of individual workers.

4. Please state the average number of spindles and looms working daily on day shift in your mills in July 1926, December 1933 and January 1934.

5. (a) Please state separately for each department the average daily number of workers who were employed on day shift in July 1926, December 1933 and January 1934 excluding clerical and managerial staff.

(b) Please state the day shift wages bill of your mills for July 1926, December 1933 and January 1934, specifying the figure for each department separately, as also the number of full days worked in each month.

6. Do you think that there is any considerable amount of unemployment among cotton mill workers in _____ and what is your estimate of the volume and character of such unemployment ?

7. Do you have night shift working ? If so, what was the date of commencement of night shift work and the number of persons employed on night shift work in December 1933 and January 1934 ?

8. Have there been any changes in the hours of work in any of the departments of your mills since July 1926 ? If so, please give details.

*Copy of letter No. 930/67, dated the 5th/8th May 1934, from the Association to the
Commissioner of Labour, Bombay.*

I have the honour to acknowledge the receipt of your letter No. 2785, dated 4th May 1934, requesting the Association to favour you with a general statement on the points arising

out of the terms of reference of the Departmental Enquiry into Wage-cuts in the Cotton Mill Industry. In this connection, I would like to refer you to the interview which I had with you before the final questionnaire was framed during which it was pointed out that it would not be possible to frame conclusions of any great value from question No. (1) which merely deals with the rates of wages, and that the essential point of the enquiry, according to the terms of reference, was to ascertain the extent of the reduction in the wages of the workpeople; in other words, to make a comparison between the actual earnings in rupees, annas and pies per individual workman in 1934 and 1926. I need hardly point out that there have been great changes in the character of the goods produced in Bombay mills during the last few years, and that these changes have considerably affected the earnings of various types of workers. Similarly, mechanical improvements have, in many instances, been introduced which have definitely increased the earning capacity of individual workers. In some instances, it is possible that these mechanical improvements have so affected the earning capacity as to offset wholly or considerably any reductions which have been made in the allowances or in the basic rates of wages. My Committee trust that the report would deal primarily with the actual earnings of individual workmen per month.

During my interview I also stressed the inadvisability of including question No. (6), as I maintained that individual opinions of mill managers would do little or nothing to assist your office in arriving at correct conclusions.

In my Committee's opinion, the best method of arriving at an approximate idea as to the extent of unemployment among textile workers in the City is to calculate on the basis of the spindle and loom activity to-day as compared with the spindle and loom activity some time ago. It would not, however, be possible to make a comparison with 1926, as a large number of mills have permanently closed down, and many of those previously employed in such mills should have left the City or found employment elsewhere. I shall be pleased to help you in framing an estimate of unemployment if you so desire, as I have with me figures of spindle and loom activity for an extended period.

Copy of letter No. 3058, dated the 17th May 1934, from the Commissioner of Labour, Bombay, to the Association.

I have the honour to acknowledge with thanks the receipt of your letter No. 930/67 of 1934, dated the 8th May 1934, and to request you to be good enough to let me have an estimate of the volume of unemployment among cotton mill workers in Bombay City on the basis suggested by you in the concluding paragraph of your letter under reply.

Copy of letter No. 1027/67, dated the 23rd May 1934, from the Association to the Commissioner of Labour, Bombay.

I have the honour to acknowledge the receipt of your letter No. 3058, dated the 17th May 1934, requesting me to give you an estimate of the volume of unemployment among cotton mill workers in the City and Island of Bombay.

The method which I have adopted in arriving at such an estimate may briefly be explained below :—

The total number of Spindles and Looms idle in Bombay } 11,43,000 Spindles.
before the commencement of the strike (approximately) . . } 21,200 Looms.

These are figures of spindles and looms shut down temporarily or permanently. They also include the spindles and looms installed in certain mills which have recently been scrapped, and due provision has also been made for the proportion of spindles and looms worked double shift immediately before the strike. I estimate, barring those mills which work 2 or more sides per spinner and 3 or more looms per weaver, an average of 82 men per 100 looms and 21 men for 1,000 spindles. Working on this basis, the total displacement would

be about 41,400, but in view of the fact that the Morarji Goculdas Mill, which remained closed from November 1933, has re-started recently, this number has to be reduced by about 3,000.

I may point out, however, that this is only a rough and ready method of estimating unemployment. It only means that if all the spindles and looms which remained idle in March 1934, or were scrapped, were working, they would have found employment for about 38,000 more men to-day. I may point out, however, that my method of estimating unemployment does not take into consideration the displacement of labour following on the adoption of rationalisation schemes and certain other labour saving machinery by certain mills. In this connection, I may also point out that the total number of textile operatives *actually unemployed* before the commencement of the strike was probably considerably less than my estimate for the reason that the operatives who were formerly working in such mills as the Manockji Petit, Bomanji Petit, Atlas, Sewree Cotton and others, which have remained closed for more than a year, should have left the City or found employment elsewhere.

Copy of circular No. 1267/67, dated the 9th July 1934, from the Association to all Members of the Association with Mills in the City and Island of Bombay and Coorla.

I am directed to invite your attention to the enclosed resolutions adopted at an urgent General Meeting of members of the Association with mills in the City and Island of Bombay and Coorla, held on 7th July 1934. Copies of the schedules mentioned in the resolutions are also enclosed herewith.

If individual mills experience any difficulty in interpreting and applying the resolutions and schedules, it is requested that a responsible officer might be sent to the Association as early as possible to discuss the matter with the Secretary.

The attention of mills is drawn to the fact that the resolutions and schedules forwarded herewith are only applicable to non-rationalised occupations. The position as regards rationalised occupations is receiving the attention of a special Sub-Committee of the Association.

In cases where the application of the schedules necessitates only upward adjustments in wages effect can be given to them without fourteen days' notice.

Resolution No. 1.—Resolved that from the earliest possible date, all mills in Bombay City and Island and Coorla, which are members of the Association, shall introduce complete Schedules of consolidated wage rates for all Time-Workers in unrationalised occupations.

Resolution No. 2.—Resolved that all mills in Bombay City and Island and Coorla, which are members of the Association, and are now paying, in the case of Time-Workers in unrationalised occupations, monthly rates of pay lower than those specified in Schedule I, shall as from 1st July 1934 increase the wages payable for such occupations to the scales specified in the Schedule.

Resolution No. 3.—Resolved that on the introduction of the shorter working week, the monthly rates of consolidated pay for Time-Workers in unrationalised occupations in all mills in Bombay City and Island and Coorla, which are members of the Association, shall continue to be *not less than* those specified in Schedule I.

Resolution No. 4.—Resolved that all mills in Bombay City and Island and Coorla, which are members of the Association, and are now paying to Piece-Workers in unrationalised occupations Dear Food Allowances lower than those specified in Part 1 of Schedule II shall as from 1st July 1934 increase the Dear Food Allowances for such Piece-work occupations to those specified in Part 1 of Schedule II.

Resolution No. 5.—Resolved that on the introduction of the shorter working week, the Dear Food Allowances for Piece-Workers in unrationalised occupations in all mills in Bombay City and Island and Coorla, which are members of the Association, shall be *not lower than* the rate specified in Part 2 of Schedule II.

SCHEDULE I.
TIME WORKERS.

(Unrationalized Occupations.)

Occupations.	Earnings in a month of 26 working days.	Rate in annas per day.	REMARKS.
<i>Mixing Room—</i>			
	Rs. a. p.	As.	
Nowganies	23 9 0	14½	
Bale Breaker Attendant	23 9 0	14½	
Mixing Spreaders	20 5 0	12½	
<i>Blow Room—</i>			
Oilers	23 9 0	14½	
Bardan Pickers, Men	18 11 0	11½	
" " Women	14 10 0	9	
Sweepers, Men	16 4 0	10	} Same pay for all other departments.
" " Women	12 3 0	7½	
Dropping Carriers	18 11 0	11½	
Lattice Feeders	19 8 0	12	
Exhaust and Lap Machine	} 21 2 0	13	} When one man attends to one machine.
Breaker Scutcher			
Inter			
Finisher			
<i>Card Room—</i>			
Fly Gatherers	20 5 0	12½	
Lap Carriers	20 5 0	12½	
Card Tenters or Can Boys	19 8 0	12	
Flat Grinders	23 9 0	14½	
Oilers	23 9 0	14½	
<i>Frames (Time Workers)—</i>			
Back Tenters	18 11 0	11½	
Doffer Boys	16 4 0	10	
Oilers	23 9 0	14½	
<i>Ring Spinning—</i>			
Doffer Boys	16 4 0	10	
Tarwallas	20 5 0	12½	
<i>Siders.</i>			
<i>Twist Frames.</i>			
	Rs. a. p.	As.	<i>Woft Frames.</i>
Upto and including 300 spindles	20 5 0	12½	Rs. a. p. As.
301/360 spindles	21 2 0	13	21 2 0 13
361/420 spindles	21 15 0	13½	21 15 0 13½
Over 420 spindles	22 12 0	14	22 12 0 14
Oiler and Bander	25 3 0	15½	23 9 0 14½
Doff Carriers	18 11 0	11½	
<i>Bundling and Baling—</i>			
Weighers	25 3 0	15½	
Knotters	27 10 0	17	
Pressers	29 4 0	18	
Bundle Boys	18 11 0	11½	
Balers	26 13 0	16½	
<i>Miscellaneous—</i>			
Departmental Carpenters	{ 34 15 0 to	{ 21½ to	
	45 8 0	28	
Mochis	24 6 0	15	
Wrapping Boys	19 8 0	12	
Roller Coverers	{ 26 13 0 to	{ 16½ to	
	34 15 0	21½	
Assistant Roller Coverers	{ 21 2 0 to	{ 13 to	
	25 3 0	15½	
Rope Splicers	26 13 0	16½	
Line Levellers	{ 60 2 0 to	{ 37 to	
	79 10 0	49	
<i>Doubling—</i>			
Siders	20 5 0	12½	
Doffers	16 4 0	10	

SCHEDULE I—continued.

Occupations.	Earnings in a month of 26 working days.		Rate in annas per day.	REMARKS.
	Rs.	a. p.	As.	
<i>Warping Department—</i>				
Warper	34	15 0	21½ to	{ One Warper to each machine.
	45	8 0	28	
	17	1 0	10½	
Creel Boys				
<i>Sizing Department (If on Time Rates)—</i>				
Front Sizer	55	4 0	34 to	
	65	0 0	40	
Back Sizer	30	1 0	18½ to	
	34	15 0	21½	
Head Size Mixer	28	7 0	17½	
Size Mixer	21	15 0	13½	
<i>Warehouse and Calendering—</i>				
Head Cutlooker	39	13 0	24½	
Assistant Cutlooker	32	4 0	20	
Head Stamper	31	11 0	19½	
Assistant Stamper	22	12 0	14	
Ticket Appliers	20	5 0	12½	
Calender Men	22	12 0	14 to	
	25	2 0	15½	
Finisher Men	20	5 0	12½ to	
	25	3 0	15½	
Folders	20	5 0	12½ to	
	23	9 0	14½	

Note.—(1) Where more than 26 days per month are worked, the monthly wages laid down in the Schedule shall be correspondingly increased.

(2) Where less than 26 days per month are worked, the wages payable shall be proportionately reduced.

(3) No bonuses or other allowances of any kind shall be paid in addition to the Schedule Rates.

SCHEDULE II.

DEAR FOOD ALLOWANCES FOR PIECE-WORK OCCUPATIONS—
UNRATIONALIZED OCCUPATIONS.

PART 1.—As and from 1st July 1934 a Dear Food Allowance of not less than 35 per cent. shall be paid to piece-workers in all unrationalised occupations.

PART 2.—As and from the date of introduction of the 54-hour week the Dear Food Allowance to piece-workers in all unrationalised occupations shall be not less than 40 per cent.

PRESS NOTE.

Two months before the commencement of the last strike in Bombay, the Government of Bombay had instructed the Labour Office to undertake a Departmental Enquiry into the Cotton Mill Wages throughout the Presidency, and the Millowners' Association, Bombay, had promised their fullest co-operation and assistance. Statistical and other information similar to that submitted by mills to the Labour Office was also collected by the Association from all Bombay Mills, and a special Sub-Committee was appointed by the Association to examine the data and to report on the matter, so that the Association might be in a position to deal with the Labour Office Report with the least practicable delay after its publication.

The strike, however, intervened before the Labour Office had concluded its examination of the problem, but in order that the findings of the Labour Office should not be vitiated by any further adjustments in wages, the Association gave an undertaking to the Government of Bombay on behalf of its members that no change would be made in conditions of work and wages in member mills until the Report of the Departmental Investigation had been published. The Report of the Labour Office was published on the 21st June 1934.

The Committee of the Association have carefully considered the Report in conjunction with the recommendations made by their own Sub-Committee, and taking into consideration the imminent introduction of the shorter working week, have come to the following decisions in so far as members of the Association in Bombay City and Island and Coorla are concerned.

Time-Workers.

- (a) Wages of Time-workers in all unrationalised occupations in all mills shall be consolidated ;
- (b) The consolidated scales of pay for time-workers in all unrationalised occupations in all Bombay and Coorla mills shall not be less than the wages specified for such occupations by the Association ;
- (c) Where the wages now paid by any mill for particular occupations are below those specified by the Association, they shall be raised to those specified in the Schedule and given effect to from 1st July 1934 ;
- (d) Wages not lower than those specified in the Schedule shall continue to be paid in unrationalised occupations in all member mills in Bombay even after the introduction of the 9-hour day.

Piece-Workers.

- (a) In the case of piece-workers in unrationalised occupations, the Dear Food Allowances to be paid by all mills from 1st July 1934 shall not be less than 35 per cent. ;
- (b) As and from the date of the introduction of the 54-hour week, the Dear Food Allowances to be paid to piece-workers in unrationalised occupations shall not be less than 40 per cent.

The effect of these decisions will be that Time-workers will be safeguarded against any decrease in wages on the introduction of the 54-hour week ; in addition wages of large numbers of Time-workers in various occupations will immediately be raised in a number of mills.

As regards Piece-workers, the effect of the decisions of the Association will be that the Dear Food Allowance will be immediately increased in a number of mills, and that number will be substantially increased if and when the 54-hour week is introduced.

Briefly, the position will be that the new scales will remove to a material extent the present disparities, ensure consolidated rates of pay for time-workers and an increase in the Dear Food Allowances for piece-workers, and lay down standards of wages below which Bombay and Coorla members of the Association will not be permitted to go. As far as the Millowners are concerned, in spite of continued depression in the Industry and the precarious condition in which many mills find themselves to-day, the new scales will result in an appreciable increase in labour costs generally.

A special Sub-Committee of the Association has been appointed to consider the position as regards rationalised occupations.

Copy of letter dated the 7th July 1934 from the Association to the Commissioner of Labour, Bombay.

I am directed to enclose for your information a copy of the resolutions adopted at an urgent general meeting of the Association to-day, and also a copy of a note which has been issued to the Press.

Copy of letter dated the 7th July 1934 from the Association to the Private Secretary to His Excellency the Governor of Bombay, Ganeshkhind.

I am directed to enclose for the information of the Governor a copy of the resolutions adopted at an urgent general meeting of the Association to-day, and also a copy of a note which has been issued to the Press.

Copy of circular No. 1867/122A, dated the 21st September 1934, from the Association to all Members with Mills in Bombay City and Island.

As members are aware, the Association has recently had under consideration the question of wages payable in all major occupations in Bombay Cotton Mills. In the first place, consideration was given to the question of wages in occupations in which an efficiency system had not so far been introduced. As a result of the Committee's deliberations, the general body of members at their meeting held on 7th July 1934, adopted, and have since put into force certain scales of minimum wages in unrationalised time-work occupations and minimum scales of dear food allowances in unrationalised piece-work occupations. The Association's recommendations referred to above were notified to Government and to the general public, and it was at that time stated in a special *Press Communique* that a special Sub-Committee of the Association had been appointed to consider the position as regards rationalised occupations.

The report subsequently submitted by the above-mentioned Sub-Committee has been approved by the General Committee of the Association and a copy is enclosed herewith for your information. I am directed to inform you that the recommendations made in the report will be taken into consideration at a special general meeting of all Bombay members at a very early date, and if the recommendations made in the Report are approved, they will thereafter be adopted. *I am to request that any criticisms or suggestions which you may have to offer on the Report should be communicated to me not later than the 4th of October 1934.*

Report dated the 15th August 1934 submitted to the General Committee by the Special Sub-Committee of the Association.

Terms of Reference.—Our terms of reference include consideration of not only the rates of pay which shall be paid for Time and Piece-workers in any efficiency scheme which has been or may be introduced by individual mills, but also conditions which should be provided for the various occupations prior to the introduction of any efficiency scheme. Taking these two factors into consideration, we have the following recommendations to make regarding the main occupations in the mills :—

BLOW ROOM.

Efficiency Scheme recommended.—We consider that, with very few exceptions, mills should be able to introduce a system of one man per two machines in the case of Exhaust and Lap Machines, Breaker Scutchers, Intermediate Scutchers and Finishing Scutchers. No additional expenditure on equipment would be required before introducing the system recommended, nor would it be essential to make any changes in the cotton used as far as this process is concerned, though it needs to be pointed out that the type of cotton used will necessarily affect the possibilities of introducing efficiency schemes in most subsequent processes.

Wages.—Where two machines per man are being worked, we recommend that the wage paid should be on a time-work basis and should be consolidated; the minimum rate recommended is Rs. 28-7-0 per month of 26 working days.

Card Room.—The possibility of increasing the allotment of cards per Stripper and Grinder depends to a very large extent on the quantity of cotton put through the card during the day. With conditions varying so greatly between mill and mill owing to the difference

in the average count being spun, it is not possible for us to recommend any general system for adoption other than a minimum which should be achievable in any mill. The minimum allotment of cards per Grinder and Stripper should, in our opinion, be that laid down in the Association's Standardization Scheme, namely, one Grinder and one Stripper per 20/24 cards where patent strippers are not in use.

As regards other occupations in the Card Room, the minimum number of cards allotted to each operative should be as under :—

- | | |
|------------------------------|------------------------------|
| (1) Fly Gatherer : | One man for 40/50 cards. |
| (2) Lap Carrier : | One man for 27/30 cards. |
| (3) Card Tenter or Can Boy : | One man to each preparation. |
| (4) Sweeper : | One to 40/50 cards. |

If greater numbers of cards than those specified above are allotted to each operative, the wages paid should be somewhat higher than those specified in the schedule recently adopted by the Association for unrationalised occupations.

Drawing Frames : Efficiency Scheme recommended.—We consider that a system of two men per three heads of Drawing, irrespective of the number of deliveries, could be introduced in all mills for 12s and over. No further expenditure on equipment would be necessary. As regards cotton, see note under Blow Room.

Wages.—The wages recommended for this system of work should be on a piece-work basis, and payment should be made at the rate of 20 per cent. higher than the rate paid per operative on the 3 men per 3 head system.

It has been brought to our notice that the system of estimating the wages payable to Drawing Frame Tenters varies in different mills, and we are of the opinion that, if and when standardization of wages is attempted in the future, the system of payment of drawing tenters should be made uniform.

Slubbing Department.—We do not advocate any change in the present system of one man per machine.

Intermediate Frames.—We recommend the continuance of the system of one frame per man. In certain cases where conditions are exceptional, it would be possible to introduce a system of two frames per man with a back tenter, but the saving in such a system is, in our opinion, too small to justify our advocating its general adoption.

ROVING DEPARTMENT.

Efficiency Scheme recommended.—We consider that where rovings are being made for counts 12s and over, a system of one man per two rovers is possible in all mills without any additional expenditure on equipment. The cotton used should, however, be sufficiently good to reduce sliver breakages to a minimum, as otherwise the possibility of introducing the efficiency system in the spinning department will be affected adversely.

Wages.—We recommend that the wages paid for the system of work recommended should be on a piece-work basis with wages for 2 frames equivalent to two-thirds of the calculated wage, with 35 per cent. Dear Food Allowance for a 10-hour day, and two-thirds of the calculated wage with 40 per cent. Dear Food Allowance, when the 54-hour week is introduced.

Complement of Doffer Boys.—Though not essentially an efficiency scheme recommendation, we consider it desirable that the attention of all mills should be drawn to the necessity of maintaining their complement of Doffer Boys, according to the scales recommended in the original Standardization Scheme of the Association framed in the year 1930, namely :—

- 1 per 130 roving spindles when hank roving is $2\frac{1}{2}$ and under ;
- 1 per 160 roving spindles when the hank roving is between $2\frac{1}{2}$ and $3\frac{1}{2}$;

- 1 per 240 roving spindles when the hank roving is between $3\frac{1}{2}$ and 4 ;
 1 per 300 spindles when the hank roving is between 4 and $4\frac{1}{2}$;
 1 per 400 spindles when the hank roving is $4\frac{1}{2}$ and over.

Wages to be paid as specified in the recent Schedule for unrationalised occupations.

RING SPINNING.

Efficiency Scheme recommended.—In our opinion, it should eventually be possible for practically all mills to introduce a system of two sides per man in the spinning department in all counts above 20s. In certain cases where spinning is exceptionally good, two sides per man is possible on counts 12s and over. At the same time, we wish to make it clear that it is not possible for us to recommend the compulsory adoption of the two sides system unless adequate safeguards are introduced which ensure that the spinning qualities of the yarn reach a minimum standard. The only real test of spinning quality is the breakage test. Details as to the number of breakages which take place in mills which have successfully introduced the two-sides system have been supplied to us, and after a study of these particulars, we have reached the conclusion that the introduction of the two-sides system should not ordinarily be attempted by mills unless upon introduction the number of breakages which an operative working on two sides would have to piece up does not exceed 2 per minute. Generally speaking, we consider that where a change over to the two sides system is introduced, better cotton will be necessary.

Wages.—The wages to be paid where two or more sides per man are being worked, should, in our opinion, be consolidated and on a time-work basis with a minimum equivalent to $33\frac{1}{2}$ per cent. higher than the minimum wage laid down in the recent schedule adopted by the Association for single side, that is :—

	WARP.		WEFT.	
	Wages per month on single side.	Wages per month on double side.	Wages per month on single side.	Wages per month on double side.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Upto and including 300 spindles ..	20 5 0	27 1 0	21 2 0	28 3 0
301/360 spindles	21 2 0	28 3 0	21 15 0	29 4 0
361/420 spindles	21 15 0	29 4 0	22 12 0	30 5 0
Over 420 spindles	22 12 0	30 5 0	23 9 0	31 7 0

WEAVING.

Efficiency Scheme recommended.—We have given very careful consideration to the possibility of making recommendations for the adoption of efficiency systems in weaving, but our final conclusion is that the decision to adopt a three or four-loom system depending as it does on so many different factors, must be left to the discretion of individual mills. The main points to be considered are :—

- (a) Quality of warp yarn being supplied to the weaver.
- (b) In our opinion, no matter what class of goods are being woven, it would be difficult to work an efficiency system in the weaving department unless the number of warp breakages per loom per hour is reduced to a minimum. For a 4-loom system, warp breakages should not, in our opinion, exceed two per loom per hour, and on a 3-loom system, 3 per loom per hour.
- (c) The next factor to be taken into consideration is the lay-out of the machinery in the shed. Before any system can be successfully introduced, the lay-out must be arranged to suit the system ; for instance, a 3-loom system would be difficult to operate in a shed in which looms are arranged in lines of 4.

The starting handles should also be arranged in groups ; for example, in a 3-loom system, the starting handle for all the three looms worked by the same man should be in close proximity.

- (d) The class of work must be taken into consideration when a decision is being taken on the question of introducing a 3-loom or 4-loom system, for example, in a mill which is producing practically nothing but dhoties, the number of shuttle changes which have to be made per hour must be taken into consideration. If complicated headings are the rule, it would be found that in certain instances, the number of shuttle changes on a 4-loom system would be excessive, and might greatly reduce loom efficiency.
- (e) A further consideration is the average count of weft being used. If the average count is low, the amount of shuttle changing involved in a 3 or 4-loom system might rule out the possibility of its adoption.

Speaking generally, we would like to lay down that wherever a 4-loom system is found possible after a scientific study by the management concerned, extra help should be given in the way of weft carriers and cloth carriers at the expense of the management.

We would also point out that the introduction of a 3 or 4-loom system is facilitated where coarse weft is being used, by supplying re-wound weft or using longer pirns. Re-wound weft would not, however, always be necessary even in moderately coarse counts if the length of yarn on the pirn is considerably greater than the normal owing to the use of large diameter rings on the spinning frame.

Wages.—Subject to the conditions provided being satisfactory for the introduction of an efficiency system in weaving, we recommend that the wages paid should be on a piece-work basis with Dear Food Allowances as laid down in the Association's Schedule, with additional payment to the weaver equivalent to 50 per cent. of the wages earned on the additional looms, that is to say, where a 3-loom system is worked, wages should be five-sixths of the calculated wage, and on a 4-loom system three-fourths of the calculated wage.

General Observations.—We wish to make it clear that our recommendations should not be construed as the last word in standardization. In the peculiar circumstances of the industry, we feel that it would hardly be possible for us to do more than prescribe minimum wages, and in any event, standardization in rationalised occupations would be somewhat inconsistent as long as there is no uniformity in the wages paid in unrationalised occupations.

Copy of letter No. 2143/122, dated the 25th October 1934, from the Association to the Commissioner of Labour, Bombay,

Further to my letter dated 7th July 1934, I am directed to inform you that at a special General Meeting of the Bombay members of my Association held on Wednesday, the 24th instant, the following resolution was unanimously adopted :—

“ Resolved that in all Mills in Bombay City and Island which are members of the Association and which have adopted, or may hereafter adopt, any of the efficiency systems in respect of any occupation dealt with in the Report of the special Sub-Committee, dated 15th August, and circulated to members on 21st September 1934, the conditions specified in the Report shall as far as possible be provided and maintained.”

“ Resolved also that the wages of all workers engaged in rationalised occupations shall not be less than the scales laid down in the Report ; that is to say, the wages of all operatives engaged in the rationalised time-work occupations specified in the Report shall be consolidated at rates not lower than those laid down in the Report for such occupations, and the wages of all operatives engaged in rationalised piece-work occupations shall be calculated and paid as suggested with Dear Food Allowances not lower than those specified in the Report.”

A copy of the report to which reference is made in the resolution was forwarded to you with my letter of the 26th September. The resolution and the report of the Sub-Committee are at present to be considered as confidential, but may, if considered desirable, be forwarded to the Government of Bombay for information.

Copy of letter No. 6407, dated the 29th/31st October 1934, from the Commissioner of Labour, Bombay, to the Association.

Subject:—STANDARDIZATION OF WAGES.

I have the honour to acknowledge and thank you for your letter No. 2143/122, dated 25th October 1934, on the above subject.

Copy of circular No. 2141/122, dated the 26th October 1934, from the Association to all Members of the Association: (to Mills located outside the City and Island of Bombay including Coorla for information only).

I am directed to refer you to my letters Nos. 1867/122-A of 21st September and 2026/122 of 11th October 1934, and to inform you that at the special General Meeting referred to in my letter dated 11th October the underquoted resolution was unanimously adopted.

“Resolved that in all Mills in Bombay City and Island which are members of the Association and which have adopted, or may hereafter adopt, any of the efficiency systems in respect of any occupation dealt with in the Report of the special Sub-Committee, dated 15th August 1934, and circulated to members on 21st September 1934, the conditions specified in the Report shall as far as possible be provided and maintained.

“Resolved also that the wages of all workers engaged in rationalised occupations shall not be less than the scales laid down in the Report; that is to say, the wages of all operatives engaged in the rationalised time-work occupations specified in the Report shall be consolidated at rates not lower than those laid down in the Report for such occupations, and the wages of all operatives engaged in rationalised piece-work occupations shall be calculated and paid as suggested with Dear Food Allowances not lower than those specified in the Report.”

APPENDIX 16.

INTERNATIONAL LABOUR CONFERENCE: XIX SESSION.

Copy of letter No. 6212, dated the 23rd October 1934, from the Commissioner of Labour, Bombay, to the Association.

I have the honour to forward herewith for the information of your Association a copy of a Press *communiqué* issued by the Government of India in the Department of Industries and Labour on the above subject.

2. I should like to draw your attention to para. 3 of the *communiqué* and to point out that all suggestions should be communicated to the Government of India direct and not to this office.

GOVERNMENT OF INDIA.

DEPARTMENT OF INDUSTRIES AND LABOUR.

Dated Simla, the 3rd October 1934.

PRESS COMMUNIQUE.

As at present arranged the 19th Session of the International Labour Conference will be held at Geneva in May-June 1935 when the following subjects will be on the agenda :—

- I. Maintenance of acquired rights and rights in course of acquisition under invalidity, old-age, and widows' and orphans' insurance on behalf of workers who transfer their residence from one country to another.
- II. Employment of women on underground work in mines of all kinds.
- III. Unemployment among young persons.
- IV. The recruiting of labour in colonies and other territories with analogous conditions.
- V. Holidays with pay.

The first two subjects were discussed at the 18th Session held in June 1934, and will be for final consideration ; the fourth and fifth subjects will come up for first discussion ; while the third subject will be for first or final discussion.

2. The delegates representing each Member State at the Conference include two Government Delegates, one Employers' Delegate and one Workers' Delegate. Advisers can be appointed for each group according to necessity and circumstances. The duty of nominating the personnel of the entire Indian Delegation rests with the Government of India who, under the terms of the Treaty of Versailles, have undertaken "to nominate non-Government delegates and advisers chosen in agreement with the industrial organizations, if such organizations exist, which are most representative of employers or workpeople as the case may be." An association will be regarded as representative of employers only if it includes among its functions that of dealing with the interests of employers as such (e.g., regulating conditions of employment). The mere fact that the membership of an organization maintained for other purposes (e.g., the protection and regulation of the commercial interests of its members) includes a number of industrial employers is not in itself sufficient to give that organization a claim to consideration in the present connection.

3. All suggestions relating to the nomination of non-Government Delegates and their Advisers should reach the Secretary to the Government of India in the Department of Industries and Labour as early as possible and, in any case, not later than the 31st December 1934.

4. Allowances (on a scale which can be ascertained by application to the Department of Industries and Labour) will be granted by Government to defray the expenses of the Delegates and any Advisers finally nominated.

PRESS COMMUNIQUE.

Dated NEW DELHI, the 10th December 1934.

In a *Press communique*, dated the 3rd October 1934, it was announced that the following subjects would be on the Agenda of the Nineteenth Session of the International Labour Conference to be held at Geneva in 1935 :—

- I. Maintenance of acquired rights and rights in course of acquisition under invalidity, old-age, and widows' and orphans' insurance on behalf of workers who transfer their residence from one country to another.

- II. Employment of women on underground work in mines of all kinds.
- III. Unemployment among young persons.
- IV. The recruiting of labour in colonies and other territories with analogous conditions.
- V. Holidays with pay.

The Government of India have now received intimation that the agenda of the Conference will also include the following subject :—

“ Reduction of Hours of Work.”

In addition, the Governing Body of the International Labour Office have under consideration the placing on the agenda of the question of the partial revision of the Hours of Work (Coal Mines) Convention, 1931. A decision in this connection will be taken by the Governing Body at their next meeting to be held in January 1935.

The 4th June 1935 has been fixed as the date for the opening of the Nineteenth Session of the Conference.

Copy of letter No. 2460/174, dated the 18th December 1934, from the Association to the Secretary to the Government of India, Department of Industries and Labour.

I am directed to invite your attention to Government *Press communique*, dated the 3rd October 1934, on the above subject and to say that my Committee suggest the appointment of Mr. Husseinbhoj Laljee as the Employers' Delegate to the next Session of the International Labour Conference. Mr. Husseinbhoj Laljee has been an active figure in the commercial life of Bombay and has large interests outside, and it is hoped that the suggestion made will meet with the approval of Government.

APPENDIX 17.

EXCESSIVE DAMPING OF COTTON AND OTHER MALPRACTICES IN COTTON TRADE.

Copy of letter dated March 1935 from Messrs. Kilachand Devchand & Co., Volkart Bros., Ralli Bros., Toyo Menkwa Kaisha, etc., to the Association.

We beg to draw your attention to the following for serious consideration and necessary action :—

The malpractice of watering raw cotton at the time of pressing is increasing day by day. It has been doing immeasurable harm to the cotton trade. Indian cotton has ceased to be an investment and watering has become one of the dangerous factors of depreciating its price. Little profit expected to be gained in weight vanishes if the cotton is not soon disposed of after its arrival in the selling market and in addition its colour and class is spoiled which affects its selling price. The fibre of such cotton begins to deteriorate and its quality injured the longer it remains unconsumed. Due to this deterioration its reputation is spoilt in world market.

If you look to the working of the season 1927-28 you will realize that the trade suffered to the extent of more than a crore of rupees owing to this malpractice of watering when ready Oomra cotton was sold at Rs. 45 per candy below contract rate.

Under the circumstances it is the considered opinion of the undersigned that it would be a service to the trade if this evil practice of watering raw cotton is rooted out ; and with a view to attain this object, we submit, you should approach the Indian Government to have the Cotton Ginning and Pressing Factories Act amended to the effect that any press owner who waters or allows or assists in watering raw cotton before pressing will be liable to fine or have his license suspended temporarily or permanently.

Copy of letter No. 716/75, dated the 6th April 1934, from the Association to the Secretary, the Indian Central Cotton Committee, Bombay.

I am directed by my Committee to enquire as to what is the position in regard to the steps which have been taken by the Indian Central Cotton Committee to expedite the introduction of a system of licensing of gins and presses, and more particularly to enquire, whether any reply has been received from the Government of India in response to the request made by the Indian Central Cotton Committee, that the Cotton Ginning and Pressing Factories Act should be amended in such a way as to give powers to Provincial Governments to introduce a system of licensing of gins and presses with the consent of their Legislative Councils (please see page 16--para. 28 of Chapter II of the Annual Report of the Indian Central Cotton Committee for the year 1933).

In this connection, I may also refer you to the opinion which my Association expressed in its letter No. 780/115, dated the 20th of April 1932, setting forth the urgent need for legislation and also to a letter (copy enclosed) addressed to the Chairman of the Association recently and signed by more than 40 of the leading cotton merchanting firms in Bombay.

A very early reply is requested, as also your opinion as to whether it would assist the Indian Central Cotton Committee in any way, if my Association took independent action to expedite legislation designed to check the growth of malpractices such as watering and mixing of cotton.

Copy of letter No. 4458, dated the 11th April 1934, from the Secretary, Indian Central Cotton Committee, Bombay, to the Association.

With reference to your letter No. 716/75, dated the 6th April 1934, I have the honour to say that no reply has yet been received from the Government of India to the Committee's proposal for the amendment of the Cotton Ginning and Pressing Factories Act empowering Local Governments to introduce a system of licensing of gins and presses.

With reference to para. two of your letter, I am to say that a similar representation signed by certain firms and individuals was also received by my Committee and I enclose for your information a copy of the reply which was sent.

With reference to the last para. of your letter, there can be no objection to your Association taking independent action as suggested.

Copy of letter No. 3616, dated the 6th March 1934, from the Secretary, Indian Central Cotton Committee, Bombay, to Messrs. Kiluchand Devchand & Co., and others.

With reference to the letter signed by you and several other cotton merchants regarding the prevalence of the malpractice of watering of raw cotton on an increasing scale, I have the honour to state that my Committee would like to know the exact extent of the prevalence of this malpractice in various parts of India. I have, therefore, to request you and the various signatories to the letter under reference to report to me specific cases which may come to their notice giving at the same time full particulars regarding press marks, serial numbers, name of consignor, station and date of despatch, etc. These particulars will enable me to take steps to trace the bales to the defaulting factory, and strengthen the case in favour of licensing ginneries and presses.

Copy of letter No. 761/75, dated the 12th April 1934, from the Association to the Secretary, Indian Central Cotton Committee, Bombay.

I am directed to acknowledge the receipt of your letter No. 4458, dated 11th April 1934, on the above subject, and to request that the Association may be furnished with a copy of the representation submitted by your Committee to the Government of India on the desirability of empowering Local Governments to introduce a system of licensing of gins and presses.

Copy of letter No. 4597, dated the 16th April 1934, from the Secretary, Indian Central Cotton Committee, Bombay, to the Association.

With reference to your letter No. 761/75, dated the 12th April 1934, I regret that a copy of the Committee's letter to the Government of India on the above subject cannot be supplied. I would suggest, however, that in addressing the Government of India it would be sufficient if you referred to pages 10 and 11 of the Summary Proceedings of the 27th meeting of the Indian Central Cotton Committee (copy enclosed), and especially to the last paragraph which gives the substance of the resolution passed and forwarded to the Government of India.

Summary of Proceedings of the 27th Meeting of the Indian Central Cotton Committee.

SUBJECT 7.—LICENSING OF GINS AND PRESSES.

Sardar Rao Bahadur B. R. Naik introducing the subject emphasized the necessity of enacting legislation against mixing of cotton by ginneries and presses as it was only by this means that the interests of cotton growers could be protected and the purity of Indian cotton maintained. Instead of wasting time over apportioning the blame as to who was responsible for this state of affairs, the grower, the merchant, the factory owner, the exporter or the millowner, it would be far more profitable to appoint forthwith a Special Sub-Committee to formulate definite proposals to be put before Government.

Mr. Saklatvala said that opinion was almost unanimous that the practice of mixing was prevalent not only in the Punjab but was widespread all over the country. He pointed out that in the absence of an alternative programme by those who were against legislation, licensing of gins and presses became imperative. He urged the appointing of a Special Sub-Committee forthwith to draw up a draft bill embodying definite proposals so that no more time was wasted.

The question of the reasons for mixing of cotton was argued. It was said on the one side that cotton was mixed because there was demand for mixed cotton; on the other hand it was alleged that Indian cotton had a bad name because it was mixed. Which was correct? Either there was a demand for mixed cotton or there was some misunderstanding in foreign markets about India being capable of producing good staple cotton. If the latter was the case, the solution, according to Sardar Sampuran Singh, lay in the extensive propaganda in foreign countries.

Mr. Plymen, referring to the suggestion he had made in his letter before the Committee that it was not easy to keep Indian cotton pure, pointed out that the difficulty could be overcome by fixing standards for cotton as in the case of fruits and other articles.

Mr. Y. G. Deshpande took the view that factory owners who had nothing to do with the mixing of cotton would be unduly penalized by legislation, whereas the real culprits were the foreign firms and millowners who mixed cotton to bring down their average price. A better solution was the education of growers by propaganda to the fact that mixing lowered prices of their cotton and would ultimately lead them to ruin.

Rao Bahadur G. R. Kothare stated that another remedy would be for the millowners to declare that they would want pure cotton and were prepared to pay a suitable premium for it, thus countering the activities of those unscrupulous competitors who, by means of mixing pure with inferior cotton, had so far more often than not been able to undersell.

Mr. Saklatvala suggested that the fear, that the guilty might escape and the innocent factory owner be penalized, might be got over by a proviso in the licenses stating that the factory owner was not responsible provided he had a declaration from the merchant that the cotton to be pressed was unadulterated. Small discrepancies could be overlooked.

The discussion then centred round the suggestion of adding an enabling section to the Act authorizing Local Governments at their discretion to bring the section into force as and when they considered it necessary. As the new constitution for this country was not likely to be delayed for long, the reformed provincial Councils, it was argued, would be better fitted to handle the subject than either the Government of India or the Legislative Assembly. In the meantime it would be advisable to find out first from Local Governments whether circumstances prevailing in the provinces were such as required legislation, as in many cases a whole string of abuses occurring in some ginneries could be dealt with effectively by inserting an enabling clause.

By a resolution reaffirming that of 1924, "the Committee recommended the Government of India that the Cotton Ginning and Pressing Factories Act should contain a clause providing for the licensing of gins and presses, and that this clause should be made operative in each province by resolution of the Provincial Legislative Councils."

Copy of letter No. 1194/75, dated 26th June 1934, from the Association to the Secretary to the Government of India, Department of Education, Health and Lands, Simla.

I am directed to forward herewith for the information of Government copy of a letter addressed to the Association over the signatures of more than 40 principal cotton trading firms in Bombay. The question of preventing such malpractices as watering, mixing, etc., has been before the Committee of this Association and also the Indian Central Cotton Committee on various occasions, and it is understood that in accordance with the views expressed by representative trade organizations, the Indian Central Cotton Committee recommended to Government last year that the Cotton Ginning and Pressing Factories Act should contain a clause, providing for the licensing of gins and presses, and that this clause should be made operative in each province by resolution of the Provincial Legislative Council. It would appear that the representations made by the Indian Central Cotton Committee are under Government's consideration, and my Committee, therefore, desire to take advantage of the opportunity to place before Government in some detail their view of the case.

2. It will be remembered that the MacKenna Cotton Committee (1917-18), in paras. 226 and 228 of their Report, recommended *inter alia* that all ginning and pressing factories should be licensed : that such licenses should only be granted on certain conditions ; and should be withdrawn for breach of those conditions and on proof of such malpractices as damping, mixing and adulteration. The question was subsequently examined by the Indian Central Cotton Committee, and though they do not appear to have favoured an all-India system of licensing gins and presses, they seem to have made it quite clear to the Government of India that each Province should be free to introduce licensing if they found it necessary and practicable, and that the Indian Cotton Ginning and Pressing Factories Bill which was then under preparation should contain a clause to this effect. At a later date (July 1924), the Indian Central Cotton Committee went so far as to state that they were "convinced that the licensing of gins and presses will provide the only remedy for mixing in the Punjab."

3. In the Ginning and Pressing Factories Bill, which was introduced in the following September Session, a licensing clause was not included, presumably in order not to prejudice the chances of the Bill in the Assembly. The desirability of counteracting the various malpractices which were found to exist by the MacKenna Committee has always been

admitted by Government, but what they wanted the House to do when the Bill was introduced was merely to agree in principle that legislation was required to tackle these abuses and malpractices, and to enable the trade to protect itself and the cultivator against them, as these malpractices severely injured the reputation of Indian cotton and prevented the Indian cultivator from getting an adequate price for his crop. The Cotton Ginning and Pressing Factories Act has now been in operation for more than 8 years and my Committee have been endeavouring to find out whether the objects which Government had in view when the Bill was introduced have since been realized.

4. From representations received from member-mills, and the results of the investigations conducted by the Indian Central Cotton Committee on various occasions, it would appear that the existing provisions of the Cotton Ginning and Pressing Factories Act and the Cotton Transport Act have not been adequate to realize fully the objects Government had in view and that the undesirable practices which existed when the MacKenna Committee conducted their investigations obtain even to-day. My Committee, therefore, consider that in the interests of all concerned, the provisions of the Act should be reinforced. They have bestowed considerable thought to the problem and are convinced that the Cotton Ginning and Pressing Factories Act should be amended at the earliest opportunity so as to provide Local Governments with powers to introduce a system of licensing of gins and presses, as, in their opinion, that provides the only effective method of preventing the abuses mentioned in an earlier paragraph of this letter. My Committee are aware of the objections which have been urged against the introduction of a system of licensing, but are convinced that adequate safeguards can be devised to prevent innocent parties being unfairly penalized.

Copy of letter No. D2082-A, dated the 16th July 1934, from the Government of India, Department of Education, Health and Lands, Simla, to the Association.

Acknowledges receipt of your letter No. 1192/75, dated the 26th June 1934.

Copy of letter No. 1191/75, dated the 23rd June 1934, from the Association to the Bombay Chamber of Commerce, the East India Cotton Association, Ltd., and the Indian Merchants' Chamber.

I enclose herewith for the consideration of your Committee a copy of a representation which has been sent by the Association to the Government of India advocating an amendment of the Indian Ginning and Pressing Factories Act so as to provide for a system of licensing of gins and presses as a means of preventing malpractices such as watering, mixing, etc., so prevalent in this country. It has not been thought necessary to enter into great detail in the representation as to the pros and cons of licensing since the Indian Central Cotton Committee have dealt with the subject exhaustively in a recent representation submitted by them to the Government of India. It is, however, considered advisable that as many bodies as possible interested in the cotton trade should submit their general views on the question so as to expedite action of the type mentioned in the Association's representation.

I shall be very glad if you will kindly send me a copy of any representation which your Board may consider it desirable to address to the Government of India on this subject.

Copy of letter No. 1193/75, dated the 26th June 1934, from the Association to the Indian Central Cotton Committee, Bombay.

I beg to acknowledge receipt of your letter No. 5660 of 1934, dated the 2nd June 1934, and in reply to enclose herewith copy of a representation addressed by the Association to the Government of India on the above subject.

Copy of letter No. 4079/B/103, dated the 2nd August 1934, from the East India Cotton Association, Limited, to the Association.

With reference to your letter, dated 23rd June 1934, forwarding a copy of a representation made by your Association to the Government of India, advocating an amendment of the Cotton Ginning and Pressing Factories Act so as to provide for a system of licensing of gins and presses as a means of preventing malpractices such as watering, mixing, etc., I am directed to inform you that the Board of Directors of my Association have carefully considered the question of devising ways and means with a view to preventing the excessive watering of cotton and decided to take effective measures for tightening up the existing machinery for the conduct of appeals on quality so that cotton tendered against Hedge or Delivery Contracts would be rejected if the damping of cotton is conclusively proved and the tenderer of such cotton further penalized. With a view to giving effect to the above decision my Board are at present considering drafts of amendments to the Bye-laws of this Association and the same, when approved, will be placed before the Association in general meeting for their approval. They, therefore, do not at present propose to make any representation to the Government of India, as suggested by you.

Copy of letter No. 391/34-B, dated the 23rd October 1934, from the Chief Secretary to the Government of Bombay, Political and Reforms Department, to the Association.

I am directed by the Governor in Council to address your Association regarding the introduction of legislation for the licensing of gins and presses in the Bombay Presidency.

2. The Indian Cotton Committee over which Sir James MacKenna presided had recommended as far back as 1917 the licensing of gins and presses as the only practical means of controlling a number of abuses such as the mixing of different varieties of cotton, false packing, watering and adulteration. The Indian Central Cotton Committee to whom the proposal was referred recommended that an enabling clause should be inserted in the Cotton Ginning and Pressing Factories Act, 1925, giving Local Governments power to introduce licensing. The Government of India negatived the proposal at the time as it was hoped that the marking of bales and the records maintained at gins and presses would enable the trade itself to deal with the various abuses complained of. The existing Cotton Ginning and Pressing Factories Act, 1925, has been of value but it has been represented that the hope that the existing Act by itself would enable the cotton trade to suppress such abuses as mixing has not been realized. It is reported that the mixing of Punjab-American cotton has increased to such an extent that pure cotton for use in Indian mills and for export to the United Kingdom is practically unobtainable. This mixing is alleged to take place in the ginneries and not in the field. Hitherto efforts made to prevent it both by the trade and the Indian Central Cotton Committee under the existing law have failed.

3. The case for the licensing of gins and presses has materially strengthened since the decision of the Government of India referred to above. It was then considered that the only cottons which required protection were the Punjab-American and the Cambodia. It has been pointed out to Government that the research work initiated by the Indian Central Cotton Committee in the Central Provinces has resulted in the evolution of a new and valuable medium cotton, namely, Verum. This cotton occupies an area of 120,000 acres in the Central Provinces and the acreage is steadily increasing. Verum cotton is an Indian cotton and is capable of hybridizing naturally with other Indian cottons. There is, however, a great risk of mixture taking place and the problem will be even more complicated in the Central Provinces than in the Punjab as the seed supply will be rendered hopelessly impure. Even now a certain proportion of the Verum cotton is marketed pure and the proposed legislation is necessary to prevent the result of successful research being wasted. Another material factor which has contributed to the change in the situation is the development of the long staple cotton area under the Sukkur Barrage in Sind. The Indian Central Cotton Committee has impressed upon the Government of Bombay the desirability of securing a large compact area of long staple cotton in Sind as it is necessary that this long staple cotton should be marketed pure. It has been urged that improvement in the purity of Punjab-

American cotton and a guarantee of purity both in Verum and Sind cotton are urgently required. A definite recommendation has been received from the Sind Cotton Committee that legislation should be introduced to give powers to Local Governments enabling them to license gins and presses. It has been pointed out that there is already a risk of too many gins springing up in certain areas in Sind and the proposed legislation would be useful not only to secure purity but also to obviate the trouble which has arisen in other provinces as regards "pools."

4. I am to request that the views of your Association on the proposals regarding licensing of gins and presses made above may be communicated to Government as soon as possible.

Copy of letter No. 2269/75, dated the 21st November 1934, from the Association to the Secretary to the Government of Bombay, Political and Reforms Department.

I am directed to acknowledge the receipt of your letter No. 391/34-B, dated the 23rd October 1934, in which the views of the Association have been requested on the subject of licensing of gins and presses. My Committee entirely agree with Government that the case for the licensing of gins and presses has been materially strengthened since the year 1925. As a matter of fact, as recently as June 1934, the Association addressed the Government of India in the matter and a copy of this representation is enclosed. The recommendation which has been made to the Government of India by the Indian Central Cotton Committee is that an enabling clause should be introduced in the Ginning and Pressing Factories Act of 1925 which would empower Provincial Governments to introduce a system of licensing as a means of preventing abuses in their own territories and to withdraw or suspend the licenses of any ginning or pressing factories on proof of deliberate mixing or malpractices having taken place. My Committee are, however, very strongly of opinion that the necessities of the situation will not be adequately met unless licensing is introduced in each and every Province, and would, therefore, favour all-India legislation making licensing compulsory in every cotton growing district of the country.

As the Government of Bombay are already aware, there is at the present time a general demand in India that Indian cotton should be used more extensively by other countries, and this demand has been incorporated in the recent Agreement entered into between this Association and the Cotton Textile Trade of the United Kingdom. It is stated in this Agreement :—

"In regard to raw cotton, the Indian side strongly emphasized the urgent necessity of further efforts being made in the United Kingdom to popularise and promote the use of the Indian raw material. They welcomed the undertaking that the British Textile Mission would be prepared to recommend effective action being taken and keep the Indian side regularly in touch with developments. It was further agreed that other avenues of co-operation in this field should be explored in the interests of the Indian cotton grower."

Considerable progress has been made in the evolution of new and improved strains of staple cotton suitable for the export market and for the spinning of higher counts by Indian mills, but the joint efforts of the Agricultural Department, the Indian Central Cotton Committee, and the cotton spinning industries of India and the United Kingdom are being hampered considerably by malpractices such as deliberate mixing, watering and false packing, and it is the considered view of this Association that unless these malpractices are done away with, the anticipations of obtaining full prices for, and the building up of extensive Home and export markets for staple Indian cottons are unlikely to be realized. They further maintain that the experience of the last 20 years has demonstrated that the only really effective way of removing the malpractices referred to is by the introduction of a system of licensing.

APPENDIX 18.

FUMIGATION OF AMERICAN COTTON.

Copy of letter No. 57/141, dated the 6th January 1934, from the Association to the Secretary to the Government of India, Department of Education, Health and Lands, New Delhi.

I am directed to address you on the subject of the charges for fumigation of American cotton.

Since the 1st of December 1925, all imports of American cotton into British India have had to be fumigated. The object of fumigation has been to avoid the possibility of damage to the Indian cotton crop by the Mexican boll weevil, which at the time when fumigation was introduced had been causing great damage to the American cotton crop and losses to the American grower. Previous to the issue of the Government Notification setting forth the terms on which importations of American cotton would be allowed after the 1st December 1925, my Committee had been given an opportunity of discussing this question with the Indian Central Cotton Committee, upon whose recommendation fumigation was introduced. The possible danger at that time appeared so acute that the Association's two representatives on the Indian Central Cotton Committee agreed both as to the desirability of fumigating cotton imported from America, and that the expenses of fumigation should be borne by importers. The circumstances at that time were, however, very much different from those which have since prevailed. In the first place, the damage through the boll weevil was at its height; secondly, the imports of American cotton into India over a period of years had been very small; thirdly, the industry was in a comparatively prosperous condition; fourthly, the anticipated cost of fumigation was only 8 annas per bale; and fifthly, there was no duty of any kind on imported cotton. When it became known that the charges for fumigation would greatly exceed 8 annas per bale, the Association endeavoured to obtain a reduction, and have on numerous occasions since then striven to bring down the expenses of fumigation. The Indian Central Cotton Committee have also endeavoured to keep the charges as low as possible. Notwithstanding this, these charges still stand at a very high figure, and are undoubtedly a considerable handicap to the Industry.

Owing to various causes, the importations of American cotton since 1925 have greatly increased. In the years when imports have been exceptionally heavy, special causes have operated, but apart from these exceptional reasons for heavy imports, the necessity for importing larger quantities of staple cotton, including American, has been due to the fact that very much larger quantities of medium and fine count yarns are being produced in Indian Mills. As the Government of India are doubtless aware, the supplies of cotton grown in India suitable for producing warp yarns of over 32s and weft yarns of over 40s have been limited and are likely to remain so for a number of years to come; and in these circumstances, a continuation of the imports of American cotton may be necessary until a sufficient and readily accessible supply of long stapled cotton is available in this country. The development of India's production of finer cloths may in fact necessitate a gradual increase in the imports of cotton from abroad.

Owing to the heavy importations of American cotton after fumigation had been introduced, combined with the heavy charges, the Textile Industry of this country, and particularly the Industry in Bombay, began increasingly to feel the burden which had been imposed on them, and after very close investigation, my Committee took up the position that the Mexican boll weevil could not survive the journey from America, and that if it did survive, that it could not constitute a danger to the cotton crop of this country. Representations on this subject were, therefore, made to the Indian Central Cotton Committee, as a result of which the underquoted resolution was passed by the Indian Central Cotton Committee at their Fourteenth Meeting in January 1927:—

“That in view of the unexpectedly large quantity of American cotton being imported into this country resulting in a heavy charge on the Textile Trade for fumigation,

this Committee is of the opinion that the Government of India be requested to cause further immediate scientific investigations to be made with a view to ascertaining :—

- (1) If it is a practical fact that the Mexican boll weevil can be imported into India in American cotton and if it would be a danger to the cotton crop of this country ;
- (2) If so, to what extent should fumigation be enforced."

We have been given to understand that the scientific investigations referred to in the Central Cotton Committee's resolution could not for various reasons be undertaken, and the position to-day is that it has not been demonstrated with certainty that the boll weevil could be imported alive in consignments of cotton from America, and that if it were imported, it could ravage the cotton growing districts. The Industry, however, continues to be saddled with a very heavy burden, mainly for the benefit of the cotton growers, although the case for fumigation is not proved.

Under these circumstances, my Committee are of opinion that if fumigation of American cotton is to be continued, it is only equitable that the burden of fumigating charges should be borne by the State. In the Report of the Indian Tariff Board on the Cotton Textile Industry published in 1927, the burden of fumigation charges on the Industry was examined, and it was then recommended that the charges which were levied in the interests of cultivators of cotton should be borne by general revenues. The Tariff Board further stated :—“ In years in which the prices of American and Indian cotton are at their normal parity, the amount involved would not be large, but much will depend on the extent to which the Bombay mill industry acts on our recommendation that it should make more extensive use of American cotton.”

Since the Tariff Board reported in 1927, the case for transferring the burden from the Industry to Central Revenues has been further strengthened by reason of the fact that since October 1931, the Government of India and the Legislature have seen fit to impose a duty of half an anna per pound on all imported cotton. This duty was imposed for revenue purposes, but it was also stated to be for the benefit of the cultivator. That being the case, it is submitted that it is very inequitable that the Industry should be made to pay for every measure of amelioration of the condition of the agriculturist. The increase in the price of imported cotton has constituted a very heavy burden on the large number of mills which have endeavoured to carry out the recommendations of the Tariff Board in the direction of diversifying their manufactures and increasing their production of cloths made from fine count yarns.

A further reason which may be advanced for removing the burden of fumigation charges from the Industry is that for the last five or six years, its financial condition has been extremely parlous.

My Committee are, therefore, strongly of opinion that the cost of fumigating American cotton should be borne by Central Revenues.

Copy of letter No. 34/34-A, dated the 15th February 1934, from the Joint Secretary to the Government of India, Department of Education, Health and Lands, New Delhi, to the Association.

With reference to your letter No. 57/141 of 1933, dated the 6th January 1934, suggesting that the cost of fumigating American cotton imported into India should be borne by central revenues, I am directed to say that the Government of India have given careful consideration to your Association's representation, but regret that they are unable to reconsider the decision conveyed in this Department letter No. 1489-Agriculture, dated the 14th November 1925. They realise the need for keeping the fumigation charges as low as possible and have already under separate consideration the question of their reduction,

2. You have referred in your letter to the resolution passed by the Indian Central Cotton Committee in January 1927, suggesting that scientific investigations should be undertaken in order to determine whether the boll weevil can be imported into India alive in shipments of American cotton and whether, if it can, it constitutes a danger to the Indian cotton crop. This question was very carefully considered at the time, and the Government of India, on the advice of their Agricultural Adviser, a copy of whose note is herewith enclosed for your information, came to the conclusion that they must decline to take any action, as the experiments were fraught with the possibility of most dangerous consequences.

Statement prepared by the Agricultural Adviser to the Government of India.

The Mexican Cotton-boll Weevil (*Anthonomus grandis*), which is at present found throughout practically the whole cotton growing belt of the United States of America, was not originally a native of this area. In 1892 it found a footing in Texas and during the first 10 years after its advent into the United States, they spread annually at the rate of 5,640 square miles. During the next 10 years the annual increase in the area infested averaged 26,880 square miles, and by the end of 1921 over 600,000 square miles of territory out of about 705,000 square miles in the cotton-producing belt had been invaded. For the four years ending with 1920, the average annual loss due to the ravages of this pest was estimated to be about 300 million dollars. In the light of these facts it is of the utmost importance that this, the worst of all cotton pests, should be kept out of India.

2. The experiments which the Indian Central Cotton Committee have asked the Government of India to carry out are designed to ascertain (a) whether the Cotton boll weevil can be imported into India alive with shipments of American cotton, and (b) whether, if imported, this weevil would damage cotton in India. As regards (a), the American authorities, to whom this question has been submitted, are distinctly of opinion that the boll weevil might be imported alive with cotton shipments. Very recent observations, reported in the latest number of the American Journal of Economic Entomology, show that boll weevils emerging from hibernation have been found to live for as long as 52 days in the absence of cotton to feed on. There is therefore no reason why weevils in an active condition should not live long enough to reach India. The chances may be hundreds of thousands to one against a single impregnated female weevil reaching India alive; negative experiments carried on for a limited period (say, one year) would therefore really prove nothing. The chances, however, are that a successful individual would get through sooner or later in the absence of any safeguards. Experiments on the lines suggested under (a) would, if successful, merely corroborate our present knowledge of this insect; and if unsuccessful over a limited period would not disprove the possibility of importation.

3. As regards (b), we have again the experience of the American authorities. If any variety of cotton were immune to the boll weevil, this fact would have been applied to its control in America where no cotton has proved to be immune. Moreover, much of the more valuable long-staple cotton grown in India is of American origin. As regards climatic conditions, these are sufficiently varied throughout the cotton Belt in America to represent those of practically all our cotton-growing districts in India. It is not surprising therefore that the considered opinion of the American authorities is that Indian conditions are likely to suit this weevil, should it obtain a footing in the country.

4. In the opinion of America's most eminent experts, the boll weevil could both survive the journey from America to India and breed here. This view was held also by the Entomologists who attended the last Entomological meeting at Pusa. At that meeting a resolution to the effect that "the Indian Central Cotton Committee should consider the advisability of recommending the total prohibition of cotton from America; or as an alternative that all bales containing such cotton should be fumigated at the port of entry and that entry should be restricted to Bombay," was passed unanimously.

5. In the face of these authoritative opinions obtained from so many different sources, I am of opinion that the Government of India would not be justified in deliberately introducing the Mexican boll weevil into India for experimental purposes. The risk involved would be out of all proportion to the value of any possible information derivable from the

experiments, for to rear the weevils under approximately natural conditions, it would be necessary to grow cotton plants in a large cage, in which case it would be practically impossible to guarantee that no weevils would escape. The escape of a single impregnated female might result in the impoverishment, for all time, of cotton-growers in this country, the reduction of the supply of raw cotton, and the consequent crippling of India's textile industry.

6. Even if the Government of India were prepared to turn a deaf ear to the advice both of their own experts and of those of the Federal Department of Agriculture in the United States of America, it is reasonably certain that the Federal Government of the United States would refuse to force their experts to co-operate against their better judgment with our officers in conducting an experiment fraught with such danger to India. Without their hearty co-operation an experiment on the lines adumbrated in the resolution under reference could not be carried out. The opinion of the Head of the Entomological Bureau of the Federal Department regarding the experiments outlined under (a) and (b) has recently been obtained. Speaking on behalf of the staff of the Bureau, that officer says, "We feel that we cannot allow ourselves to be connected with this experiment, since should there be any disastrous outcome, we would charge ourselves with a share of the responsibility."

7. In the light of all this expert advice, it is to be hoped that the Indian Central Cotton Committee will agree that the risks involved in deliberately introducing boll weevils into India for experimental purposes would be very great and that Government would not be justified in conducting any such experiments.

Copy of letter No. 520/141, dated the 6th March 1934, from the Association to Mr. S. D. Saklatvala.

In accordance with the resolution passed by the Committee at yesterday's meeting, I am sending you a copy of the representation submitted to the Government of India on the subject of payment of fumigation fees from Central revenues.

The Committee feel that the Government of India might be willing to accede to the Association's demand if that demand were supported by the Indian Central Cotton Committee. This being the case, I am to ask you to bring the matter to the notice of the Indian Central Cotton Committee at an early opportunity.

For your information, I am also enclosing a copy of the reply sent by the Government of India on the 15th February.

APPENDIX 19.

ABOLITION OF THE TOWN DUTY ON COTTON.

Copy of letter dated the 6th March 1934 from the Association to the Municipal Commissioner for the City of Bombay.

The attention of my Association has been drawn to certain statements which have appeared in the press regarding the attitude of the Corporation towards a proposal which has been put forward by the Government of Bombay for the abolition of the Town Duty on cotton. It would appear to have been suggested in the Corporation that the Mill Industry should continue to pay this duty and that it should be removed in the case of exported cotton. Such a proposal, if carried into effect, would be grossly unfair to the local industry which is already severely handicapped *vis-a-vis* its foreign competitors and *vis-a-vis* up-country mills. In this connection, I am directed to draw your attention to the Report of the Tariff Board (of 1926), wherein it was suggested that, in view of the disabilities from

which it was suffering, the local industry should be assisted by reducing the Town Duty to 8 annas per bale on cotton consumed by Bombay mills, while the duty on exported cotton should be retained at Re. 1 per bale. The suggestion made in the Corporation is, as you will see, in direct opposition to the Tariff Board's recommendation. I am also to point out that the collection of the duty from cotton mills in the City of Bombay alone would be entirely opposed to the principle enunciated when the Bill was first introduced, namely, that the tax should be imposed at the same rate on all cotton coming into Bombay whether intended for local consumption or for export.

As I understand that the question of Town Duty will again be taken up for discussion by the Corporation this afternoon, it is not possible for me in the short space of time available to set forth each and every reason for condemning the proposal voiced in the Corporation on Monday last, but I am desired to point out that my Association and the Industry which it represents will most strongly oppose any proposal which would have the effect of penalising the local industry *vis-a-vis* its foreign competitors.

BILL NO. V OF 1934.

A Bill further to amend the City of Bombay Municipal Act, 1888.

Whereas it is expedient further to amend the City of Bombay Municipal Act, 1888, for the purpose hereinafter appearing, and whereas the previous sanction of the Governor required under section 80C of the Government India Act, for the passing of this Act has been obtained ; It is hereby enacted as follows :—

1. *Short title and commencement.*—(1) This Act may be called the City of Bombay Municipal (Amendment) Act, 1934.

(2) It shall come into force on the 1st day of April 1934.

2. *Repeal of Sections 195A and 195B and sub-sections (7) and (8) of section 195C of Bombay III of 1888.* Sections 195A and 195B and sub-sections (7) and (8) of section 195C of the City of Bombay Municipal Act, 1888, hereinafter called the said Act are hereby repealed.

3. *Amendment of Sub-Section (1) of section 195C of Bombay III of 1888.*—In sub-section (1) of section 195C of the said Act, for the words, letter, figures and brackets " allotted under sub-section (2) of section 195B to the provision of such tenements " the words, figures and letter " which have been paid to them by the Corporation from the town-duty levied on raw cotton under section 195A, now repealed, and allotted to the provision of tenements for the working classes in the City of Bombay, as constituted on the 1st day of October 1920 ; " shall be substituted.

4. *Amendment of section 195D of Bombay III of 1888.*—In section 195D of the said Act,

(1) the words " for such schemes of improvement or," the words " for such schemes or " and the words " as the case may be " shall be omitted ; and

(2) for the words, figures, letter and brackets " (2) of section 195B," the words, figures, letter and brackets " (1) of section 195C " shall be substituted.

STATEMENT OF OBJECTS AND REASONS.

It is considered necessary to abolish, with effect from the 1st day of April 1934, the town-duty which is being levied under section 195A of the City of Bombay Municipal Act, 1888, on raw cotton imported into the City of Bombay, since the passing of the City of Bombay Municipal and Improvement (Amendment) Act, 1920. The reasons for the proposed abolition of the duty are ; firstly, this duty assists the increasing diversion from the

City of Bombay of the trade in the export of raw cotton ; and secondly, in view of the prevailing low prices of raw cotton it is desirable, in the interests of the grower, to remove as far as possible every hindrance to the demand for Indian cottons.

APPENDIX 20.

COTTON CONSUMPTION DUTY.

L. A. BILL No. 31 OF 1934.

A Bill to provide for the imposition and collection of a duty on certain raw cotton.

Whereas it is expedient to impose a duty on certain raw cotton and to provide for the collection thereof ; It is hereby enacted as follows :—

1. *Short title, extent and commencement.*—(1) This Act may be called the Cotton (Consumption Duty) Act, 1934.

(2) It extends to the whole of British India including British Baluchistan and the Sonthal Parganas.

(3) It shall come into force on such date as the Governor-General in Council may by notification in the *Gazette of India* appoint in this behalf.

2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context,—

(a) “duty” means the consumption duty imposed by section 3 ;

(b) “Empire cotton” means raw cotton grown or produced in any part of His Majesty’s Dominions exclusive of India :

(c) “factory” means any premises wherein, or within the precincts of which, twenty or more workers are working or were working on any day of the preceding twelve months, and in any part of which the process of spinning cotton into yarn is being carried on or is ordinarily carried on with the aid of power ; and

(d) “owner” includes any person expressly or impliedly authorised by the owner of a factory to be his agent in respect of such factory.

3. *Imposition of duty on Empire cotton.*—A consumption duty at the rate of six pies per pound shall be levied on all Empire cotton received into any factory in British India after the commencement of this Act except Empire cotton in respect of which customs duty has been paid under the provisions of the Sea Customs Act, 1878, at any port in British India, on clearance of such cotton under section 89 or section 110 of the said Act.

4. *Recovery of duty with penalty.*—(1) If any duty payable under section 3 is not paid within the time fixed by rules made in that behalf under this Act, it shall be deemed to be an arrear, and the authority to which such duty is payable may, in lieu thereof, recover any sum not exceeding double the amount of duty unpaid which such authority may in its discretion think it reasonable to require.

(2) An arrear of duty, or any sum recoverable in lieu thereof under this section, shall be recoverable as an arrear of land revenue and shall be recoverable in addition to, and not in substitution for, any other penalty incurred under this Act.

5. *Penalty for evasion of duty or failure to supply information.*—Whoever evades or attempts to evade the payment of any duty payable by him under this Act, or fails to supply any information which he is required by any rule made under this Act to supply, or knowingly supplies false information, shall be punishable with imprisonment which may extend to six months, or with fine which may extend to two thousand rupees, or with both.

6. *Power to exempt from duty.*—The Governor-General in Council may, by notification in the *Gazette of India* exempt any Empire cotton from payment of the duty.

7. *Amendment of Schedule II, Act VIII of 1894.*—(1) In Part II of Schedule II to the Indian Tariff Act, 1894, for Item No. 41A the following item shall be substituted, namely :—

“41-A. Cotton, raw :—

(i) Empire cotton (as defined in section 2 of the Cotton (Consumption Duty) Act, 1934 Free.

(ii) other cotton pound 6 pies.

(2) Notwithstanding anything contained in section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, the additional duty imposed by that section of that Act shall not be levied or collected on raw cotton comprised in Item No. 41A of Schedule II to the Indian Tariff Act, 1894, as amended by sub-section (1).

8. *Power of Governor-General in Council to make rules.*—(1) The Governor-General in Council may, by notification in the *Gazette of India* make rules to carry into effect the purposes and objects of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may—

(a) provide for the assessment and collection of the duty and the authorities by whom functions under this Act are to be discharged, the issue of notices requiring payment, the manner in which the duty shall be payable, and the recovery of arrears ;

(b) impose on the owners of factories the duty of furnishing information, keeping records and making returns, and prescribe the nature of such information and the form of such records and returns, the particulars to be contained therein, and the manner in which they shall be verified ;

(c) authorise and regulate the inspection or search of any factory ; and

(d) authorise and regulate the composition of offences against or liabilities incurred under the Act and rules.

(3) In making any rule under this section the Governor-General in Council may provide that a breach of the rule shall, where no other penalty is provided by this Act, be punishable with fine not exceeding two thousand rupees.

(4) The Governor-General in Council may delegate all or any of his powers under this section to a Local Government.

STATEMENT OF OBJECTS AND REASONS.

The Bill is designed to check the diversion from the port of Bombay of the import trade in Empire cotton and the consequent loss of revenue by substituting for the present import duty a consumption duty of the same amount chargeable on the entry of such cotton into cotton mills.

Copy of letter No. 1345/108, dated the 18th July 1934, from the Association to the Secretary to the Government of India, Finance Department, Simla.

The attention of my Association has been drawn to the provisions of Bill No. 31 of 1934 "to provide for the imposition and collection of a duty on certain raw cotton." In the Statement of Objects and Reasons it is indicated that the purpose of the Bill is to check the diversion of trade in cotton from the Port of Bombay. My Committee, while welcoming the principle of the Bill and the method by which its objects are sought to be achieved, desire to point out that the duty can only act as a partial check upon the diversion to Bhavnagar and other Ports in Indian States for the reason that it in no way alters the position in regard to Egyptian cotton which at the present time forms a large share of the cotton which now enters British India through the Port of Bhavnagar. Certain grades of Egyptian cotton are directly competitive with the East African and Sudanese cotton and, in the opinion of my Committee, the Government of India should consider whether effective action cannot be taken to bring back revenue to the Government of India and the trade in this type of cotton to Bombay. During the last two years the rate of diversion to Bhavnagar in the case of Egyptian cotton has been increasing as may be seen from the underquoted figures:—

					Imports of Egyptian cotton into British India.	Imports of Egyptian cotton into Bhav- nagar.
1931-32	..	..	..	..	14,856 tons.	....
1932-33	..	..	..	..	9,135 ,,	2,347 tons.
1933-34	..	..	..	..	6,068 ,,	3,037 ,,

While the levy of a consumption duty on Empire cotton will tend to bring back trade in Empire cotton to Bombay and at the same time improve the revenues of the Government of India, it will not, in the opinion of my Committee, be sufficient to ensure a return of the trade unless and until the other facilities provided by Bhavnagar State such as cheap storage, and lower railway freights to Ahmedabad and other centres are also offset. Steps have already been taken to reduce storage and wharfage charges, etc., in Bombay by the Port Trust authorities, but these need to be supplemented by a reduction in railway freights from Bombay to Ahmedabad and other centres on all imported cotton, and the Government of India might draw the attention of the Railway Board and the Railways directly concerned to this aspect of the problem.

Another defect in the legislation proposed is that it would appear to provide a benefit which was not perhaps intended to mills located in Indian States when these mills are using Empire cotton. The position will apparently be that cotton mills situated in Indian States will be able to import Empire cotton free of duty through Bombay, and unless a consumption duty is levied by the State authorities concerned, would thus obtain their cotton at half an anna per pound cheaper than mills located in British India.

Mills in Indian States already enjoy considerable advantages over cotton mills in British India. These advantages will be increased in many instances on the introduction of the shorter working week, which is expected to become operative in British India on 1st January 1935. My Committee contend that some means should be found for preventing or offsetting the additional advantages which these mills will have when the Cotton Consumption Duty Bill is passed by the Legislature.

In so far as American cotton is concerned, the trade has been retained by the Port of Bombay, chiefly owing to the fact that it is the only Port through which American cotton is allowed to be imported, being the only Port in which a fumigation plant has been installed. The possibility of the State of Bhavnagar installing a fumigation plant should, however, be borne in mind. If such a plant were installed, my Committee apprehend that the diversion of trade from Bombay in this type of cotton would be rapid, and disastrous both to the revenues of the Port of Bombay and the Government of India.

Copy of letter No. C. 706/34, dated the 6th September 1934, from the Officiating Collector of Customs, Bombay, to the Vice-President, Indian Central Cotton Committee, forwarded to the Association for information.

I have the honour to state that the procedure for the grant of exemption certificates for duty paid raw cotton was devised in anticipation of the Bill in Question being taken up by the Assembly in the last Session and eventually passed into law. I have however received a communication from Mr. W. W. Nind, Additional Member, Central Board of Revenue, dated 28th August 1934, to the effect that the Bill in question will not be taken up by the Assembly in the present Session. In consequence I have to request you to inform the members of your Committee to postpone sending the Statement of Stock till such time that the Bill is taken up by the Assembly in the next Session. That date will be duly communicated to you.

APPENDIX 21.

AMENDMENT OF THE BY-LAWS OF THE EAST INDIA COTTON ASSOCIATION.

Copy of letter No. 5789-D, dated the 6th February 1934, from the officiating Assistant Secretary to the Government of Bombay, Finance Department, to the Association.

I am directed to invite the attention of your Association to Government Notification, Finance Department, No. 5789-D, dated 30th January 1934, on the subject mentioned above, which has been published at pages 320-322 of Part I of the *Bombay Government Gazette* dated 1st February 1934. A copy of the Notification is enclosed herewith for ready reference.

FINANCE DEPARTMENT.

Bombay Castle, 30th January 1934.

No. 5789-D.—Whereas by-laws made by the Board of Directors of the East India Cotton Association, Limited, in exercise of the powers conferred by section 6 of the Bombay Cotton Contracts Act, 1932 (Bom. IV of 1932), are subject to the sanction of the Governor in Council, and whereas the Board of Directors of the East India Cotton Association, Limited, have submitted the following by-law and amendments to by-laws duly published by the said Board to the Governor in Council for sanction ;

Now, therefore, the said by-law and the said amendments to the said by-laws are hereby published for the information of all persons likely to be affected thereby, and notice is hereby given that the said by-law and the said amendments to the said by-laws will be taken into consideration by the Governor in Council on or after the 1st March 1934.

Any objection or suggestion which may be received by the Secretary to Government, Finance Department, from any person with respect to the said by-law and the said amendments to the said by-laws before the date aforesaid will be considered by the Governor in Council.

The numbers of the pages cited in these amendments should be read with reference to the 1929 Edition of the By-laws of the East India Cotton Association, Limited.

Draft Amendments.

1. To by-law 1A of the By-laws of the East India Cotton Association, Limited, published in Government Notification, Revenue Department, No. 4826-G, dated the 29th April 1924 (hereinafter called "the said By-laws"), the following shall be added, namely :—

"The Board shall not have power to alter the Due Date as defined in by-law 1."

2. In by-law 31 of the said By-laws for the word "Five" the word "Six" shall be substituted.

3. In by-law 37 of the said By-laws—

(a) in clause (c),

(i) the words, figures and brackets " (except as provided for in by-law 41) " shall be deleted, and

(ii) for the figures " 50 " and " 20 " the figures " 32 " and " 16 " shall respectively be substituted,

(b) in clause (d) for the letters and figures " Rs. 30," the letters and figures " Rs. 16 " shall be substituted.

4. For by-law 41 of the said By-laws the following shall be substituted, namely :—

" 41. In cases where arbitrations are held on samples sent from outside Bombay, and either party is dissatisfied with the award, an appeal shall lie to the Appeal Committee or in respect of African cotton to the Special Appeal Committee provided it is claimed within seven days and provided also that the appellant when filing his appeal pays an appeal fee of Rs. 32 for each 50 bales or part thereof, which fee shall not be in addition to any fee paid under by-law 37 (c) or (d). The arbitration samples shall be used for the purpose of the appeal unless otherwise mutually agreed upon by both parties.

If, however, both parties to the contract agree to the appeal being held after the expiry of the time therefor, it shall be permissible to hold it at some future time."

5. For by-law 42 of the said By-laws the following shall be substituted, namely :—

" 42. The fees of arbitrators appointed under by-law 35 shall be Rs. 8 each for the first 55 bales or less, and Rs. 4 each for every additional 55 bales or less, and for arbitrators appointed under by-law 103, Rs. 17 each for the first 55 bales or less and Rs. 10 for every additional 55 bales or less. Each party to pay to the Association his own arbitrator's fee. But these fees shall be subject to modification by the Board from time to time within these limits, viz., a minimum fee of Rs. 5 per 55 bales and a maximum of Rs. 25 under by-law 35 and a minimum of Rs. 15 and a maximum of Rs. 40 per 55 bales under by-law 103. In case of an umpire being called in, his fee shall be the same as the original arbitration fee for one arbitrator and shall be borne by the two arbitrators in equal shares."

6. In clause (e) of by-law 46 of the said By-laws for the words " a member of the Representative Committee " the words " the authorised or nominated representative of a member " shall be substituted.

7. In by-law 53 of the said By-laws, in proviso (2) to clause (a) and in clause (b), for the figures " 100 " the figures " 50 " shall be substituted.

8. After by-law 54 of the said By-laws the following shall be inserted, namely :—

" 54A. The unit in each Hedge Contract shall be 50 bales."

9. In by-law 68 of the said By-laws for the figures " 110 " and " 100 " wherever they occur, the figures " 55 " and " 50 " shall respectively be substituted.

10. In by-law 95 of the said By-laws for the figures " 5," " 10 " and " 3 " the figures " 4," " 8 " and " 2 " shall respectively be substituted.

11. In by-law 96 of the said By-laws for the figures " 5," " 25 " and " 15 " wherever they occur, the figures " 6," " 26 " and " 16 " shall respectively be substituted.

12. For by-law 98 of the said By-laws the following shall be substituted, namely :—

" 98. (1) Against all forward contracts (except those Delivery Contracts in which a special weight is specified for delivery in the contract) the following shall be the minimum and maximum nett weight tenderable against 50 bales of any particular description :—

<i>Description.</i>	<i>Minimum.</i>	<i>Maximum.</i>
Cambodia, Tinnevelly and Karunganni	24½ candies.	32 candies.
S. G. Dharwar and M. G. Compta	23 candies.	25½ candies.
All others	24½ candies.	25½ candies.

Within these limits the cotton shall be taken at the price per candy stated in the delivery order.

Accounts between intermediate parties shall in all cases be adjusted on the basis of 3½ cwts. nett per bale (25 candies per 50 bales).

(2) In the event of any lot of 50 bales weighing less or more than laid down in the above scale such shortage or excess as the case may be, shall at the option of the buyer be adjusted between the original seller and the last buyer at the market rate of the day on which the final weighment of the lot takes place.

(3) The last buyer shall not be bound to take any unopened bales the nett weight of which is either less or more than the weight laid down below :—

<i>Description.</i>	<i>Minimum.</i>	<i>Maximum.</i>
Cambodia, Tinnevelly and Karunganni	340 lbs.	530 lbs.
Other descriptions	340 lbs.	450 lbs.

13. In by-law 101 of the said By-laws, for the words beginning with the words " In respect of " and ending with the word " contract " the following shall be substituted, namely :—

" In respect of Hedge Contracts measurement shall be guaranteed at 13½ tons per 50 bales and in respect of all other forward contracts for Indian cotton measurement shall be guaranteed at 13½ tons per 50 bales unless otherwise agreed upon by the parties. The rate of freight in all forward contracts shall be Rs. 15 per ton for all ports subject to alteration from time to time by the Board. In respect of a contract for cotton other than Indian, such measurement may be guaranteed as may be stipulated in the contract."

14. In by-law 106 of the said By-laws for the figure " 5 " wherever it occurs the figure " 4 " shall be substituted.

15. In by-law 112 of the said By-laws for the figures " 10 " and " 100 " the figures " 5 " and " 50 " shall respectively be substituted.

16. In by-law 128 of the said By-laws—

(a) after the words " Appeal Committee " where they occur for the first time, the words " and if in respect of African cotton to the Special Appeal Committee on African cotton " shall be inserted ; and

(b) after the words "Appeal Committee" where they occur for the second, third and fourth time, the words "or the Special Appeal Committee on African cotton, as the case may be," shall respectively be inserted.

17. In by-law 149 of the said By-laws for the figure "100" the figure "50" shall be substituted.

18. In by-law 155 of the said By-laws for the words and figures "50 candies for each hundred bales" the figures and words "25 candies for each 50 bales" shall be substituted.

19. In by-law 161 of the said By-laws for the words beginning with the words "For every" and ending with the words "tender form," the following shall be substituted, namely:—

"For every tender of 50 bales of cotton the first tenderer shall pay a registration fee of annas 8. Each succeeding tenderer shall pay annas 8 for each of the contracts entered on the tender form."

20. In the Official Form of Client's Contract Note in the Appendix to the said By-laws (page 65) for the entry "Measurement 27 tons" the entry "Measurement 13½ tons per 50 bales" shall be substituted.

21. (1) In the Official Form of Client's Contract Note in the Appendix to the said By-laws (page 66)—

- (a) for the words and figures "Weight and measurement not to exceed 27 tons per 100 bales" the words and figures "Measurement not to exceed 13½ tons per 50 bales" shall be substituted;
- (b) for the words and figures "Weight of 100 bales and weight and number of candies per 100 bales to be dealt with under the By-laws" the words and figures "Weight of 50 bales and weight and number of candies per 50 bales to be dealt with under the By-laws" shall be substituted;
- (c) for the words and figures "Clearing House charge Re. 1 per 100 bales to be paid by you to me/us" the words and figures "Clearing House charge As. 8 per 50 bales to be paid by you to me/us" shall be substituted; and
- (d) for the words, brackets, figures and letters "A margin of Rs. (or Rs. per 100 bales)" the words, brackets, figures and letters "A margin of Rs. (or Rs. per 50 bales)" shall be substituted.

(2) On the reverse of the said Official Form (page 67) for the words beginning with the words "Except in the case of Cambodias" and ending with the words and figures "more than 450 lbs." the following shall be substituted, namely:—

"Except in the case of Cambodias, Tinnevellys and Karungannis, if any 50 bales tendered weigh less than 24½ or more than 25½ candies of 784 lbs. the difference in weight below 24½ or above 25½ candies, as the case may be, shall be adjusted at the market rate of the day on which the final weighment of the lot takes place. The buyer shall not be obliged to accept any unopened bale which weighs less than 340 or more than 450 lbs."

22. In the Original Form of Forward Contracts in the Appendix to the said By-laws (page 69) for the words and figures "Measurement tons per 100 bales," the words and figures "Measurement tons per 50 bales" shall be substituted.

23. In the Official Form for Deliveries against Delivery Contracts in the Appendix to the said By-laws (page 73) for the figures "10" and "100" the figures "5" and "50" shall respectively be substituted.

24. In the Clearing House Settlement Statement Form I in the Appendix to the said By-laws (page 74) for the figure "100" occurring in column 3 the figure "50" shall be substituted.

25. In the Clearing House Instruction Form—Form 4 (page 77)—in the Appendix to the said By-laws, in the *nota bene* for the figure "100," the figure "50" shall be substituted.

26. In the Clearing House Official Clearing House Delivery Order Form—Form 5 in the Appendix to the said By-laws (page 78)—

(a) for the figure "100" under the head "Particulars of Tender" the figure "50" shall be substituted; and

(b) for the words and figures "10 lbs. per 100 bales allowed for sample" the words and figures "5 lbs. per 50 bales allowed for sample" shall be substituted.

27. In the Clearing House Pucca Delivery Order—Form 6 in the Appendix to the said By-laws (page 79)—for the figures "100" and "10" wherever they occur the figures "50" and "5" shall respectively be substituted.

28. By-law 54A and the amendments hereby made in by-laws 37, 41, 42, 53, 68, 95, 96, 98, 101, 106, 112, 149, 155 and 161 and in Forms in the Appendix to the said By-laws shall apply to contracts for crops of the 1934-35 season and thereafter.

Copy of letter No. 417/62, dated the 21st February 1934, from the Association to the Secretary, the East India Cotton Association, Bombay.

The Government of Bombay have sent to us a copy of the Notification No. 5789-D, dated 30th January, where certain amendments, which it is proposed to make to the By-laws of the East India Cotton Association, are set forth. In this connection, I am to draw your attention to by-law 98, which provides that in the case of Cambodia, Tinnevely and Karunganni cotton the minimum and maximum of deliveries against all forward contracts shall be 24½ candies and 32 candies respectively. This represents a variation of nearly 33 per cent. while as for the other sorts mentioned in the same paragraph the variation is only 3 to 4 per cent. My Committee would like to know the reason for this distinction of this character in the case of Cambodia, Tinnevely and Karunganni, when in other sorts such as Oomra and Broach the variation permissible is only 3 to 4 per cent. If the by-law 98 is not amended, it would appear to secure an indirect advantage to the sellers of cotton in Bombay markets by enabling them to deliver to purchasers 33 per cent. more cotton if the rates go below the contract rates and 33 per cent. less if the rates of cotton at the time of delivery are higher than the contract rates. We are aware that a somewhat similar provision exists in the present by-laws of the East India Cotton Association. It is our intention to protest to the Government against the continuation of this difference in differentiation unless some special and completely satisfactory reason exists for treating this cotton differently from Oomra or Broach.

A very early reply will be appreciated as the Government of Bombay have requested us to send in our views on the amended by-laws before the 1st of March.

Copy of letter No. 1908, dated the 27th February 1934, from the East India Cotton Association, Limited, to the Association.

I am directed to acknowledge receipt of your letter No. 417/62, dated 21st February 1934, on the subject of minimum and maximum nett weights tenderable under the various descriptions of cottons against 50 bales as proposed to be provided for in By-law 98, and to inform you that the same was very carefully considered by the Board of Directors of my

Association at their meeting held on the 26th instant. As you are aware, the revision proposed to be made in By-law 98 is a consequential one arising out of the proposed reduction in the unit of a hedge contract from 100 bales to 50 bales and no change in the existing By-law except for this purpose is contemplated by the present amendment.

My Board note that the variation in the minimum and maximum nett weights tenderable against 50 bales in the case of Cambodia, Tinnevelly and Karunganni cottons is much higher than those provided for other descriptions of cotton, but I am to point out that such distinction existed even prior to the Association commenced functioning, probably for the reason that the average weight of a bale of Cambodia, Tinnevelly and Karunganni cottons pressed at certain places is 400 lbs., but if pressed at other places, e.g., Virudunagar and Tuticorin it is 500 lbs.

I am to say that in the case of delivery contracts it is always open to the contracting parties to specify special weights, as may be mutually agreed upon between them, with regard to the minimum and maximum nett weights of one bale as well as of a lot of 50 bales in the case of Cambodia, Tinnevelly and Karunganni cottons.

Your Association will realize that Cambodia, Tinnevelly and Karunganni cottons are tenderable against Good M. G. Southern Hedge Contract No. 5, which is practically a "dead" contract and no particular inconvenience should be felt by the buyers of these descriptions of cottons as a result of the differentiation referred to in your letter, so far as the Southern Hedge Contract is concerned.

I am to add that if your Association has any real objection to the differentiation in the minimum and maximum nett weights at present tenderable in the case of Cambodia, Tinnevelly and Karunganni cottons, under By-law 98, the Board will be pleased to consider your application, if and when made, for removing the distinction and if approved, submit the same to the Association in general meeting for their approval.

Copy of letter No. 493/62, dated the 28th February 1934, from the Association to the East India Cotton Association, Ltd.

I am in receipt of your letter No. 1908, dated the 27th of February, and note that your Board would be pleased to consider any application made by the Association for removing the distinction which now exists in By-law 98. I am afraid, however, that the procedure suggested by you would rule out the possibility of a very early change being made in the By-law and would also rule out the possibility of suggesting an amendment of the By-law to the Government of Bombay early enough to enable it to be taken into consideration. We have, therefore, suggested to the Government of Bombay that the anomaly which now exists should be removed as and when the proposed By-laws are examined by Government.

I enclose herewith for your information a copy of the letter sent to the Government of Bombay.

Copy of letter No. 489/62, dated the 28th February 1934, from the Association to the Secretary to the Government of Bombay, Finance Department, Bombay.

I am directed to acknowledge receipt of your letter No. 5789-D, dated the 6th of February 1934, with which was enclosed a copy of the Government Notification No. 5789-D specifying certain amendments which had been proposed in the By-laws of the East India Cotton Association, Ltd.

In reply I am to draw your attention to the proposed amendment of By-law 98. The By-law, as amended, provides that in the case of Cambodia, Tinnevelly and Karunganni cottons the minimum and maximum deliveries against all forward contracts shall be 24½ candies and 32 candies respectively.

Owing to the fact that the average weight of a bale of Cambodia, Tinnevelly and Karunganni cottons varies according to the places at which it is ginned and pressed, the By-law permits a variation in the tenderable weight of cotton of nearly 33 per cent., while for other types of cotton dealt with in the same By-law, the variation permitted is only 3 to 4 per cent. There appears to be no reason why any greater latitude should be allowed in the case of Cambodia, Tinnevelly and Karunganni than in the case of Oomras and Broach. My Committee, therefore, maintain that this opportunity should be taken of amending the By-law as it would appear to secure an indirect advantage to the sellers of cotton in the Bombay market by enabling them to deliver to purchasers 33 per cent. more cotton if the rates go below the contract rates, and 33 per cent. less cotton if the rates at the time of delivery are higher than the contract rates.

My Committee are aware that the anomaly referred to above exists even at the present time, but they consider that the reduction in the unit in forward trading from 100 bales to 50 bales provides a suitable opportunity for removing the discrepancy referred to.

Copy of letter No. 5789-D, dated the 17th March 1934, from the Financial Secretary to the Government of Bombay, to the Association.

I am directed to state that Government have given careful consideration to the objection stated in your letter No. 489/62, dated 28th February 1934, to the proposed amendment of No. 98 of the By-laws of the East India Cotton Association.

2. It is evident that your Association's objection is not to the amendment which it is now proposed to make but to the variation permitted in the tenderable weight of Cambodia, Tinnevelly and Karunganni cottons which exists in the present by-law and which will continue unchanged if the by-law is amended in the manner proposed. If Government do not accept the proposed amendment of By-law 98 the position in regard to the matter about which your Association complains will be the same as if the amendment is accepted. A better method of dealing with the anomaly mentioned in your letter would appear to be that set out in letter No. 1908, dated 27th February 1934, from the Secretary to the East India Cotton Association, of which a copy has been furnished to Government.

3. I am therefore directed to state that Government regret that they cannot see their way to upholding the objection presented and they consider that the reason stated in your letter is not sufficient ground for refusing sanction to the proposed amendment.

APPENDIX 22.

FIXATION OF MINIMA STAPLE LENGTHS FOR EAST AFRICAN COTTON.

Copy of letter No. 2704, dated the 3rd May 1934, from the East India Cotton Association, Limited, to the Association.

With reference to correspondence ending with your letter No. 1619/66, dated 6th November 1933, I am directed to inform you that the question of prescribing minima staple lengths for African cotton was recently considered by the Special Appeal Committee on African cotton of this Association when they recommended that the tests hitherto carried out at the Technological Laboratory, Matunga, for the determination of the fibre lengths of African cotton be continued further for one season. This recommendation has met with the approval of my Board.

I am to point out that in your letter under reference you observe that "Members of my Committee who have experience of these cottons consider the samples tested at the Matunga Laboratory to have been unrepresentative, judged by their own purchases during

recent years." My Board take exception to these remarks as they see no justification for the same, especially having regard to the fact that the samples of African cotton before they are selected and passed on to the Laboratory for tests are placed before the Special Appeal Committee on African cotton which includes two representatives of millowner members of this Association.

I am to assure you that representatives of millowner members of the Special Appeal Committee have ample opportunity of expressing their views on the representative character or otherwise of the samples placed before them for selection and tests and the Committee take the utmost care in the selection of samples in order to ensure that they represent the fair average quality of the season.

My Board have, however, accepted the recommendation made by the Special Appeal Committee on African cotton that your Association be requested to send three or four samples (of about one lb. each), every month of A. R. Kampala, A. R. Busoga and A. R. Jinja, cottons of fair average quality of the season to this Association so that the same may be placed before the Special Appeal Committee for their consideration along with the samples from the Trade.

I am, therefore, to request that your Association will kindly arrange to send to this office representative samples of cotton every month as mentioned above.

Copy of letter No. 1047/99, dated the 30th May 1934, from the Association to the New Kaiser-i-Hind Spinning and Weaving Co., Ltd., the Bombay Dyeing and Manufacturing Co., Ltd., and the Kohinoor Mills Co., Ltd., Bombay.

The question of the fixation of minima staple lengths for East African Cotton has, for some time past, been engaging the attention of the Special Appeal Committee of the East India Cotton Association, and the minima tentatively fixed by them on former occasions were not acceptable to the Committee of this Association. In August 1933, the East India Cotton Association proposed to fix, as a tentative measure only, the minimum staple length of A. R. Kampala, A. R. Busoga and A. R. Jinja cottons at 1-1/32". The Committee of this Association were then emphatically of the opinion that the minimum should in no case be lower than 1-1/16", and this view was also borne out by the experience of certain members of the Association using these cottons.

In this connection, the Committee were informed that the samples which were utilized by the East India Cotton Association for the various tests which preceded the fixation of the minimum at 1-1/32" were sellers' samples, and for that reason, the results of the test should not be taken as final.

The East India Cotton Association have now agreed to take out further tests from samples of A. R. Kampala, A. R. Busoga and A. R. Jinja cottons purchased by mills, and desire to be furnished every month with samples. I am, therefore, desired to ascertain whether you would be good enough to forward to the East India Cotton Association every month three or four samples (of about one lb. each) of A. R. Kampala, A. R. Busoga and A. R. Jinja cottons of fair average quality of the season.

An early reply is requested.

Copy of letter No. 1145/99, dated the 16th June 1934, from the Association to the Secretary, the East India Cotton Association, Ltd., Bombay.

I am directed to acknowledge the receipt of your letter No. 2704, dated the 3rd May 1934, and to inform you that the undermentioned firms have been good enough to forward to your Association samples of A. R. Kampala, A. R. Busoga and A. R. Jinja cottons:—

- (1) The Kohinoor Mills Co., Ltd., Home Street, Fort, Bombay.

(2) The Bombay Dyeing and Manufacturing Co., Ltd., Neville House, Graham Road, Ballard Estate, Bombay.

(3) The New Kaiser-i-Hind Spinning and Weaving Co., Ltd., Patel House, 10, Churchgate Street, Fort, Bombay.

Messrs. the New Kaiser-i-Hind Spinning and Weaving Co., Ltd., observe that, for the purpose of ascertaining the staple lengths, samples of arrivals between the beginning of April to the end of May every year should be tested, as, in their opinion, arrivals during the latter part of the season show a shorter staple length. They also point out that they cannot guarantee to send the samples every month as they have not recently been buying these cottons regularly.

Copy of letter No. 3422/A75 (4), dated the 23rd June 1934, from the East India Cotton Association, Limited, to the Association.

I am directed to acknowledge with thanks receipt of your letter No. 1145/99, dated 16th June 1934, and to say that the contents thereof have been noted.

I am to request you to instruct the respective firms to furnish the dates of arrivals of the bales also, at the time of their forwarding samples to this Association.

Copy of letter No. 1189/99, dated the 25th June 1934, from the Association to the Secretary, the East India Cotton Association, Bombay.

I am directed to acknowledge the receipt of your letter No. 3422/A/75(4), dated the 23rd instant, on the above subject and to say that the mills have been advised accordingly.

Copy of letter No. 1188/99, dated the 25th June 1934, from the Association to the New Kaiser-i-Hind Spinning and Weaving Co., Ltd., the Kohinoor Mills Co., Ltd., and the Bombay Dyeing and Manufacturing Co., Ltd.

I am directed to invite your attention to my letter No. 1047/99, dated the 30th May 1934, on the above subject, and to request that when forwarding samples to the East India Cotton Association the date of arrival of the bales may also be communicated to them.

Copy of letter No. 1237/A/F5-4, dated the 17th December 1934, from the East India Cotton Association, Limited, to the Association.

With reference to correspondence resting with your letter No. 1189/99 of 1934, dated 25th June 1934, on the above subject, I am directed to invite a reference to the penultimate para of my letter No. 2704, dated 3rd May 1934, and to say that the samples referred to therein and arranged for by you to be sent to this office every month for fibre tests have not been forwarded to this Association. I am to request you to kindly remind the mills concerned to supply the same regularly every month in order that the work of carrying out tests may be completed.

Copy of letter No. 2457/99, dated the 18th December 1934, from the Association to the New Kaiser-i-Hind Spinning and Weaving Co., Ltd., the Bombay Dyeing and Manufacturing Co., Ltd., the Kohinoor Mills Co., Ltd., Bombay.

I am directed to invite your attention to our previous correspondence on the above subject ending with my letter No. 1188/99, dated the 25th June 1934. I enclose herewith for your information copy of a letter dated the 17th December 1934 received from the East India Cotton Association, and shall be glad if you will kindly let me know whether any samples

have been forwarded by you to the East India Cotton Association for fibre tests. If no samples have yet been forwarded, I shall be glad if you will kindly let me know the circumstances under which it was not possible for you to send them.

In any event, I shall be glad if you will kindly instruct the Department concerned to supply the East India Cotton Association with samples of A. R. Kampala, A. R. Busoga and A. R. Jinja cottons as and when they are purchased by you in future. If possible, the date of arrivals of the bales also should be furnished to the East India Cotton Association at the time of forwarding the samples.

Copy of letter No. 2454/99, dated the 18th December 1934, from the Association to the Secretary, the East India Cotton Association, Ltd., Bombay.

I am directed to acknowledge the receipt of your letter No. 1237/A/F5-4, dated the 17th December 1934, and to say that the matter is receiving attention. In this connection I would invite your attention to the second paragraph of my letter No. 1145/99, dated the 16th June 1934, in which it was pointed out that it might not be possible to send samples of East African cotton every month as purchases are not made regularly. I am, however, writing to the mills concerned and will let you know further in this matter in due course.

Copy of letter No. 2504/99, dated the 21st December 1934, from the Association to the Secretary, the East India Cotton Association, Ltd., Bombay.

In continuation of my letter No. 2454/99, dated the 18th instant, I now understand that the mills concerned have been regularly sending you samples of A. R. Kampala, A. R. Busoga and A. R. Jinja cottons. Of course, no samples would have been sent if there had been no purchases in any particular month. This has already been explained in my letter No. 1145/99, dated the 16th June 1934, and I, therefore, take it that your communication dated the 17th was merely intended to serve as a reminder in case the arrangement was overlooked by the mills.

APPENDIX 23.

PROPOSED EXTENSION OF THE TECHNOLOGICAL LABORATORY OF THE INDIAN CENTRAL COTTON COMMITTEE.

Copy of letter No. 1143, dated the 26th October 1934, from the Secretary, Indian Central Cotton Committee, Bombay, to the Association.

I have the honour to say that at its meeting held in January last, my Committee considered the attached proposals* from the Director of its Technological Laboratory for the extension of the Laboratory, and decided with regard to the proposed investigations on the bleaching, dyeing and re-activity to mercerising qualities of Indian cotton, that as there were already two institutions in Bombay interested in this branch of textile technology, representatives of the interests concerned should meet in Conference to discuss the possibility of the Victoria Jubilee Technical Institute, the Bombay University Department of Chemical Technology and the Committee's Technological Laboratory co-operating with each other in these investigations to avoid overlapping and duplication of effort.

I shall be greatly obliged if you would nominate two representatives of your Association to attend the proposed Conference which will be held at this office on Tuesday, the 20th November 1934, at 11 a.m., and favour the Committee with the views of your Association on the subject.

* Not printed.

Mr. F. Stones is being invited separately to attend the Conference. Two additional sets of papers* are enclosed herewith for the use of your two representatives whose names may kindly be intimated to me as soon as possible.

Copy of letter No. 2250/177, dated the 20th November 1934, from the Association to the Secretary, Indian Central Cotton Committee, Bombay.

I have the honour to acknowledge the receipt of your letter No. 1143, dated the 26th October 1934, and to inform you that Mr. H. H. Lakin (c/o Messrs. W. H. Brady & Co., Ltd., Royal Insurance Buildings, Churchgate Street, Fort, Bombay) and Mr. Dharamsi Mulraj Khatau (c/o Messrs. Khatau Makaanji & Co., 42, Ballard Road, Ballard Estate, Bombay), have been appointed to attend the proposed conference on behalf of the Association.

Copy of letter dated the 20th November 1934 from Mr. F. Stones to the Association.

I duly attended the Conference with reference to the extension of the Technological Laboratory. Seth Kasturbhai Lalbai was in the Chair and after hearing statements from Dr. Burley of the Victoria Jubilee Technical Institute, Dr. Forster of the Department of Chemical Technology, Bombay University, and Dr. Nazir Ahmad of the Technological Laboratory, it was decided that there was no need for an extension to the Indian Central Cotton Technological Laboratory for the present at least and that all the tests required could be obtained by co-operation between the three Doctors above named. This co-operation was promised and the extension of the Technological Laboratory will not now be proceeded with.

Dr. Nazir Ahmad is to draw up a new report on the suggested research work for the chemical side of the Industry and submit same to the Indian Central Cotton Committee.

Many members, including myself, expressed an opinion that there is in Bombay to-day a nucleus of the equivalent of a Shirley Institute, which with proper organization could be made of use to manufacturers and the trade all over India. It was considered unfair that this phase of the work should be put on the Indian Central Cotton Committee, and as a result the matter is being mentioned for the information of the Committee of the Indian Central Cotton Committee.

Copy of letter No. 2265/177, dated the 21st November 1934, from the Association to Mr. F. Stones, O.B.E.

I beg to acknowledge with thanks the receipt of your letter dated 20th November. I note that the conference decided that there was no need for extending the activities of the Technological Laboratory at Matunga in the direction originally suggested by Dr. Nazir Ahmad.

APPENDIX 24.

THE INDIAN TARIFF (TEXTILE PROTECTION) AMENDMENT ACT.

A Bill further to amend the Indian Tariff Act, 1894, for certain purposes.

Whereas it is expedient further to amend the Indian Tariff Act, 1894, for the purpose of affording protection to the sericultural industry and to the cotton and silk textile industries in British India and for certain other purposes; It is hereby enacted as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Indian Tariff (Textile Protection) Amendment Act, 1934.

* Not printed.

(2) It shall come into force on such date as the Governor-General in Council may, by notification in the *Gazette of India*, appoint in this behalf.

2. *Amendment of the Second Schedule, Act VIII of 1894.*—The amendments specified in the Schedule to this Act shall be made in the Second Schedule to the Indian Tariff Act, 1894.

3. *Bar of operation of the Indian Finance Act, 1931, and the Indian Finance (Supplementary and Extending) Act, 1931.*—Notwithstanding anything contained in section 4 of the Indian Finance Act, 1931, or in section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, the additional duties imposed by those sections shall not be levied or collected on any article chargeable with duty under Item No. 43C, 47, 157A, 157B, 158, 158A, 158B, 158C, 158D, 158E, 158F, 158G, 158H, 158J, 158K, 158L, 158M, 158N or 158O of the Second Schedule to the Indian Tariff Act, 1894, as amended by section 2 of this Act.

4. *Duration.*—The amendments made by section 2 shall have effect only up to the 31st day of March 1939.

THE SCHEDULE.

(See section 2.)

Amendments to the Second Schedule to the Indian Tariff Act, 1894.

1. Item No. 24C shall be omitted.
2. In Item No. 43C, for the entry in the fourth column, the figures and words "25 per cent. *ad valorem* or 3 annas per pound, whichever is higher" shall be substituted.
3. Items Nos. 43D, 44, 45 and 45A shall be omitted.
4. After Item No. 46D the following item shall be inserted, namely :—

.. " 47	STARCH AND FARINA <i>Ad valorem</i> ..	15 per cent."
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5. In Item No. 78, the words "Silk waste, and raw silk including cocoons," shall be omitted.
6. For Item No. 100 the following item shall be substituted, namely :—

" 100	YARNS AND TEXTILE FABRICS, that is to say :—
	Cotton thread other than sewing or darning thread.
	Flax, twist and yarn.
	Hemp manufactures.
	Jute, twist and yarn, and jute manufactures, excluding second-hand or used gunny bags or cloth.
	Blankets and rugs (other than floor rugs), excluding blankets and rugs made wholly or mainly from artificial silk.
	Fabrics not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool or 50 per cent. cotton."

7. Item No. 133 shall be omitted.
8. After Item No. 157 the following heading and items shall be inserted, namely :—

" TEXTILE MATERIALS."			
"157A	SILK, RAW (excluding silk waste and noils), and silk cocoons.	<i>Ad valorem</i> ..	25 per cent. plus 11½ annas per pound.
157B	SILK WASTE AND NOILS	<i>Ad valorem</i> ..	25 per cent."

9. For Item No. 158 the following items shall be substituted, namely :—

158	COTTON TWIST AND YARN, and cotton sewing or darning thread—		
	(i) of counts above 50's—		
	(a) of British manufacture	Ad valorem ..	5 per cent.
	(b) not of British manufacture	Ad valorem ..	6½ per cent.
	(ii) of counts 50's and below—		
	(a) of British manufacture	Ad valorem ..	5 per cent. or 1½ annas per pound, whichever is higher.
	(b) not of British manufacture	Ad valorem ..	6½ per cent. or 1½ annas per pound, whichever is higher.
158A	SILK YARN including thrown silk warps but excluding sewing thread and yarn spun from silk waste or noils.	Ad valorem ..	25 per cent. plus 11½ annas per pound.
158B	SILK YARN spun from waste or noils and silk sewing thread.	Ad valorem ..	25 per cent.
158C	COTTON FABRICS not otherwise specified, containing more than 90 per cent. of cotton—		
	(i) Grey piecegoods (excluding bordered grey chadars, dhuties, saris and scarves)—		
	(a) of British manufacture	Ad valorem ..	25 per cent. or 4½ annas per pound, whichever is higher.
	(b) not of British manufacture	Ad valorem ..	50 per cent. or 5½ annas per pound, whichever is higher.
	(ii) Cotton piece-goods and fabrics not otherwise specified—		
	(a) of British manufacture	Ad valorem ..	25 per cent.
	(b) not of British manufacture	Ad valorem ..	50 per cent.
158D	FABRICS not otherwise specified, containing more than 90 per cent. of artificial silk—		
	(a) of British manufacture	Ad valorem ..	30 per cent. or 2½ annas per square yard, whichever is higher.
	(b) not of British manufacture	Ad valorem ..	50 per cent. or 4 annas per square yard, whichever is higher.
158E	FABRICS not otherwise specified, containing more than 90 per cent. of silk, including such fabrics embroidered with artificial silk—		
	(i) Fuji, boseki and corded (excluding white corded).	Ad valorem ..	50 per cent. or Rs. 3-0-0 per pound, whichever is higher.
	(ii) Paj, satin, taffeta, kohaku and spun crepe ..	Ad valorem ..	50 per cent. or Rs. 5-12-0 per pound, whichever is higher.
	(iii) Other sorts	Ad valorem ..	50 per cent. or Rs. 8-0-0 per pound, whichever is higher.
158F	FABRICS not otherwise specified, containing more than 10 per cent. and not more than 90 per cent. silk, not otherwise specified—		
	(i) containing more than 10 per cent. artificial silk.	Ad valorem ..	50 per cent. or 2½ annas per pound, whichever is higher.
	(ii) containing not more than 10 per cent. artificial silk.	Ad valorem ..	50 per cent.
158G	FABRICS not otherwise specified, containing not more than 10 per cent. silk but more than 10 per cent. and not more than 90 per cent. artificial silk—		
	(i) containing more than 40 per cent. cotton—		
	(a) of British manufacture	Ad valorem ..	30 per cent. or 2 annas per square yard, whichever is higher.
	(b) not of British manufacture	Ad valorem ..	50 per cent. or 3½ annas per square yard, whichever is higher.

	(ii) containing not more than 40 per cent. cotton—		
	(a) of British manufacture	<i>Ad valorem</i> ..	30 per cent. or 2½ annas per square yard, whichever is higher.
	(b) not of British manufacture	<i>Ad valorem</i> ..	50 per cent. or 4 annas per square yard, whichever is higher.
158H	FABRICS not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool, but containing more than 50 per cent. cotton and not more than 90 per cent. cotton—		
	(a) of British manufacture	<i>Ad valorem</i> ..	25 per cent.
	(b) not of British manufacture	<i>Ad valorem</i> ..	50 per cent.
158J	COTTON SATENS AND ITALIAN CLOTH, cotton velvet and velveteen and cotton fabrics (other than bordered chadars, dhuties, saris or scarves) embroidered with cotton or artificial silk—		
	(a) of British manufacture	<i>Ad valorem</i> ..	25 per cent.
	(b) not of British manufacture	<i>Ad valorem</i> ..	35 per cent.
158K	FABRICS containing gold or silver thread	<i>Ad valorem</i> ..	50 per cent.
158L	TEXTILE MANUFACTURES, the following articles when made wholly or mainly of any of the fabrics specified in items 158C to 158K :— Bed sheets. Bed spreads. Bolster cases. Counterpanes. Cloths, table. Cloths, tray. Covers, bed. Covers, table. Dusters. Glass-cloths. Handkerchiefs. Napkins. Pillow cases. Pillow slips. Scarves. Shirts. Shawls. Sacks (cotton). Towels.	<i>Ad valorem</i> ..	The <i>ad valorem</i> rates of duty applicable to the fabric of which the article is wholly or mainly made.
158M	COTTON KNITTED FABRIC—		
	(i) weighing less than 4½ ounces per square yard .	Pound ..	6 annas.
	(ii) weighing not less than 4½ ounces per square yard	<i>Ad valorem</i> ..	25 per cent.
158N	COTTON BRAIDS OR CORDS, the following, namely :— Ghoonsis and Muktakesis	Pound ..	6½ annas.
158O	COTTON HOSIERY, the following, namely :— Cotton undervests, knitted or woven, and cotton socks or stockings.	<i>Ad valorem</i> ..	25 per cent. or 9 annas per pound, whichever is higher.”

10. Items Nos. 180 and 198 shall be omitted.

11. After Item No. 238C the following items shall be inserted, namely :—

“ 238D	RIBBONS	<i>Ad valorem</i> ..	50 per cent. .	40 per cent. .	..
238E	SOCKS AND STOCKINGS made wholly or mainly from silk or artificial silk.	<i>Ad valorem</i> .	50 per cent. .	40 per cent. .	..
238F	FENTS, not exceeding 4 yards in length, being <i>bona fide</i> remnants of piecegoods or other fabrics.	<i>Ad valorem</i> ..	35 per cent. .	25 per cent. .	..
238G	APPAREL, hosiery, haberdashery, millinery, drapery, hats, caps, bonnets and hatters' ware, not otherwise specified.	<i>Ad valorem</i> ..	35 per cent. .	25 per cent. .	25 per cent.
238H	TEXTILE MANUFACTURES, not otherwise specified.	<i>Ad valorem</i> .	35 per cent. .	25 per cent. .	..

STATEMENT OF OBJECTS AND REASONS.

By the Cotton Textile Industry (Protection) Act, 1930, the Indian industry was given a temporary measure of protection which will cease to have effect on 31st March 1934. In accordance with the undertaking given when the Act was passed, the claims of the industry to substantive protection have been examined by a Tariff Board. The Tariff Board has found that the Indian cotton textile industry has established a claim to substantive protection, but the Government of India, while accepting this conclusion, have found it necessary to review the measures of protection recommended by the Tariff Board in the light of events subsequent to the submission of its Report. The denunciation of the Indo-Japanese Trade Convention and the subsequent conclusion of a new trade agreement with Japan together with the unofficial agreement between representatives of the Indian and United Kingdom textile industries have introduced entirely new factors into the situation. The present Bill gives statutory effect to the aforementioned agreements which the Government of India accept as a satisfactory basis for a protective scheme subject to any re-adjustment which may be found necessary on the expiry of these agreements. The opportunity has also been taken of incorporating into the Bill the decisions of the Government of India on the recommendations of the Tariff Board appointed to investigate the claims of the sericultural industry to protection.

NOTES ON CLAUSES.

Clause 2.—The nature of the amendments set out in the Schedule is the subject of a separate explanatory memorandum.

Clause 3.—The object of this clause is to avoid complication of the tariff by exempting from surcharge all items which have been made dutiable at rates other than the general revenue rate of 15 per cent. *ad valorem*.

Clause 4.—This clause prescribes a period of five years for the protective scheme. It does not follow that the rates of duty now imposed are incapable of alteration within this period. On the contrary, during the currency of the scheme two occasions will certainly arise in which a reconsideration of duties will be necessary. In the first place, the Indo-Japanese agreement in respect of cotton piecegoods will terminate on 31st March 1937, and it will be necessary, whether a fresh agreement has been concluded or not, to determine what level of duties will be appropriate thereafter. In the second place, it is of the essence of the agreement between the Bombay Millowners' Association and the Lancashire Textile Delegation that, should it be possible within the currency of the agreement, i.e., in the period ending 31st December 1935, to remove the general surcharge imposed by the Indian Finance (Supplementary and Extending) Act, 1931, the duties on cotton piecegoods of British manufacture will be reduced to a basic rate of 20 per cent. *ad valorem* or (in the case of plain greys) 3½ annas per lb. Furthermore on the expiry of the period of the agreement the adequacy of that basic rate will be the subject of investigation with a view to its revision if necessary.

Copy of letter No. 416/58, dated the 20th February 1934, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.

I am directed to submit for your consideration my Committee's views in broad outline on some of the provisions of the Indian Tariff (Textile Protection) Amendment Bill introduced in the Assembly on Monday, the 5th instant. The letter deals only with a few of the more important aspects of the measure such as most intimately concern the textile industry of this country, and should not, therefore, be construed as representing the only criticisms, which my Association or the Association's representative in the Assembly may have to offer on each and every proposal incorporated in the Bill.

2. At the outset, I am instructed to state that my Committee are of the opinion that it is very essential that the protective duties incorporated in the Bill should be imposed for a longer period than five years in view of the recommendation made in this connection by the Tariff Board, and the inadequacy of the protection enjoyed since Japan went off the gold standard, and during which period the position of every Indian industry affected by Japanese competition has deteriorated very considerably.

DUTY ON ARTIFICIAL SILK YARN.

3. The first important criticism, which my Committee have to offer on the provisions of the Bill is with reference to the duty, which the Bill seeks to impose on artificial silk yarn. They maintain that the increase in the duty on this type of yarn, which is not at present produced in India, is calculated to injure both the power-loom and the hand-loom industries of the country. The demand for artificial silk yarn by the hand-loom weaving industry is evidenced by the importations of this material on a considerable scale during the last few years. Competent authorities have estimated that between 85 and 95 per cent. of artificial silk yarn has been made use of by the hand-loom industry. The other 5 to 15 per cent. has been used by the power-loom industry for the production of decorative effects on cotton piecegoods. The possibilities of the hand-loom industry and the power-loom industry increasing their use of this material under suitable conditions are enormous. My Committee are aware that the Tariff Board's Report on the sericulture industry advocated a duty on artificial silk yarn as an aid to the silk weaving industry of India, but it is pertinent to point out that the hand-loom silk weaving industry forms a very small proportion of the hand-loom weaving industry as a whole, and is, moreover, located principally in Indian States outside the direct jurisdiction of the Government of British India. My Committee should not be understood as suggesting that the silk weaving industry should not be adequately protected; their contention is that it should be protected by methods which do not penalise other industries, and they think that a better method of protecting the silk weaving industry would have been to reduce the duty on artificial silk yarn, and to increase considerably the duty on imported artificial silk piecegoods, which are the final products against which the silk and cotton hand-loom weaving and the Indian power-loom weaving industry have to compete. In this connection, my Committee desire to draw attention to the fact that cheap fabrics composed of silk and artificial silk have for a number of years been produced on hand-looms in other countries, notably China and Japan, and find a ready sale in India, and that this is a line of advance, which might well be considered by the silk weaving industry.

4. The attention of the Government of India is also drawn to the fact that following on the publication of the Tariff Board's Report in 1927, the then duty of 15 per cent. on artificial silk yarn was reduced to $7\frac{1}{2}$ per cent. and that the subsequent increases to $18\frac{3}{4}$ per cent. were imposed purely for revenue purposes. If revenue has been the main consideration influencing Government's decision to raise the duty on artificial silk yarn to 25 per cent., it may be pointed out that the object could be better achieved by imposing a higher scale of duties on artificial silk piecegoods imported from foreign countries. My Committee also desire to point out the inconsistency of imposing an additional duty on artificial silk yarn and at the same time reducing the duty on mercerised yarn, which can be produced in this country.

COTTON YARN.

5. The Bill provides for duties on a lower scale than those in force at present. The actual proposals made are :—

“ 158. COTTON TWIST AND YARN, and cotton sewing or darning thread :—

(i) of counts above 50s :—

(a) of British Manufacture .. *Ad valorem* 5 per cent.

(b) not of British Manufacture.. *Ad valorem* $6\frac{1}{4}$ per cent.

(ii) of counts 50s and below :—

(a) of British Manufacture .. *Ad valorem* 5 per cent. or $1\frac{1}{4}$ annas per pound, whichever is higher.

(b) not of British Manufacture.. *Ad valorem* $6\frac{1}{4}$ per cent. or $1\frac{3}{4}$ annas per pound, whichever is higher.

6. Dealing with foreign yarn first, my Committee submit that the proposal to retain the duty at the present level of $1\frac{3}{4}$ annas per lb. or $6\frac{1}{4}$ per cent. *ad valorem* on counts upto and including 50s is not calculated to ensure a fair selling price to the Indian mills, or to prevent the further inroads of China and Japan into the Indian market. When the specific duty was first imposed, the object was to discourage the imports of medium counts of yarn firstly from Japan and secondly from China. Unfortunately, when the Tariff Board were framing their report, they had available to them only the figures for the years upto and including 1931-32. They were led accordingly to observe (page 27 of the report) that the figures indicated the extent to which the specific duty had succeeded in its object. Incidentally, it may be mentioned that even on the figures available to the Board, it was obvious that the importations from China had not only been not checked, but were on the increase.

7. The imports for the year 1932-33 tell a different tale than what the Tariff Board had unfolded, and constitute, in the opinion of my Committee, a very strong reason for departing from their recommendations. Imports of 31-40s grey singles jumped to 19.37 million lbs. from a total of 12.77 million lbs. in the previous year, and grey two-folds (all of them practically from Japan and China) show an increase from 3.7 million lbs. to 5.4 million lbs. As a matter of fact, in the year in question the importations of these two types of yarns from China and Japan were as much as they were in 1926-27, i.e., before the introduction of a specific duty. In other words, the present specific duty of $1\frac{3}{4}$ annas per lb. has not succeeded in checking the imports of Chinese and Japanese yarns.

8. Coming to the proposals regarding counts over 50's, my Committee are, in the first place, unable to understand why the arrangement arrived at with the United Kingdom Textile Mission should have been set aside in this one particular. The representatives of the Indian and British Textile interests had agreed that a specific duty of $1\frac{1}{4}$ annas per lb. on all counts of United Kingdom yarns was necessary. As Government are aware, serious efforts are being made to extend the production of fine counts yarn in this country. Mills are, however, handicapped owing to the existing duty of half an anna per pound on raw cotton which must be imported for the production of finer counts. The entire removal of the specific duty on United Kingdom yarns above 50's is, therefore, calculated to prevent what has always been considered as a very necessary development.

9. The increase in the productive capacity of the spinning section of the industry makes it particularly necessary that a portion of it should at the earliest opportunity switch over to the production of fine count yarns, and one of the largest manufacturers in this country has already made arrangements to turn over a complete mill producing between 20's to 30's yarn to the manufacture of counts 60's and above. My Committee, therefore, urge that Government should revise their decision and impose the duty laid down in the Indo-Lancashire Agreement. It need hardly be pointed out in this connection that the removal of the specific duty on counts above 50's will enable them to be marketed at prices lower than those of yarns under 50's to the detriment of the indigenous industry.

10. At the present time, China and Japan send very little of grey or bleached yarn into this country above 60's. The danger of their switching over to higher counts must not, however, be ignored. It must be remembered that Japan absolutely monopolises the import trade in mercerised yarn in which the counts are rarely below 64's, and often higher than 80's. These yarns are sold in India at prices which are three to four annas lower than the cost of producing similar counts of yarn in the most efficient Indian mills. If counts above 50's are to carry no specific duty, there is every reason to apprehend a development of the Japanese, and even Chinese, import trade in the direction of the finer counts. My Committee,

therefore, consider that a very strong case exists for the imposition of a high specific duty on counts over 50's.

11. It has been estimated by one of the leading spinning mills in India that the charge for depreciation alone when producing 60's and over would amount to $1\frac{1}{2}$ annas per pound. In competition with Japanese spinning mills working double shifts, they are, therefore, at a disadvantage of about $\frac{3}{4}$ anna per lb. in depreciation charges alone. In addition, Japanese mills have an advantage of about 0.6 anna per pound in their raw cotton costs, an advantage in costs of stores, and a further advantage in wages. The advantage in the cost of labour per pound accruing to Japan would be very much greater than the other two items combined. On page 112 of their Report, the Tariff Board stated that the total cost of labour per pound of 16's yarn in a Bombay mill exceeded the cost in a Japanese mill by over 60 per cent. with exchange at gold parity. At the present rates of exchange, Indian spinning labour costs must, therefore, be at least twice those of Japan. The inadequacy of the duty which has been suggested on counts over 50's against foreign countries is strikingly borne out by these figures.

12. My Committee are anxious that the hand-loom industry should be adequately protected, but they cannot agree that it is in its interests that Indian mills should find it increasingly unprofitable to manufacture yarns for sale, and leave the field more or less completely to foreign countries. The consequent dependence on foreign sources of supply is bound in the long run to lead to the hand-loom industry having to pay higher prices for yarns than it would have to pay if Indian mills were encouraged by an adequate protective duty to keep a share of the trade.

DUTIES ON COTTON FABRICS.

13. It is noted that the definition of "cotton fabrics" has been altered. Under the new definition, it is proposed that a fabric shall be treated as a "cotton fabric" for purposes of assessment if it contains more than 90 per cent. of cotton. In other words, a tolerance of 10 per cent. is to be allowed. This, in the opinion of my Committee, is far too great a tolerance in the case of artificial silk. I enclose in a separate cover samples of artificial silk striped goods manufactured in a Bombay mill in which the percentage of artificial silk is less than 10 per cent. It is this class of artificial silk goods which the power-loom industry of the country has been chiefly producing, and it is maintained that this trade will be severely handicapped if the tolerance at present provided in the Bill is not reduced. It is, therefore, suggested that the definition of "cotton fabrics" be amended to read:—

"158C. Cotton fabrics not otherwise specified containing more than 95 per cent. of cotton."

My Committee would, however, have no objection to a tolerance of 10 per cent. in the case of bordered goods in which artificial silk has only been used for the production of decorative effects in the borders.

DEFINITION OF GREY PIECEGOODS.

14. Coming to the definition of "grey piecegoods," it would appear that the proposed definition will considerably reduce the protection at present afforded to the indigenous industry, since it will prevent the Customs Authorities from levying the specific duty on a wide range of fabrics in the woven coloured category, which previously had to pay the specific duty applicable to "plain grey goods." From this point of view, the new definition is very unsatisfactory, and would let in again certain classes of woven coloured piecegoods from Japan, which the present definition has been instrumental in reducing materially. The restriction of the application of specific duties which the Bill effects is all the less understandable in view of the recommendations of the Tariff Board for an extension of the principle of specific duties to a wider range of goods—a method of protection which this Association has consistently supported in preference to a method of protection by *ad valorem* duties the effect of which varies considerably from time to time with a rise or fall in the cost of raw cotton. My Committee understand that there is nothing in the Indo-Japanese Agreement

which rules out the possibility of applying specific duties, and it is urged that the system should be adopted in the case of foreign goods of the following classifications at varying rates :—

- (a) Plain Grey ;
- (b) Bordered Grey, Dhoties, Saries and Scarves ;
- (c) Bleached Goods ;
- (d) Woven coloured, dyed and printed goods.

15. In view of the Agreement entered into with the United Kingdom Textile Mission, my Committee have no comments to offer in regard to the rates of duty applicable to United Kingdom goods except to the extent of the criticisms made on the definition of the terms " cotton fabrics " and " plain grey cotton piecegoods."

16. In regard to the duties made applicable to foreign piecegoods, however, my Committee are strongly of opinion that the reduction in the rate of duty to 50 per cent. in the case of Japanese piecegoods is unwarranted on a consideration of the prices at which these goods have been selling since the reduction in the duty was effected. This opinion is shared by commercial and industrial organizations throughout the country, and the belief is general that the proposed rate of duties will seriously affect the Textile Industry of this country.

ARTIFICIAL SILK FABRICS.

17. The duty on 100 per cent. artificial silk fabrics of British manufacture has been reduced to 30 per cent. or 2½ annas per square yard whichever is higher. In view of the Agreement made with the United Kingdom Textile Mission, and the fact that the greatest severity of competition in this class of goods has always been from Japan, the new rates of duties so far as they are applicable to goods imported from the United Kingdom may be considered adequate under the present conditions.

18. In the case of *foreign* artificial silk piecegoods, however, the position is radically different. The duty to-day on 100 per cent. artificial silk piecegoods is 4 annas per square yard, and it is maintained that there is an unanswerable case for an increase in this duty to 6 annas per square yard to meet the protective needs of the hand-loom weaving industry, the silk weaving industry and the cotton textile industry. In 1933, importations of pure artificial silk piecegoods from Japan fell away to 60 million yards as against 105 million yards in the previous year. On the basis of these figures, it has been argued that the present duty of 4 annas per square yard has proved an effective check on imports. My Committee most emphatically maintain that this is not the case. The drop in the importations of artificial silk goods from Japan merely corresponded to the drop in imports of all classes of goods brought about by the prevailing depression. This is borne out by the sudden drop in the takings of artificial silk yarn by the hand-loom weaving industry during 1933—7.9 million lbs. as against 12.4 million lbs. in the previous year—which goes to show that that industry found it increasingly difficult to stand against the competition which it has been experiencing from Japanese artificial silk piecegoods. It is also a matter for enquiry whether the reduced figures of imports of Japanese artificial silk piecegoods represented the correct position of affairs ; or, whether in other words increased imports through ports in Indian States are not responsible in some measure for the fall in the British Indian figures.

19. As an indication of the prevailing condition of things, it may be mentioned that the only two silk weaving mills in Bombay have had to be closed down entirely. The inadequacy of the existing duty is also demonstrated by the fact that although the duty on artificial silk piecegoods has been 4 annas per square yard since 1st March 1933, the wholesale market price of 26"/27" Japanese artificial silk taffeta is to-day 4 annas 9 pies against an average of 4 annas 7 pies in 1932, i.e., before the imposition of the minimum specific duty.

20. Read in conjunction with the increased duties on artificial silk yarn proposed in the Bill, the protection afforded on artificial silk piecegoods will be actually reduced, despite the fact that Japan's greatest progress during the last few years has been in this

particular class of goods, and that future imports of artificial silk goods will remain unrestricted since they have not been included in the piecegoods quota specified in the Indo-Japanese Agreement. A duty of less than six annas per square yard, in the opinion of my Committee, will be entirely inadequate to prevent further inroads from Japan. The potential danger from this country will be apparent if consideration is given to the rate at which her Rayon Industry is expanding. The latest figures available to my Association show that in 1933 the total production of Rayon yarn in Japan was approximately 100 million pounds as compared with about 70 million pounds in 1932 and 50 million pounds in 1931. During the last few years, Japan has superseded the United Kingdom, Germany and Italy as a producer of artificial silk yarn, and now ranks second, her output being exceeded only by that of the United States of America.

21. The temporary set-back in artificial silk piecegoods imports from Japan is discounted by this phenomenal expansion, and it is submitted that the rate of duty advocated in this Association's representation under the Safeguarding of Industries Act, which was supported by the Textile Advisers appointed by Government during the Simla negotiations and by the representatives of the hand-loom industry, is thoroughly justified by the facts of the case.

ARTIFICIAL SILK MIXTURE FABRICS—OF NON-BRITISH MANUFACTURE.

22. At the present time, an artificial silk mixture is defined as a fabric composed in part of some other textile than artificial silk in which any portion of either the warp or weft, but not both, is artificial silk. Such fabrics if imported from foreign countries were subject to a duty of 35 per cent. *ad valorem* (recently increased to 50 per cent.) or 2 annas 3 pies per square yard whichever is greater. Under the new definition of artificial silk mixtures, the position has been considerably changed. It is proposed that a mixture cloth containing less than 60 per cent. of artificial silk shall pay a duty of 50 per cent. *ad valorem* or 3½ annas per square yard whichever is greater, and a fabric containing more than 60 per cent. artificial silk shall pay duty at the rate of 50 per cent. *ad valorem* or 4 annas per square yard whichever is greater. The latter duty is the same as that made applicable to 100 per cent. artificial silk goods. The new duties are, in the opinion of my Committee, inadequate, judged by the prices at which Japanese artificial silk mixtures have latterly been sold, and it is suggested that they be raised, along with the duty on pure artificial silk goods, to 5 annas and 6 annas per square yard respectively. It is further suggested that, in view of the large class of goods, which would under the old definition have been subject to the full rate of duty applicable to 100 per cent. artificial silk goods, but will under the new definition only be liable to the intermediate rate of duty, the definition should be modified to provide that goods containing more than 50 per cent. of artificial silk should pay the rate of duty applicable to pure artificial silk goods.

23. Under the definition given in the Bill, it is provided that the rate of duty applicable to pure artificial silk goods shall only be collected on goods, which contain less than 40 per cent. cotton, that is to say, on all goods which contain 60 per cent. or more of artificial silk. Under a separate cover, I enclose a few samples of fabrics containing less than 60 per cent. of artificial silk which under the definition in the Bill would be liable to the intermediate rate of duty and which, in the opinion of my Committee, should be liable to the rate of duty applicable to pure artificial silk goods.

24. That a substantial increase in the duty on artificial silk mixtures is warranted is amply demonstrated by the fact that Japan has recently switched over to the production of such goods, and her sendings to India in 1933 were roughly four times what they were in 1931, the bulk of these goods being imported during the last quarter of the year.

25. A minor change in Item No. 158G—column 2—would also be necessary, if the proposals suggested by the Association in regard to the definition of cotton piecegoods, made in an earlier paragraph of this letter, are accepted.

FENTS.

26. The change in the definition of fents is to be welcomed by the industry. The trade in fents has grown very rapidly, and the new definition ought to provide a salutary

check, and ensure that nothing but “*bona fide* remnants” are imported. My Committee fail to understand, however, why it was considered necessary to reduce the duty to 35 per cent., more especially as the duty had only recently been increased to 50 per cent. The legitimate fent trade should be in a position to bear duties at least as high as those imposed on other classes of cotton piecegoods. The fact that the goods are remnants necessarily implies very low prices, as otherwise they would not be saleable, and it is pointed out that the increased duty on foreign fents would not, therefore, be unreasonable, and would provide additional revenue.

27. The only other important criticism which it is desired to make on the Bill is with reference to Item No. 158J of the Schedule under which cotton sateens and Italian cloth, cotton velvets and velveteens and cotton fabrics embroidered with cotton or artificial silk, when imported from foreign countries, will only be liable to a duty of 35 per cent. *ad valorem* as against the general rate of 50 per cent. applicable to other types of cotton goods. The inclusion of cotton fabrics embroidered with cotton or artificial silk in a class by itself on which a duty lower than the general duty shall be payable is not unreasonable, since these goods are not produced in this country to any considerable extent, but the inclusion of cotton sateens and Italian cloths and cotton velvets and velveteens is definitely undesirable. The production of saleable cotton sateens is chiefly a matter of finish, and similarly the production of cotton velvets and velveteens presents no insuperable difficulties. They would certainly be new trades in this country, but both are very natural developments, which may be expected to take place. It is desired to point out that during the last few years, Japan has made very rapid progress as a supplier of both cotton sateens and cotton velveteens as is evidenced from the following figures :—

	1930.	1931.	1932.
	(In thousands of yards.)		
Printed Sateens	47	156	914
Italian Cloths and Sateens (dyed)	347	537	799
Velvets and Velveteens	394	455	2,150

These goods compete either directly or indirectly with some of the better class productions of Indian mills, and it is, therefore, urged that the duty applicable to them should be raised from 35 to 50 per cent.

28. My Committee's criticisms of the various provisions of the Bill are based on existing conditions, and it is, therefore, desired to point out that in many directions, and notably in respect of the necessity for the imposition of higher duties on foreign yarn and artificial silk piecegoods, the industry's case will be even stronger if due consideration is given to the fact that, in the near future, a shorter working day will be introduced throughout the textile industry in British India. This reduction in the length of the working day will very seriously affect the competitive capacity of British Indian mills *vis-a-vis* their foreign competitors, who will continue to work the same number of hours per day as they are doing at present.

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

The following Act of the Indian Legislature received the assent of the Governor-General on the 26th April 1934, and is hereby promulgated for general information :—

ACT No. XII OF 1934.

An Act further to amend the Indian Tariff Act, 1894, for certain purposes.

Whereas it is expedient further to amend the Indian Tariff Act, 1894, for the purpose of affording protection to the sericultural industry and to the cotton and silk textile industries in British India and for certain other purposes : It is hereby enacted as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Indian Tariff (Textile Protection) Amendment Act, 1934.

(2) It shall come into force on such date as the Governor-General in Council may, by notification in the *Gazette of India*, appoint in this behalf.

2. *Amendment of the Second Schedule, Act VIII of 1894.*—The amendments specified in the Schedule to this Act shall be made in the Second Schedule to the Indian Tariff Act, 1894.

3. *Bar of operation of the Indian Finance Act, 1931, and the Indian Finance (Supplementary and Extending) Act, 1931.*—Notwithstanding anything contained in section 4 of the Indian Finance Act, 1931, or in section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, the additional duties imposed by those sections shall not be levied or collected on any article chargeable with duty under Item No. 43C, 47, 157A, 157B, 158, 158A, 158B, 158C, 158D, 158E, 158F, 158G, 158H, 158J, 158K, 158L, 158M, 158N or 158O of the Second Schedule to the Indian Tariff Act, 1894, as amended by section 2 of this Act.

4. *Duration.*—The amendments made by section 2 shall have effect only up to the 31st day of March 1939.

THE SCHEDULE.

(See Section 2.)

Amendments to the Second Schedule to the Indian Tariff Act, 1894.

1. Item No. 24C shall be omitted.
2. In Item No. 43C, for the entry in the fourth column, the figures and words "25 per cent. *ad valorem* or 3 annas per pound, whichever is higher" shall be substituted.
3. Items Nos. 43D, 44, 45 and 45A shall be omitted.
4. After Item No. 46D the following item shall be inserted, namely :—

" 47	STARCH AND FARINA	<i>Ad valorem</i> ..	15 per cent."
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5. In Item No. 78, the words "Silk waste, and raw silk including cocoons," shall be omitted.

6. For Item No. 100 the following item shall be substituted, namely :—

" 100	YARNS AND TEXTILE FABRICS, that is to say :— Cotton thread other than sewing or darning thread. Flax, twist and yarn. Hemp manufactures. Jute, twist and yarn, and jute manufactures, excluding second-hand or used gunny bags or cloth. Blankets and rugs (other than floor rugs), excluding blankets and rugs made wholly or mainly from artificial silk. Fabrics not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool or 50 per cent. cotton."
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7. Item No. 133 with the heading thereof shall be omitted.

8. After Item No. 157 the following heading and items shall be inserted, namely :—

" TEXTILE MATERIALS.			
167A	SILK, RAW (excluding silk waste and noils), and silk cocoons.	| <i>Ad valorem</i> ..	| 25 per cent. plus 14 annas per pound.
157B	SILK WASTE AND NOILS .. .. .	| <i>Ad valorem</i> ..	| 25 per cent."

9. For Item No. 158 the following items shall be substituted, namely :—

“ 158	COTTON TWIST AND YARN, and cotton sewing or darning thread—		
	(i) of counts above 50's—		
	(a) of British manufacture.. ..	Ad valorem ..	5 per cent.
	(b) not of British manufacture	Ad valorem ..	6½ per cent.
	(ii) of counts 50's and below—		
	(a) of British manufacture.. ..	Ad valorem ..	5 per cent. or 1½ annas per pound, whichever is higher.
	(b) not of British manufacture	Ad valorem ..	8½ per cent. or 1½ annas per pound, whichever is higher.
158A	SILK YARN including thrown silk warps but excluding sewing thread and yarn spun from silk waste or noils.	Ad valorem ..	25 per cent. plus 14 annas per pound.
158B	SILK YARN spun from waste or noils and silk sewing thread.	Ad valorem ..	25 per cent.
158C	COTTON FABRICS not otherwise specified, containing more than 90 per cent. of cotton—		
	(i) Grey piecegoods (excluding bordered grey chadars, dhuties, saris and scarves)—		
	(a) of British manufacture.. ..	Ad valorem ..	25 per cent. or 4½ annas per pound, whichever is higher.
	(b) not of British manufacture	Ad valorem ..	50 per cent. or 5½ annas per pound, whichever is higher.
	(ii) Cotton piecegoods and fabrics not otherwise specified—		
	(a) of British manufacture.. ..	Ad valorem ..	25 per cent.
	(b) not of British manufacture	Ad valorem ..	50 per cent.
158D	FABRICS not otherwise specified containing more than 90 per cent. of artificial silk—		
	(a) of British manufacture	Ad valorem ..	30 per cent. or 2½ annas per square yard, whichever is higher.
	(b) not of British manufacture	Ad valorem ..	50 per cent. or 4 annas per square yard, whichever is higher.
158E	FABRICS not otherwise specified containing more than 90 per cent. of silk, including such fabrics embroidered with artificial silk—		
	(i) Pongee	Ad valorem ..	50 per cent. plus one rupee per pound.
	(ii) Fuji, Boseki and corded (excluding white cord).	Ad valorem ..	50 per cent. plus one rupee and eight annas per pound.
	(iii) Other sorts	Ad valorem ..	50 per cent. plus two rupees per pound.
158F	FABRICS not otherwise specified, containing more than 10 per cent. and not more than 90 per cent. silk—		
	(i) containing more than 50 per cent. of silk or artificial silk or of both.	Ad valorem ..	50 per cent. plus two rupees per pound.
	(ii) containing not more than 50 per cent. of silk or artificial silk or of both—		
	(a) containing more than 10 per cent. artificial silk.	Ad valorem ..	50 per cent. or 24 annas per pound, whichever is higher.
	(b) containing no artificial silk or not more than 10 per cent. artificial silk.	Ad valorem ..	50 per cent.
158G	FABRICS not otherwise specified, containing not more than 10 per cent. silk but more than 10 per cent. and not more than 90 per cent. artificial silk—		
	(i) containing 50 per cent. or more cotton—		
	(a) of British manufacture.. ..	Ad valorem ..	30 per cent. or 2 annas per square yard, whichever is higher.

	(b) not of British manufacture	<i>Ad valorem</i> ..	50 per cent. or 3½ annas per square yard, whichever is higher.
	(ii) containing no cotton or containing less than 50 per cent. cotton—		
	(a) of British manufacture	<i>Ad valorem</i> ..	30 per cent. or 2½ annas per square yard, whichever is higher.
	(b) not of British manufacture	<i>Ad valorem</i> ..	50 per cent. or 4 annas per square yard, whichever is higher.
158H	FABRICS not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool, but containing more than 50 per cent. cotton and not more than 90 per cent. cotton—		
	(a) of British manufacture	<i>Ad valorem</i> ..	25 per cent.
	(b) not of British manufacture	<i>Ad valorem</i> ..	50 per cent.
158J	The following cotton fabrics, namely, SATENS, including Italians of sateen weave, velvets and velveteens and embroidered all-overs—		
	(a) of British manufacture	<i>Ad valorem</i> ..	25 per cent.
	(b) not of British manufacture	<i>Ad valorem</i> ..	35 per cent.
158K	FABRICS containing gold or silver thread	<i>Ad valorem</i> ..	50 per cent.
158L	TEXTILE MANUFACTURES, the following articles when made wholly or mainly of any of the fabrics specified in items 158C to 158K :—	<i>Ad valorem</i> ..	The <i>ad valorem</i> rates of duty applicable to the fabric of which the article is wholly or mainly made.
	Bed sheets.		
	Bed spreads.		
	Bolster cases.		
	Counterpanes.		
	Cloths, table.		
	Cloths, tray.		
	Covers, bed.		
	Covers, table.		
	Dusters.		
	Glass-cloths.		
	Handkerchiefs.		
	Napkins.		
	Pillow cases.		
	Pillow slips.		
	Scarves.		
	Shirts.		
	Shawls.		
	Sacks (cotton).		
	Towels.		
158M	COTTON KNITTED FABRIC	<i>Ad valorem</i> ..	50 per cent. or 12 annas per pound, whichever is higher.
158N	COTTON BRAIDS OR CORDS, the following, namely :—		
	Ghoonsis and Muktakesis	Pound ..	6½ annas.
158O	COTTON HOSIERY, the following, namely :—		
	Cotton undervests, knitted or woven, and cotton socks or stockings.	<i>Ad valorem</i> ..	25 per cent. or 12 annas per pound, whichever is higher.”

10. Item No. 180 with the heading thereof and Item No. 198 shall be omitted.

11. After Item No. 238C the following items shall be inserted, namely :—

238D	RIBBONS	<i>Ad valorem</i> ..	50 per cent.	40 per cent.	..
238E	SOCKS AND STOCKINGS made wholly or mainly from silk or artificial silk.	<i>Ad valorem</i> ..	50 per cent.	40 per cent.	..
238F	FENTS, not exceeding 4 yards in length, being <i>bona fide</i> remnants of piecegoods or other fabrics.	<i>Ad valorem</i> ..	35 per cent.	25 per cent.	..
238G	APPAREL, hosiery, haberdashery, millinery, drapery, hats, caps, bonnets and hatters' ware, not otherwise specified.	<i>Ad valorem</i> ..	35 per cent.	25 per cent.	25 per cent.
238H	TEXTILE MANUFACTURES, not otherwise specified.	<i>Ad valorem</i> ..	35 per cent.	25 per cent.	..

DEPARTMENT OF COMMERCE.

NOTIFICATION.

TARIFFS.

Simla, the 28th April 1934.

No. 341-T. (1).—In pursuance of sub-section (2) of section 1 of the Indian Tariff (Textile Protection) Amendment Act, 1934 (XII of 1934), the Governor-General in Council is pleased to appoint the 1st May 1934 as the date on which the said Act shall come into force.

APPENDIX 25.

INDO-JAPANESE TRADE CONVENTION.

CONVENTION AND PROTOCOL REGARDING THE COMMERCIAL RELATIONS BETWEEN
INDIA AND JAPAN.

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, and His Majesty the Emperor of Japan, desiring to facilitate trade and commerce between India and Japan, have decided to conclude a Convention for this purpose and have accordingly appointed as their Plenipotentiaries :—

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India :

For India :—

The Rt. Hon. Sir John Allsebrook Simon, G.C.S.I., K.C.V.O., M.P., His Principal Secretary of State for Foreign Affairs ;

The Rt. Hon. Sir Samuel John Gurney Hoare, Bt., G.C.S.I., G.B.E., C.M.G., M.P., His Secretary of State for India ;

His Majesty The Emperor of Japan :

His Excellency Mr. Tsuneo Matsudaira, His Imperial Majesty's Ambassador Extraordinary and Plenipotentiary at the Court of St. James ;

Who, having communicated their full powers, found in good and due form, have agreed as follows :—

Article 1.—The territories to which the present Convention applies are, on the part of His Majesty The King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, British India, together with States in India which, by treaty with His Majesty The King or otherwise, may be entitled to be placed with regard to the stipulations of the present Convention on the same footing as British India (such territories being hereinafter referred to as India) ; and on the part of His Majesty The Emperor of Japan, all the territories and possessions belonging to or administered by His Majesty The Emperor (such territories being hereinafter referred to as Japan).

Article 2.—Articles produced or manufactured in the territories of one of the High Contracting Parties, on importation into the territories of the other, from whatever place arriving, shall not be subjected to duties or charges other or higher than those imposed on like articles produced or manufactured in any other foreign country.

Article 3.—Notwithstanding anything contained in the present Convention, the Government of India shall have the right of imposing or modifying from time to time special customs duties on the importation into India of articles produced or manufactured in Japan, other or higher than those imposed on like articles produced or manufactured in any other foreign country, at such rates as the Government of India may consider to be necessary to correct the effects of any variation of the exchange value of the yen relative to the rupee subsequent to the 31st day of December 1933 ; provided that no modification in any such rate shall be made until it has been in force for at least five weeks.

In imposing or modifying or on being requested by the Government of Japan to modify such special customs duties, the Government of India shall give full consideration to all relevant factors which tend to raise the export prices of articles produced or manufactured in Japan, and shall limit the rates of such duties to what is necessary to correct the effects of any variation of the exchange value of the yen relative to the rupee on the duty-paid value of articles produced or manufactured in Japan and imported into India.

Reciprocally, the Government of Japan shall have the right of imposing or modifying from time to time special customs duties on the importation into Japan of articles produced or manufactured in India, other or higher than those imposed on like articles produced or manufactured in any other foreign country, at such rates as the Government of Japan may consider to be necessary to correct the effects of any variation of the exchange value of the rupee relative to the yen ; provided that such right shall not accrue to the Government of Japan so long as the exchange value of the rupee relative to the yen is not below the value of 0.732 yen, and that no modification of any such rate shall be made until it has been in force for at least five weeks.

In imposing or modifying or on being requested by the Government of India to modify such special customs duties, the Government of Japan shall give full consideration to all relevant factors, which tend to raise the export prices of articles produced or manufactured in India, and shall limit the rates of such duties to what is necessary to correct the effects of any variation of the exchange value of the rupee below 0.732 yen on the duty-paid value of articles produced or manufactured in India and imported into Japan.

Article 4.—While reserving to the Government of India and to the Government of Japan the right to make such changes in their customs tariffs as may be necessary for the protection of their own interests, the High Contracting Parties agree that when any modification of its customs tariff by either country results in the trade interests of the other being adversely affected in any appreciable measure, the Governments of the two countries shall, upon the request of the Government of the country adversely affected, forthwith enter into negotiations with the object of reconciling as far as possible the interests of the two countries.

Article 5.—The present Convention shall be ratified. The instruments of ratification shall be exchanged in London as soon as possible. The date on which the instrument of ratification of each of the High Contracting Parties has been completed will be communicated to the other through diplomatic channels and the present Convention shall enter into force in advance of the exchange of the instruments of ratification, as from the date on which the later of the two communications required under the present Article shall have been made.

Article 6.—The present Convention shall remain in force until the 31st day of March 1937.

In case neither of the High Contracting Parties shall have given notice to the other six months before the said date of his intention to terminate the Convention, it shall continue operative until the expiration of six months from the date on which either of the High Contracting Parties shall have given notice of termination to the other.

In witness whereof the respective Plenipotentiaries have signed the present Convention and have affixed thereto their seals.

Done at London, in duplicate, this twelfth day of the seventh month of the 9th year of Showa, corresponding to the twelfth day of July 1934.

For India .. { (Sd.) JOHN SIMON.
 { .. SAMUEL HOARE.

For Japan .. (Sd.) T. MATSUDAIRA.

PROTOCOL.

At the moment of proceeding this day to the signature of the Convention regarding the commercial relations between India and Japan, the undersigned Plenipotentiaries, being duly authorized to that effect, have agreed as follows regarding the importation of Japanese cotton piecegoods into India :—

Article 1.—For the purposes of the present Protocol :—

the expression “ cotton year ” means a year beginning on the 1st day of January ;

the expression “ cotton piecegoods year ” means a year beginning on the 1st day of April ;

a cotton piecegoods year and the cotton year in which that cotton piecegoods year begins are referred to as “ corresponding ” ; and the expression “ yard ” means a linear yard.

Article 2.—The customs duties to be imposed on importation into India of cotton piecegoods manufactured in Japan shall not exceed the following rates :—

(a) Plain greys—50 per cent. *ad valorem* or 5½ annas per pound, whichever is higher ;

(b) others—50 per cent. *ad valorem*.

If hereafter the Government of India should decide to impose a specific duty on cotton piecegoods other than plain greys, it will not impose on such piecegoods, being the manufacture of Japan, a specific duty exceeding 5½ annas per pound.

Article 3.—(1) If in any cotton year 1 million bales of raw cotton are exported from India to Japan, the quantity of cotton piecegoods which may be exported from Japan to India in the corresponding cotton piecegoods year shall be a basic allotment of 325 million yards.

(2) If the exports of raw cotton from India to Japan in any cotton year are less than 1 million bales, the allotment of cotton piecegoods for the corresponding cotton piecegoods year shall be the basic allotment diminished by 2 million yards for every 10,000 bales of the deficit or for any residual quantity thereof exceeding 5,000 bales.

(3) If the exports of raw cotton from India to Japan in any cotton year exceed 1 million bales, the allotment of cotton piecegoods for the corresponding cotton piecegoods year shall be the basic allotment increased by 1½ million yards for every 10,000 bales of the excess or for any residual quantity thereof exceeding 5,000 bales ;

Provided that the allotment of cotton piecegoods shall not in any case exceed 400 million yards for any cotton piecegoods year.

(4) If the exports of raw cotton from India to Japan in any cotton year exceed 1½ million bales, the excess shall be added to the quantity of raw cotton exported from India to Japan in the following cotton year for the purpose of determining the allotment of cotton piecegoods for the cotton piecegoods year corresponding to such following cotton year.

(5) For the purposes of the calculations under the present Article and under Articles 4, 5, 6 and 7, any raw cotton or cotton piecegoods which have been imported and then re-exported shall be excluded.

Article 4.—(1) The allotment of cotton piecegoods which may be exported from Japan to India during the first half of any cotton piecegoods year shall be 200 million yards ;

Provided that, if in the first half of any cotton piecegoods year the exports of cotton piecegoods from Japan to India exceed the allotment for the whole of that cotton piecegoods year, the allotment for the first half of the following cotton piecegoods year shall be 200 million yards less such excess.

(2) The allotment of cotton piecegoods which may be exported from Japan to India during the second half of any cotton piecegoods year shall be the annual allotment for that year less 200 million yards ;

Provided that, if the quantity exported from Japan to India in the first half of any cotton piecegoods year is less than 200 million yards, as increased or diminished under Article 5, the allotment for the second half of that cotton piecegoods year shall include the quantity of the deficit up to a quantity not exceeding 20 million yards.

*Article 5.—*Notwithstanding anything hereinbefore contained,—

(a) If less than the allotment for any cotton piecegoods year is exported from Japan to India in that year, the quantity of the deficit up to a quantity not exceeding 20 million yards may be exported in the first half of the following cotton piecegoods year in addition to the allotment for that half-year ; and

(b) A quantity not exceeding 20 million yards of cotton piecegoods may be exported from Japan to India in any cotton piecegoods year, other than the cotton piecegoods year in which the present Protocol terminates, in addition to the allotment for that year ; but such excess shall be deducted from the allotment for the first half of the following cotton piecegoods year.

*Article 6.—*If the present Protocol should come into effect at any time other than the beginning of a cotton piecegoods year, the first cotton year shall, for the purposes of the Protocol, be deemed to begin on the 1st day of January 1934, and the first cotton piecegoods year on the 1st day of April 1934.

Article 7.—(1) For the purposes of the present Protocol cotton piecegoods shall be divided into the four categories of :—

- (a) Plain greys,
- (b) Bordered greys,
- (c) Bleached (white) goods, and
- (d) Coloured (printed, dyed or woven) goods ;

and the allotment for any cotton piecegoods year shall be divided into sub-allotments among these four categories, consisting of portions of the allotment as follows :—

Plain greys	..	..	..	..	..	..	..	45 per cent.,
Bordered greys	..	..	..	..	..	..	..	13 per cent.,
Bleached (white) goods	..	..	..	..	..	..	..	8 per cent.,
Coloured (printed, dyed or woven) goods	..	..	..	..	..	..	..	34 per cent.,

and, save as provided in paragraph (2), the export of cotton piecegoods in each category in any cotton piecegoods year shall be restricted to the said portions.

(2) Transfers may be made from one sub-allotment to another, subject to the following conditions :—

- (a) The allotment for any cotton piecegoods year shall not thereby be increased ;
- (b) The amount transferred from a sub-allotment for bordered greys or from a sub-allotment for bleached (white) goods shall not exceed 20 per cent. of the amount of such sub-allotment, and the amount transferred from any other sub-allotment shall not exceed 10 per cent. of the amount of such sub-allotment ; and
- (c) A sub-allotment for bordered greys or a sub-allotment for bleached (white) goods shall not be increased by more than 20 per cent. of the amount of such sub-allotment, and any other sub-allotment shall not be increased by more than 10 per cent. of the amount of such sub-allotment.

(3) The principles of the present Article shall apply also to quantities of cotton piecegoods exported from Japan to India under Article 5 in excess of the yearly allotments, as if such quantities were yearly allotments.

Article 8.—Nothing contained in the present Protocol shall be deemed to affect the rights of either High Contracting Party under Article 2 or Article 3 of the Convention regarding the Commercial Relations between India and Japan of this day's date.

Article 9.—The present Protocol shall come into force simultaneously with the Convention regarding the Commercial Relations between India and Japan of this day's date and shall remain in force until the 31st day of March 1937.

Done at London, in duplicate, this twelfth day of the seventh month of the 9th year of Showa, corresponding to the twelfth day of July 1934.

<i>For India</i>	..	{	(Sd.) JOHN SIMON.
			,, SAMUEL HOARE.
<i>For Japan</i>	..		(Sd.) T. MATSUDAIRA.

APPENDIX 26.

IMPORT DUTIES ON ARTIFICIAL SILK PIECEGOODS AND ARTIFICIAL SILK MIXTURES.

Copy of letter No. 1708/150, dated the 29th August 1934, from the Association to the Secretary to the Government of India, Department of Commerce, Simla.

On the 4th of August 1933, a representation was submitted by the Association pointing out the need for an increase in the import duties on Japanese artificial silk piecegoods. Supplementary representations in extension and correction of the representation of 4th August were submitted by the Association on the 22nd August 1933 and the 27th September 1933. In these representations a case was made out for a duty of 6 annas per square yard on 100 per cent. artificial silk piecegoods imported from Japan and a duty of 4 annas per square yard on cotton and artificial silk mixture goods. The case put forward by the Association was later in the year endorsed by the unofficial Advisers to the Indian Delegation during the Indo-Japanese trade negotiations.

On the 5th February 1934, the Government of India introduced the Indian Tariff (Textile Protection) Amendment Bill. The Association's considered criticisms of that Bill

From these figures it will be noted that the imports of 100 per cent. artificial silk piecegoods from Japan in June were roughly four times as great as they were in February. The consistency with which the imports of 100 per cent. artificial silk piecegoods from Japan have increased during the last few months, in the opinion of my Committee, demonstrates the essential accuracy of the contentions advanced in their previous representations, and endorsed by other bodies, that a duty of 6 annas per square yard on 100 per cent. artificial silk piecegoods is necessary as far as Japanese imports are concerned. In view of these larger imports, I am directed to ask whether the Government of India contemplate taking any action to implement the undertaking given by the Honourable the Commerce Member and referred to in an earlier paragraph of this letter.

Copy of letter No. O-2937-T/34, dated the 5th September 1934, from the Government of India, Commerce Department, to the Association.

Acknowledges receipt of your letter No. 1708/150 of 1934, dated 29th August 1934.

Copy of letter No. 2011/150, dated 9th October 1934, from the Association to the Secretary to the Government of India, Department of Commerce, Simla.

I am directed to confirm my telegram of to-day's date reading as under :—

“ Further to Association's letter twenty-ninth August, Association wish to draw Government's attention to continued increase imports pure artificial silk piecegoods from Japan last two months. In July imports 6.7 and August 7.7 million yards. Figures May to August which are nearly three times figures January to April clearly demonstrate necessity Government taking immediate action to increase duty on pure artificial silk piecegoods of foreign origin.”

The great increase in the importations of pure artificial silk piecegoods from Japan is tending to nullify any benefits which might have been expected to accrue from the limitation placed upon the importations of Japanese cotton piecegoods, and definitely proves the inadequacy of the existing duty as far as Japanese pure artificial silk piecegoods are concerned. The prices at which these artificial silk piecegoods are being offered are so low as to make them extremely competitive with many classes of cotton piecegoods manufactured in Indian mills. In addition, these imports are very detrimentally affecting the handloom weaving industry. In the circumstances, my Committee trust that Government will take prompt steps to implement the undertaking given by the Honourable the Commerce Member, which has been referred to in the representation submitted on the 29th August 1934.

Copy of letter No. O-3275—T/34, dated the 13th October 1934, from the Government of India, Commerce Department, to the Association.

Acknowledges receipt of your letter No. 2011/150 of 1934, dated 9th October 1934.

APPENDIX 27.

DUTIES ON WOOLLEN PIECEGOODS AND WOOLLEN MIXTURE GOODS.

Copy of letter No. 420/36, dated the 21st February 1934, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.

I am directed to draw the Government of India's attention to what, in the opinion of the cotton textile and woollen manufacturers of India, appears to be a very serious defect in the amended textile tariff of the country.

In the Indian Tariff (Amendment) Act recently passed by the Legislative Assembly the following definition appears :—

“ 238-C.—Fabrics, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk, but containing more than 10 per cent., but not more than 90 per cent. wool.”

From this definition, it would seem that cotton-wool mixture fabrics containing less than 90 per cent. wool would be liable to duty at an *ad valorem* rate of 35 per cent. if imported from foreign countries, and to an *ad valorem* rate of 25 per cent. if imported from the United Kingdom, and that such fabrics would not be liable to any specific duty whatsoever. It would, therefore, appear probable in view of the fact that woollen fabrics containing more than 90 per cent. of wool, if imported from foreign countries, would have to pay a specific duty of 18 annas per pound, that there will be every incentive for foreign countries to import cotton-wool mixtures containing just under 90 per cent. of wool in order to escape the specific duty applicable to pure woollen piecegoods, to the great detriment of the indigenous woollen industry. This, however, is not the only danger. Under this definition of woollen mixtures, it will also be possible for foreign countries to escape the protective duties on cotton piecegoods by placing on the market a line of goods containing just over 10 per cent. of wool and between 80 and 90 per cent. of cotton. If the percentage of cotton is 90 or more, such mixtures would be dutiable at 50 per cent. *ad valorem*, and until recently, would in the majority of cases have had to pay the specific duty of 5½ annas per pound applicable to plain grey cotton piecegoods.

My Committee are confident that the Government of India in framing the definition of woollen mixtures, and when altering the definition of “ plain grey ” cotton piecegoods, must have been unaware of the possibilities which would be provided for evading both the specific duty on woollen goods and the protective duty on cotton piecegoods, and it is, therefore, hoped that steps would be taken to avoid the danger.

I am enclosing in a separate cover a few samples of cotton-wool mixture coating cloth produced in an Indian cotton mill, the sales of which would be very adversely affected; unless a more adequate specific duty is imposed on woollen mixtures. The coating samples referred to above contain between 40 and 50 per cent. of wool and from 50 to 60 per cent. of cotton. In the same cover, you will also find enclosed three samples of imported cotton-wool mixtures in which the percentage of wool probably does not exceed 20 per cent. With a slightly smaller percentage of wool and a larger percentage of cotton, a very wide range of attractive designs could be produced, which would be directly competitive with the coloured goods turned out by the Indian Cotton Textile Industry, and it is against dangers of this type that the cotton trade must be effectively protected. The need for such protection will be still more apparent when it is realised that such goods, classed as they will be as “ Woollen Mixtures ” would be outside the cotton piecegoods quota, if imported from Japan.

The needs of both the woollen and cotton industries would probably be met by providing for the imposition of an adequate specific duty on all fabrics coming under the definition of Woollen Mixtures set out in the Act.

APPENDIX 28.

QUOTAS AND TRADE RESTRICTIONS IN PERSIA.

Copy of letter No. 1923/44, dated the 28th September 1934, from the Association to all members of the Association.

Members of the Association interested in the export of Cotton Yarn and Piecegoods and Woollen Yarn and Piecegoods are informed that, according to a notification reproduced

in the *Board of Trade Journal* of September 13, 1934, it would appear that for the Persian Economic Year ending June 1935, the imports of the following classes of cotton goods have been prohibited :—

<i>No. in Quota List and Article.</i>	<i>Quota for Economic Year ending June 1935.</i>
10. Cotton tissues made with coloured threads, even if mercerised or figured ; plushes, etc.	Prohibited.
12. Cotton Shirtings, etc.	„
20. Bleached Cotton tissues, also bleached cotton linen	„
22. Cotton Cloth Printed or Dyed	„
40. Rope, Cordage and Twine	„
69. Cotton Yarn in hanks	„

In the previous Economic Year, the total import quotas permitted in the same lines were :—

	<i>Rials.</i>
10. Cotton tissues made with coloured threads, even if mercerised or figured ; plushes, etc.	9,000,000
12. Cotton Shirtings, etc.	6,800,000
20. Bleached Cotton tissues, also bleached cotton linen	9,900,000
22. Cotton Cloth Printed or Dyed	49,500,000
40. Rope, Cordage and Twine	210,000
69. Cotton Yarn in hanks	25,000,000

As regards Woollen piecegoods and yarn, the total import quotas for the Economic Year ending June 1935 are :—

<i>No. in Quota List and Article.</i>	<i>Quota for Economic Year ending June, 1935. Rials.</i>
11. Tissues of pure wool, tissues of wool and cotton containing 70 per cent. or more of wool, alpacas, interlinings	20,000,000*
68. Yarn of wool and hair (No. 40 and above)	3,000,000

**Note.*—Subject to obligatory purchase of 100 per cent. of exporters' exchange at 28.28 rials to the dollar.

In the previous economic year, the quotas for these two classes were :—

	<i>Rials.</i>
11. Tissues of pure wool, tissues of wool and cotton containing 50 per cent. or more of wool, alpacas, interlinings	20,000,000
68. Yarn of wool and hair (No. 40 and above)	1,500,000

Copy of letter No. 2162/44, dated the 29th October 1934, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.

I am directed to draw the Government of India's attention to a notification reproduced in the *Board of Trade Journal* dated 13th September relating to the quotas fixed by

the Persian Government on various classes of imports in the Persian economic year ending June 1935. From the notification, it would appear that importations into Persia of all classes of Indian yarn and piecegoods have been prohibited. In the previous economic year the total import quotas for the various classes of cotton piecegoods in which India is interested were as under :—

	<i>Rials.</i>
Cotton tissues made with coloured threads, even if mercerised or figured : plushes, etc.	9,000,000
Cotton Shirtings, etc.	6,800,000
Bleached Cotton tissues, also bleached cotton linen	9,900,000
Cotton Cloth Printed or Dyed	49,500,000
Rope, Cordage and Twine	210,000
Cotton Yarn in hanks	25,000,000

2. As Government are aware, Persia was until recently one of India's most valuable export markets for yarn and cotton piecegoods. The total trade is difficult to ascertain as a portion of it passes through the land frontiers, and no records appear to be available as to the exact destination of such traffic or of its value. According to the Sea-borne Trade and Navigation returns published by the Government of India, the exports from India to Persia of Indian piecegoods and yarn for the 5 years ending 1932-33 are as under, and the total loss of this very valuable trade is a prospect, which cannot be faced with equanimity by the Textile Industry of this country.

	<i>Value in Rupees.</i>				
	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.
Cotton Twist and Yarn ..	25,76,462	34,26,377	34,22,271	38,20,136	20,41,498
Cotton Piecegoods ..	64,39,873	44,98,920	34,19,886	47,64,158	18,24,552

I am, therefore, to request the Government of India to make proper representations to the Government of Persia with a view to secure the continuance of at least a portion of the export trade in yarn and piecegoods between India and Persia. Exclusive of the trade for which no estimate can be made, it would appear that the balance of trade between Indian and Persia has been consistently adverse to India over a long period of years ; in other words, India is to-day, and has been for many years, purchasing from Persia goods much greater in value than she has sold to Persia, from which it would appear that the Government of India should be in a position to bargain for very much more generous treatment than has been accorded to her by the Persian Government. The bulk of the imports into India from Persia by sea consists of mineral oils for which alternative sources of supply are available. My Committee suggest that this valuable bargaining point should not be lost sight of in any discussions which may hereafter take place with the Persian Government. My Committee recognise that the prohibition of the importations of cotton yarn and piecegoods apply equally to all countries with the possible exception of Soviet Russia, and would under these circumstances bring to the notice of Government the desirability of opening up negotiations with the Persian Government jointly with His Majesty's Government in the United Kingdom.

Copy of letter No. 35-C-5, dated the 25th February 1935, from the Under Secretary to the Government of India, Department of Commerce, New Delhi, to the Association.

With reference to your letter No. 2162/44, dated the 29th October 1934, on the above subject, I am directed to state that the matter is engaging the attention of the Government of India.

APPENDIX 29.

IMPORT DUTY ON COTTON FENTS.

Copy of letter No. 2031/119, dated 11th October 1934, from the Association to the Secretary to the Government of India, Department of Commerce, Simla.

I am directed to invite your attention to the increase which has recently taken place in the imports of Japanese fents into British India. The figures are :

1932	..	0.33	million yards.
1933	..	7.40	„ „
1934	January	0.70	„ „
	February	0.31	„ „
	March	0.64	„ „
	April	0.47	„ „
	May	2.23	„ „
	June	2.57	„ „
	July	3.54	„ „
	August	4.16	„ „

Total for 8 months 14.6 million yards.

In other words, Japan has sent into British India during the first eight months of the year 1934 twice as many fents as in the whole of 1933, and more than forty times as many as in the whole of 1932. Simultaneously with the introduction of the lower rate of duty on fents as laid down in the Indian Tariff (Textile Protection) Amendment Act there has been a great acceleration in the rate of imports from Japan.

2. As you will remember, when submitting their views on the Textile Tariff Amendment Bill, my Committee drew Government's attention to the increased activity in the fent trade, and expressed the hope that the new definition of the term "Fents" which was proposed in the Bill ought to provide a salutary check and ensure that nothing but bona-fide fents are imported. They also pointed out that it was not necessary to reduce the duty to 35 per cent. more especially as it had only been recently increased to 50 per cent. The legitimate fent trade, they further observed, should be in a position to bear duties at least as high as the *ad valorem* duties on other classes of piecegoods as the fact that these goods were remnants necessarily implied very low prices.

3. Subsequently, representations appear to have been made to Government by the Ahmedabad Millowners' Association and certain other organisations inviting Government's attention to the increased importations of fents and urging the desirability of keeping a close watch on the imports with a view to ascertain whether goods assessable to duty as "cotton piecegoods" were described as "fents" to obtain the benefit of the lower rate of duty, thus avoiding both the quota restriction and the higher duty. The matter was also raised in the Assembly and in response to a question from Mr. B. Das, the Honourable Sir Joseph Bhoré assured the House that

"Government have already issued instructions to the Collectors of Customs to the effect that the lower rate of duty on fents should be applied only to job lots of varying lengths and sizes, not exceeding 4 yards, rejected by mills on account of their defective weaving or dyeing or other substantial damage. Such fents would invariably be bundled (as distinct from the packing adopted for piecegoods) and invoiced by weight. There is, therefore, no reasonable scope for any evasion of customs duties."

He further explained

"The point really, Sir, is this, that the mere fact that a fent or a piece of cloth comes in, which is 4 yards in length, that fact by itself does not bring it under the definition

of fents. Collectors of Customs have been given full instructions to see that despite the fact that a piece of cloth may be 4 yards in length, if it does not come under the description which I have just read out, they should treat it as ordinary piecegoods which will be included in the quota which has been allotted for Japanese piecegoods."

4. From certain figures which have recently been collected by the Association, it would appear that in the three months June/August 1934 more than 70,000 lbs. of spurious Japanese fents were detected by the Customs authorities in Bombay alone. Similar figures in respect of other ports are not yet to hand, but the figures given above clearly indicate that persistent efforts are being made by Japanese importers to evade the quota and to obtain the benefit of the lower rate of duty by describing cotton goods which are assessable to duty as "cotton piecegoods" as "fents." In the face of these attempts, my Committee are of opinion that a very strong case exists for the increase in the duty on foreign fents to 50 per cent. It is understood that consignments of spurious fents are being re-shipped on detection, but my Committee feel that the existence of a lower rate of duty on fents will be an open invitation to the unscrupulous importer to resort to this practice again and again, and it may not be possible for the Customs authorities to detect all such consignments. Under the circumstances, Government, it is thought, should consider the advisability of imposing the more severe and logical penalty of confiscation. My Committee are also of opinion that the attention of the Japanese Government should be drawn to the persistent attempts which are being made to evade the quota obligations in this and other ways.

Copy of letter No. 0-3306-T/34, dated 16th October 1934, from the Government of India, Commerce Department, Simla, to the Association.

Acknowledges receipt of your letter No. 2031/119 of 1934, dated 11th October 1934.

APPENDIX 30.

IMPORT DUTY ON STARCH AND FARINA.

Copy of letter No. 518/66, dated the 6th March 1934, from the Association to the Secretary to the Government of India, Department of Commerce, New Delhi.

I am directed to address you with reference to the proposed imposition of a 15 per cent. *ad valorem* duty on Starch and Farina. Members of my Association maintain that the Tariff Board's recommendation appears to have been based upon a partial misconception as to the type of product supplied by the Indian Flour Milling Industry to the Cotton Textile Industry in the past for sizing purposes. The information supplied to us by members of the Association in this connection appears to indicate that the Indian Milling Industry has never supplied anything but wheat sizing flour to the Cotton Textile Industry, and still continues to supply that flour to Bombay and other textile centres, but in gradually diminishing quantities. The diminution in the quantity supplied, however, is not due to the price factor, but to the fact that a great deal of the heavy sizing, which was common in Indian mills less than a decade ago, has been given up, the demand of the country to-day being for cloths either pure sized or lightly sized, and for this purpose a number of other sizing and finishing materials such as maize starch, rice starch, potato starch, and various types of patent products are used. I enclose with this letter a note showing the purposes for which various sizing materials are used.

A duty imposed to protect a maize Starch or Farina manufacturing industry would have been to some extent justifiable, but enquiries go to show that no such industries at present exist or are likely to be established in the near future, since the consumption in India of any particular type of starch is not large enough to warrant the erection of a factory, nor could any single type of starch answer the various purposes or possess the various properties which the different grades of imported starches produce in sizing and finishing.

A consideration of the prices during the last three years of imported starches on which a 15 per cent. duty is now proposed to be levied goes to show that even without that duty, the prices of these materials have been consistently higher than the prices of wheat sizing flour, and this being the case, the effect of the duty would merely be to increase the prices paid by the Indian Textile Industry for its sizing materials without in any way affecting the demand for Indian wheat and sizing flour, which is already used for the only purpose for which it is really suitable, namely, the production of heavy sized goods. This, in effect, means that the duty will only be a good revenue producer to the Government of India, but will be of no protective benefit to the Indian Flour Milling Industry, and its imposition is, therefore, unjustifiable taking into consideration the present extreme difficulties of the Cotton Textile Industry of the country.

It has been estimated by one of the large mills in Bombay, which is already working at a loss, that the duty will increase their monthly expenditure on sizing materials by about Rs. 800. The argument advanced by the Tariff Board that the duty would increase the fair selling price by one-third per cent. is approximately correct, but this, in the opinion of my Committee, cannot be used as an argument in support of the imposition of the duty in view of the fact that the actual selling prices realised by mills to-day are below fair selling prices. In addition, consideration must be given to the fact that the level of protection recommended by the Tariff Board has not been accorded to the Industry, and that, in addition to the increase in costs which this new duty would inflict on the Industry duties have been imposed during the last few years on certain types of stores, dyes, textile machinery, component parts of machinery, etc., which were freed from duty as a result of the recommendations of the first Tariff Board, and that the cumulative effect of all these new duties has been a great handicap to the Industry against its foreign competitors.

Furthermore, it must be remembered that, in the near future, costs of manufacture of cotton textiles in India will be increased owing to the reduction in the length of the working day, and as far as my Committee are aware, it is not proposed to increase the import duties on competitive lines of manufacture after the shorter working day is introduced.

In view of these facts, my Committee feel constrained to oppose the new duties on Starch and Farina.

NOTE SHOWING THE PURPOSES FOR WHICH VARIOUS SIZING MATERIALS ARE
USED IN THE FINISHING OF COTTON FABRICS.

(a) *Rice*.—Produces a full, firm, and harsh feel often described as a boardy feel, in cloth filled with it. This starch is used chiefly for indigo blues, or other classes of cloth which do not require a calendar or beetle finish.

(b) *Wheat Starch*.—(Should not be taken for Wheat Flour or Sizing Flour as called by the Flour Mills.) Gives a smooth and thick feel to the cloth finished with it. This starch will hold about twice its own weight of weighting materials, such as China clay, barytes, etc. No Wheat Starch is manufactured locally as the process of manufacture compared to that of other starches is exceedingly intricate, and incidentally even if it could be produced here, by far and away more expensive than the imported price of other starches. Importations of this particular starch for the use of the Industry under reference is, in comparison to others, practically negligible.

(c) *Wheat Flour*.—The produce from this grain used only where heavy sizing is required, is the lower grades of edible Wheat Flour inferior to that supplied by the Flour Mills to Bakeries for the making of bread and buns, etc., and is named Sizing Flour. This Sizing Flour can by no manner of means be termed a starch as the attached analysis of the same clearly proves this contention; as a starch never contains in its composition any percentage of proteins Dextrine and Sugar, Fat, Fibre, etc., all more or less detrimental for the purpose of utility for sizing.

(d) *Maize Starch*.—Is being very largely used at the present time by sizers and finishers. In view of the recent marked improvement in the manufacture of the various grades such as the many "Thin Boiling Starches" with all different fluidities for the express purposes of utility in finer counts of sizing, these ingredients are perhaps considered the best suited for the work for which they are employed.

(e) *Potato Starch or Farina*.—When applied to cloth it gives a thick mellow feel. This feel becomes softer on ageing, and for this reason Farina is more suitable for certain finishes where a full soft and clothly feel is required. Farina is uneconomical and difficult to use on account of its deteriorating and unreliable properties.

(ANALYTICAL REPORT.)

<i>Flour</i>	<i>Per cent.</i>
Moisture.. .. .	11.86
Ash	0.45
Proteins. (N x 5.7)	8.21
Dextrine & Sugars. (Glucose and Lactose)	3.24
Fat	1.02
Fibre	0.51
Starch	74.71
	100.00
Gluten	7.55%
Soluble Albuminoids	1.33%

APPENDIX 31.

REMOVAL OF TARIFF INEQUALITY BETWEEN IMPORTED SHUTTLES
AND THE WOODEN BLOCKS REQUIRED FOR THEIR
MANUFACTURE IN INDIA.

*Copy of letter No. 295, dated the 3rd September 1934, from the Secretary, Tariff Board,
to the Association.*

The Tariff Board have been directed to enquire into an application from Messrs. H. M. Patel and Company for the removal of tariff inequality between imported shuttles and the wooden blocks required for the manufacture thereof in India. If it is decided to remove the inequality by increasing the duty on shuttles, I am to ask that you will be good enough to supply the Board with information of the effect on the cost of the cotton or jute products in which you are interested of an increase in the duty on shuttles from 10 per cent. to say 25 per cent.

2. I am to request that a reply to this letter may be sent so as to reach the Board's office at No. 1, Council House Street, Calcutta, not later than October 1st next.

Copy of letter No. 2006/153, dated the 6th October 1934, from the Association to the Secretary, the Tariff Board, Calcutta.

I am directed to acknowledge the receipt of your letter No. 295, dated the 3rd September 1934, in which the Association has been requested to supply the Board with information as to the effect on the cost of cotton products of an increase in the duty on shuttles from 10 per cent. to say 25 per cent. As a result of your letter, a special enquiry has been made by the Association from a representative number of member mills, from which it would appear that an increase in the import duty on shuttles such as has been suggested by the Board would have the effect of raising the cost of manufacture of cotton piecegoods by approximately 0.02 pies per pound. The actual figure varies with different types of cloth and in different mills, but the estimate given above may be taken as representing approximately the increased cost per pound for the industry as a whole for the types of goods which it is at present manufacturing. What has, however, got to be considered is the increased cost to the Indian Mill Industry, and that would be approximately Rs. 70,000 every year. The Indian Jute Industry and the Indian Handloom Industry would probably be penalised to a similar extent and the woollen weaving industry to a smaller extent.

Through the courtesy of Messrs. H. M. Patel and Company, my Committee have had an opportunity of examining the original representation made by Messrs. Patel & Co. to the Government of India, which it is understood is the reason for the present investigation by the Board. This representation appears to be limited to a request for the removal of the tariff inequality between the imported shuttles and wooden blocks which it is apparently necessary to import for their manufacture in this country, *by a reduction or the removal of the existing duty on these special wooden blocks*. Nowhere in their representation does a claim appear to have been made that the tariff inequality now existing should be removed by increasing the duties on imported shuttles from 10 per cent. to 25 per cent. In these circumstances, my Committee are at a loss to understand the present enquiry from the Board, and strongly urge that it would be most unfair and inequitable to penalise the Indian Cotton Mill Industry, the Indian Handloom Industry and the Indian Jute Mill Industry by raising the duty on imported shuttles.

As the Board are aware, the Tariff Board of 1926 recommended the removal of the then existing import duties on a very large range of mill stores, and as a result of their recommendations, for some years the bulk of the mill stores used by the Cotton Mill Industry were admitted free of duty. Under the provisions of the Supplementary Finance Act of 1931, owing to the precarious position of the country's finances, a general surcharge on all existing import duties was imposed, and at the same time, a duty of 10 per cent. was imposed on textile machinery and mill stores as a purely temporary measure. It is understood that it is the policy of Government to remove the duty on textile machinery and mill stores at the earliest possible opportunity. These being the facts, my Committee submit that the possibility of removing the tariff inequality between shuttles and wooden blocks by raising the duty on the former should be ruled out of consideration. The case for the removal of the inequality by the alternative method of reducing or removing the duty on wooden blocks stands on an entirely different footing, and my Committee support the claim put forward by Messrs. Patel & Company in this connection, since this claim is in accord with the principles laid down by the Indian Fiscal Commission, that is to say, it provides for the imposition of as low a rate of duty as possible on its essential raw materials. As, however, the Tariff Board appear to be considering the advantages and disadvantages of the removal of the tariff inequality by two alternative methods, the following estimates of the effects which would follow from the application of each is instructive.

At the present time, so far as the information available to the Association goes, there is only one shuttle manufacturing company in India, namely, Messrs. H. M. Patel & Company. The capital of this company is very small, and it would seem that the capacity of the factory is about 400 gross per annum. Their total import of wooden blocks is not, therefore, likely to exceed that figure. The price of wooden blocks for the types of shuttles manufactured appears to be 50 shillings per gross *c. i. f.* and the total *c. i. f.* cost of their imports of shuttle blocks, therefore, amounts to £1,000 a year. If, therefore, the duty on shuttle blocks were fixed at 10 per cent. instead of 25 per cent. the revenue to be derived from

the import of these articles would be Rs. 1,350 per annum. In addition, Government would obtain revenue from the importation of :

400 gross of shuttle tips	5sh. 6d.	per gross c. i. f. duty at 10 per cent.
400 gross of minor shuttle fittings .	3sh. 6d.	” ” ”
400 gross of shuttle tongues . . .	30sh.	” ” ”

which would amount to a total duty of approximately Rs. 1,053. Against this increase in revenue should be set off the loss in revenue of 10 per cent. on the value of 400 gross of imported shuttles replaced by the Indian made article. We understand that the average c. i. f. price of English and Italian shuttles which would be replaced by the Indian article is about 15sh. 6d. per dozen. The revenue which would be lost would amount to Rs. 5,022. The nett loss in revenue by the reduction of the duty on shuttle blocks would, therefore, be Rs. 5,022—(Rs. 1,350 + Rs. 1,053)=Rs. 2,619.

If the duty on blocks were entirely removed, the loss in revenue would be Rs. 5,022—Rs. 1,053=Rs. 3,969, which would not be a material sacrifice, and even this sacrifice would be more apparent than real since the new industry which it would assist to establish would be of benefit to the country in however small a way. As against this method of removing the tariff inequality, an increase in the duty on imported shuttles would cost the Indian Cotton Industry, the Indian Jute Mill Industry and the Indian Handloom Industry approximately 14 per cent. on the total value of imports of all classes of shuttles. Based on the conservative figure for the Indian Cotton Mill Industry given in an earlier para of this letter, namely Rs. 70,000 per year, it is estimated that the additional duty would cost the three industries combined something like Rs. 2 lakhs per annum. A comparison of the results of the two methods of tariff equalization, shows that by the first method, namely, removal of the duty on wooden shuttle blocks, Government revenues would suffer to the extent of not more than Rs. 4,000 per annum ; whereas by the application of the second method, the Indian Weaving Industries would be penalised to the extent of not less than Rs. 2 lakhs per annum. On these considerations, it is submitted, there is no case whatsoever for the application of the second method.

My Association would like to make it clear that where a nascent Indian industry possesses considerable potentialities for development, and has, in addition, natural advantages in the shape of abundant supplies of raw materials, etc., the Textile Industry is prepared to make a reasonable sacrifice to assist its development. The fact that the Industry acquiesced in the imposition of a high duty on importations of magnesium chloride, an essential sizing material, is proof of this, but they cannot contemplate with equanimity an unnecessary penalisation of the Industry such as would follow from the raising of the duty on imported shuttles from 10 per cent. to 25 per cent., more particularly in view of the fact that even the existing duty of 10 per cent. was imposed only as a temporary and emergency measure. It may be argued that the increase in the cost per pound of cloth by raising the duty on shuttles from 10 per cent. to 25 per cent. is insignificant, but, as already pointed out, the total impost on the Industry is not to be regarded as by any means small in times like these, and, particularly if it is considered in conjunction with the other impositions which have already been made. Already the Industry has to bear the burden of a high duty imposed as a result of the former Tariff Board's recommendations on Starch and Farina. In addition, it has to pay an import duty of half an anna per pound on all imported cotton which it is using, and a 10 per cent. duty on imported machinery and mill stores. Few, if any, of its competitors have to pay such high charges, and, in addition, these competitors have other substantial advantages which make it difficult for Indian mill goods to compete in price with imported products. It is, therefore, maintained that the true interests of Indian industries demand a return at the earliest opportunity to the salutary principle laid down in the Fiscal Commission Report, namely, that "raw materials required for Indian industries should ordinarily be admitted free of duty."

For these reasons, the Association is strongly opposed to the idea of an increase in the duty on shuttles for which no case exists.

Copy of letter No. 441, dated the 26th November 1934, from the Secretary, Tariff Board, to the Association.

With reference to your letter No. 2006/153, dated the 6th October 1934, I am directed to request that you will be so good as to ascertain from your Members whether they have ever used Japanese shuttles. The Customs Returns show that the import of Japanese shuttles has increased from a value of Rs. 1,700 in 1929-30 to Rs. 50,000 in 1933-34. It seems probable that the bulk of these imports are intended for the handloom industry, but the Board is anxious to ascertain the extent to which Japanese shuttles for powerlooms are being used. In addition, the Board would be grateful for information as to the prices paid, whether the shuttles are made of cornel wood and whether the results have been satisfactory. I am to request that you will make it convenient to supply the information asked for at an early date.

Copy of letter No. 2330/153, dated the 1st December 1934, from the Association to the Secretary, Tariff Board, Town Hall, Bombay.

With reference to your letter No. 441, dated 26th November, I beg to inform you that the information required by the Board is being collected from Members of the Association, and it may not, therefore, be possible to give a reply to your communication referred to above before the middle of next week.

From the replies received up-to-date, it would appear that Japanese shuttles have not been and are not being used by cotton mills in Bombay. There may be one or two exceptions, however, and a further communication will be made to the Board regarding their experience with these shuttles.

APPENDIX 32.

HEALDS AND REEDS MANUFACTURING INDUSTRY.

Copy of letter No. 119, dated the 14th March 1934, from the Secretary, Tariff Board, Calcutta, to the Association.

The Tariff Board have been directed to enquire into an application from manufacturers of healds and reeds for the removal of tariff inequality. If it is decided to grant relief to the industry by increasing the duties on imported healds and reeds from 10 per cent. to 25 per cent. *ad valorem*, I am to ask that you will be good enough to supply the Board with information regarding the extent to which the increase in duties will affect the cost of cotton products in which you are interested.

2. I am to request that a reply to this letter (with four spare copies) may be sent so as to reach the Board's office, Legislative Council Chamber, Shillong, not later than the 15th April, 1934

Copy of letter No. 770/74, dated the 11th April 1934, from the Association to the Secretary, Tariff Board, Legislative Council Chambers, Shillong (Assam).

I am directed to acknowledge receipt of your letter No. 119 dated the 14th March in which the Association has been asked to supply the Board with information as to the extent to which the cost of production would be affected in the Cotton Mill Industry if the duty on imported healds and reeds was increased from 10 to 25 per cent. *ad valorem*. In reply, I am to point out that the increase in cost would vary considerably in different classes of fabrics; in fabrics made from coarser yarns with a low reed and pick, the cost of healds and reeds

per pound of cloth would be very much lower than in the case of cloths made from fine yarns with a high number of ends and pick per inch.

In response to the inquiry sent out by the Association, a number of representative mills have submitted estimates showing what the increase in duty would amount to per pound of cloth of various descriptions.

Mill (A) :—Estimates that the increase in costs per pound of cloth in their case would be 0.056 pies. The cloths included in their estimate were sheetings, leopard cloth and fine longcloth. In the first two cloths, the average count would be below 18s and the reed and pick would be fairly low. The fine longcloth referred to would be from about 38s warp and 44s weft and the reed and pick would be fairly high.

Mill (B) :—Has given an estimate covering the whole of their production. The average count produced in this mill is about 22s. Their estimate of the increase in cost is 0.054 pies per pound.

Mill (C) :—Has submitted an estimate for Calcutta dhoties and for fine cloths. Their estimate on Calcutta dhoties shows that an increase of 15 per cent. in the duty on healds and reeds would put up the cost per pound by about 0.061 pies per pound. Their estimate for the finer cloths manufactured in their mills works out at 0.23 pies per pound.

A general estimate covering the whole production of power looms in India has been made by the Healds and Reeds Manufacturing Company (India) Limited. The estimate is based on the average monthly expenditure on healds and reeds in a considerable number of mills in Bombay and Ahmedabad. According to this estimate, if the duty is increased from 10 to 25 per cent., the additional expenditure works out at 0.01665 pies per yard of cloth. Converted to a poundage basis, the average additional expenditure per pound over the Indian Textile Industry as a whole will work out at 0.076 pies.

In submitting this information to the Tariff Board, I am also desired to submit my Committee's general views on the application, which has now been received by the Board. My Committee understand that the application of the healds and reeds manufacturing industry of this country is limited to a request for the removal of tariff inequality. It has been suggested, I believe, that help is required by reason of the fact that a number of the 'raw materials' used by the industry have to pay a duty ranging from 20 to 25 per cent. *ad valorem* on importation, whereas imported reeds and healds have to pay a duty of 10 per cent. *ad valorem* only. Protection in the ordinary sense has not been claimed; probably for the reason that the conditions laid down by the Fiscal Commission could not be satisfied by the industry. While my Committee do not object in principle to the removal of tariff inequality, they submit,—that in view of the fact that the Cotton Textile Tariff Board of 1926 after detailed examination recommended the entire removal of the import duty on the more important classes of mill stores, and by reason of the fact that the industry now asking for protection is not one which satisfies the conditions laid down by the Fiscal Commission,—that the tariff inequality in fairness to the textile industry should be removed by bringing into being an arrangement under which the healds and reeds manufacturing industry of this country might be permitted to import "raw materials," which they have to use, free of duty. As there are at present only two or three healds and reeds manufacturing companies in India, no insuperable difficulties should be experienced in giving effect to this suggestion. In this connection, I am also desired to point out that a recommendation for the reduction or removal of the duties on the "raw materials" of the healds and reeds manufacturing industry would be more in consonance with the original demand put forward by the representatives of that industry, who, on various occasions, have approached the Customs authorities and the Central Board of Revenue in this matter. Messrs. E. D. Sassoon and Company, Limited, who are agents for a number of cotton mills, have for a number of years been in the habit of manufacturing a considerable number of healds and reeds used by their mills, and I am informed by them that they would certainly prefer the removal of the tariff inequality by a reduction in the duty on "raw materials" in preference to the imposition of higher duties on imported healds and reeds. From the point of view of the cotton textile industry as a whole, there can be no question as to which method would be preferred since the removal of the duty on "raw materials" would in no way increase the cost of manufacture of cloth.

It may be pointed out that the Indian Cotton Textile Industry has been, during the last few years, heavily penalised by the duties imposed on its "raw materials." For example, in 1931, duties amounting to 10 per cent. on textile machinery spare parts and accessories, mill stores and dyes and six pies per pound on raw cotton were levied for revenue purposes. The duty on artificial silk yarn was also raised to 18½ per cent. and will be further raised to 25 per cent. Proposals are also before the Legislature to impose a duty of 15 per cent. on starch and farina. The Association also understands that the Indian Woollen Mill Industry contemplates making an application to the Tariff Board for a further increase in the duty on roller cloth, clearer cloth and sizing flannel, which were free of duty till September 1931, and are now paying 10 per cent. The cumulative effect of these increases and possible increases in duties on the industry's "raw materials" has considerably reduced the benefits of the protective import duties on cotton piecegoods and cotton yarns, and taking into consideration the reductions recently made or contemplated in the import duties on cotton piecegoods and yarn, the proposed reduction in working hours in factories, and the serious depression now existing, any further burdens, however small, on the Cotton Textile Industry's cost of manufacture should, if possible, be avoided.

My Committee maintain that an undesirable precedent was set by the Tariff Board recently, when an alleged tariff inequality suffered by the Indian Flour Milling Industry was removed by raising the duty on starch and farina, which had the effect of raising the cost of manufacture of the Indian Textile Industry, and desire to point out that wherever possible tariff inequalities should be removed by methods, which would not have the effect of raising the cost of the finished product manufactured by one industry, when that finished product is essentially an important "raw material" of another indigenous industry, which has to meet very severe external competition.

APPENDIX 33.

PROPOSED RESTRICTION ON OUTPUT OF COAL.

Copy of letter No. 2588-G/33, dated the 9th July 1934, from the Under Secretary to the Government of Bombay, Revenue Department, to the Association.

I am directed by the Governor in Council to forward a copy of the letter from the Government of India, Department of Industries and Labour, No. M/76, dated 28th June 1934, addressed to the Governments of Bengal, Bihar and Orissa, and the Central Provinces, regarding a scheme for the restriction of the output of coal in India, and to request that the Government of Bombay may be furnished at a very early date with the opinion of your Association thereon.

Copy of letter No. M-76, dated the 28th June 1934, from the Officiating Joint Secretary to the Government of India, Department of Industries and Labour, to the Secretary to the Government of Bengal, Commerce Department, the Secretary to the Government of Bihar and Orissa, Revenue Department, and the Financial Secretary to the Government of the Central Provinces.

I am directed to forward for the information of the Government of Bengal
Bihar and Orissa
the Central Provinces
copies of the papers entered in the attached schedule* relating to a proposal for the restriction of the output of coal in India.

2. It will be seen that in December 1933 the Indian Mining Association, with the support of the Indian Colliery Owners' Association, propounded a detailed scheme for the compulsory restriction, for a period of three years, of the output of coal in Bengal, Bihar and Orissa and the Central Provinces. The main features of this scheme were (a) a reduction

* Not printed.

not exceeding 25 per cent. in the output of all but small collieries in Bengal and Bihar and Orissa ; (b) the maintenance of existing output in the Central Provinces ; (c) the grant of special treatment to recently opened collieries ; (d) the safeguarding of *bona fide* forward contracts up to 31st March 1935 ; and (e) the administration of the scheme by a Committee consisting of a Chairman appointed by Government and eight members, of whom the Indian Mining Association would nominate four, and the Indian Mining Federation and the Indian Colliery Owners Association two each.

3. The Indian Mining Federation, while agreeing in principle to restriction, expressed the opinion that the recognition of forward contracts to the extent contemplated would defeat the purpose of the scheme, and took exception to the representation on the proposed Committee of the Indian Colliery Owners Association. The Federation had other less important objections to urge against the scheme. Apart from the disagreement among the three bodies representing the coal trade in Bengal and Bihar and Orissa, there was substantial opposition from certain colliery owners in the Central Provinces who felt that the scheme would operate unfairly against partly developed properties. It was also evident that consumers' interests would view the scheme with apprehension.

4. The Government of India accordingly addressed the Indian Mining Association in this Department's letter No. M-76, dated the 21st March 1934, of which copies were furnished to the Indian Colliery Owners Association and the Indian Mining Federation. A copy of this letter has since been sent to the Central Provinces and Berar Mining Association. The position taken by the Government of India was that it was for the industry to supply in the first instance the statistical and other material in support of the case for restriction of output and that, if this material proved sufficient to justify such a course, they would be prepared to place the issues before Local Governments and the interests concerned without avoidable delay. The Indian Mining Association, the Indian Colliery Owners Association and the Indian Mining Federation have now, in their letters of the 26th April, the 12th May, and the 23rd May 1934, furnished fuller statements of their case and, on the basis of the material supplied by these bodies and of an independent examination of the position, the Government of India now feel it possible to state the issues to Local Governments. The reply of the Central Provinces and Berar Mining Association is still awaited, and a copy of it will be forwarded to the Local Government as soon as it is received.

5. The case for restriction rests mainly upon the assertion that coal prices have so fallen in relation to raising costs that consumers are obtaining their coal at rates which are unfair, and may ultimately prove disastrous to the coal industry. It is necessary to observe, however, that the present low prices of coal are not due to actual over-production. On the contrary as the following figures of production in British India and Indian States for the years 1926 to 1933 and of closing stocks over the same period clearly show, the present rate of consumption is actually in excess of production.

Year.	Production (1,000 tons) (British India and Indian States).	Stock (1,000 tons) (British India).
1926	20,999	2,200
1927	22,082	1,779
1928	22,543	1,626
1929	23,419	844
1930	23,803	986
1931	21,716	1,414
1932	20,153	1,665
1933	18,161 (British India only).	1,144

The recent fall in production has been accompanied by the closing down of a large number of small collieries. The reason why this process has not effected a rise in prices is, in the opinion of the Government of India, the general slump in trade and the capacity of the industry to increase its production substantially at short notice. Labour is abundant,

competition within the industry is acute and the potential production is greatly in excess of the probable future demand.

6. The extent to which prices have fallen may be estimated in various ways. The Indian Mining Association give the average pit mouth price of coal in 1923 at Rs. 7-8-0 per ton, and in 1932 at Rs. 3-6-0 per ton. The Indian Mining Federation quote maximum figures (for the years 1922 and 1923) ranging from Rs. 6-14-0 to Rs. 11-8-0 per ton, and minimum figures (for the years 1932 and 1933) ranging from Rs. 2-14-0 to Rs. 3-4-0 per ton for different classes of coal. The Government of India find that the average declared value of British Indian coal fell from Rs. 4-4-3 per ton in 1927 to Rs. 3-0-6 per ton in 1933. The figures for railway purchases indicate that between 1932-33 and 1934-35 the fall in prices has been approximately as under :—

	1932-33. (Rs. per ton.)	1934-35. (Rs. per ton.)	Percentage fall.
First quality	4 12 0	3 10 0	24
Intermediate qualities	4 4 0	3 0 0	29
Second quality	3 0 0	2 2 0	29
			27
	Average percentage fall ..		27

7. In the table attached to this letter the index numbers of the average pit mouth prices of Jharia No. 1 and Dishergarh coal combined are compared with those of prices of other commodities over the period 1927 to 1933. These figures show that the price of coal has not fallen so steeply as that of other commodities since the present depression began. It is however understood that the present price of coal is in few cases appreciably above raising costs and must often be below them. The average pit mouth price of coal now stands at about Rs. 3 a ton and, while raising costs may in exceptional cases be as low as Rs. 2 a ton, in a mine of average difficulty they may amount to Rs. 3 or even more. The inference that many collieries must be working at a loss is supported by the fact that in 1933, of 68 coal companies mentioned in the Calcutta Stock and Share List, 33 declared no dividends (Indian Coal Statistics, 1932, p. 13). Further, such equilibrium as exists between raising costs and prices has largely been maintained by a reduction of wages and salaries and by an undesirable concentration on the best coal.

8. The position of the coal industry thus appears to be very unsatisfactory. The disadvantages of this state of affairs may be summarized as :—

- (1) Financial losses to the industry, the investing public and to Government revenues.
- (2) A weakening of the industry, especially in its power to adopt improved methods of extraction.
- (3) A tendency to confine production to seams of the best quality coal.
- (4) An undesirable reduction of wages and salaries.

9. On the other hand this state of affairs has the obvious advantage that it enables an important raw material to be supplied at a very cheap rate. Among those who profit by this state of affairs are the Government of India. An increase of pit mouth prices of Re. 1 a ton would affect adversely the Railway budget to the extent of about Rs. 33 lakhs a year and the Defence budget to the extent of about Rs. 1 lakh a year. It is obvious however that a rise in prices would affect Government revenues beneficially in other directions and the Government of India do not wish to stress unduly this aspect of the question.

10. Although there are many and obvious defects in the scheme of restriction which has been proposed by the Indian Mining Association, the Government of India are not convinced that it would not be possible to establish a method of control which would provide an early and adequate rise of prices and secure the continuance of a satisfactory and not excessive price standard. The principal weakness of the scheme of the Indian Mining Association is the inadequate protection which it would afford to consumers. This weakness could be removed by providing a Control Board comprising an equal representation of producing and consuming

interests under an official Chairman. The Government of India would in no case be prepared to consider the application of a scheme of restriction to collieries owned by State Railways whether State-managed or Company-managed. They consider that by reducing the raisings of coal from the State-managed Railway collieries from 1,950,000 tons in 1927-28 to a proposed output of 1,150,000 tons in 1934-35 they have done all that could be expected in the interests of the industry. They have further given in paragraph 8 of this Department's letter No. M-76, dated 21st March 1934, the assurance that though they think it important to retain liberty of action they have no present intention of altering their policy in the matter of coal purchases. They consider that the curtailment of output necessary to provide an adequate rise in prices would be very much less than that suggested by the Association and would probably be something like 5 per cent. of the production of 1933. They consider that in any case the object of the Control Board should be to steady prices at an approved level and that this could probably be accomplished by reserving the fixation and variation of a general quota to the Government of India and by countering any tendency to an excessive rise of price by the opening of closed mines and increasing the production of the Railway collieries. The Government of India further consider that the dangers of interfering with the export trade could be met by excluding export coal from the quota, that forward sales would not give rise to any great difficulties and that it would be possible to make special provision for mines under process of development without unfairness to the industry as a whole. They also believe that a restriction scheme in British India could be made sufficiently effective if necessary without the co-operation of the Indian States which produce coal.

11. The objections which the Government of India feel to the whole proposal are, however, objections of principle and, subject to the further consideration which they will give to the matter on receipt of the views of the Local Governments and any further materials which may be forthcoming, their view is that these objections are insuperable. In their opinion no true analogy can be drawn from the measures which have been taken to control the production of tea and rubber. Coal is one of the essential raw materials of trade and industry. It would appear unjustifiable to take steps to increase the cost of coal merely because such steps were possible while the prices of all the other principal raw materials which India produces were left in their present depressed condition. Such action would appear to be one-sided and likely to have undesirable effects on industry and consequently on the prices of other raw materials such as, for instance, cotton and wheat. The Government of India are also not prepared to admit that an analogy can be drawn from the principle of protection. Protection is given to industries against external competition from countries in which the conditions of production differ from those in India. To give protection to a basic industry against internal competition would be to introduce a new principle. The cotton textile industry is suffering from uneconomic internal competition in some directions, but the suggestion has never been made and would never be entertained that Government should take power to protect the inefficient producers against their better equipped competitors.

12. A consideration of almost equal importance is that so far as can at present be foreseen the effect of control, even if it were to be successful, would be merely to postpone the evil day. The Indian Mining Association have proposed that control should be established for three years and this would appear to be as long a period as could be contemplated for the purpose. The coal industry is a self-contained industry supplying a steady market and free from any real danger of external competition. It is eminently an industry which should be able to organise itself and the fact that it has so lamentably failed to do so hitherto makes it reasonable to suppose that it would equally fail to adjust itself while it was protected by a control scheme from the stimulus of internal competition. No system of control could be established without doing a measure of injustice to some concerns and if on the cessation of control the general condition of the industry were approximately the same as it is to-day these more efficient concerns would have made their sacrifices in vain and would thus have a serious ground of complaint.

13. The Government of India are thus disposed to consider that the best course for them to take will be to reject the application for the institution of control. Before, however, they take their final decision, they wish to be informed of the views of the Governments of Bengal, Bihar and Orissa and the Central Provinces, as those primarily interested in the coal industry. They understand that these Governments have already been considering the

implications of restriction in consultation with the bodies which represent the coal mining interests. They hope therefore that it will be possible for them to forward their replies to this letter at a very early date. The Government of India would be glad if they would arrange for such consultation with the interests affected by the scheme as they may consider desirable. Copies of this letter are being forwarded direct to the Indian Mining Association, the Indian Mining Federation, the Colliery Owners' Association and the Central Provinces and Berar Mining Association.

Copy of letter No. 1618/124, dated the 17th August 1934, from the Association to the Under Secretary to the Government of Bombay, Revenue Department.

I am directed to acknowledge the receipt of your letter No. 2588-G/33 dated the 9th July 1934, with which was enclosed copy of a letter No. M/76, dated the 28th June 1934, from the Government of India, Department of Industries and Labour, addressed to the Governments of Bengal, Bihar and Orissa and Central Provinces, regarding a scheme for the restriction of output of coal in India, on which the opinion of my Association is desired. My Committee have carefully studied the Government of India's letter, as also a further representation No. 868-R, dated the 18th July 1934, addressed to the Governments of Bengal, Bihar and Orissa and Central Provinces, over the joint signatures of the Secretaries of the Indian Mining Association, the Indian Mining Federation and the Indian Colliery Owners Association. They have, in addition, had an opportunity of acquainting themselves with the views of a fairly large group of colliery owners, who are apparently opposed to the restriction scheme formulated by the three mining organisations mentioned above. Some delay has occurred in formulating the Association's views on the Government of India's letter in question owing to the fact that a substantial proportion of the Association's member Mills, who use coal in large quantities are located outside Bombay, and that Bombay member Mills are not large consumers of coal.

The Association has every sympathy with the difficulties through which the Indian Coal Industry is at present passing, and recognise the need for steps being taken either on its own initiative or with the assistance of Government which would ensure its rehabilitation. Under certain circumstances and with satisfactory safeguards for consuming interests, the Association would be prepared to consider favourably a scheme of restriction provided the primary object of such a scheme was the realisation of a true economic price by efficient units of the Indian Coal Mining Industry. They are of opinion that it is not to the advantage of the country as a whole that an important industry like the Coal Mining Industry of the country should be placed in a position in which it is forced to sell its production at prices below raising costs. At the same time they feel that the restriction scheme, now put forward, has defects which rule out its acceptance either by the Government of India or by consuming interests, and suggest that Government would be well-advised to refrain from coming to definite decisions in regard to the principle of compulsory restriction of production at the present juncture.

My Association feel that a great deal can and should be done to assist the Indian Coal Mining Industry, and that if certain measures were taken, the necessity for restricting production in any way would be minimised and possibly eliminated. For example, my Committee are inclined to the opinion that the country's coal consuming capacity has been very adversely affected by the extremely high freight rates which are at present charged. Coal for Bombay, for example, has to pay freights which are two to three times the actual pits-mouth price. Similarly high freights have to be paid by other large industrial centres. In many parts of the country inferior fuel substitutes are used at the present time in preference to coal simply on account of the terribly high freight rates which make the final price of coal non-competitive with inferior fuels obtainable locally.

As an earnest of Government's intention to assist the Indian Coal Mining Industry, my Committee suggest that the 15 per cent. surcharge recently imposed should be removed or reduced, and a Committee appointed to consider what further reductions in freight rates would be necessary and advisable to encourage the greater offtake of Indian coal, and to inquire as to what further measures might be taken to improve the condition of the Indian Coal Mining Industry.

APPENDIX 34.

BILL TO REGULATE MONEY-LENDING BUSINESS.

Copy of letter No. 777, dated the 5th September 1934, from the Acting Secretary to the Legislative Council of the Governor of Bombay, Poona, to the Association.

I have the honour to forward herewith a copy of the Bill No. VII of 1934 (A Bill to regulate the money-lending business), which has been published for the purpose of eliciting opinion thereon in accordance with a motion passed at a meeting of the Legislative Council held on the 18th August 1934 and to request that you will kindly communicate to me the views, if any, of your Association on the provisions of the Bill by the 20th.

LEGISLATIVE COUNCIL OFFICE.

Council Hall, Poona, 21st August 1934.

The following Bill which was read for the first time at the meeting of the Legislative Council held on the 18th August 1934 has been published for the purpose of eliciting opinion thereon for a period of three months :—

BILL No. VII OF 1934.

A Bill to regulate the Money-Lending Business.

(As introduced on the 16th March 1934 and published in the " Bombay Government Gazette " of the 12th April 1934.)

Whereas it is expedient to regulate the business carried on by persons as money-lenders ; It is hereby enacted as follows :—

CHAPTER I.

PRELIMINARY.

1. *Short title, commencement and extent.*—(1) This Act may be called the Bombay Money Lenders' Act, 1934.

(2) This section extends to the whole of the Presidency of Bombay. The Governor in Council may, by notification published in the *Bombay Government Gazette*, extend any or all of the remaining provisions of this Act to such places or areas as the Governor in Council thinks fit.

(3) This section shall come into force at once. The Governor in Council may, by notification published in the *Bombay Government Gazette*, direct that any or all of the remaining provisions of this Act shall come into force on such date as may be specified in the said notification in such place or area to which the said provisions shall have been extended under sub-section (2).

2. *Definitions.*—In this Act, unless there is something repugnant in the subject or context :—

(1) " Bank " means a company carrying on the business of banking and registered under any of the enactments relating to companies for the time being in force in the United Kingdom or in any of the Colonies or Dependencies thereof or in British India or incorporated by an Act of Parliament or by Royal Charter or by Letters Patent or by any Act of the Indian Legislature.

(2) "Company" means a company registered under any of the enactments relating to companies for the time being in force in the United Kingdom or any of the Colonies or Dependencies thereof or in British India or incorporated by an Act of Parliament or by Royal Charter or by Letters Patent and includes Life Assurance Companies to which the Indian Life Assurance Companies Act, 1912, applies.

(3) "Co-operative Society" means a society registered under the provisions of the Co-operative Societies Act, 1912.

(4) "Court" includes a Court acting in the exercise of insolvency jurisdiction.

(5) "Creditor" means a person who in the regular course of business advances a loan as defined in this Act and shall include, subject to the provisions of clause 7, the legal representatives and the successors-in-interest whether by inheritance, assignment or otherwise of the person who advanced the loan.

(5A) "Debtor" means a person whose aggregate income in one year does not exceed Rupees two thousand, and who has borrowed a loan not exceeding Rs. 1,000. Persons who may be dependent on a debtor shall be deemed to be debtors for the purposes of this Act.

(6) "Interest" includes the return to be made over and above what was actually lent, whether the same is charged or sought to be recovered specifically by way of interest or otherwise.

(7) "Loan" means an advance whether of money or in kind at interest and shall include any transaction which the court finds to be in substance a loan, but it shall not include :—

- (i) a deposit of money or other property in a Government Post Office Bank or in any other Bank or in a Company or with a Co-operative Society ;
- (ii) a loan to or by or a deposit with any society or association registered under the Societies Registration Act, 1860, or under any other enactment ;
- (iii) a loan advanced by Government or by local body authorised by Government.
- (iv) a loan advanced by a Bank, a Co-operative Society or a company whose accounts are subject to audit by a certified auditor under the Companies Act ;
- (v) a loan advanced to a wholesale trader ;
- (vi) an advance made on the basis of a negotiable instrument as defined in the Negotiable Instruments Act, 1881, other than a promissory note ;
- (vii) a transaction which is, in substance, a mortgage or a sale of immoveable property ;

(8) "Prescribed" means prescribed by rules made under this Act.

(9) "Trader" means a person who in the regular course of business buys and sells goods or other property, whether moveable or immoveable, and shall include :—

- a wholesale merchant,
- a commission agent,
- a broker,
- a manufacturer,
- a contractor,
- a factory owner ;

but shall not include a person who sells his own agricultural produce or cattle or buys agricultural produce or cattle for his own use.

CHAPTER II.

PROVISIONS FOR PARTICULAR SUITS.

3. *Suits for recovery of loans.*—The provisions of this chapter shall apply to—

(1) Suits for the recovery of loans on account of money lent or advanced to, or paid for, the defendant ; or as the price of goods sold, or on account stated between the plaintiff and defendant ; or on a written or unwritten engagement for the payment of money not hereinbefore provided for ;

(2) Suits for recovery of loans due on contracts other than the above in respect of which interest is charged :

Provided that the value of the subject-matter of such suit does not exceed Rupees one thousand.

4. *Suits where to be instituted and tried.*—Every suit for recovery of money loans shall, if the defendant, or when there are several defendants, any one of such defendants, is a debtor, be instituted and tried in a Court within the local limits of whose jurisdiction such defendant who is a debtor resides and not elsewhere.

5. *History of transactions with debtors to be investigated.*—In any suit of the description mentioned in section 3 in which the defendant or any one of them is a debtor, the Court, if the amount of the creditor's claim is disputed, shall examine both the plaintiff and the defendant as witnesses, unless, for reasons to be recorded by it in writing, it deems it unnecessary so to do, and shall enquire into the history and merits of the case, from the commencement of the transactions between the parties and the persons (if any) through whom they claim, out of which the suit has arisen, first with a view to ascertaining whether there is any defence to the suit on the ground of fraud, mistake, accident, undue influence, or otherwise, and, secondly, with a view to taking an account between such parties in manner hereinafter provided.

When the amount of the claim is admitted and the Court for reasons to be recorded by it in writing believes that such admission is true and is made by the debtor with a full knowledge of his legal rights as against the creditor the Court shall not be bound so to enquire, but may do so if it thinks fit.

In other cases in which the amount of the claim is admitted the Court shall be bound to enquire as aforesaid.

Nothing herein contained shall affect the right of the parties to require that any matter in difference between them be referred to arbitration.

6. *Mode of taking account.*—When the Court enquires into the history and merits of a case under section 5, it shall—

Notwithstanding any agreement between the parties or the persons (if any) through whom they claim, as to allowing compound interest or setting off the debts of mortgaged property without an account in lieu of interest, or otherwise determining the manner of taking the account,

and notwithstanding any statement or settlement of account or any contract purporting to close previous dealings and create a new obligation,

open the account between the parties from the commencement of the transactions and take that account according to the following rules (that is to say) :—

(a) separate accounts of principal and interest shall be taken ;

- (b) in the account of principal there shall be debited to the debtor such money as may from time to time have been actually received by him or on his account from the creditor, and the price of goods, if any, sold to him by the creditor as part of the transactions ;
- (c) in the account of principal there shall not be debited to the debtor any accumulated interest which has been converted into principal at any statement or settlement of account or by any contract made in the course of the transactions, unless the Court, for reasons to be recorded by it in writing, deems such debit to be reasonable ;
- (d) in the account of interest there shall be debited to the debtor, monthly, simple interest, on the balance of principal for the time being outstanding, at the rate allowed by the Court as hereinafter provided ;
- (e) all money paid by or on account of the debtor to the creditor or on his account, and all profits, service or other advantages of every description, received by the creditor in the course of the transactions (estimated, if necessary, at such money-value as the Court in its discretion, or with the aid of arbitrators appointed by it, may determine), shall be credited first in the account of interest ; and when any payment is more than sufficient to discharge the balance of interest due at the time it is made, the residue of such payment shall be credited to the debtor in the account of principal ;
- (f) the accounts of principal and interest shall be made up to the date of instituting the suit, and the aggregate of the balance (if any) appearing due on both such accounts against the debtor on that date shall be deemed to be the amount due at that date, except when the balance appearing due on the interest-account exceeds that appearing due on the principal account, in which case double the latter balance shall be deemed to be the amount then due.

CHAPTER III.

PROVISIONS REGARDING ACCOUNT.

7. *Duty of creditor to maintain and furnish accounts.*—(1) A creditor shall in order to comply with the provisions of this Act :—

- (a) regularly record and maintain an account for each debtor separately, of all transactions relating to any loan advanced to that debtor, in such manner as the Local Government may prescribe :
- (b) furnish each debtor every three months with a legible statement of account signed by the creditor or his agent, of any balance or amount that may be outstanding against such debtor on the 31st day of March, 30th day of June, 30th day of September and 31st day of December in each year. This statement of account shall include all transactions relating to the loans entered into during the three months to which the statement relates, and shall be sent in such manner and in such form with such details as the Local Government may prescribe, on or before the 31st May, 31st August, 30th November or 28th February in the case of any balance outstanding on 31st March, 30th June, 30th September and 31st December respectively.

Explanation.—(i) The Local Government shall prescribe the forms and numerals in which the accounts required by this section are to be maintained and furnished and the creditor shall, at his own option, use one of the following languages and scripts, namely, —English, Gujerati, Sindhi, Marathi, Urdu, Modi or Hindi ; provided that, if the debtor in

writing demands that the account be furnished in any one of the above scripts it shall be supplied to him in that script at his cost according to the scale prescribed ;

(ii) The prescribed accounts shall be so kept that items due by way of interest shall be shown as separate and distinct from the principal sum, and separate totals of principal and interest shall be maintained. The creditor shall not, in the absence of agreement, include the interest or any portion thereof in the principal sum ; and the principal and interest shall be separately shown in the opening balance of each new quarterly account ;

Provided that—

(i) if the loan has, since originally advanced, passed by inheritance or assignment to a widow or minor, such widow or minor shall not be bound to maintain and furnish the account prescribed by this clause for a period of three months from the date of such passing ;

(ii) nothing in this clause shall be deemed to lay upon any person the duty of maintaining and furnishing the prescribed account in the case of a loan wherein the title to recover is *sub judice* between two or more persons claiming as creditors adversely to each other unless and until the title has been finally decided by a Court of competent jurisdiction.

(2) Entries in the account prescribed under clause (a) to sub-clause (1) shall be deemed to be regularly kept in the course of business for the purposes of section 34, Indian Evidence Act, 1872, and copies of such entries certified in such manner as may be prescribed shall be admissible in evidence for any purpose in the same manner and to the same extent as the original entries.

Explanation.—A person to whom a statement of account has been sent under clause (b) of sub-clause (1) shall not be bound to acknowledge or deny its correctness and his failure to protest shall not, by itself, be deemed to be an admission of correctness of the account.

8. *Penalty for non-compliance with provisions of clause 3.*—Notwithstanding anything contained in any other enactment in force for the time being—

- (a) In any suit or proceeding relating to a loan, the Court shall, before deciding the claim on the merits, frame and decide the issues whether the creditor has complied with the provisions of sub-clauses (a) and (b) of section 7.
- (b) If the Court finds that the provisions of clause 7 (1) (a) have not been complied with by the creditor the Court shall, if the plaintiff's claim is established in whole or in part, disallow the whole or a portion of the interest found due, as may seem reasonable to the Court in the circumstances of the case and shall disallow costs ;
- (c) If the Court finds that the provisions of section 7 (1) (b) have not been complied with by the creditor, the Court shall, in computing the amount of interest due upon the loan, exclude every period for which the creditor failed duly to furnish the account as required by section 7 (1) (b) ;

Provided that, if the creditor has after the time prescribed in that sub-clause furnished the account, and the plaintiff satisfied the Court for not furnishing it earlier, the Court may, notwithstanding such omission, include any such period or periods for the purpose of computing the interest.

Explanation.—A person who has kept the account and sent his quarterly statements of account in the form and manner prescribed in section 7 (1) (a) and (b) shall be held to have complied with the provisions of these sub-clauses in spite of errors and omissions, if the Court finds that the errors and omissions are accidental and not intentional or material and that the accounts have been kept in good faith with the intention of complying with the provisions of these sub-clauses.

9. *Savings.*—The provisions of this Act shall not apply to any loan advanced before the commencement of this Act ; provided that, if any fresh transaction relating to a loan advanced before the commencement of this Act is made after the commencement of this Act, such transaction shall be subject to the provisions of this Act.

10. *Powers of Local Government to make rules.*—(1) The Local Government may make rules not inconsistent with this Act for the purpose of carrying out all or any of the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, the Local Government may make rules—

- (i) prescribing the forms of numerals to be used in the accounts required by section 7 (1) ;
- (ii) prescribing the manner in which the account required by section 7 (1) (b) shall be furnished by the creditor to the debtor, the forms to be used and the details to be embodied therein, and the scale of cost to be paid by such debtors as may demand that the account required by this sub-clause be furnished in one of the scripts specified in Explanation (i) of this sub-clause ;

Provided that, before making any rules under the provisions of this clause, the Local Government shall publish by notification a draft of the proposed rules for the information of persons likely to be affected thereby at least six weeks before a meeting of the Bombay Legislative Council. The Local Government shall defer consideration of such rules until after the meeting of the said Council next following the publication of the draft in order to give any member of the Council an opportunity to introduce a motion for discussing the draft.

STATEMENT OF OBJECTS AND REASONS.

Reasons.—Despite the steady growth of the Co-operative Movement in the Bombay Presidency, professional money-lenders known as Sawkars flourish in every town and village of the Presidency. Except for a small proportion of them who are honest, a very big number has acquired a reputation for dishonesty, usury and other malpractices easily practised on the illiterate, poor and labouring classes. It is common knowledge that interest at unconscionably high rates ranging from 24 to 300 per cent. is charged by many such money-lenders who induce people to borrow, deduct first month's interest from the principal before issuing the loan and recover the dues under threats of violence. No doubt, the Usurious Loans Act, passed by the Imperial Legislature in 1918, provides a legal remedy, but this applies only to such cases of usury as are referred to courts of law. Many of the money-lenders manipulate accounts of loans in such an ingenious manner as to evade the provisions of the Usurious Loans Act. Numerous cases of substantially unfair transactions, however, do not come before courts of law not merely for economic reasons but because the poor, helpless people are afraid of harassment and victimisation by their creditors. Consequently, thousands of people belonging to the agricultural and labouring classes remain in life-long indebtedness almost invariably to the same money-lenders.

This Bill is thus a necessary adjunct to the Usurious Loans Act. Its purpose is to exercise a legal check upon unscrupulous money-lenders as also upon reckless borrowers who habitually indulge in the delight of borrowing.

The Bill is thus designed to control the profession of money-lending which has admittedly assumed a menacing aspect in this Presidency, and this fact justifies the early introduction of this measure of social legislation.

Objects.—The objects of the Bill are explained in the ten clauses :

Clause 1.—Specifies the title, extent, and date of commencement of the Act.

Clause 2.—Contains definitions of terms and expressions used in the Bill.

Clauses 3 to 6.—Contain provisions as regards particular suits, the points that the Court has to take into account in determining certain cases of loans, and the mode of taking account in respect of loans.

Clause 7.—Lays down the duties of the creditor to maintain simple but orderly account in the forms and numerals prescribed by the Government and to send to every debtor a periodical extract from these books showing the debit and credit items separately in respect of principal and interest, the rate of interest charged and the balance due. The underlying object of this procedure is to serve as a means of reminding the debtor of the dues and of enabling the creditor to recover the dues before they swell into a big amount. With due regard to the legal rights of the creditor, sub-clause (2) of the clause provides that for the purposes of section 34 of the Indian Evidence Act, 1872, certified copies of the accounts statement shall be deemed by a court of law as admissible in evidence of the transaction. With an eye to the debtor's interest, the Explanation provides that his failure to protest against the creditor's statement is not tantamount to an admission of the correctness of the account.

Clause 8.—The Court derives its sanction from this clause to impose a penalty on the creditor for non-compliance with the provisions of clause 7 by disallowing the whole or a portion of the interest found due, as may seem reasonable. Here regard is had to a rudimentary principle of law that the penalty for breach should be sufficiently severe to make compliance worthwhile. The clause also authorises the Court to allow due interest to the creditor in certain *bona fide* cases where his errors and omissions in calculation have been found to be accidental and not material.

Clause 9.—Is a saving clause which is necessary to exempt loans advanced before the commencement of operation of this measure.

Clause 10.—This contains the necessary provisions for the rule-making power of the Government under the Act, and for the privilege of the Bombay Legislative Council to discuss the draft rules under the Act before the same are adopted and given effect to.

Copy of letter No. 2009/159, dated the 9th October 1934, from the Association to the Acting Secretary to the Legislative Council of the Governor of Bombay, Poona.

I am directed to acknowledge the receipt of your letter No. 777 dated 5th ultimo enclosing a copy of the Bill introduced on the 18th August in the Bombay Legislative Council by Mr. Syed Munawar, the object of which is "to regulate the business carried on by persons as money-lenders." My Committee do not propose to discuss in detail the provisions of the Bill as circulated, as they are of opinion that the subject with which it deals is of sufficiently great importance to warrant its being dealt with in an official Bill after all the implications of the legislation proposed have been thoroughly discussed from all points of view. My Committee understand that a number of Provincial Governments have introduced various forms of debt legislation but a great deal of this legislation has proved inadequate or ineffective as a means of remedying the evils which the legislation was intended to remove. This being the case my Committee feel that the greatest care should be taken to ensure that any debt legislation introduced in Bombay should avoid the defects of similar legislation in other Provinces.

I am, however, to make it clear that my Committee are emphatically in favour of reasonable measures being taken to prevent the unjust harassment of the "poor debtor" by the usurious money-lender. They feel that what is required is that greater facilities should be given to the "poor debtor" to obtain redress in obvious cases of fraud or excessive interest, and are inclined to the view that habitual usury should be made a criminal offence and that certain classes of money-lenders should be licensed.

APPENDIX 35.

 INDIAN MERCHANDISE MARKS ACT—STAMPING OF LENGTHS
 ON INDIAN PIECEGOODS.

*Copy of letter, dated the 17th August 1934, from the Simplex Mills Co., Ltd.,
Bombay, to the Association.*

I am sending you a sample of artificial silk cloth made in Ahmedabad and would draw your attention to the stamping of it, namely, the words "Made in Bombay Presidency."

I am also sending you a piece of red shirting and would ask whether it is permissible to use the word "Approximately" in connection with the stamped length. I have recently been asked to stamp 27 yards goods with the words "28 yards approximately," I have refused to do this, but my selling agent informs me that it is becoming a common practice with some of the up-country mills.

*Copy of letter No. 1636/148, dated the 20th August 1934, from the Association
to the Collector of Customs, Bombay.*

I am directed to enquire whether, under the provisions of the Indian Merchandise Marks Act and the Rules made thereunder, it is permissible for a mill to stamp an approximate yardage on piecegoods, for example, whether it is permissible to stamp on a piece of red shirtings "38½ yards approximate." I am further to enquire—if the word "Approximate" is permissible—whether the provisions in regard to the false trade description apply. It is laid down in the Merchandise Marks Manual that:—

"A trade description of length stamped on grey, white or coloured cotton piecegoods shall not be deemed to be false in a material respect unless—

(a) where a single length is stamped, the description exceeds the actual length by more than—

4 inches in pieces stamped as 10 yards long and under ;

5 inches in pieces stamped as above 10 yards and upto 23 yards long ;

7 inches in pieces stamped as above 23 yards and upto 36 yards long ;

9 inches in pieces stamped as above 36 yards and upto 47 yards long ;

18 inches in pieces stamped as above 47 yards long ;

Provided that the average length of the goods in question shall not be less than the stamped length ;

(b) where a maximum and a minimum length are stamped, the described maximum length is greater than the actual length by more than—

9 inches in piecegoods under 35 yards long ;

18 inches in piecegoods 35 yards and upto 47 yards long ;

36 inches in piecegoods above 47 yards long.

Provided that no such piece shall measure less than the minimum stamped length."

Copy of letter No. C. 916/34 dated the 30th August 1934, from the Officiating Collector of Customs, Bombay, to the Association.

With reference to your letter cited above, I have the honour to refer you to Section 12 of the Indian Merchandise Marks Act and to state that the stamping of the word "Approximate" would not be permissible under the Act. The instructions given in the Merchandise Marks Manual and cited in your letter under reply apply to the stamping of Indian piecegoods also. I should, however, mention that this Department has no jurisdiction over the stamping of piecegoods made in Indian mills unless they were imported by sea into the port of Bombay.

Copy of letter No. 1741/148, dated the 4th September 1934, from the Association to the Officiating Collector of Customs, Bombay.

I write to acknowledge the receipt of your letter No. 916/34, dated the 30th of August, from which it would appear that you consider that the stamping of the word "approximate" on Indian piecegoods would not be permissible under the Indian Merchandise Marks Act.

Copy of letter No. C. 916/34, dated the 20th September 1934, from the Officiating Collector of Customs, Bombay, to the Association.

In reply to your letter cited above, I have the honour to state on further consideration of the point raised by you that though section 12 of the Merchandise Marks Act requires the real length of piecegoods to be stamped thereon, the instructions under the head "Trade Descriptions, etc.," at pages 8-9 of the Merchandise Marks Act Manual indicate the permissible variations laid down in exercise of the powers conferred by Section 16 of the Merchandise Marks Act. It would not, therefore, be quite correct to say that it is not permissible to allow the length to be qualified by the word 'approximate.' But I have no doubt that whether or not the stamping on piecegoods is qualified by the word 'approximate,' the variations between the marked dimensions and the actual dimensions have to be within the limits indicated under the head, "Trade descriptions of length and width" at pages 8-9 of the Merchandise Marks Manual. Any variations in excess of these limits would be objected to by this department.

Copy of letter No. 1891/148, dated 24th September 1934, from the Association to the Officiating Collector of Customs, Bombay.

I write to acknowledge receipt of your letter No. C. 916/34, dated the 20th September 1934, on the above subject, and to thank you for the information given therein.

APPENDIX 36.

REVISION OF RAILWAY RISK NOTE TERMS.

Copy of letter No. 1323/221, dated the 16th May 1934, from the Chamber of Commerce, Bombay, to the Association.

I am directed to invite attention to a resolution on the above subject which was carried unanimously at the meeting of the Associated Chambers of Commerce of India held in Calcutta in January last. The resolution was as follows :—

" This Association requests the Government of India to direct the Railway Board to review the terms in which Railway Risk Notes are at present drawn. The Association urges that the wording of these Notes should be so amended as :—

- (a) to lay upon the railway administrations the burden of proof that loss of, or damage to, goods consigned was not due to misconduct on the part of their servants ;
- (b) to ensure that, in dealing with claims for loss or damage, railways shall not be able to repudiate liability on the strength of endorsement of risk notes at the time of despatch unless the loss or damage is directly attributable to conditions noted in the endorsement ; and
- (c) generally to incorporate the principle that the railway shall be under obligation to give delivery of consignments in the same good order and condition in which they were tendered for despatch.

The terms of the resolution were communicated to the Railway Board, who have now replied to say that with reference to items (a) and (c) the Government of India are not satisfied that there is sufficient justification for re-opening the question of revising the terms of the railway risk note forms now in use.

With regard to item (b) of the resolution, the Railway Board refer to a letter No. 488-T, dated 25th October 1933, addressed to all Railways, a copy of which is attached, and say that the Government of India believe that the instructions issued in that letter will remove any cause for further complaint in the matter. My Committee are far from being satisfied with the manner in which this question has been handled by the Railway Board, and I am to forward herewith for your information copy of a letter which they have addressed to the Associated Chambers on the subject. It was reported in the press of the 12th instant that this question was discussed at a recent meeting in Bombay of the representatives of various trades associations, including the Millowners' Association, and the representatives of the G. I. P. and B. B. & C. I. Railways. This letter is addressed to you with the object of enlisting the support of your Association in the hope that your Committee may consider addressing the Government of India in the matter and thereby convince them that the weight of commercial opinion is in favour of a revision of the terms in which railway risk notes are drawn.

Copy of letter No. 320/221, dated the 16th May 1934, from the Bombay Chamber of Commerce to the Associated Chambers of Commerce of India, Calcutta.

I am directed to acknowledge receipt of Circular No. 29-A.C., dated 14th ultimo forwarding copy of a letter No. 488-T, dated 3rd idem, from the Railway Board on the above subject, together with copy of the Board's circular letter No. 488-T, dated 25th October last, which is referred to therein. The President invites constituent Chambers to put forward their comments or suggestions in regard to these communications from the Railway Board.

After consulting members interested my Committee are of the opinion that the reply of the Railway Board is most unsatisfactory. The Railway Board forthwith reject items (a) and (c) of the resolution, and it is round these two points that the whole controversy hangs. As long as the burden of proof is laid on the consignor there can, in the opinion of my Committee, be no real improvement in the present state of affairs. The Railway Board state that the Government of India are not satisfied that there is sufficient justification for re-opening the question of revising the terms of railway risk note forms now in use. It is suggested that the Board be asked on what grounds they make that statement, for it does not appear to my Committee that a resolution, which was unanimously adopted by the Associated Chambers, has been treated with the consideration it deserves.

In regard to item (b), the Railway Board suggest that Railway Administrations shall take certain special steps to prevent abuse of Risk Note Form A, but my Committee fear that, even if an honest endeavour is made to follow up these steps and make them effective, the railways will be unable to control their subordinate staff. In any case so long as the risk notes are drawn as at present, the efficacy of such steps can only be temporary and the trouble of which complaint is made is bound to recur.

In point of fact, so far as my Committee have been able to ascertain, no improvement has taken place since the issue of the Railway Board's circular in October last. As evidence that ground for complaint still exists particulars of a rather flagrant case recently reported by a member are appended. My Committee trust the President will agree that there is justification for re-opening the question and in order to convince the Government of India that the weight of public opinion demands a revision of the terms of railway risk notes it is suggested that an endeavour be made to secure the support of other Associations, such as for instance the Federation of Indian Chambers of Commerce.

PARTICULARS OF A CASE REPORTED BY A MEMBER TO THE BOMBAY CHAMBER OF COMMERCE.

A wagon containing 100 bales of F. P. Cotton in transit from a station in the Punjab to Karachi was *derailed* enroute and only 6 bales were delivered to the consignees in Karachi, the remaining 94 bales having been entirely burnt. The claim preferred for the cost of these lost bales was repudiated by the N. W. Railway, on the ground that the consignment was booked at the reduced rate at Owner's Risk under Risk Note H and the loss was due to no misconduct on the part of the Railway.

Inquiries since made by the consignees on the spot through their Agency reveal the fact that the loss was caused by the axle of the wagon becoming heated and catching fire whilst the train was in motion, thus causing a derailment in which several wagons were involved.

On the face of it, it appears evident that the accident was due to the heating of the axle no doubt brought about by lack of proper lubrication and therefore due to 'misconduct' of the Railway Servants, but under the terms of the Risk Note, this misconduct has to be proved. The Railway can further shelter itself behind a clause in the Risk Note, providing that the Railway shall be bound to disclose how the consignment was dealt with throughout the time it was in its possession, but *this applies only in the case of non-delivery of the whole of the consignment or a whole package, and then only provided Non-Delivery is not due to accidents to trains or to Fire.*

Fire to Cotton consignments are not of infrequent occurrence. During 10 months from April 1933 to February 1934, the member reports having had four cases of fire, the claims in three of which have been repudiated on stereotyped grounds, and they are sure that the fourth case, though still outstanding, will suffer the same fate.

Copy of circular letter No. 488-T, dated the 25th October 1933, from the Government of India, Railway Department (Railway Board), to Agents of Class I, II and III Railways.

I am directed to say that representations from various commercial bodies have recently been received complaining that for many commodities (raw cotton being specially named, no packing conditions are prescribed by Railways and it is, therefore, left to the discretion of the subordinate railway staff to decide whether goods are adequately packed or not. It is represented that in consequence, risk notes in Form A are demanded for trivial reasons and that, under cover of these Risk Notes, Railways "repudiate claims for damages arising from causes such as oil, water or coal dust which would have damaged the consignment in any case."

2. The Board feel confident that Railway Administrations concur with them in thinking that any action which may be practicable should be taken to prevent abuse of Risk Note Form A, and I am to suggest that the following special steps should be taken in that direction :—

- (1) To make periodical examinations as to whether Risk Note Form A is being demanded by the staff without sufficient cause.

- (2) To consider what other action might suitably be taken to ensure that this Risk Note is not demanded without sufficient cause.
- (3) To issue special instructions to the staff to guide them in demanding risk notes for commodities for which special packing conditions are not laid down.
- (4) To review the policy which is adopted in dealing with claims on traffic carried under Risk Note Form A, i.e., whether such claims are repudiated automatically, or whether enquiries are made to ascertain if the loss or damage complained of was actually due to the inadequacy of the packing as described in the risk note.

3. I am to add that the Board consider that it is clearly desirable that care should be exercised in dealing with claims in connection with Risk Note Form A, as, if such claims are repudiated automatically and no attempt is made to ascertain whether there has been misconduct on the part of the railway staff, it is possible that public opinion may finally enforce some revision of Risk Note Form A.

*Copy of letter No. 1357/120, dated the 20th July 1934, from the Association to the Secretary,
the Railway Board, Simla.*

I am directed to address you in regard to certain difficulties arising out of the present railway risk notes. In this connection it will be remembered that the Associated Chambers of Commerce at their last meeting at Calcutta adopted the following resolution :—

“ This Association requests the Government of India to direct the Railway Board to review the terms in which Railway Risk Notes are at present drawn. The Association urges that the wording of these Notes should be so amended as :—

- (a) to lay upon the railway administrations the burden of proof that loss of, or damage to, goods consigned was not due to misconduct on the part of their servants ;
- (b) to ensure that, in dealing with claims for loss or damage, railways shall not be able to repudiate liability on the strength of endorsement of risk notes at the time of despatch unless the loss or damage is directly attributable to conditions noted in the endorsement ; and
- (c) generally to incorporate the principle that the railway shall be under obligation to give delivery of consignments in the same good order and condition in which they were tendered for despatch.

It would appear that when the terms of the above resolutions were subsequently forwarded to the Government of India, it was held as regards (a) and (c) that Government were not satisfied that there existed sufficient justification for re-opening the question. As regards (b) Government believed that a circular letter of instructions, which the Railway Board had issued in October 1933, will remove any cause for further complaint in the matter.

My Committee are not satisfied that the whole question has been satisfactorily disposed of. Supposing several bales out of a large consignment of full-pressed cotton were destroyed by fire, which originated from an axlebox insufficiently lubricated ; a claim preferred by the consignor to the Railway Company would be turned down on the stereotyped ground that the consignment was booked at the reduced rate of owner's risk under risk note (H), and that the loss was not due to any misconduct on the part of the Railway authorities. Though in this case the loss could be directly attributed to misconduct or negligence on the part of the Railway authorities, the consignor would not be in a position to prove it as the Railway

authorities are not bound under the present terms to disclose how the consignment was dealt with throughout the time it was in their possession unless it was a case of non-delivery of the whole of the consignment, and provided that non-delivery was due to causes other than accidents to train or to fire.

My Committee hold that a consignor having delivered the goods to the Railway Company, knows absolutely nothing as to the manner in which the goods are carried. It is only the Railway Company, over which the goods are transported who is in a position to say in what manner the goods are conveyed, how often and in what places a particular waggon is detained en route; what precautions are taken during such stoppages; where exactly a loss or damage occurs and by whom it is detected, and whether it was reported to the police and if so with what result. Under these circumstances, it would be unfair to expect the consignor to produce proof of negligence on the part of the Railway administration. My Committee consider that in fairness to consignee and consignor, the onus of proving non-negligence should be laid on the Railway administration concerned.

The unsatisfactory character of the Risk Notes was brought to the notice of the G. I. P. and the B. B. & C. I. Railways, by this Association on behalf of its members in June last, but no satisfaction was obtained. The Railway authorities contented themselves by quoting the Government of India's decisions on the Associated Chambers of Commerce resolution in justification for a continuance of the present state of affairs.

With regard to item (b) mentioned in the Associated Chambers' resolution, my Committee regret that the circular which the Railway Board addressed to certain railway administrations in October 1933, has not completely removed all causes for complaint. As a matter of fact, several complaints of unwarranted endorsements by the railway staffs on the back of railway receipts were recently brought to the notice of this Association and other trade organisations in Bombay, and the matter was taken up with the G. I. P. and B. B. & C. I. Railways at a recent joint Conference. As a result of the discussions which took place the railway authorities have now offered to hold joint inspections by representatives of trade and of the railways to see how far the instructions issued to prevent the misuse or abuse of Risk Note A are being followed. Whatever the results of this special enquiry, my Committee desire to make it clear that there exists a very strong demand for a general revision of the terms of risk notes, and suggest that Government might again make further enquiries from the trading interests concerned as to the exact directions in which a revision of the terms of Risk Notes are considered to be necessary.

Copy of letter No. 488-T, dated the 26th November 1934, from the Government of India, Railway Department, to the Association.

With reference to your letter No. 1357/120, dated the 20th July 1934, I am directed to say that views identical with those of your Committee, as indicated in the third and fourth paragraphs of your letter, were contained in communications which were received by the Committee appointed by the Government of India in 1922 to consider the revision of railway risk notes, and it may be presumed that full consideration was given to these views, before that Committee formulated their recommendations for the revision of the risk notes. No new circumstances have since arisen which would justify reopening the matter.

2. As regards the complaints of unwarranted endorsements made on railway receipts, to which you refer in the last paragraph of your letter, I am to say that it is presumed these remarks had reference to the conditions in which consignments were tendered for despatch. In this connection, I am to refer you to paragraph 10 of the Risk Note Committee's Report in which the Committee explained that no alteration in the phraseology employed would prevent abuses arising. The Railway Board, however, believe that such difficulties as may arise in reconciling the point of view of the consignor and the railway staff concerned are susceptible of settlement if the matter is immediately brought to the notice of the responsible railway authorities.

APPENDIX 37.

INTRODUCTION OF FIVE-LETTER CODE WORDS IN INLAND TELEGRAMS.

Copy of letter No. T-296/33, dated the 15th January 1934, from Sir Thomas Ryan, Kt., C.I.E., Officiating Director-General of Posts and Telegraphs, New Delhi, to the Association.

I have the honour to inform you that the question of adopting the five-letter code system in inland telegrams, in place of the existing ten-letter codes, and at the usual rates of charge for inland telegrams, has been under the consideration of this Department for some time. It may be mentioned that the system of charging at the rate of five letters to a word for all unintelligible combinations of letters in the text of a telegram has been in force in Great Britain for a number of years.

2. The advantages to be derived from the proposed change may be briefly enumerated as follows :—

- (a) The code words would not be subject to any conditions regarding the use of vowels (such as exist at present in the case of code language, *vide* clause 377 of the Post and Telegraph Guide). They could be formed in any way as in the case of code words in foreign telegrams.
- (b) It would obviate the necessity for firms having to maintain two sets of code books, one for use in foreign telegrams (5-letter code) and the other for use in inland telegrams (10-letter code).

It would not be necessary to republish existing code books containing 10-letter code words.

- (c) Checking the number of vowels in code words being no longer necessary, the work of the counter clerks would be simplified in accepting code telegrams and the rapid disposal of such telegrams would be facilitated.

3. The adoption of the five-letter code system might result in a slight increase in the cost of telegrams in some cases. On the other hand considering the advantages to be gained particularly as regards the more rapid transmission of code messages, it is hoped the commercial community will raise no objection to the proposed change which the department desires to make unless there are strong and general objections to it.

4. I appreciate the fact that the general consensus of opinion has been against the introduction of the five-letter code system, but the measure was carried in respect of foreign messages at the recent International Telegraph Conference at Madrid (incidentally, despite the opposition of the Indian delegation) and it is thought that the advantages of uniformity between the foreign and the inland message regulations now point to the acceptance of the five-letter system for the latter also.

5. Before placing the matter before the Government of India for orders I shall be obliged if your Association will let me have an early expression of its views.

Copy of letter No. 283/47, dated the 3rd February 1934, from the Association to the Director-General of Posts and Telegraphs, New Delhi.

I am directed to acknowledge the receipt of your letter No. T-296/33, dated the 15th January 1934, requesting my Committee to express an opinion in regard to the introduction of a five-letter code in inland telegrams to replace the existing ten-letter code, and be charged at the usual rates applicable for inland telegrams. A "slight" increase in costs of telegrams

in some cases under the proposed scheme is also considered possible, but it is thought that, in view of the advantages which are expected to accrue as a result of the introduction of the proposal, no objection will be raised to the measure.

My Committee have carefully considered the proposal, but for reasons stated below, they regret they have to oppose it. The increase in charges arising out of the adoption of the five-letter code is, by no means, slight as has been made out in your letter. An ordinary telegram to Calcutta in code containing 12 words (10 ten-letter words in the text and 2 words in the address) cost 13 annas, whereas under the proposed scheme, the 10 ten-letter words will be counted as 20 five-letter words, and the telegram will be charged for 22 words, that is, Re. 1-7-0, in other words, an increase of about 77 per cent., the percentage increase varying directly with the number of words in the telegram. Thus, mills which are at present extensively utilizing Bentley's and other similar Codes for inland telegrams will, under the proposed scheme, be compelled to incur exorbitant telegraph charges at a time when every item of overhead or business expenditure has to be ruthlessly cut down. The following table shows at a glance how the cost of transmitting code inland telegrams will be increased if the proposal under consideration is introduced :—

Number of words including address.	Present Charge.	Future Charge.	Percentage of increase.
	Rs. a. p.	Rs. a. p.	
12	0 13 0	1 7 0	77
24	1 9 0	2 15 0	88
36	2 5 0	4 7 0	92
48	3 1 0	5 15 0	94
60	3 13 0	7 7 0	95
72	4 9 0	8 15 0	96
84	5 5 0	10 7 0	96½
96	6 1 0	11 15 0	97

Whatever advantages the new system may command, my Committee are of the opinion that it will be unacceptable to the Commerce and Industry of the country owing to the higher charges involved.

APPENDIX 38.

THE INDIAN "KHADDAR" (NAME PROTECTION) ACT, 1934.

INDIA ACT NO. VIII OF 1934.

An Act to regulate the use of the words "Khaddar" and "Khadi" when applied as a trade description of woven materials.

Whereas it is expedient to regulate the use of the words "Khaddar" and "Khadi" when applied as a trade description of woven materials; It is hereby enacted as follows :—

1. *Short title, extent and commencement.*—(1) This Act may be called the Khaddar (Name Protection) Act, 1934.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) This section shall come into force at once, and section 2 shall come into force in any province on such date as the Local Government may, by notification in the local official *Gazette*, appoint in this behalf.

2. *Words "Khaddar" and "Khadi" to be trade description.*—The words "Khaddar" and "Khadi," whether in English or in any Indian vernacular language, when applied to any woven material shall be deemed to be a trade description within the meaning of the Indian Merchandise Marks Act, 1889, indicating that such material is cloth woven on hand-loom in India from cotton yarn hand-spun in India.

APPENDIX 39.

CERTIFICATION BY MILL COMPANIES OF THE SIGNATURES OF TRANSFERORS OF SHARES ON TRANSFER DEEDS.

Copy of letter dated the 27th January 1934 from the Sassoon Spinning and Weaving Co., Ltd., Bombay, to the Association.

We beg to enclose herein copy of a letter from the Native Share and Stock Brokers' Association which we should like you to circulate amongst the members for their information with a request not to comply with the proposed scheme.

It is desired that the matter should be placed before your Committee as quick as possible and their decision be communicated to the members without further loss of time.

Kindly treat this matter as urgent.

Copy of letter dated the 5th January 1934 from the Native Share and Stock Brokers' Association to the Agents, Sassoon Cotton Mills, Ltd., Bombay.

We find that very often when a transfer-deed is lodged for registration it is returned on the plea that the signature of the transferor on the transfer-deed does not tally with the specimen signature.

This puts the purchaser into an embarrassed position, as it is difficult to obtain a new transfer-deed signed by the seller according to the specimen he has submitted to the Company. The buyer is very often helpless as he has already parted with the purchase-money.

To remedy this grievance of the intending purchaser, we have to suggest that your Company should make an endorsement at the back of the deed when presented to you for the purpose that the signature of the transferor on the transfer-deed agrees with the specimen signature, without undertaking any responsibility as to the acceptance of the transfer for registration when lodged later on. In the absence of such a procedure there are no means for the transferee to ascertain whether the signature of the transferor is in order.

We therefore trust that you will co-operate with us by agreeing with our suggestion as we propose to make the delivery of a transfer-deed to the buyer valid only when it bears an endorsement to the above effect.

An early reply will oblige.

Copy of circular No. 237/52, dated the 30th January 1934, from the Association to all mills in Bombay City and Island.

I enclose for your information a copy of the reply sent by a member-mill to a recent circular letter received from the Native Share and Stock Brokers' Association, in which a

suggestion was made that the Company should agree to certify the signature of the Seller on a transfer-deed previous to the actual transfer being effected, as they proposed to make delivery of a transfer-deed to a Buyer valid only when it bears an endorsement of the character described above.

It is the opinion of the Committee of my Association that the proposal of the Native Share and Stock Brokers' Association should not be agreed to as not only would it entail double work on the transfers staff, but would also further encourage the circulation of blank transfers and possibly the evasion of stamp duty. It is, therefore, suggested that if your Company has received a similar letter from the Native Share and Stock Brokers' Association, you might reply on lines similar to those indicated in the enclosure.

Copy of reply from a member-firm to the Secretary, the Native Share and Stock Brokers' Association, Bombay.

We are in receipt of your circular dated the 5th instant wherein you suggest that we should make an endorsement at the back of the transfer-deed that the signature of the transferor on the deed agrees with the specimen signature, without undertaking any responsibility as to the acceptance of the transfer for registration when lodged later on. We have very carefully considered the proposal, but we feel that it is unacceptable inasmuch as it will impose an additional and unnecessary burden both on shareholders and the staff of the companies concerned, since it would require all transfers to be presented twice at the office of the companies, once for attestation of signature and again for registration before sales of the shares can be effected. It would also encourage the undesirable practice of share certificates with blank transfer-deeds attached circulating in the market. This practice of keeping share transfer blanks for extended periods leads to the evasion of the stamp duties which should be paid for every transaction. We further consider that the right of companies to accept or reject signatures of shareholders on transfer forms up to the time of registering transfers would be nullified by agreeing to the procedure suggested in your letter.

In the circumstances of the case, we regret we cannot comply with the request contained in your letter.

APPENDIX 40.

RETURN OF NAMES AND ADDRESSES OF RECIPIENTS OF INTEREST.

Copy of letter dated the 9th June 1934 from the Gold Mohur Mills, Limited, Bombay, to the Association.

We submitted last month to the Income-Tax Officer, Companies Circle, our usual Annual Return under Section 22 (1) of the Indian Income-Tax Act, 1922, and along with this Return we also submitted our Return under Section 20A, that is, list of persons to whom interest or aggregate interest exceeding Rs. 1,000 was paid during the year from the 1st January 1933 to the 31st December 1933.

The Income-Tax Officer has now addressed to us the following letter :—

“ In returning herewith your Return under Section 20A of the Indian Income-Tax Act, I have the honour to state that the Return under that section for 1934-35 is in respect of the interest payment made during the year from 1st April 1933 to 31st March 1934. It has no bearing on the accounting year of the Company. You are therefore requested to furnish a fresh Return for the year ending 31st March 1934.”

It may be noted that our Return under Section 22 (1) was prepared and submitted on the basis of our audited accounts for the year ended the 31st December 1933, *and not for the year ended the 31st March 1934*, and we wish to know if it is in any way compulsory for us to furnish to the Income-Tax Officer the particulars of interest paid by us from January to March 1934. We personally think that the Income-Tax Officer cannot have the power to call for any information from our accounts which are not passed by the shareholders of the Company, and till the accounts are so passed they are the private property of the shareholders. We however desire to have a definite ruling and advice through your Association on this important question.

We shall be glad if you will kindly favour us with an early reply.

Copy of letter dated the 12th June 1934 from the Association to Messrs. Craigie, Blunt & Caroe, Solicitors, Bombay.

I am directed to enclose herewith copy of a letter received from Messrs. The Gold Mohur Mills, Limited, and shall be glad if you will kindly express an opinion on the point raised in the penultimate paragraph of the enclosed.

Copy of letter dated the 13th June 1934 from Messrs. Craigie, Blunt & Caroe, Solicitors, Bombay, to the Association.

Messrs. James Finlay & Co., Ltd., the Agents of the Gold Mohur Mills, Ltd., have asked for your opinion under the following circumstances :—

They submitted last month to the Income-Tax Officer, Companies Circle, their usual Annual Return under Section 22 (1) of the Indian Income-Tax Act, 1922, and along with this Return they also submitted their Return under Section 20A, that is, list of persons to whom interest or aggregate interest exceeding Rs. 1,000 was paid during the year from the 1st January 1933 to the 31st December 1933.

The Income-Tax Officer then addressed to them the following letter :—

“ In returning herewith your Return under Section 20A of the Indian Income-Tax Act, I have the honour to state that the Return under that section for 1934-35 is in respect of the interest payment made during the year from 1st April 1933 to 31st March 1934. It has no bearing on the accounting year of the Company. You are therefore requested to furnish a fresh Return for the year ending 31st March 1934.”

It may be noted that their Return under Section 22 (1) was prepared and submitted on the basis of their audited accounts for the year ended the 31st December 1933, *and not for the year ended the 31st March 1934*, and they wish to know if it is in any way compulsory for them to furnish to the Income-Tax Officer the particulars of interest paid by them from January to March 1934. They personally think that the Income-Tax Officer cannot have the power to call for any information from their accounts which are not passed by the shareholders of the Company, and till the accounts are so passed they are the private property of the shareholder. They however desire to have a definite ruling and advice through your Association on this important question.

You desire us to advise you whether the position the Income-Tax Authorities adopt is correct or not.

We proceed to do so.

Section 20A of the Indian Income-Tax Act reads as follows :—

“ The person responsible for paying any interest not being ‘ Interest on Securities ’ shall on or before the 1st day of June each year furnish to the prescribed officer a Return

in the prescribed form and verified in the prescribed manner of the names and addresses of all persons to whom during the previous financial year he had paid interest or aggregate interest exceeding such amount not being less than one thousand rupees as may be prescribed in this behalf together with the amount paid to each such person."

If the words used in that section had been "previous year," the contention Messrs. James Finlay & Co. seek to establish would have been correct, because in Section 2 (11) of the Act it is at the assessee's option to take the previous year either as a period from the 1st April to the 31st March or any period of twelve months upon which to be assessed. The words are, however, not "the previous year," but "the previous financial year." "Previous financial year" is not defined in the Act and we have therefore to turn to the General Clauses Act which defines "previous financial year" as a year commencing on the first day of April.

We are of opinion therefore that the contention of the Income-Tax Officer is correct and that the Gold Mohur Mills, Ltd., must furnish a Return ending on the 31st day of March.

Looking at the matter from the point of view of the Income-Tax Authorities the result we have arrived at is not unreasonable, because the Returns are intended to check Returns made by other assesseees and should their previous year end on the 31st day of March the Return furnished by the Gold Mohur Mills, Ltd., ending on the 31st day of December would be no check on these assessments in respect of the months between January and March. It is, we think, for this reason that the words "previous financial year" have been deliberately used in Section 20A instead of "previous year."

Copy of circular No. 1153/107, dated the 18th June 1934, from the Association to all members of the Association.

Section 20A of the Indian Income-Tax Act reads as follows :—

"The person responsible for paying any interest not being 'Interest on Securities' shall on or before the 1st day of June each year furnish to the prescribed officer a Return in the prescribed form and verified in the prescribed manner of the names and addresses of all persons to whom during the previous financial year he had paid interest or aggregate interest exceeding such amount not being less than one thousand rupees as may be proscribed in this behalf together with the amount paid to each such person."

At the instance of a member of the Association, the Association's Solicitors were asked to express an opinion as to what was meant by the term "the previous financial year" mentioned in the section. The facts of the case are that Messrs.....submitted to the Income-Tax Officer their usual return for the year ended 31st December 1933 under Section 22 (1) of the Indian Income-Tax Act and along with this return was also submitted another return under Section 20A, i.e., list of persons to whom interest or aggregate interest exceeding Rs. 1,000 was paid during the year from the 1st January 1933 to the 31st December 1933. The Income-Tax Officer thereupon reminded the Company that the term "previous financial year" mentioned in Section 20A referred to the Government financial year ending on 31st March 1934, and asked them to amend the return under this section accordingly. The contention of Messrs.....was that the annual return submitted to the Income-Tax Officer under Section 20A was prepared on the basis of the audited accounts of the year, which in their case ended on 31st December 1933 and not on 31st March 1934, and they, therefore, wanted to know whether the Income-Tax Officer was justified in calling upon them to furnish particulars in respect of a period, which was not covered by their audited accounts.

The Association's Solicitors, in expressing an opinion on this point, state, "if the words used in Section 20A had been 'previous year,' the contention which Messrs.....seek to establish would have been correct, because in Section 2 (11) of the Act it is at the assessee's option to take 'the previous year' either as a period from the 1st April to the 31st March or any period of 12 months upon which to be assessed. The words are, however, not 'the previous year' but 'the previous financial year.' 'Previous financial year' is not defined

in the Act and we have, therefore, to turn to the General Clauses Act, which defines 'previous financial year' as a year commencing on the first day of April. We are, therefore, of the opinion that Messrs.....must furnish a return under Section 20A for the period ended 31st March 1934."

The Solicitors further add "looking at the matter from the point of view of the Income-Tax Authorities the result we have arrived at is not unreasonable, because the Returns are intended to check Returns made by other assesses and should their previous year end on the 31st day of March the Return furnished by Messrs.....ending on the 31st day of December would be no check on these assessments in respect of the months between January and March, and it is, we think, for this reason that the words 'previous financial year' have been deliberately used in Section 20A instead of 'previous year.'"

APPENDIX 41.

PROHIBITORY ORDERS FROM THE SMALL CAUSES COURT.

Copy of letter No. A7181/12, dated the 15th November 1934, from the Mysore Spinning and Manufacturing Co., Ltd., to the Association.

Further to the interview our representative had with you the other day in the matter of Small Causes Court's prohibitory orders served on the Manager of our Bombay Mill against payment of workmen's wages, we send herewith, as desired, copy of letter of the 13th instant from the Mill Manager to us.

We shall be glad to know whether the Association can do anything in the matter, so that the Managers of Mills are relieved of the difficulties they are now having in this matter.

Copy of letter dated 13th November 1934 from the Manager, Mill No. II, Bombay, to the Agents.

The question of dealing with the Prohibitory Orders of the Court of Small Causes, Bombay, against the wages of our workpeople has been of considerable worry and inconvenience to us for some years past. So far monies were being collected under these orders and paid by us into the Court, but as this was becoming a growing nuisance to us and a source of unnecessary expense, we were compelled to ask the Court some time ago to make arrangements to receive these monies at our office, as we thought it was not incumbent on us to pay the monies into the Court ourselves—*vide* footnote of the enclosed specimen of a Prohibitory Order. To this no reply was received by us from the Court but instead, we later received summons from the Court to appear and show cause why monies collected by us under their Prohibitory Orders were not paid into the Court. We answered to the summons and represented to the Court.

- (1) that the prohibitory orders did not call upon us to pay into the Court monies collected by us under the Prohibitory orders.
- (2) that the company was exposed to the risk of being involved into unnecessary losses should the cashier or any other person carrying the amount be robbed on his way.

The Court however refused to take notice of our difficulties and held that we were obliged to respect the Orders of the Court under any circumstances.

Another peculiar type of difficulty which offers itself is where there are two or more Prohibitory Orders against the wages of one and the same man, in which case the entire excess of his wages over the exempted limit of Rs. 30 is collected and paid into the Court to

be adjusted there, in the absence of any specific instructions to us. We are sometimes called upon to answer why monies were not collected against any particular Order when there are more than one such Order. The enclosed specimen of the Court's summons is an instance of the above case. In this particular case however there has been an oversight on the part of the Court, as the monies collected by us have already been paid into the Court and adjusted by them against the relative decrees, and we hold receipts for same.

We bring these facts to your notice with a view to have the matter settled once for all so that our duties in this respect may be clear to us in future.

IN THE COURT OF SMALL CAUSES AT BOMBAY.

ATTACHMENT IN EXECUTION.

Prohibitory Order where the Property consists of Debts not secured by Negotiable Instruments.

Suit No. of 1934.
.....Plaintiff.
versus
.....Defendant.

No. of 1934.

To,

The Manager, Mysore Spinning & Manufacturing Co., Ltd.

WHEREAS....., a jobber.....has failed to satisfy a Decree passed against him on the.....day of.....193 , in the above Suit, in favour of the Plaintiff above named for Rs....., and whereas the sum of Rs..... the balance of the said Decree, and the Costs of this Order, Rs..... now remain unpaid, it is ordered that the Defendant be, and he is hereby prohibited and restrained, until the further order of this Court, from receiving from you a certain Debt alleged now to be due from you to the said Defendant, namely, excess over Rs. 30 of his wages due to him for the month of September last and that you, the said Manager, Mysore Spinning and Manufacturing Co., Ltd., be, and you are hereby prohibited and restrained, until the further order of this Court, from making payment of the said Debt, or any part thereof, to any persons whomsoever.

Given under the Seal of the Court, Registrar.

N.B.—You may pay the amount attached into Court, and such payment will discharge you as effectually as payment to the party entitled to receive the same.

IN THE COURT OF SMALL CAUSES AT BOMBAY.

Judge's summons to show cause why moneys under attachment on debt be not paid to Plaintiff.

Suit No. of 193 .
.....Plaintiff.
versus
.....Defendant.

No. of 193

UPON reading the Prohibitory Order issued herein and dated the.....day of..... 1934 and the return of the Bailiff of service thereof, and on hearing the Plaintiff (.....), I do order that the Manager, Mysore Mill, at Parel do appear before me at this Court on the 15th day of November 1934, at 11-30 o'clock in the forenoon, to show cause, if any he has, why he should not pay into Court on behalf of the Plaintiff the moneys in his hand belonging to the Defendant or so much thereof as shall be sufficient to satisfy the amount due by the Defendant to the Plaintiff under the Decree if there be no other prohibition.

I further direct that a copy of this Summons shall be served on the Defendant above-named.

Dated this.....day of.....1934.

(Signed).....
Judge.

Copy of letter No. 2473/187, dated the 19th December 1934, from the Association to the Chief Judge, Court of Small Causes, Bombay.

I am directed to draw Your Honour's attention to a matter which has proved of considerable inconvenience to a number of employers who are members of this Association. I refer to the procedure which has at present to be followed in respect of Prohibitory Orders issued by the Small Causes Court in execution of money decrees. When an Order from the Court is made, it becomes necessary under the present practice for an official of the mill concerned to make a special journey to the Court and pay in to the Registrar the amount specified in the Order. This entails serious inconvenience and loss of time to the mill officials concerned, and it is, therefore, suggested that the procedure might be modified so as to permit :

- (1) the amount due from the mill to the Court to be remitted by post or by cheque at the option of the mill company ; or
- (2) the amount to be paid over to an official of the Court at the mills.

I need hardly say that if an arrangement of this character could be made, the concession would be greatly appreciated.

APPENDIX 42.

PROPOSED BOMBAY-SIND BROAD-GAUGE RAILWAY CONNECTION.

Copy of letter No. WA/167, dated the 24th September 1934, from the B. B. & C. I. Railway Company, Bombay, to the Association.

Under the instructions of the Railway Board and on the advice of the B. B. & C. I. Railway Local Advisory Committee, I beg to address you on the above subject.

As you are aware, the completion of the Sukkur Barrage will result in the sources of supply for Bombay and Gujerat for wheat, grain and cotton, etc., being transferred from the Punjab and United Provinces to Upper Sind, and, unless the projected Bombay-Sind Railway is built, the above commodities from this area will be transported to Bombay and Gujerat by the rail-cum-sea route *via* Karachi.

The cost of this railway is estimated at nearly 6 crores of rupees and, allowing for losses to railways caused by diversion of the present sources of supply, it is doubtful if a reasonable return will be obtained on the expenditure involved.

It will, however, be realized that in the circumstances the estimates, however carefully prepared, cannot be considered absolutely reliable and therefore any suggestions and criticisms by your Association will be most valuable to assist me in deciding what recommendation I should make to the Railway Board. In particular I should be glad to receive the views of your Association as to—

- (i) whether the expenditure of so large a sum of money on this project is considered justified ;
- (ii) whether the new line is likely to secure the bulk of the " new " Sukkur Barrage area traffic between Sind, Bombay and Gujerat and, if not, to what extent this traffic will move by the rail-cum-sea route ;
- (iii) whether the new line is likely to capture any part of the *existing* sea traffic from Karachi to Bombay and Gujerat and, if so, to what extent.

A skeleton map of India showing the present routes for traffic from the north and north-east of India to Bombay and Ahmedabad and the proposed new route, which will supplant the existing routes if the traffic is not carried by sea, is enclosed. The mileages are as follows :—

Sukkur to Karachi	299 miles.
Sukkur to Bombay <i>via</i> Bombay-Sind Railway	865 „
Sukkur to Ahmedabad <i>via</i> Bombay-Sind Railway.. ..	557 „

With the consent of the Agent, G. I. P. Railway, this subject will be brought forward at the Trades Contact Meeting with Group No. 1 in November, and therefore I should be much obliged if your Association will let me have their considered opinions as fully as possible on the points raised in this letter before October 31st.

Copy of letter No. 2139/171, dated the 25th October 1934, from the Association to the Acting Agent, B. B. & C. I. Railway Company, Bombay.

I am directed to acknowledge receipt of your letter No. WA/167, dated 24th September, in which the considered views of my Association are requested on a proposal now being considered by the Railway Board for the construction of a Broad-Gauge Railway from Viramgaum to Badin. In particular, the views of my Association are desired on—

- (a) whether the expenditure of a sum of Rs. 6 crores on this project would be justified ; and
- (b) whether the new line would be likely to secure the bulk of the new Sukkur Barrage area traffic between Sind, Bombay and Gujerat and, if not, to what extent this traffic will be moved by the rail-cum-sea route.

After careful consideration my Committee are of the opinion that the proposed railway would probably give no financial return on the capital invested for a considerable number of years, and that in the present straitened financial circumstances of the country an expenditure of Rs. 6 crores on an infructuous project would not be justified.

As regards the second point on which the views of my Committee are desired, my Committee are of the opinion that the new line would be unlikely to secure the bulk of the new Sukkur Barrage traffic, as a great deal of this traffic is bound to pass along the rail-cum-sea route by reason of the lower total freight costs. Under these circumstances, my Committee hold that the construction of the proposed broad-gauge railway should not at present be proceeded with.

APPENDIX 43.

PROPOSED ESTABLISHMENT OF AN AERODROME ON THE BOMBAY RECLAMATION GROUND.

Copy of letter No. 34/1378, dated the 28th September 1934, from the Indian Roads and Transport Development Association, Ltd., to the Association.

At a recent meeting of the Council of this Association, when discussing the development of aviation in India—a subject in which they are greatly interested—the question of

the desirability and need for an aerodrome being established within the Municipal limits was given consideration.

After examining the matter in all its aspects and being advised by their special Aviation Sub-Committee, my Council are strongly of opinion that the most suitable site available is that of Block No. 7 of the Back Bay Reclamation Ground.

As you are probably aware the question of a local aerodrome has already been considered by the Government of India but owing to the scarcity of funds little serious thought was given to it ; now however since a grant of Rs. 92 lakhs has been made for the development of aviation and renewed interest taken by the Government of India on the subject, my Council are inclined to believe that the present is an opportune time to make serious representations to Government of India through the Government of Bombay to bring about the desired result.

It is with this object in view that I have been instructed to communicate with you and invite your co-operation in the matter. In order that serious consideration should be given to the establishing of an aerodrome within the Municipal limits, I am to suggest that a communication representing all branches of the Bombay public should be addressed to the Sheriff of Bombay inviting him to call a public meeting at which the matter could be fully discussed, public opinion ventilated and a suitable resolution passed urging the Government of Bombay to make the necessary representations to the Government of India for the desired action to be taken.

On hearing from you and the other bodies I am addressing, that you will be prepared to co-operate with us in inviting the Sheriff to call a public meeting, a suitable letter will be drafted for our joint signatures, but as the matter is urgent and there should be no delay in calling a public meeting, I am to invite you to reply at your earliest convenience.

Copy of letter No. 2014/164, dated the 9th October 1934, from the Association to the General Secretary, the Indian Roads and Transport Development Association, Bombay.

I am directed to acknowledge the receipt of your letter No. 34/1378, dated 28th ultimo, in which the project for the establishment of an aerodrome on the Back Bay reclamation site is briefly discussed and in which a suggestion is made that a communication representing all branches of the Bombay public should be addressed to the Sheriff inviting him to call a public meeting at which the matter could be fully discussed and public opinion ventilated. My Committee feel that the procedure you suggest is hardly the most appropriate one, and that a project of this character could be most suitably ventilated at a meeting representing all the chief business interests of the city rather than at a Sheriff's meeting, and they commend this suggestion to your attention. Similarly, my Committee feel that before any discussion is held the fullest details should be supplied to the interested parties on the financial and other aspects of the proposal.

Copy of letter No. 34/1683, dated the 23rd November 1934, from the Indian Roads and Transport Development Association, Limited, Bombay, to the Association.

I refer to your letter No. 2014/164 of 1934, dated 9th October 1934, on the above subject in reply to my letter of the 28th September.

This matter is receiving the further attention of my Council and detailed information is being obtained from various sources. On completion of same we shall be communicating with you again.

Thanking you for your offer of support.

APPENDIX 44.

**BOMBAY FIRE INSURANCE ASSOCIATION—RULES
FOR BUILDING CONSTRUCTION.**

Copy of letter No. 3178-A, dated the 5th February 1934, from the Bombay Fire Insurance Association to the Association.

In order to bring the existing rules for construction under the Bombay and Salsette Cotton Mills and Cotton Mills Godowns also the Bombay Mofussil Cotton Mills and Mofussil Cotton Mills Godowns Tariffs of this Association up-to-date, my Committee have deemed it necessary to amend the existing rules for external walls, concrete, asbestos roof and metal ducts and ventilation flues.

I am directed to enclose a copy* of the revised rules for your Committee's information.

These rules will be applicable to new buildings and extensions.

Copy of letter No. 796/71, dated the 17th April 1934, from the Association to the Secretary, the Bombay Fire Insurance Association.

I am directed to acknowledge the receipt of your letter No. 3178-A, dated the 5th February, and a copy of the revised rules for building construction issued by your Association. My Committee have carefully examined the amendments, which have recently been incorporated and note that the minimum thickness of the exterior walls of mill godowns has been raised from 14 inches to 18 inches. They hold that while the increase in the thickness of the walls alone will not materially affect the insurance risk, it will undoubtedly increase the building cost to the detriment of the insured. I am, therefore, to express the hope that your Association will agree to withhold the introduction of or modify the rule in question.

Copy of letter No. 3178-A, dated the 18th May 1934, from the Bombay Fire Insurance Association to the Association.

With reference to your letter No. 796/71 dated 17th ultimo my Committee have reconsidered the rule to which you refer and have agreed to retain 14" as the minimum thickness for external walls of mill godowns.

Copy of letter No. 1014/71, dated the 21st May 1934, from the Association to the Secretary, Bombay Fire Insurance Association.

I am in receipt of your letter No. 3178-A dated the 18th instant, and note with pleasure that your Committee have agreed to retain 14" as the minimum thickness for external walls of mill godowns, as suggested by the Committee of my Association.

APPENDIX 45.

FIRE INSURANCE RATES—COTTON MILLS, CALENDER MACHINES
HEATED BY PETROL GAS.

Copy of letter No. 4045, dated the 29th September 1934, from the Bombay Fire Insurance Association to the Association.

My Committee have decided in consultation with the Fire Offices' Committee (Foreign) to adopt the following rates in the Bombay and Salsette Cotton Mills Tariff, Section VI, Special Risks :—

Buildings and/or Compartments in which singeing of cloth and/or yarn is carried on by petrol gas machines and/or in which calendering machines heated by petrol gas are installed.

Subject to the following conditions :—

	Fireproof. Annas	Non-fire- proof. Per cent.
(a) Having adequate ventilation of the compartment provided at floor level.	} 22	} 28
(b) Where the machines are segregated by party walls from other portions of the buildings.		
(c) Prohibiting the use of artificial light except electric filament lamps in the compartment except for igniting the burners. This should preferably be done by electric means also.		
Free of such conditions	26	32

The necessary circular in this connection is being issued to our members, a copy of which is enclosed for your information.

Copy of circular No. T.C.50, dated the 29th September 1934, from the Bombay Fire Insurance Association to the Representatives of Fire Insurance Offices, Bombay.

I am directed to request you kindly to insert the following as a new item No. 8 on sheet 5 of the above Tariff :—

8. Buildings and/or Compartments in which singeing of cloth and/or yarn is carried on by petrol gas machines and/or in which calendering machines heated by petrol gas are installed.

Subject to the following conditions :—

	Fire-proof. Annas	Non-fire- proof. Per cent.
(a) Having adequate ventilation of the compartment provided at floor level.	}	}
(b) Where the machines are segregated by party walls from other portions of the buildings.		
(c) Prohibiting the use of artificial light except electric filament lamps in the compartment except for igniting the burners. This should preferably be done by electric means also.		
Free of such conditions	26	32

These rates apply as from 21st September 1933.

A revised Tariff sheet giving effect to the above addition is being printed and copies will be issued shortly.



APPENDIX 46.

TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT.

INDIAN CUSTOMS TARIFF.

(Issued as a Supplement to the "Indian Trade Journal.")

Reprint of the First and Second Schedules appended to the Indian Tariff Act, XXXII of 1934 (as in operation on 1st January, 1935), showing the rates of Customs duties levied on goods imported into, and exported from, British India, together with the tariff values fixed for certain articles under Government of India, Commerce Department Notification No. 73-T. (28)/34, dated the 15th December, 1934, for the purpose of assessment of Customs duties during the twelve months January to December, 1935.

Note 1.—In the expression "*ad valorem*" used in these Schedules the reference is to "real value" as defined in section 30 of the Sea Customs Act, 1878 (VIII of 1878), unless an article has a tariff value assigned to it.

Note 2.—Tariff-valued heads are based on the ordinary trade description of each article and cover all reduced grades and mixtures unless they are separately provided for.

Note 3.—In this publication, the expression "standard rate of duty" means, in the case of articles liable to preferential rates of duty, the standard rate of duty as opposed to the preferential rate, and in the case of other articles, the ordinary rate of duty.

SCHEDULE I—IMPORT TARIFF.

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION I.						
LIVE ANIMALS AND PRODUCTS OF THE ANIMAL KINGDOM.						
1	ANIMALS, LIVING, all sorts .. .. .	....	Free .. .. .	....	....	....
2	BACON AND HAM, not canned or bottled ..	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
3	FISH, not otherwise specified	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
3(1)	FISH, SALTED, wet	Revenue ..	Such rate or rates of duty not exceeding one rupee per Indian maund of 82 2/7 lbs. avoirdupois weight as the Governor-General in Council may, by notification in the <i>Gazette of India</i> , from time to time prescribe,* plus 6½ per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>	Per Indian maund.				
	(i) Soormal	Rs. a. p. 6 0 0				
	(ii) All other sorts	7 0 0				
3(2)	FISH, SALTED, dry	Preferential revenue.	Rs. 3-8 per cwt. ..	....	Re. 1-8 per cwt.	....
3(3)	FISH, UNSALTED, dry	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff value—</i>	Per cwt.				
	Bomlas	Rs. a. p. 7 0 0				
3(4)	FISHMAWS, including singally and sozille and sharkfins.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>	Per cwt.				
	Sharkfins, loose or in bundles, from Arabian and Persian Gulf ports.	Rs. a. p. 4 0 0				
	Sharkfins, loose or in bundles, from China and the Straits.	Per lb. 2 14 0				

* The rate on the 1st January 1935, and until further notice is annas 9½ per maund of 82 2/7 lbs. avoirdupois.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION II—<i>contd.</i>						
PRODUCTS OF THE VEGETABLE KINGDOM—<i>contd.</i>						
<i>Tariff values—contd.</i>						
					Per cwt. Rs. a. p.	
	Dates, wet, packed in other receptacles.				7 2 0	
	Figs, dried, Persian				5 0 0	
	Figs, dried, European				13 4 0	
	Pistachio nuts				35 0 0	
	Raisins, red, Persian Gulf ..				6 0 0	
8(1)	CURRENTS	Revenue ..	Re. 1-4 per cwt. ..	....	....	....
9	COFFEE, not otherwise specified	Preferential revenue.	25 per cent. <i>ad valorem</i> , plus one anna per pound.	....	25 per cent. <i>ad valorem</i>.	....
9(1)	COFFEE, canned or bottled	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....
9(2)	TEA	Preferential revenue.	Five annas per pound..	....	Three annas per pound.	....
9(3)	THE FOLLOWING SPICES, namely:—					
	Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper—					
	(a) Unground	Preferential revenue.	45 per cent. <i>ad valorem</i>.	....	37½ per cent. <i>ad valorem</i>.	....
	(b) Ground	Revenue ..	37½ per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
					Per cwt. Rs. a. p.	
	Spices, unground—					
	Cardamom seed				51 0 0	
	Cassia lignea				9 10 0	
	Cloves				36 8 0	
	Cloves, exhausted				10 0 0	
	Cloves stems and heads				4 8 0	
	Nutmegs				Per lb. 0 4 9	
	Nutmegs in shell				0 3 0	
	Pepper, black				Per cwt. 20 0 0	
	Pepper, long				18 0 0	
	Pepper white				37 0 0	
9(4)	THE FOLLOWING UNGROUND SPICES, namely:—					
	Chillies, ginger and mace	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	22½ per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>					
					Per cwt. Rs. a. p.	
	Ginger, dry, unground				14 0 0	
	Mace, unground				Per lb. 0 18 0	
9(5)	BETELNUTS	Preferential revenue.	45 per cent. <i>ad valorem</i>.	....	37½ per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>					
					Per cwt. Rs. a. p.	
	Betelnuts (husked)—					
	Whole from Straits, Dutch East Indies and Siam.				6 8 0	
	Whole from Goa				7 8 0	
	Whole from Ceylon				10 0 0	
	Split and sliced from Straits, Dutch East Indies and Siam—					
	(a) Mature				7 8 0	
	(b) Immature				15 0 0	
	Split and sliced from Ceylon—					
	(a) Mature				8 10 0	
	(b) Immature				19 8 0	
	All other sorts				8 0 0	
9(6)	VANILLA BEANS	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
10	GRAIN AND PULSE, not otherwise specified, including broken grains and pulse, but excluding flour.	....	Free .. ..	....	....	....
10(1)	WHEAT*	Protective ..	Re. 1-8 per cwt. ..	....	....	March 31st, 1936.
10(2)	BROKEN RICE	Protective ..	Twelve annas per Indian maund of 82-2/7 lbs. avoirdupois weight.	....	....	March 31st, 1936.

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, wheat imported by or on behalf of any person who is engaged in milling flour for export is exempt from payment of import duty, provided that such person, before clearance of the wheat for consumption or from bond as the case may be, has produced documentary evidence to the satisfaction of the Customs Collector that he has entered into a contract to sell a quantity of wheat flour representing 87 per cent. of the quantity of wheat imported in respect of which exemption is claimed and that the said wheat flour is to be shipped to a destination outside India before a date specified in the contract.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty
				The United Kingdom.	A British Colony.	
SECTION II—<i>contd.</i>						
PRODUCTS OF THE VEGETABLE KINGDOM—<i>contd.</i>						
11	FLOUR, not otherwise specified	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff value—</i>	Per cwt.				
	Cassava or Tapioca flour ..	Rs. a. p. 5 8 0				
11(1)	WHEAT FLOUR	Protective ..	Re. 1-8 per cwt. ..	....	....	March 31st, 1936.
11(2)	SAGO FLOUR .. .. .	....	Free .. .. .	....	....	....
11(3)	SAGO AND TAPIOCA	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff value—</i>	Per cwt.				
	Cassava, Tapioca or Sago ..	Rs. a. p. 7 8 0				
11(4)	STARCH AND FARINA	Revenue ..	15 per cent. <i>ad valorem</i>.	....	....	....
12	SEEDS, all sorts not otherwise specified ..	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
12(1)	OILSEEDS imported into British India by sea from the territories of any Prince or Chief in India.	....	Free .. .. .	....	....	....
12(2)	OILSEEDS, non-essential, all sorts not otherwise specified, including copra or coconut kernel.	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff value—</i>	Per cwt.				
	Copra or coconut kernel ..	Rs. a. p. 6 0 0				
12(3)	RUBBER SEEDS .. .. .	....	Free .. .. .	....	....	....
12(4)	HOPS .. .. .	....	Free .. .. .	....	....	....
12(5)	FODDER, bran and pollards	Revenue ..	2½ per cent. <i>ad valorem</i>.	....	....	....
13	DYEING AND TANNING SUBSTANCES, all sorts not otherwise specified.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>	Per lb.				
	Cochineal	Rs. a. p. 0 14 6				
	Gallnuts, Persian	Per cwt. 51 0 0				
13(1)	BARKS FOR TANNING .. .. .	....	Free .. .. .	....	....	....
13(2)	CUTCH AND GAMBIER, all sorts	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>	Per cwt.				
	Gambier, block and cube ..	Rs. a. p. 11 4 0				
	Gambier in flakes or circular pieces.	33 0 0				
	GUMS, RESINS AND LAC, all sorts not otherwise specified.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>	Per cwt.				
	Gum Ammoniac	Rs. a. p. 25 0 0				
	Gum Bysabol (coarse myrrh) ..	16 12 0				
	Gum olibanum or frankincense.	9 8 0				
	Gum Persian (false)	9 0 0				
	Myrrh	20 8 0				
13(4)	GUMS, Arabic, Benjamin (ras and cowrie) and Dammer (including unrefined batu) and rosin.	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>	Per cwt.				
	Dammer batu, unrefined ..	Rs. a. p. 5 8 0				
	Gum Arabic, other than ground ..	21 0 0				
	Gum Benjamin, ras	19 0 0				
	Gum Benjamin, cowrie	45 0 0				
	Gum Dammer (or Copal)	19 8 0				
	Rosin	8 8 0				
13(5)	STICK OR SEED LAC .. .. .	....	Free .. .. .	....	....	....
13(6)	OPIMUM	Revenue ..	Rs. 30 per seer of 80 tolas or 18½ per cent. <i>ad valorem</i> , whichever is higher.	....	....	....
13(7)	CINCHONA BARK .. .. .	....	Free .. .. .	....	....	....
14	CANES AND RATTANS	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>	Per 100 pieces.				
	Canes—	Rs. a. p.				
	Malacca	25 0 0				
	Chimity	10 0 0				
	Tries	5 4 0				
	Root moonah	19 8 0				
	Mannu	14 0 0				

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION II—<i>contd.</i>						
PRODUCTS OF THE VEGETABLE KINGDOM—<i>contd.</i>						
<i>Tariff values—contd.</i>						
	Polo, all kinds—					
	Not exceeding 10 feet in length.					
	Exceeding 10 feet in length.					
	Tohite					
	Rattans—					
	Chair					
	Basket					
	Outers					
	Inners					
SECTION III.						
FATTY SUBSTANCES, GREASES, OILS AND PRODUCTS OF THEIR DECOMPOSITION; PREPARED ALIMENTARY FATS; WAXES OF ANIMAL OR VEGETABLE ORIGIN.						
15	ALL SORTS OF STEARINE, WAX, GREASE AND ANIMAL FAT not otherwise specified.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Lubricating grease					
	Petroleum jelly, white					
	Petroleum jelly, all other sorts.					
15(1)	LARD, not canned or bottled	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
15(2)	BEEWAX	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
15(3)	TALLOW .. .. .	....	Free .. .. .	....	....	....
15(4)	FISH OIL including whale oil not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
15(5)	FISH OIL AND WHALE OIL, hardened or hydrogenated.	Revenue ..	Rs. 10 per cwt. ..	....	....	....
15(6)	VEGETABLE NON-ESSENTIAL OILS not otherwise specified.	Preferential revenue.	35 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i>.	....
15(7)	THE FOLLOWING VEGETABLE NON-ESSENTIAL OILS, namely, coconut, groundnut and linseed.*	Preferential revenue.	35 per cent. <i>ad valorem</i>.	....	25 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>					
	Coconut oil					
	Linseed oil, raw or boiled					
15(8)	ALL SORTS OF ANIMAL OILS not otherwise specified.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
SECTION IV.						
PRODUCTS OF THE FOOD-PREPARING INDUSTRIES; BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO.						
16	CANNED OR BOTTLED BACON, HAM AND LARD..	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
16(1)	FISH, canned	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....
16(2)	ISINGLASS, canned or bottled	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
17	SUGAR, excluding confectionery†	Protective ..	Rs. 9-1 per cwt. ..	....	....	March 31st, 1938.
17(1)	MOLASSES	Revenue ..	31½ per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Molasses—					
	(i) imported in bulk by tank steamer.					
	(ii) otherwise imported					
17(2)	CONFECTIONERY	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
17(3)	SUGAR-CANDY	Revenue ..	Rs. 10-8 per cwt. ..	....	....	....
18	COCOA AND CHOCOLATE other than confectionery.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, the duty leviable on linseed oil at the standard rate is 25 per cent. *ad valorem*.

† The rate of excise duty on the 1st January, 1935, and until further notice, on sugar produced in any factory in British India and either issued out of, or used within, such factory is (i) 10 annas per cwt. on *Khandsari* sugar and (ii) Re. 1-5 per cwt. on all other sugar except palmyra sugar.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION IV—<i>contd.</i>						
PRODUCTS OF THE FOOD-PREPARING INDUSTRIES; BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO— <i>contd.</i>						
19	BISCUITS, CAKES, AND FARINACEOUS AND PATENT FOODS, canned or bottled.	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Per cwt.					
	Rs. a. p.					
	*Vermicelli, flour, from China and the Far East.					
	16 0 0					
	*Vermicelli, peas, from China and the Far East.					
	18 0 0					
	*Vermicelli, rice, from China and the Far East.					
	17 4 0					
	*The tariff values given in this item apply also to imports assessed to duty as provisions and oilman's stores and groceries, all sorts not otherwise specified under Item No. 21(1) below.					
20	VEGETABLE PRODUCT, jams, jellies, pickles, chutnies, sauces and condiments, canned or bottled.	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Per box of six large or twelve small jars.					
	Rs. a. p.					
	*China preserves in syrup ..					
	4 4 0					
	per lb.					
	*China preserves, dry, candied Vegetable product (excluding hardened coconut oil).					
	0 3 0					
	0 4 9					
	*The tariff values given in this item apply also to imports assessed to duty as provisions and oilman's stores and groceries, all sorts not otherwise specified under Item No. 21(1) below.					
20(1)	FRUIT JUICES	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....
20(2)	FRUITS AND VEGETABLES, canned or bottled ..	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff value—</i>					
	Per case of 4 doz.					
	Rs. a. p.					
	China canned fruit					
	7 4 0					
21	CANNED OR BOTTLED PROVISIONS, not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
	<i>N.B.—</i> For tariff values under this item see those marked with an asterisk (*) under Item No. 21(1) below.					
21(1)	PROVISIONS AND OILMAN'S STORES AND GROCERIES, all sorts not otherwise specified.	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Per cwt.					
	Rs. a. p.					
	Cocum					
	8 0 0					
	*Yeast, from China and the Far East.					
	17 12 0					
	*The tariff values given in this item apply also to imports assessed to duty as canned or bottled provisions under Item No. 21 above.					
	<i>N.B.—</i> For other tariff values under this item see those marked with an asterisk (*) under Items Nos. 19 and 20 above.					
21(2)	ALL SORTS OF FOOD not otherwise specified ..	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
22	ALL SORTS OF DRINK not otherwise specified ..	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
22(1)	ALE AND BEER—					
	(a) In barrels or other containers containing 27 oz. or more.	Preferential revenue.	Rs. 1-2 per Imperial gallon.	Fourteen annas per Imperial gallon.	....	....
	(b) In bottles containing less than 27 oz. but not less than 20 oz.	Preferential revenue.	Three annas per bottle.	Two annas and four pies per bottle.	....	....
	(c) In bottles containing less than 13½ oz. but not less than 10 oz.	Preferential revenue.	One anna and six pies per bottle.	One anna and two pies per bottle.	....	....
	(d) In bottles containing less than 6½ oz. but not less than 5 oz.	Preferential revenue.	Nine pies per bottle ..	Seven pies per bottle.	....	....
	(e) In other containers	Preferential revenue.	Rs. 1-8 per Imperial gallon.	Rs. 1-2-8 per Imperial gallon.	....	....

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
	SECTION IV—<i>contd.</i>					
	PRODUCTS OF THE FOOD-PREPARING INDUSTRIES; BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO— <i>contd.</i>					
22(2)	PORTER, cider and other fermented liquors except ale and beer—					
	(a) In barrels or other containers containing 27 oz. or more.	Revenue	..	Fifteen annas per Imperial gallon.	....	....
	(b) In bottles containing less than 27 oz. but not less than 20 oz.	Revenue	..	Two annas and six pies per bottle.	....	....
	(c) In bottles containing less than 19½ oz. but not less than 10 oz.	Revenue	..	One anna and three pies per bottle.	....	....
	(d) In bottles containing less than 6¼ oz. but not less than 5 oz.	Revenue	..	Seven and half pies per bottle.	....	....
	(e) In other containers	Revenue	..	Re. 1-4 per Imperial gallon.	....	....
22(3)	WINES, not containing more than 42 per cent. of proof spirit—					
	(a) Champagne and other sparkling wines ..	Revenue	..	Rs. 13-2 per Imperial gallon.	....	....
	(b) Other sorts	Revenue	..	Rs. 7-8 per Imperial gallon.	....	....
22(4)	SPIRITS (other than denatured spirit)—					
	(a) Brandy, gin, whisky and other sorts of spirits not otherwise specified, including wines containing more than 42 per cent. of proof spirit.	Revenue	..	Rs. 37-8 per Imperial gallon of the strength of London proof.	....	....
	(b) Liqueurs, cordials, mixtures and other preparations containing spirit not otherwise specified—					
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Revenue	..	Rs. 50 per Imperial gallon.	....	....
	(ii) not so entered	Revenue	..	Rs. 37-8 per Imperial gallon of the strength of London proof.	....	....
	PROVIDED THAT—					
	(a) the duty on any article included in this item shall in no case be less than the duty which would be charged if the article were liable to a duty of 25 per cent. <i>ad valorem</i> ;					
	(b) where the unit of assessment is the Imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.					
22(5)	SPIRITS—					
	(a) Bitters—					
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Preferential revenue.		Rs. 50 per Imperial gallon.	....	Rs. 45 per Imperial gallon. ..
	(ii) not so entered	Preferential revenue.		Rs. 37-8 per Imperial gallon of the strength of London proof.	....	Rs. 33-12 per Imperial gallon of the strength of London proof.
	(b) Drugs and medicines containing spirit—					
	(i) entered in such a manner as to indicate that the strength is not to be tested.	Preferential revenue.		Rs. 40 per Imperial gallon.	Rs. 36 per Imperial gallon.	Rs. 36 per Imperial gallon.
	(ii) not so entered	Preferential revenue.		Rs. 29 per Imperial gallon of the strength of London proof.	Rs. 26 per Imperial gallon of the strength of London proof.	Rs. 26 per Imperial gallon of the strength of London proof.
	(c) Perfumed spirits	Preferential revenue.		Rs. 60 per Imperial gallon.	Rs. 52-8 per Imperial gallon.	....
	(d) Rum	Preferential revenue.		Rs. 37-8 per Imperial gallon of the strength of London proof.	....	Rs. 32-12 per Imperial gallon of the strength of London proof.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION IV—<i>contd.</i>						
PRODUCTS OF THE FOOD-PREPARING INDUSTRIES; BEVERAGES, ALCOHOLIC LIQUORS AND VINEGARS; TOBACCO— <i>concl.</i>						
PROVIDED THAT—						
(a) on any article chargeable under this item with the lower rate of duty, the duty levied shall in no case be less than 20 per cent. <i>ad valorem</i> , and on any article chargeable under this item with the higher rate of duty, the duty levied shall in no case be less than 30 per cent. <i>ad valorem</i> ;						
(b) where the unit of assessment is the Imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.						
22(6)	DENATURED SPIRIT	Revenue	9½ per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff value—</i> Per Imperial gallon. Rs. a. p. Spirit from Java denatured 0 15 0 before clearance.					
22(7)	VINEGAR IN CASKS	Revenue	2½ per cent. <i>ad valorem</i>.	....	....	....
23	OILCAKES	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
24	TOBACCO, MANUFACTURED, not otherwise specified.	Revenue	Rs. 3-12 per lb.	....	....	....
24(1)	CIGARS	Revenue	112½ per cent. <i>ad valorem</i>.	....	....	....
24(2)	CIGARETTES	Revenue	25 per cent. <i>ad valorem</i> and in addition either Rs. 8-2 per thousand or Rs 3-4 per lb., whichever is higher.	....	....	....
24(3)	TOBACCO, unmanufactured*	Preferential revenue.	Rs. 3-4 per lb.	....	Rs. 2-12 per lb.	....
SECTION V.						
MINERAL PRODUCTS.						
25	CHINA CLAY .. .. .	....	Free .. .. .	....	....	....
25(1)	SALT, excluding salt exempted under Item No. 25(2).	Revenue	The rate at which excise duty is for the time being leviable on salt manufactured in the place where the import takes place.†	....	....	....
25(2)	SALT imported into British India and issued, in accordance with rules made with the previous sanction of the Governor General in Council, for use in any process of manufacture; also salt imported into the port of Calcutta and issued with the sanction of the Government of Bengal to manufacturers of glazed stoneware; also salt imported into any port in the provinces of Bengal and Bihar and Orissa and issued, in accordance with rules made with the previous sanction of the Governor General in Council, for use in curing fish in those provinces.	....	Free .. .. .	....	....	..
25(3)	THE FOLLOWING BUILDING AND ENGINEERING MATERIALS, namely, chalk, lime and clay.	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
25(4)	CEMENT not otherwise specified	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>	....	....
25(5)	PORTLAND CEMENT excluding white Portland cement.	Preferential revenue.	Rs. 18-4 per ton ..	Rs. 13-12 per ton.	....	....
25(6)	STONE PREPARED as for road metalling .. .. .	....	Free .. .. .	....	....	....
25(7)	MARBLE AND STONE not otherwise specified‡ ..	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
26	METALLIC ORES, all sorts except ochres and other pigment ores.	....	Free .. .. .	....	....	....
27	COAL, COKE AND PATENT FUEL	Revenue	Ten annas per ton ..	....	....	....
27(1)	ASPHALT	Preferential revenue.	25 per cent. <i>ad valorem</i>.	....	15 per cent. <i>ad valorem</i>.	....

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, tobacco leaf for the manufacture of cigars when proved to have been imported for use in a cigar factory is liable to duty at Rs. 2 per lb. (standard) and Re. 1-8 per lb. (preferential).

† The rate of excise duty on the 1st January 1935, and until further notice is Re. 1-9-0 per maund of 82½ lbs. avoird. Under the Salt (Additional Import Duty) Act, 1931, as amended subsequently, salt imported into any port in British India except Aden and Perim is liable to an additional duty of custom at the rate of 2½ annas per maund upto the 30th April 1936.

‡ Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, sandstone is exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION V—<i>concl.</i>						
MINERAL PRODUCTS—<i>concl.</i>						
27(2)	PITCH AND TAR	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Per cwt.					
	Rs. a. p.					
	Coal pitch					
	Stockholm pitch					
27(3)	ALL SORTS OF MINERAL OILS not otherwise specified.	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Per Imperial gallon.					
	Rs. a. p.					
	Mineral Colza oil					
	Transformer oil, including transil and switch oil, other than that assessed to duty under the proviso to Item No. 72 (3) of the First Schedule of the Indian Tariff Act, 1934.					
27(4)	KEROSENE,* also any mineral oil other than kerosene and motor spirit which has its flashing point below one hundred degrees of Fahrenheit's thermometer by Abel's close test.	Revenue	Three annas and nine pies per Imperial gallon.	....	....	....
27(5)	MINERAL OIL, not included in Item No. 27 (4) or Item No. 27 (6) which is suitable for use as an illuminant in wick lamps.	Revenue	Three annas and nine pies per Imperial gallon.	....	....	....
27(6)	MOTOR SPIRIT†	Revenue	Ten annas per Imperial gallon.	....	....	....
27(7)	MINERAL OIL—					
	(a) which has its flashing point at or above two hundred degrees of Fahrenheit's thermometer, and is ordinarily used for the batching of jute or other fibre;	Revenue	Rs. 15-10 per ton	....	....	....
	(b) which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, is not suitable for use as an illuminant in wick lamps, and is such as is not ordinarily used except as fuel or for some sanitary or hygienic purposes.	Revenue	12½ per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff value—</i>					
	Per ton.					
	Rs. a. p.					
	Mineral oil which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, and is such as is not ordinarily used except as fuel or for some sanitary or hygienic purposes, if imported in bulk.					
27(8)	LUBRICATING OIL, that is, oil such as is not ordinarily used for any other purpose than lubrication, excluding any mineral oil which has its flashing point below two hundred degrees of the Fahrenheit thermometer by Abel's close test.	Preferential revenue.	Two annas six pies per Imperial gallon.	Six pies per Imperial gallon.	....	....
SECTION VI.						
CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS.						
28	CHEMICALS, DRUGS AND MEDICINES, all sorts not otherwise specified.‡	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff values—</i>					
	Per cwt.					
	Rs. a. p.					
	Per lb.					
	Alkali, Indian (sajji-khar)					
	Ammonia gas, anhydrous, including compressed or liquified gas.					
	Per cwt.					
	Ammonium carbonate or bicarbonate.					
	Ammonium chloride—					
	Muriate of ammonia, crystalline.					
	Salammoniac, sublimed					
	Other sorts, including compressed.					
	Boric acid (in bulk)					
	Calcium chloride					

* The rate of excise duty on the 1st January 1935, and until further notice, on all kerosene produced in a manufactory in British India is 2 annas and 9½ pies per Imperial gallon.

† The rate of excise duty on the 1st January 1935, and until further notice, on all motor spirit produced in a manufactory in British India is 10 annas per Imperial gallon.

‡ Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, calcium acetate and radium salts are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
	SECTION VI—<i>contd.</i>					
	CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS— <i>contd.</i>					
28(11)	ALKALOIDS OF OPIUM AND THEIR DERIVATIVES.	Revenue ..	Rs. 30 per seer of 80 tolas or 18½ per cent. <i>ad valorem</i> , whichever is higher.	....	....	....
28(12)	ALKALOIDS EXTRACTED FROM CINCHONA BARK including Quinine and alkaloids derived from other sources which are chemically identical with alkaloids extracted from cinchona bark.	....	Free .. .. .	....	....	....
28(13)	ANTI-PLAGUE SERUM .. .. .	....	Free .. .. .	....	....	....
28(14)	TOILET REQUISITES, not otherwise specified ..	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
29	CINEMATOGRAPH FILMS not exposed	Preferential revenue.	25 per cent. <i>ad valorem</i> .	15 per cent. <i>ad valorem</i>.	....	....
29(1)	CINEMATOGRAPH FILMS, exposed	Revenue ..	37½ per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
		Per foot.				
		Rs. a. p.				
	Exposed standard positive films, new or used—					
	Feature films	0 7 0				
	Other films	0 3 0				
30	PAINTS, COLOURS AND PAINTERS' MATERIALS, all sorts not otherwise specified, including paints, solutions and compositions containing dangerous petroleum within the meaning of the Indian Petroleum Act, 1934.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff values—</i>					
		Per cwt.				
		Rs. a. p.				
	Cuttle fish bone	3 4 0				
	Gamboge	1 0 0				
	Vermillion from China.. ..	2 4 0				
30(1)	DYES DERIVED FROM COAL-TAR, AND COAL-TAR DERIVATIVES, used in any dyeing process.	Revenue ..	10 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
		Per cwt.				
		Rs. a. p.				
	Alizarine, moist—					
	(a) not exceeding 16 per cent.	58 0 0				
	(b) over 16 per cent. not exceeding 20 per cent.	72 4 0				
	(c) exceeding 20 per cent. ..	144 8 0				
	Alizarine, dry—					
	(a) not exceeding 40 per cent.	1 10 0				
	(b) exceeding 40 per cent. ..	3 8 0				
	Congo red	0 9 0				
	Coupling dyes of the naphthol group—					
	(a) Naphthols	4 0 0				
	(b) Rapid fast colours (rapid salts).	7 12 0				
	(c) Bases	3 0 0				
	(d) Other salts	1 12 0				
	Vats—					
	(a) Indigo	1 10 0				
	(b) Carbazole blue.. ..	3 4 0				
	(c) Other sorts—					
	(i) Paste	4 14 0				
	(ii) Powder	16 4 0				
	Sulphur black	0 5 0				
	Metanil yellow	1 0 0				
	Aniline salts	0 5 9				
	All others	1 10 0				
30(2)	PAINTS, COLOURS AND PAINTERS' MATERIALS, the following, namely:—					
	(a) Red lead, genuine dry, genuine moist and reduced moist.	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 4-12 per cwt., whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(b) White lead, genuine dry.. ..	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 5-12 per cwt., whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(c) Zinc, white, genuine dry.. ..	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 6 per cwt., whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(d) Paints, other sorts, coloured, moist—					
	(i) in packing of 1 lb. or over.. ..	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 8-8 per cwt., whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
	SECTION VI—<i>contd.</i>					
	CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS— <i>contd.</i>					
	(ii) in packing of $\frac{1}{2}$ lb. and over but less than 1 lb.	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 11-4 per cwt., whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(iii) in packing of $\frac{1}{2}$ lb. and over but less than $\frac{1}{2}$ lb.	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 17 per cwt., whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(iv) in packing of less than $\frac{1}{2}$ lb.	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 24 per cwt., whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
30(3)	PAINTS, COLOURS AND PAINTERS' MATERIALS, the following, namely:—					
	(a) Red lead, reduced dry	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 4-12 per cwt., whichever is higher.	....	....	....
	(b) White lead, genuine moist, and reduced dry or moist.	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 5-12 per cwt., whichever is higher.	....	....	....
	(c) Zinc white, genuine moist	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 6 per cwt., whichever is higher.	....	....	....
	(d) Zinc white, reduced dry or moist ..	Revenue ..	25 per cent. <i>ad valorem</i> or Rs. 4-4 per cwt., whichever is higher.	....	....	....
30(4)	THE FOLLOWING PAINTS, COLOURS AND PAINTERS' MATERIALS, namely, barytes, turpentine, turpentine substitute, and varnish not containing dangerous petroleum within the meaning of the Indian Petroleum Act, 1934.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
30(5)	PLUMBAGO AND GRAPHITE	Preferential revenue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
30(6)	PRINTERS' INK	Revenue ..	10 per cent. <i>ad valorem</i>.	....	....	....
30(7)	LEAD PENCILS	Preferential revenue.	30 per cent. <i>ad valorem</i> or one anna per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
30(8)	SLATE PENCILS	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
31	NATURAL ESSENTIAL OILS, all sorts not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff value—</i> Per lb. Rs. a. p. Cassia oil, natural, from Ceylon, Straits, China, Japan and the Far East. 0 14 0					
31(1)	THE FOLLOWING NATURAL ESSENTIAL OILS, namely, citronella, cinnamon, and cinnamon leaf.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....
	<i>Tariff value—</i> Per lb. Rs. a. p. Citronella oil, natural, from Ceylon, Straits, China, Japan and the Far East. 1 0 0					
31(2)	THE FOLLOWING NATURAL ESSENTIAL OILS, namely, almond, bergamot, gajupatti, camphor, cloves, eucalyptus, lavender, lemon, otto-rose and peppermint.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i> Per lb. Rs. a. p. Gajupatti oil, natural, from Ceylon, Straits, China, Japan and the Far East. 1 2 0 Peppermint oil, natural, from Ceylon, Straits, China, Japan and the Far East. 3 0 0					
31(3)	ESSENTIAL OILS, synthetic	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
31(4)	CAMPHOR	Revenue ..	50 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i> Per lb. Rs. a. p. Camphor, refined, other than powder. 1 5 0 Camphor, powder, other than synthetic. 0 14 0 Camphor, synthetic, tablets and slabs. 1 4 0 Camphor, synthetic, powder 0 13 0					

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION VI—<i>contd.</i>						
CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS— <i>contd.</i>						
31(5)	PERFUMERY not otherwise specified	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>	Per cwt.				
		Rs. a. p.				
	Gowla, husked and unhusked ..	52 8 0				
	Kapurkachri (zedoary) ..	12 8 0				
	Patch leaves (patchouli) ..	13 8 0				
	Rose-flowers, dried	14 0 0				
32	SOAP not otherwise specified	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
32(1)	SOAP, toilet	Preferential revenue.	35 per cent. <i>ad valorem</i> or Rs. 20 per cwt., whichever is higher.	25 per cent. <i>ad valorem</i>.	....	....
32(2)	SOAP, household and laundry—					
	(a) in plain bars of not less than one pound in weight.	Revenue ..	Rs. 4 per cwt. .. ..	....	....	....
	(b) other sorts	Revenue ..	Rs. 6-8 per cwt. ..	....	....	....
32(3)	POLISHES AND COMPOSITIONS	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
32(4)	CANDLES	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
33	GLUE not otherwise specified	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
33(1)	GLUE, clarified, liquid	Revenue ..	10 per cent. <i>ad valorem</i>.	....	....	....
34	GUNPOWDER FOR CANNONS, RIFLES, GUNS, PISTOLS AND SPORTING PURPOSES.	Revenue ..	50 per cent. <i>ad valorem</i>.	....	....	....
34(1)	EXPLOSIVES, namely, blasting gunpowder, blasting gelatine, blasting dynamite, blasting roburite, blasting tonite, and all other sorts, including detonators and blasting fuze.*	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
34(2)	FIREWORKS specially prepared as danger or distress lights for the use of ships.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
34(3)	FIREWORKS not otherwise specified	Revenue ..	50 per cent. <i>ad valorem</i>.	....	....	....
34(4)	MATCHES, undipped splints and veneers—					
	(a) Matches—					
	(1) in boxes or booklets containing on an average not more than 40 matches.	Protective ..	The rate at which excise duty is for the time being leviable on such matches manufactured in British India† plus ten annas per gross of boxes or booklets.	....	....	....
	(2) In boxes or booklets containing on an average more than 40 but not more than 60 matches.	Protective ..	The rate at which excise duty is for the time being leviable on such matches manufactured in British India† plus fifteen annas per gross of boxes or booklets.	....	....	....
	(3) In boxes or booklets containing on an average more than 60 but not more than 80 matches.	Protective ..	The rate at which excise duty is for the time being leviable on such matches manufactured in British India‡ plus Re. 1 4 per gross of boxes or booklets.	....	....	....
	(4) All other matches	Protective ..	The rate at which excise duty is for the time being leviable on such matches manufactured in British India‡ plus one pie for every 48 matches or fraction thereof.	....	....	....
	(b) Undipped splints such as are ordinarily used for match-making.	Protective ..	Five annas and seven and a half pies per lb.	....	....	....
	(c) Veneers such as are ordinarily used for making boxes, including boxes and parts of boxes made of such veneers.	Protective ..	Seven annas and six pies per lb.	....	....	..

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, certain specified explosive specially adapted for use in dangerous coal mines are exempt from payment for import duty.

† The rate of excise duty on the 1st January, 1935, and until further notice is Re. 1 per gross of boxes or booklets.

‡ The rate of excise duty on the 1st January, 1935, and until further notice is Re. 1-8 per gross of boxes or booklets.

§ The rate of excise duty on the 1st January, 1935, and until further notice is Rs. 2 per gross of boxes or booklets.

§ The rate of excise duty on the 1st January, 1935, and until further notice is 4 annas for every 1,440 matches or fraction thereof.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION VI—<i>concl.</i>						
CHEMICAL AND PHARMACEUTICAL PRODUCTS; COLOURS AND VARNISHES; PERFUMERY; SOAP; CANDLES AND THE LIKE; GLUES AND GELATINES; EXPLOSIVES; FERTILISERS— <i>concl.</i>						
35	MANURES, all sorts, including animal bones and the following chemical manures:—Basic slag, nitrate of ammonia, nitrate of soda, muriate of potash, sulphate of ammonia, sulphate of potash, kainit salts, carbolic, urea, nitrate of lime, calcium cyanamide, ammonium phosphates, mineral phosphates and mineral superphosphates.	....	Free .. .. .	....	....	....
SECTION VII.						
HIDES, SKINS, LEATHER, FUR SKINS AND MANUFACTURES OF THESE MATERIALS.						
36	HIDES AND SKINS not otherwise specified ..	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
36(1)	HIDES AND SKINS, raw or salted .. ..	....	Free .. .. .	....	....	....
36(2)	SKINS (other than Fur Skins), tanned or dressed, and unwrought leather.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
37	THE FOLLOWING LEATHER MANUFACTURES, namely, saddlery, harness, trunks and bags.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
37(1)	LEATHER CLOTH including artificial leather, and other manufactures of leather, not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
38	FUR SKINS, dressed	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
SECTION VIII.						
RUBBER AND ARTICLES MADE OF RUBBER.						
39	RUBBER, raw .. .. .	....	Free .. .. .	....	....	....
39(1)	RUBBER TYRES AND TUBES AND OTHER MANUFACTURES OF RUBBER, not otherwise specified, excluding apparel and boots and shoes.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
Tariff values—						
Per dozen.						
Rs. a. p.						
Cycle tyres (pneumatic) from Japan and the Far East. 10 8 0						
Cycle tubes from Japan and the Far East. 3 0 0						
Per lb.						
Solid rubber tyres for carriages and rickshaws. 0 7 6						
SECTION IX.						
WOOD AND CORK AND WARES OF THESE MATERIALS; GOODS MADE OF PLAINTING MATERIALS.						
40	WOOD AND TIMBER, all sorts, not otherwise specified, including all sorts of ornamental wood.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
40(1)	FIREWOOD	Revenue ..	2½ per cent. <i>ad valorem</i>.	....	....	....
40(2)	FURNITURE AND CABINETWARE not otherwise specified, excluding mouldings.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
40(3)	TEA CHESTS AND PARTS AND FITTINGS THEREOF.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
41	CORK MANUFACTURES not otherwise specified..	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
42	FURNITURE OF WICKERWORK OR BAMBOO ..	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
SECTION X.						
PAPER AND ITS APPLICATIONS.						
43	WOOD PULP	Protective ..	Rs. 56-4 per ton ..	....	....	March 31st 1939.
44	PAPER, including chrome, marble, flint, poster and stereo printing paper; articles made of paper and papier maché; pasteboard, mill-board and cardboard, all sorts, other than strawboard.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
Tariff values—						
Per lb.						
Rs. a. p.						
Packing and wrapping paper—						
Machine-glazed pressings .. 0 1 6						
Manilla, machine-glazed or unglazed, and sulphite envelope. 0 1 6						
Kraft and imitation kraft .. 0 1 6						

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION X—<i>contd.</i>						
PAPER AND ITS APPLICATIONS—<i>contd.</i>						
44(1)	PRINTING PAPER (excluding chrome, marble, flint, poster and stereo), all sorts which contain no mechanical wood pulp or in which the mechanical wood pulp amounts to less than 70 per cent. of the fibre content.	Protective ..	One anna and three pies per lb.	....	....	March 31st 1939.
44(2)	PRINTING PAPER, all sorts not otherwise specified which contain mechanical wood pulp amounting to not less than 70 per cent. of the fibre content; and strawboard, all sorts.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>		Per lb.			
	Printing paper, not on reels, (excluding chrome, marble, flint, poster and stereo) in which the mechanical wood pulp amounts to not less than 70 per cent. of the fibre content, glazed or unglazed, white or grey.		Rs. a. p. 0 1 1			
	Straw boards (not lined) ..		Per cwt. 4 4 0			
44(3)	WRITING PAPER—					
	(a) Ruled or printed forms (including letter paper with printed headings) and account and manuscript books and the binding thereof.	Protective ..	One anna and three pies per lb. or 18½ per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1939.
	(b) All other sorts	Protective ..	One anna and three pies per lb.	....	....	March 31st, 1939.
44(4)	TRADE CATALOGUES AND ADVERTISING CIRCULARS, imported by packet, book, or parcel post.	....	Free .. .. .	....	....	....
44(5)	PAPER MONEY .. .. .	....	Free .. .. .	....	....	....
44(6)	NEWSPAPERS, OLD, in bales and bags	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff value—</i>		Per cwt.			
	Old newspaper in bales and bags.		Rs. a. p. 3 10 0			
45	STATIONERY including drawing and copy books, labels, advertising circulars, sheet or card almanacs and calendars, Christmas, Easter and other cards, including cards in booklet forms; including also waste paper but excluding paper and stationery otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
45(1)	BOOKS, printed, including covers for printed books, maps, charts, and plans, proofs, music, manuscripts, and illustrations specially made for binding in books.	....	Free .. .. .	....	....	....
45(2)	PRINTS, ENGRAVINGS AND PICTURES (including photographs and picture post cards) on paper or cardboard.*	Revenue ..	50 per cent. <i>ad valorem</i>.	....	....	....
SECTION XI.						
TEXTILE MATERIALS AND TEXTILE GOODS.						
46	SILK, RAW (excluding silk waste and noils), and silk cocoons.	Protective ..	25 per cent. <i>ad valorem</i> plus 14 annas per lb.	....	....	March 31st, 1939.
	<i>Tariff values—</i>		Per lb.			
	Silk, raw—		Rs. a. p.			
	Chinese—					
	Waste products, including Dupplion all kinds.		2 2 0			
	Hand reeled		2 14 0			
	All other sorts		3 0 0			
46(1)	SILK WASTE AND NOILS	Protective ..	25 per cent. <i>ad valorem</i>.	....	....	March 31st 1939.
46(2)	WOOL, RAW, AND WOOL-TOPS .. .. .	....	Free .. .. .	....	....	....
46(3)	COTTON, RAW	Revenue ..	Six pies per lb. ..	....	....	....
46(4)	TEXTILE MATERIALS, the following :—	Revenue ..	Raw hemp—18½ per cent. <i>ad valorem</i> ; all others—25 per cent. <i>ad valorem</i>.	....	....	....
	Raw flax, hemp, jute and all other unmanufactured textile materials not otherwise specified.					
	<i>Tariff value—</i>		Per cwt.			
	Hemp, raw and undressed ..		Rs. a. p. 10 0 0			

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, wall pictures and diagrams such as are ordinarily used for instructional purposes are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XI—<i>contd.</i>						
TEXTILE MATERIALS AND TEXTILE GOODS—<i>contd.</i>						
46(5)	SISAL AND ALOE FIBRE	Preferential venue.	30 per cent. <i>ad valorem</i>.	....	20 per cent. <i>ad valorem</i>.	....
47	SILK YARN including thrown silk warps but excluding sewing thread and yarn spun from silk waste or noils.	Protective ..	25 per cent. <i>ad valorem</i> plus 14 annas per lb.	....	....	March 31st, 1939.
47(1)	SILK YARN spun from waste or noils and silk sewing thread.	Protective ..	25 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
47(2)	ARTIFICIAL SILK YARN AND THREAD	Revenue ..	25 per cent. <i>ad valorem</i> or 3 annas per lb., whichever is higher.	....	....	....
47(3)	WOOLLEN YARN not otherwise specified ..	Preferential venue.	35 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i>.	....	....
47(4)	WOOLLEN YARN for weaving and knitting wool.	Preferential venue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
47(5)	COTTON THREAD other than sewing or darning thread.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
47(6)	COTTON TWIST AND YARN, and cotton sewing or darning thread—					
	(a) of counts above 50's—					
	(i) of British manufacture	Protective ..	5 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
	(ii) not of British manufacture ..	Protective ..	6½ per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
	(b) of counts 50's and below—					
	(i) of British manufacture	Protective ..	5 per cent. <i>ad valorem</i> or 1½ annas per lb., whichever is higher.	....	....	March 31st, 1939.
	(ii) not of British manufacture ..	Protective ..	6½ per cent. <i>ad valorem</i> or 1½ annas per lb., whichever is higher.	....	....	March 31st, 1939.
47(7)	TWIST AND YARN of flax or jute	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
47(8)	YARN (excluding cotton yarn) such as is ordinarily used for the manufacture of belting for machinery.	Revenue ..	6½ per cent. <i>ad valorem</i>.	....	....	....
48	FABRICS, not otherwise specified, containing more than 90 per cent. of silk, including such fabrics embroidered with artificial silk—					
	(a) Pongee	Protective ..	50 per cent. <i>ad valorem</i> plus Re. 1 per lb.	....	....	March 31st, 1939.
	(b) Fuji, Boseki and corded (excluding white cord).	Protective ..	50 per cent. <i>ad valorem</i> plus Re. 1-8 per lb.	....	....	March 31st, 1939.
	(c) Other sorts*	Protective ..	50 per cent. <i>ad valorem</i> plus Rs. 2 per lb.	....	....	March 31st, 1939.
48(1)	FABRICS not otherwise specified, containing more than 90 per cent. of artificial silk—					
	(a) of British manufacture	Protective ..	30 per cent. <i>ad valorem</i> or 2½ annas per square yard, whichever is higher.	....	....	March 31st, 1939.
	(b) not of British manufacture	Protective ..	50 per cent. <i>ad valorem</i> or 4 annas per square yard, whichever is higher.	....	....	March 31st, 1939.
48(2)	WOOLLEN FABRICS, not otherwise specified, containing more than 90 per cent. of wool, excluding felt and fabrics made of shoddy or waste wool.	Preferential venue.	35 per cent. <i>ad valorem</i> or Re. 1-2 per lb., whichever is higher.	25 per cent. <i>ad valorem</i>.	....	....
48(3)	COTTON FABRICS not otherwise specified, containing more than 90 per cent. of cotton—					
	(a) Grey piecegoods (excluding bordered grey chadars, dhuties, saris and scarves)—					
	(i) of British manufacture	Protective ..	25 per cent. <i>ad valorem</i> or 4½ annas per lb., whichever is higher.	....	....	March 31st, 1939.
	(ii) not of British manufacture ..	Protective ..	50 per cent. <i>ad valorem</i> or 5½ annas per lb., whichever is higher.	....	....	March 31st, 1939.
	(b) Cotton piecegoods and fabrics not otherwise specified—					
	(i) of British manufacture	Protective ..	25 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
	(ii) not of British manufacture ..	Protective ..	50 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, (1) Chinese silk piecegoods, the following, namely, Ghat-Pote, plain and flower, and Gauze, plain and flower, are liable to duty at 50 per cent. *ad valorem* plus Re. 1 per lb., and (2) Paj, all sorts, are exempt from so much of the duty as is in excess of 75 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XI—<i>contd.</i>						
TEXTILE MATERIALS AND TEXTILE GOODS—<i>contd.</i>						
48(4)	FABRICS, not otherwise specified, containing more than 10 per cent. and not more than 90 per cent. silk—					
	(a) containing more than 50 per cent. of silk or artificial silk or of both.	Protective ..	50 per cent. <i>ad valorem</i> plus Rs. 2 per lb.	....	....	March 31st, 1939.
	(b) containing not more than 50 per cent. of silk or artificial silk or of both—					
	(i) containing more than 10 per cent. artificial silk.*	Protective ..	50 per cent. <i>ad valorem</i> or Re. 1-8 per lb., whichever is higher.	....	....	March 31st, 1939.
	(ii) containing no artificial silk or not more than 10 per cent. artificial silk.*	Protective ..	50 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
48(5)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk but more than 10 per cent. and not more than 90 per cent. artificial silk—					
	(a) containing 50 per cent. or more cotton—					
	(i) of British manufacture	Protective ..	30 per cent. <i>ad valorem</i> or 2 annas per square yard, whichever is higher.	....	....	March 31st, 1939.
	(ii) not of British manufacture ..	Protective ..	50 per cent. <i>ad valorem</i> or 3½ annas per square yard, whichever is higher.	....	....	March 31st, 1939.
	(b) containing no cotton or containing less than 50 per cent. cotton—					
	(i) of British manufacture	Protective ..	30 per cent. <i>ad valorem</i> or 2½ annas per square yard, whichever is higher.	....	....	March 31st, 1939.
	(ii) not of British manufacture ..	Protective ..	50 per cent. <i>ad valorem</i> or 4 annas per square yard, whichever is higher.	....	....	March 31st, 1939.
48(6)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk, but containing more than 10 per cent. but not more than 90 per cent. wool.	Preferential revenue.	35 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i>.	....	....
48(7)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool, but containing more than 50 per cent. cotton and not more than 90 per cent. cotton—					
	(a) of British manufacture	Protective ..	25 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
	(b) not of British manufacture	Protective ..	50 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
48(8)	FABRICS, not otherwise specified, containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool or 50 per cent. cotton.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
48(9)	THE FOLLOWING COTTON FABRICS, namely, Sateens, including Italians of Sateen weave, velvets and velveteens and embroidered all-overs—					
	(a) of British manufacture	Protective ..	25 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
	(b) not of British manufacture	Protective ..	35 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
48(10)	FABRICS containing gold or silver thread ..	Protective ..	50 per cent. <i>ad valorem</i>.	....	....	March 31st, 1939.
49	TEXTILE MANUFACTURES, the following articles when made wholly or mainly of any of the fabrics specified in Item No. 48, 48(1), 48(3), 48(4), 48(5), 48(7), 48(9) or 48(10):— Bed sheets. Bed spreads. Bolster cases. Counterpanes. Cloths, table. Cloths, tray. Covers, bed. Covers, table. Dusters. Glass-cloths. Handkerchiefs.	Protective ..	The <i>ad valorem</i> rates of duty applicable to the fabric of which the article is wholly or mainly made.	....	....	March 31st, 1939.

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, woollen all-over embroidered with artificial silk are exempt from so much of the duty as is in excess of 35 per cent. *ad valorem* of Re. 1-2 per lb. whichever is higher (standard) and 25 per cent. *ad valorem* (preferential).

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XII.						
FOOTWEAR, HATS, UMBRELLAS AND PARASOLS; ARTICLES OF FASHION.						
54	BOOTS AND SHOES, not otherwise specified ..	Revenue ..	25 per cent. <i>ad valorem</i> or six annas per pair, whichever is higher.	....	....	..
54(1)	BOOTS AND SHOES, composed mainly of leather.	Preferential revenue.	30 per cent. <i>ad valorem</i> or six annas per pair, whichever is higher.	20 per cent. <i>ad valorem</i> or 5 annas per pair whichever is higher.	....	....
54(2)	UPPERS FOR BOOTS AND SHOES unless entirely made of leather.	Revenue ..	25 per cent. <i>ad valorem</i> or three annas per pair, whichever is higher.	....	....	....
55	HATS, CAPS, BONNETS AND HATTERS' WARE, not otherwise specified.	Preferential revenue.	35 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i> .	25 per cent. <i>ad valorem</i>.	....
56	PARASOLS AND SUNSHADES AND FITTINGS for umbrellas, parasols and sunshades.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff values—</i>	Per dozen sets of 8. Rs. a. p.				
	Umbrella ribs other than nickelled, brassed, fluted or metal tipped—					
	Solid Flexus, 23 25 and 27 inches—					
	From Japan	1 3 0				
	From other countries ..	2 4 0				
	Solid Flexus, 16, 19 and 21 inches—					
	From Japan	0 13 0				
		Per dozen sets of 12.				
	Solids, 23, 25 and 27 inches—					
	From Japan	1 4 0				
	From other countries ..	2 0 0				
		Per dozen sets of 8.				
	Solids, 16, 19 and 21 inches—					
	From Japan	0 14 0				
	From other countries ..	1 4 0				
56(1)	UMBRELLAS	Preferential revenue.	30 per cent. <i>ad valorem</i> or eight annas each, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
57	.....	....	.....	....	....	....
SECTION XIII.						
WARES OF STONE AND OF OTHER MINERAL MATERIALS; CERAMIC PRODUCTS; GLASS AND GLASSWARE.						
58	ARTICLES MADE OF STONE OR MARBLE ..	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
58(1)	ASBESTOS MANUFACTURES, not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
58(2)	PACKING—ENGINE AND BOILER—all sorts not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
59	BUILDING AND ENGINEERING MATERIALS, all sorts not of iron, steel or wood not otherwise specified, including tiles other than glass, earthenware or porcelain tiles, and firebricks not being component parts of any articles included in Item No. 72 or No. 74(2).*	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
59(1)	BUILDING AND ENGINEERING BRICKS	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
59(2)	EARTHENWARE, china and porcelain, all sorts not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
59(3)	EARTHENWARE PIPES AND SANITARY WARE ..	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
59(4)	TILES OF EARTHENWARE AND PORCELAIN ..	Preferential revenue.	30 per cent. <i>ad valorem</i> or two annas per square foot, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
59(5)	DOMESTIC EARTHENWARE, china and porcelain, the following, namely:—					
	(a) Tea cups and coffee cups—					
	(i) having a capacity of more than 7½ ozs.	Preferential revenue.	30 per cent. <i>ad valorem</i> or ten annas per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(ii) having a capacity of not more than 7½ ozs.	Preferential revenue.	30 per cent. <i>ad valorem</i> or four annas per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, sand is exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XIII—<i>contd.</i>						
WARES OF STONE AND OF OTHER MINERAL MATERIALS; CERAMIC PRODUCTS; GLASS AND GLASSWARE— <i>contd.</i>						
	(b) Saucers—					
	(i) for use with tea cups or coffee cups having a capacity of more than 7½ ozs.	Preferential revenue.	30 per cent. <i>ad valorem</i> or five annas per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(ii) for use with tea cups or coffee cups having a capacity of not more than 7½ ozs.	Preferential revenue.	30 per cent. <i>ad valorem</i> or two annas per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(c) Tea-pots—					
	(i) having a capacity of more than 20 ozs.	Preferential revenue.	30 per cent. <i>ad valorem</i> or Rs. 3 per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(ii) having a capacity of more than 10 ozs. and not more than 20 ozs.	Preferential revenue.	30 per cent. <i>ad valorem</i> or Re. 1-8 per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(iii) having a capacity of not more than 10 ozs.	Preferential revenue.	30 per cent. <i>ad valorem</i> or twelve annas per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(d) Sugar-bowls	Preferential revenue.	30 per cent. <i>ad valorem</i> or Re. 1-8 per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(e) Jugs having a capacity of over 10 ozs...	Preferential revenue.	30 per cent. <i>ad valorem</i> or twelve annas per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(f) Plates over 5½ inches in diameter—					
	(i) over 8½ inches in diameter	Preferential revenue.	30 per cent. <i>ad valorem</i> or Re. 1 per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(ii) not over 8½ inches in diameter ..	Preferential revenue.	30 per cent. <i>ad valorem</i> or ten annas per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
59(6)	COVERED CRUCIBLES FOR GLASS-MAKING ..	Preferential revenue.	25 per cent. <i>ad valorem</i> .	15 per cent. <i>ad valorem</i>.	....	....
60	GLASS AND GLASSWARE, not otherwise specified, and lacquered ware.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	..
	<i>Tariff values—</i>					
	Aerated water bottles, empty—	Per gross.				
	Codd's pattern—	Rs. a. p.				
	Under 10 ozs.	22 0 0				
	10 ozs.	23 0 0				
	Over 10 ozs.	25 0 0				
	Crown cork pattern—					
	7 ozs. and under	13 0 0				
	Over 7 ozs. up to and including 10 ozs.	14 0 0				
	Over 10 ozs.	15 8 0				
60(1)	GLASS GLOBES AND CHIMNEYS for lamps and lanterns—					
	(a) Globes for hurricane lanterns	Revenue ..	25 per cent. <i>ad valorem</i> or four annas and six pies per dozen, whichever is higher.	....	....	....
	(b) Other globes and chimneys having an external base diameter of over one inch.	Revenue ..	25 per cent. <i>ad valorem</i> or three annas per dozen, whichever is higher.	....	....	....
60(2)	ELECTRIC LIGHTING BULBS	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
60(3)	GLASS BANGLES, GLASS BEADS AND FALSE PEARLS.	Revenue ..	50 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>	Per 100				
	Glass bangles—	pairs.				
	<i>China—</i>	Rs. a. p.				
	Nimuchi and pasala	2 0 0				
	Bracelet, Jodi and fancy, all kinds.	4 0 0				
	Rajawarakh all kinds	4 0 0				
	<i>Japan—</i>					
	Reshmi or lustre, all colours—	Per doz. pair.				
	Fancy (including all kinds of Vakmel or zigzag but excluding hexagonal bangles).	0 1 2				
	Fancy hexagonal	0 0 8				
	All others	0 0 7				
	Hollow or tube, all colours.	0 1 3				
	Sonerikada (golbala)—					
	Containing gold in their composition.	0 12 0				
	All others	0 1 9				

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty
				The United Kingdom.	A British Colony.	
SECTION XIV.						
REAL PEARLS, PRECIOUS STONES, PRECIOUS METALS AND WARES OF THOSE MATERIALS; COIN (SPECIE).						
61	PRECIOUS STONES, unset and imported uncut, and Pearls, unset.	....	Free .. .. .	....	....	....
61(1)	PRECIOUS STONES, unset and imported cut ..	Revenue ..	25 per cent. <i>ad valorem</i> ..	....	....	....
61(2)	SILVER BULLION AND SILVER SHEETS AND PLATES which have undergone no process of manufacture subsequent to rolling.*	Revenue ..	Two annas per ounce ..	....	....	....
61(3)	GOLD BULLION AND GOLD SHEETS AND PLATES which have undergone no process of manufacture subsequent to rolling.	....	Free .. .. .	....	....	....
61(4)	SILVER PLATE AND SILVER MANUFACTURES, all sorts not otherwise specified.	Revenue ..	50 per cent. <i>ad valorem</i> ..	....	....	....
61(5)	SILVER THREAD AND WIRE (including so-called gold thread and wire mainly made of silver) and silver leaf including also imitation gold and silver thread and wire, lametta and metallic spangles and articles of a like nature, of whatever metal made.†	Protective ..	62½ per cent. <i>ad valorem</i> ..	....	....	March 31st, 1941.
61(6)	GOLD PLATE, GOLD LEAF AND GOLD MANUFACTURES, all sorts not otherwise specified.	Revenue ..	50 per cent. <i>ad valorem</i> ..	....	....	....
61(7)	GOLD OR GOLD-PLATED PEN NIBS	Preferential revenue.	50 per cent. <i>ad valorem</i> ..	40 per cent. <i>ad valorem</i> ..	....	....
61(8)	ARTICLES, other than cutlery and surgical instruments, plated with gold or silver.‡	Revenue ..	50 per cent. <i>ad valorem</i> ..	....	....	....
61(9)	CUTLERY, plated with gold or silver	Preferential revenue.	50 per cent. <i>ad valorem</i> ..	40 per cent. <i>ad valorem</i> ..	....	....
61(10)	JEWELLERY AND JEWELS‡	Revenue ..	50 per cent. <i>ad valorem</i> ..	....	....	....
62	CURRENT COIN OF THE GOVERNMENT OF INDIA.	....	Free .. .. .	....	....	....
62(1)	SILVER COIN not, otherwise specified	Revenue ..	Two annas per ounce ..	....	....	....
62(2)	GOLD COIN .. .. .	....	Free .. .. .	....	....	....
SECTION XV.						
BASE METALS AND ARTICLES MADE THEREFROM.						
63	IRON OR STEEL, old	Revenue ..	15½ per cent. <i>ad valorem</i> ..	....	....	....
	<i>Tariff value—</i>					
		Per cwt.				
		Rs. a. p.				
	Iron or steel, old	1 0 0				
63(1)	IRON ALLOYS, viz., ferro-manganese ferro-silicon, ferro-chrome, spiegeleisen and the like as commonly used for steel making.	Preferential revenue.	20 per cent. <i>ad valorem</i> ..	10 per cent. <i>ad valorem</i> ..	....	....
63(2)	IRON OR STEEL ANGLE, CHANNEL, TEE, FLAT, BEAM, ZED, TROUGH AND PILING—					
	(a) not fabricated—					
	(i) of British manufacture—					
	not coated with other metals ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India; § or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	coated with other metals ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India; § or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India; § plus Rs. 43 per ton.	....	....	March 31st, 1941.

* The rate of excise duty on the 22nd April 1935, and until further notice, on all silver produced in silver works in British India, is 2 annas per ounce.

† Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, all the articles included in this item are liable to duty at 50 per cent. *ad valorem*.

‡ Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, articles of imitation jewellery (including buttons and other fasteners) which consist of, or include, base metal plated with gold or silver and in which the proportion of precious metal to total metallic contents is less than 1.5 per cent., are liable to duty as 'hardware, other sorts' at the standard rate of 30 per cent. *ad valorem* or the preferential rate of 20 per cent. *ad valorem*, as the case may be under Item No. 71.

§ The rate of excise duty on the 1st January 1935, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XV—<i>contd.</i>						
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>						
IRON OR STEEL ANGLE, CHANNEL, TEE, FLAT, BEAM, ZED, TROUGH AND FILING—<i>contd.</i>						
(b) fabricated—						
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton.	....	....	March 31st 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton.	....	....	March 31st 1941.
63(3)	IRON OR STEEL BAR AND ROD—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 39 per ton; or 20 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
63(4)	IRON, PIG	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff value—</i>					
	Iron, pig		Per ton. Rs. a. p. 65 0 0			
63(5)	IRON RICE BOWLS	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(6)	CAST IRON PIPES AND TUBES: also cast iron fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like—					
	(i) of British manufacture	Protective ..	10 per cent. <i>ad valorem</i>.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	Rs. 57-8-0 per ton ..	....	....	March 31st, 1941.
63(7)	CAST IRON PLATES	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(8)	STEEL INGOTS IRON OR STEEL BLOOMS, BILLETS AND SLABS, provided that no piece less than 1½ inches square or thick shall be included in this item.†	Preferential revenue.	The excise duty leviable for the time being on steel ingots produced in British India*; or 20 per cent. <i>ad valorem</i> , whichever is higher.	The excise duty leviable for the time being on steel ingots produced in British India*; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....
63(9)	IRON OR STEEL STRUCTURES, fabricated partially or wholly, not otherwise specified, if made mainly or wholly of iron or steel bars, sections, plates, or sheets, for the construction of buildings, bridges, tanks, well curbs, trestles, towers and similar structures or for parts thereof, but not including builders' hardware or any of the articles specified in Item No. 72, 72(3), 74(1), 75(3), 75(4) or 76(1)—					
	(a) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton.	....	....	March 31st, 1941.
	(b) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton.	....	....	March 31st, 1941.

* The rate of excise duty on the 1st January, 1935, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.
† Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, iron or steel billets are exempt from payment of the alternative *ad valorem* duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XV—<i>contd.</i>						
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>						
63(10)	STEEL, TINPLATES AND TINNED SHEETS, including tin taggers, and cutting of such plates, sheets or taggers— (i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 38 per ton.	....	....	March 31st, 1941.
	(ii) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 59 per ton.	....	....	March 31st, 1941.
63(11)	IRON OR STEEL ANCHORS AND CABLES.	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(12)	A. IRON OR STEEL BOLTS AND NUTS including hook-bolts and nuts for roofing but excluding fish bolts and nuts— (i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;* or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 1-9-0 per cwt.	....	....	March 31st, 1941.
	B. IRON OR STEEL FISH BOLTS AND NUTS— (i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;* or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 4-5-0 per cwt.	....	....	March 31st, 1941.
63(13)	IRON OR STEEL EXPANDED METAL	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(14)	IRON OR STEEL HOOPS AND STRIPS	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(15)	IRON OR STEEL RIVETS— (i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;* or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 1-14-0 per cwt.	....	....	March 31st, 1941.
63(16)	IRON OR STEEL NAILS AND WASHERS, all sorts not otherwise specified. <i>Tariff values—</i> Per cwt. Nails, and washers— Rs. a. p. Nails rose and deck .. 11 8 0 Nails, bullock and horse-shoe 37 8 0 Washers, black, structural.. 8 12 0	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(17)	IRON OR STEEL PIPES AND TUBES AND FITTINGS THEREFOR, if riveted or otherwise built up of plates or sheets— (i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 12 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 35 per ton.	....	....	March 31st, 1941.

* The rate of excise duty on the 1st January 1935, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XV—<i>contd.</i>						
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>						
63(18)	IRON OR STEEL PIPES AND TUBES; also fittings, therefor, that is to say, bends, bolts, elbows, tees, sockets, flanges, plugs, valves, cocks and the like, excluding pipes, tubes and fittings therefor otherwise specified.	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(19)	IRON OR STEEL PLATES excluding cast iron plates—					
	(a) not fabricated—					
	(i) of British manufacture—					
	not coated with other metals ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	coated with other metals ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 25 per ton.	....	....	March 31st, 1941.
	(b) fabricated—					
	(i) of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton.	....	....	March 31st, 1941.
63(20)	IRON OR STEEL SHEETS—					
	(a) not fabricated—					
	(1) not galvanized—					
	(i) of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 11 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 32 per ton.	....	....	March 31st, 1941.
	(2) galvanized—					
	(i) of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton.	....	....	March 31st, 1941.
	(b) fabricated—					
	(1) not galvanized—					
	(i) of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 12 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.

* The rate of excise duty on the 1st January 1935, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XV—<i>contd.</i>						
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>						
(b) fabricated—<i>contd.</i>						
	(i) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 35 per ton.	....	....	March 31st, 1941.
	(2) galvanized— (i) of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 11 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 44 per ton.	....	....	March 31st, 1941.
63(21)	IRON OR STEEL RAILWAY TRACK MATERIAL— A. Rails (including tramway rails the heads of which are not grooved)— (a) 30 lbs. per yard and over, and fish-plates therefor— (i) of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;* or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;* or 20 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(b) under 30 lbs. per yard and fish-plates therefor— (i) of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 39 per ton.	....	....	March 31st, 1941.
	B. Switches and crossings including stretcher bars and other component parts, and switches and crossings including stretcher bars and other component parts for tramway rails the heads of which are not grooved— (a) for rails 30 lbs. per yard and over— (i) of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;* or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;* or 20 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(b) for rails under 30 lbs. per yard— (i) of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 11 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 43 per ton.	....	....	March 31st, 1941.

* The rate of excise duty on the 1st January 1935, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony	
SECTION XV—<i>contd.</i>						
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>						
	C. Sleepers, and sleeper bars, other than cast iron— (i) of British manufacture *	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture † * ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † or 20 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	D. Spikes (other than dog-spikes) and tie-bars— (i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus Rs. 10 per ton; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus Rs. 39 per ton.	....	....	March 31st, 1941.
	E. Dogspikes— (i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus 7 annas per cwt.; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus Rs. 2-15-0 per cwt.	....	....	March 31st, 1941.
	F. Gibs cotters, keys (including tapered key bars), distance pieces and other fastenings for use with iron or steel sleepers— (i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus 7 annas per cwt.; or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture ..	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus Rs. 2-15-0 per cwt.	....	....	March 31st, 1941.
63(22)	IRON OR STEEL RAILWAY TRACK MATERIALS, not otherwise specified, including bearing plates, cast iron sleepers and lever boxes.	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(23)	IRON OR STEEL TRAMWAY TRACK MATERIALS not otherwise specified, including rails, fish-plates, tie-bars, switches, crossings and the like materials of shapes and sizes specially adapted for tramway tracks.	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(24)	IRON OR STEEL BARBED OR STRANDED WIRE AND WIRE ROPE.	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(25)	IRON OR STEEL WIRE, other than barbed or stranded wire, wire rope or wire netting; and iron or steel wire nails— (i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus Rs. 25 per ton.	....	....	March 31st, 1941.
	(ii) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India † plus Rs. 60 per ton.	....	....	March 31st, 1941.

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, iron or steel sleeper bars, other than cast iron are exempt from payment of the alternative *ad valorem* duty.
† The rate of excise duty on the 1st January 1935, and until further notice, on all ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XV—<i>contd.</i>						
BASE METALS AND ARTICLES MADE THEREFROM—<i>contd.</i>						
63(26)	IRON OR STEEL (other than bar or rod) specially designed for the reinforcement of concrete.	Preferential revenue.	20 per cent. <i>ad valorem</i> .	10 per cent. <i>ad valorem</i>.	....	....
63(27)	IRON OR STEEL, the original material (but not including machinery) of any ship or other vessel intended for inland or harbour navigation which has been assembled abroad, taken to pieces and shipped for reassembly in India—					
	(i) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;* or 10 per cent. <i>ad valorem</i> whichever is higher.	....	....	March 31st, 1941.
	(ii) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 27-8-0 per ton; or 20 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
Provided that articles dutiable under this item shall not be deemed to be dutiable under any other item.						
63(28)	ALL SORTS OF IRON AND STEEL AND MANUFACTURES THEREOF, not otherwise specified.†	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff values—</i>					
	Iron and Steel cans or drums—	Per can.				
	When imported containing kerosene and motor spirit, namely:—	Rs. a. p.				
	Cans, tinned, of four gallons capacity.	0 6 0				
		Per can or drum.				
	Cans or drums, not tinned, of two gallons capacity—					
	(a) with faucet caps.	1 8 0				
	(b) ordinary ..	0 6 0				
		Per drum.				
	Drums of four gallons capacity—					
	(a) with faucet caps.	2 0 0				
	(b) ordinary ..	1 0 0				
63(29)	ENAMELLED IRONWARE, the following, namely:—					
	(a) Sign-boards	Preferential revenue.	30 per cent. <i>ad valorem</i> or four and a half annas per square foot, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(b) Domestic hollow-ware, the following, namely, basins, bowls, dishes, plates and thalas, including rice-cups, rice-bowls and rice-plates—					
	(i) having no diameter exceeding 19 centimetres.	Preferential revenue.	30 per cent. <i>ad valorem</i> or per dozen four annas plus one anna for every two centimetres or part thereof by which any diameter exceeds 11 centimetres, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(ii) having any diameter exceeding 19 centimetres.	Preferential revenue.	30 per cent. <i>ad valorem</i> or per dozen eight annas plus two annas for every two centimetres or part thereof by which any diameter exceeds 19 centimetres, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
64	COPPER, WROUGHT, AND MANUFACTURES OF COPPER, all sorts not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff values—</i>	Per cwt.				
	Copper, braziers, sheets, plates and sheathing.	28 8 0				
	Copper, circles	33 8 0				
		Per 100 leaves.				
	Copper, foil or dankpana, plain, white, 10 to 11 in. × 4 to 5 in.	1 2 0				
	Copper, foil or dankpana, plain, coloured, 10 to 11 in. × 4 to 5 in.	1 2 0				

* The rate of excise duty on the 1st January 1935, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

† Under Government of India, Finance Department (Central Revenues), Notification No. 14, dated the 9th April 1932, as amended subsequently, iron or steel billets are exempt from so much of the customs duty as is in excess of the excise duty leviable for the time being on steel ingots produced in British India. The rate of excise duty on the 1st January 1935, and until further notice, is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XV—<i>concl.</i>						
BASE METALS AND ARTICLES MADE THEREFROM—<i>concl.</i>						
64(1)	COPPER, scrap <i>Tariff value—</i> Per cwt. Rs. a. p. Copper, old 19 0 0	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
65	GERMAN SILVER including nickel silver ..	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
66	ALUMINIUM—CIRCLES, SHEETS AND OTHER MANUFACTURES, not otherwise specified. <i>Tariff values—</i> Per lb. Rs. a. p. Aluminium circles 0 9 6 Aluminium sheets, plain .. 0 9 0	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
66(1)	UNWROUGHT INGOTS, BLOCKS AND BARS OF ALUMINIUM.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
67	LEAD, wrought—the following articles, namely, pipes and tubes and sheets other than sheets for tea chests.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
67(1)	LEAD SHEETS FOR TEA CHESTS.. .. .	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
68	ZINC OR SPELTER, wrought or manufactured, not otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
68(1)	ZINC, unwrought, including cakes, ingots, tiles (other than boiler tiles), hard or soft slabs and plates, dust, dross and ashes; and broken zinc.	....	Free .. .. .	....	....	....
69	TIN, BLOCK	Revenue ..	Rs. 312-8 per ton ..	....	....	....
70	BRASS BRONZE AND SIMILAR ALLOYS, wrought, and manufactures thereof, not otherwise specified. <i>Tariff values—</i> Per cwt. Rs. a. p. Brass, patent or yellow metal, sheets and sheathing, weighing 1 lb. or above per square foot, and braziers, and plates. 23 8 0 Brass, patent or yellow metal, circles weighing 1 lb. or above per square foot. 27 8 0	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
70(1)	ALL SORTS OF METALS OTHER THAN IRON AND STEEL, AND MANUFACTURES THEREOF, not otherwise specified.* <i>Tariff values—</i> Per cwt. Rs. a. p. Brass, patent or yellow metal (including gun metal) ingots. 17 0 0 Brass, patent or yellow metal (including gun metal), old. 16 0 0 Copper, pigs, tiles, ingots, cakes, bricks and slabs. 24 8 0 Lead, pig 9 0 0 Quicksilver Per lb. 2 4 0	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
71	HARDWARE, IRONMONGERY AND TOOLS, all sorts not otherwise specified, including incandescent mantles but excluding machine tools and agricultural implements. <i>Tariff value—</i> Per gross. Rs. a. p. Crown corks 0 8 0	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
71(1)	THE FOLLOWING HARDWARE, IRONMONGERY AND TOOLS, namely, agricultural implements not otherwise specified, buckets of tinned or galvanized iron, and pruning-knives.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
71(2)	CUTLERY all sorts not otherwise specified ..	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
71(3)	METAL FURNITURE AND CABINETWARE ..	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
71(4)	PRINTING TYPE	Revenue ..	One anna and three pies per lb.	....	....	....
71(5)	THE FOLLOWING PRINTING MATERIALS, namely, leads, brass rules, wooden and metal galleys, shootings sticks and galleys and metal furniture.	Revenue ..	2½ per cent. <i>ad valorem</i>.	....	....	....
71(6)	RACKS FOR THE WITHERING OF TEA LEAF ..	Revenue ..	2½ per cent. <i>ad valorem</i>.	....	....	....

* Under Government of India, Finance Department (Central Revenues), Notification No. 14, dated the 9th April 1932, as amended subsequently, radium is exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
	SECTION XVI. MACHINERY AND APPARATUS; ELECTRICAL MATERIAL.					
72	MACHINERY, namely, such of the following articles as are not otherwise specified:— (a) prime-movers, boilers, locomotive engines and tenders for the same, portable engines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime-mover is not separable from the operative parts; (b) machines and sets of machines to be worked by electric, steam, water, fire or other power, not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts; (c) apparatus and appliances, not to be operated by manual or animal labour, which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose; (d) control gear, self-acting or otherwise, and transmission-gear designed for use with any machinery above specified, including belting of all materials (other than cotton, hair and canvas ply) and driving chains, but excluding driving ropes not made of cotton; (e) bare hard-drawn electrolytic copper wires and cables and other electrical wires and cables, insulated or not, and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof. <i>Note.</i> —The term 'industrial system' used in sub-item (c) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.	Revenue	10 per cent. <i>ad valorem</i>.	....	....	....
72(1)	THE FOLLOWING TEXTILE MACHINERY AND APPARATUS operated, namely, healds, heald cords and heald knitting needles; reeds and shuttles; warp and weft preparation machinery and looms; bobbins and pirns; dobbies; Jacquard machines; Jacquard harness linen cards; Jacquard cards; punching plates for Jacquard cards; warping mills; multiple box sleys; solid border sleys; tape sleys; swivel sleys; tape looms; wool carding machines; wool spinning machines; hosiery machinery; coir mat shearing machines; coir fibre willowing machines; heald knitting machines; dobbie cards; lattices and lags for dobbies; wooden winders, silk looms; silk throwing and reeling machines; cotton yard reeling machines; sizing machines; doubling machines; silk twisting machines; cone winding machines; piano card cutting machines; harness building frames; card lacing frames; drawing and denting hooks; sewing thread balls making machines; cumbl finishing machinery; hank boilers; cotton carding and spinning machines; mail eyes, lingoos, comber boards and comber board frames; take-up motions, temples and pickers; picking bands; picking sticks; printing machines; roller cloth; clearer cloth; sizing flannel; and roller skins.	Revenue	10 per cent. <i>ad valorem</i>.	....	....	....
72(2)	PRINTING AND LITHOGRAPHIC MATERIAL, namely, presses, lithographic plates, composing sticks, chases, imposing tables, lithographic stones, stereo-blocks, wood blocks, half-tone blocks, electrotpe blocks, process blocks and highly polished copper or zinc sheets specially prepared for making process blocks, roller moulds, roller frames and stocks, roller composition, lithographic nap rollers, standing screw and hot presses, perforating machines, gold blocking presses, galley presses, proof presses, arming presses, copper plate printing presses, rolling presses, ruling machines, ruling pen making machines, lead cutters, rule cutters, slug cutters, type casting machines, type setting and casting machines, paper in rolls with side perforations to be used after further perforation for type-casting, rule bending machines, rule mitreing machines, bronzing machines, stereotyping apparatus, paper folding machines; paging machines but excluding ink and paper.	Revenue	10 per cent. <i>ad valorem</i>.	....	....	....

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XVI—<i>contd.</i>						
MACHINERY AND APPARATUS; ELECTRICAL MATERIAL—<i>contd.</i>						
72(3)	COMPONENT PARTS OF MACHINERY as defined in Items Nos. 72, 72(1) and 72(2), namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose. Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.	Revenue ..	10 per cent. <i>ad valorem</i>.	....	....	....
72(4)	PASSENGER LIFTS AND COMPONENT PARTS AND ACCESSORIES THEREOF.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
72(5)	DOMESTIC REFRIGERATORS	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
72(6)	MACHINERY AND COMPONENT PARTS THEREOF, meaning machines or parts of machines to be worked by manual or animal labour, not otherwise specified, and any machines (except such as are designed to be used exclusively in industrial processes) which require for their operation less than one-quarter of one brake-horse-power.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
72(7)	WATER-LIFTS, SUGAR-MILLS, SUGAR CENTRIFUGES, SUGAR PUG-MILLS, OIL-PRESSES, AND PARTS THEREOF, when constructed so that they can be worked by manual or animal power and pans for boiling sugar-cane juice.	....	Free .. .. .	....	....	....
72(8)	THE FOLLOWING AGRICULTURAL IMPLEMENTS, namely winnowers, threshers, mowing and reaping machines, binding machines, elevators, seed and corn crushers, chaff-cutters, root-cutters, ensilage-cutters, horse and bullock gear, ploughs, cultivators, scarifiers, harrows, clod-crushers, seed-drills, hay-tedders, hay presses, potato-diggers, latex spouts, spraying machines, powder-blowers, white-ant exterminating machines, beet pullers, broad-cast seeders, corn pickers, corn shellers, culti-packers, drag scrapers, stalk cutters, huskers and shredders, potato planters, lime sowers, manure spreaders, listers, soil graders, and rakes; also agricultural tractors, also component parts of these implements, machines or tractors, provided that they can be readily fitted into their proper places in the implements, machines or tractors for which they are imported, and that they cannot ordinarily be used for purposes unconnected with agriculture.*	....	Free .. .. .	....	....	....
72(9)	THE FOLLOWING DAIRY AND POULTRY FARMING APPLIANCES, namely, cream separators, milking machines, milk sterilizing or pasteurizing plant, milk straining and cooling apparatus, churns, butter dryers, butter workers, milk-bottle fillers and cappers, apparatus specially designed for testing milk and other dairy produce, and incubators; also component parts of these appliances, provided that they can be readily fitted into their proper places in the appliances for which they are imported, and that they cannot ordinarily be used for other than dairy and poultry farming purposes.	....	Free .. .. .	....	....	....
73	ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, not otherwise specified, excluding telegraphic and telephonic.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
73(1)	THE FOLLOWING ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, namely:— Electrical Control Gear and Transmission Gear, namely, switches (excluding switch-boards), fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten amperes and at a pressure not exceeding 250 volts; and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which, not being one specially designed as a pilot core, has a sectional area of less than one-eightieth part of a square inch, and wires and cables of other metals of not more than equivalent conductivity and line insulators, including also cleats, connectors, leading-in tubes and the like, of types and sizes such as are ordinarily used in connection with the transmission of power for other than industrial purposes, and the fittings thereof but excluding electrical earthenware and porcelain otherwise specified.	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, the following agricultural machines and implements, namely, flame throwers for attachment to spraying machines designed for the extermination of locusts, and latex cups, are exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XVI—<i>contd.</i>						
MACHINERY AND APPARATUS; ELECTRICAL MATERIAL—<i>contd.</i>						
73(2)	THE FOLLOWING ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, namely, telegraphic and telephonic instruments, apparatus and appliances not otherwise specified, flash lights, carbons, condensers, and bell apparatus, and switch-boards designed for use in circuits of less than ten amperes and at a pressure not exceeding 250 volts.* †	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
73(3)	TELEGRAPHIC INSTRUMENTS AND APPARATUS AND PARTS THEREOF imported by, or under the orders of, a Railway Administration.	Revenue ..	15½ per cent. <i>ad valorem</i>.	....	....	....
73(4)	WIRELESS RECEPTION INSTRUMENTS AND APPARATUS AND COMPONENT PARTS THEREOF, including all electric valves, amplifiers and loud speakers which are not specially designed for purposes other than wireless reception or are not original parts of and imported along with instruments or apparatus so designed.*	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
73(5)	ELECTRICAL EARTHENWARE AND PORCELAIN, the following, namely:—					
	(a) Insulators, Shackle, Sinclair, Cordeaux or Pin-type, not otherwise specified—					
	(i) fitted	Preferential revenue.	30 per cent. <i>ad valorem</i> or Re. 1-2 per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(ii) not fitted	Preferential revenue.	30 per cent. <i>ad valorem</i> or fourteen annas per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(b) Two-way cleats	Preferential revenue.	30 per cent. <i>ad valorem</i> or four annas per gross of pairs, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(c) Spacing insulators	Preferential revenue.	30 per cent. <i>ad valorem</i> or two annas per gross whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(d) Ceiling roses—					
	(i) fitted	Preferential revenue.	30 per cent. <i>ad valorem</i> or ten annas per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(ii) not fitted	Preferential revenue.	30 per cent. <i>ad valorem</i> or eight annas per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(e) Joint-box cut-outs—					
	(i) fitted	Preferential revenue.	30 per cent. <i>ad valorem</i> or eight annas per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
	(ii) not fitted	Preferential revenue.	30 per cent. <i>ad valorem</i> or six annas per dozen, whichever is higher.	20 per cent. <i>ad valorem</i>.	....	....
73(6)	RUBBER-INSULATED COPPER WIRES AND CABLES, no core of which, other than one specially designed as a pilot core, has a sectional area of less than one-eightieth part of a square inch, whether made with any additional insulating or covering material or not.	Revenue ..	6½ per cent. <i>ad valorem</i>.	....	....	....

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, the following wireless apparatus is liable to duty at 2½ per cent. *ad valorem*:—

(i) apparatus for wireless reception (excluding apparatus specially designed for the reception of broadcast wireless and apparatus of the description specified in clause (ii)) and component parts of such apparatus, when imported under cover of a certificate issued by the Director-General of Posts and Telegraphs to the effect that he is satisfied that the apparatus will not be used for the reception of broadcast wireless;

(ii) apparatus for wireless reception incorporated in a single unit with transmitting apparatus;

(iii) wireless transmission apparatus and component parts thereof;

Provided that nothing shall be deemed to be a component part of apparatus for wireless telegraphy or telephony for the purpose of this exemption unless it is essential for the working of such apparatus and has been given for that purpose some special shape or quality that would not be essential for its use for any other purpose.

† Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended subsequently, telegraphic instruments and apparatus and parts thereof imported for supply from bond for use of a Railway Administration are liable to duty at 15½ per cent. *ad valorem*, provided that, (i) at the time of delivering the bill-of-entry for warehousing a declaration is made thereon by the importer to the effect that the goods have been imported for supply from bond for the use of a Railway Administration; and (ii) a certificate from an Officer of the Railway Administration, duly empowered in that behalf by the Agent, is produced along with the application for clearance out of bond that the goods in question are not merely guaranteed stock, but will be definitely appropriated for the use of such Railway on clearance from bond.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XVII.						
TRANSPORT MATERIAL.						
74	COAL TUBS, TIPPING WAGONS AND THE LIKE CONVEYANCES designed for use on light rail track, if adapted to be worked by manual or animal labour and if made mainly of iron or steel; and component parts thereof made of iron or steel—					
	(a) of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India;* or 10 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
	(b) not of British manufacture	Protective ..	1½ times the excise duty leviable for the time being on steel ingots produced in British India* plus Rs. 40 per ton; or 20 per cent. <i>ad valorem</i> , whichever is higher.	....	....	March 31st, 1941.
74(1)	TRAMCARS AND COMPONENT PARTS AND ACCESSORIES THEREOF.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
74(2)	RAILWAY MATERIALS FOR PERMANENT-WAY AND ROLLING-STOCK, namely, sleepers, other than iron and steel, and fastenings therefor; bearing plates, chairs, interlocking apparatus, brake-gear, shunting skids, couplings and springs, signals, turn-tables, weigh-bridges, carriages, wagons, traversers, rail removers, scooters, trolleys, trucks; also cranes, water-cranes and water-tanks when imported by or under the orders of a railway administration:	Revenue ..	15½ per cent. <i>ad valorem</i>.	....	....	....
	Provided that for the purpose of this entry 'railway' means a line of railway subject to the provisions of the Indian Railways Act, 1890, and includes a railway constructed in a State in India and also such tramways as the Governor-General in Council may, by notification in the <i>Gazette of India</i> specifically include therein:					
	Provided also that articles of machinery as defined in Item No. 72 or No. 72(3) shall not be deemed to be included hereunder.					
74(3)	COMPONENT PARTS OF RAILWAY MATERIALS, as defined in Item No. 74 (2), namely, such parts only as are essential for the working of railways and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose:	Revenue ..	15½ per cent. <i>ad valorem</i>.	....	....	....
	PROVIDED that articles which do not satisfy this condition shall also be deemed to be component parts of the railway material to which they belong, if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.					
75	CONVEYANCES not otherwise specified and component parts and accessories thereof; also motor vans and motor lorries imported complete.	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
75(1)	MOTOR CARS including taxi cabs and articles (other than rubber tyres and tubes) adapted for use as parts and accessories thereof, provided that such articles as are ordinarily also used for other purposes than as parts and accessories of motor vehicles included in this item or in Items Nos. 75(2) and 75(3) shall be dutiable at the rate of duty specified for such articles.	Preferential venue. re-	37½ per cent. <i>ad valorem</i> .	30 per cent. <i>ad valorem</i>.	....	....
75(2)	MOTOR CYCLES AND MOTOR SCOOTERS AND ARTICLES (other than rubber tyres and tubes) adapted for use as parts and accessories thereof except such articles as are also adapted for use as parts and accessories of motor cars.	Revenue ..	37½ per cent. <i>ad valorem</i>.	....	....	....
75(3)	MOTOR OMNIBUSES; chassis of motor omnibuses, motor vans and motor lorries; and parts of mechanically propelled vehicles and accessories not otherwise specified, excluding rubber tyres and tubes and such parts and accessories of motor vehicles included in this item as are also adapted for use as parts and accessories of motor cars.	Preferential venue. re-	25 per cent. <i>ad valorem</i> .	17½ per cent. <i>ad valorem</i>.	....	....

* The rate of excise duty on the 1st January 1935, and until further notice, on all steel ingots produced in British India is Rs. 4 per ton.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XVII—<i>contd.</i>						
TRANSPORT MATERIAL—<i>contd.</i>						
75(4)	CARRIAGES AND CARTS which are not mechanically propelled, not otherwise specified, and cycles (other than motor cycles) imported entire or in sections and parts and accessories thereof; excluding rubber tyres and tubes.*	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
76	AEROPLANES, aeroplane parts, aeroplane engines, aeroplane engine parts and rubber tyres and tubes used exclusively for aeroplanes.	Revenue	2½ per cent. <i>ad valorem</i>.	....	....	....
76(1)	SHIPS AND OTHER VESSELS FOR INLAND AND HARBOUR NAVIGATION, including steamers, launches, boats and barges imported entire or in sections. PROVIDED that articles of machinery as defined in Item No. 72 or No. 72(3) shall, when separately imported, not be deemed to be included hereunder.	Revenue	15½ per cent. <i>ad valorem</i>	....	....	....
76(2)	LIGHT SHIPS .. .. .	....	Free .. .. .	....	....	....
76(3)	FURNITURE TACKLE AND APPAREL, not otherwise described, for steam-sailing, rowing and other vessels.	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
SECTION XVIII.						
SCIENTIFIC AND PRECISION INSTRUMENTS AND APPARATUS; WATCH-MAKERS' AND CLOCKMAKERS' WARES; MUSICAL INSTRUMENTS.						
77	INSTRUMENTS, apparatus and appliances other than electrical, all sorts not otherwise specified, including photographic, scientific, philosophical and surgical.†	Preferential revenue.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
77(1)	INSTRUMENTS, apparatus and appliances, imported by a passenger as part of his personal baggage and in actual use by him in the exercise of his profession or calling.	....	Free .. .. .	....	....	....
77(2)	OPTICAL INSTRUMENTS, apparatus and appliances.	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
78	CLOCKS AND WATCHES and parts thereof ..	Revenue	50 per cent. <i>ad valorem</i>.	....	....	....
79	MUSICAL INSTRUMENTS AND PARTS THEREOF, all sorts not otherwise specified.	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
79(1)	THE FOLLOWING MUSICAL INSTRUMENTS namely, complete organs and harmoniums and records for talking machines.	Revenue	50 per cent. <i>ad valorem</i>.	....	....	....
SECTION XIX.						
ARMS AND AMMUNITION.						
80	SAVE where otherwise specified, all articles which are arms or parts of arms within the meaning of the Indian Arms Act, 1878 (excluding springs used for air guns), all tools used for cleaning or putting together the same, all machines for making, loading, closing or capping cartridges for arms other than rifled arms and all other sorts of ammunition and military stores, and any articles which the Governor General in Council may, by notification in the <i>Gazette of India</i> , declare to be ammunition or military stores for the purposes of this Act.	Revenue	50 per cent. <i>ad valorem</i>.	....	....	....
80(1)	SUBJECT to the exemptions specified in Item No. 80(3)—Firearms, including gas and air guns, gas and air rifles and gas and air pistols, not otherwise specified, but excluding parts and accessories thereof.	Preferential revenue.	Rs. 18-12 each plus 10 per cent. <i>ad valorem</i> , or 50 per cent. <i>ad valorem</i> , whichever is higher.	Rs. 18-12 each or 40 per cent. <i>ad valorem</i> , whichever is higher.	....	....

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April, 1932, as amended subsequently, wheels of bullock carts fitted with pneumatic tyres and tubes especially designed for use on bullock carts, including such wheels fitted with axles and hubs, are liable to duty at the rate of 15 per cent. *ad valorem* when they are liable to a standard rate of duty and at the rate of 5 per cent. *ad valorem* when they are liable to a preferential rate of duty.

† Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April, 1932, as amended subsequently, photo-litho films are liable to duty at 10 per cent. *ad valorem*.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
	SECTION XIX—<i>contd.</i>					
	ARMS AND AMMUNITION—<i>contd.</i>					
80(2)	SUBJECT to the exemptions specified in Item No. 80 (3)—					
	(a) Barrels, whether single or double, for firearms, including gas and air guns, gas and air rifles, and gas and air pistols, not otherwise specified.	Revenue	Rs. 18-12 each	} or 37½ per cent. <i>ad valorem</i> , whichever is higher, plus 12½ per cent. <i>ad valorem</i>.	....	....
	(b) Main springs and magazine springs for firearms, including gas guns, gas rifles and gas pistols.	Revenue	Rs. 6-4 each		....	....
	(c) Gun stocks and breach blocks	Revenue	Rs. 3-12 each		....	....
	(d) Revolver cylinders, for each cartridge they will carry.	Revenue	Rs. 2-8 each		....	....
	(e) Actions (including skeleton and waster), breech bolts and their heads, cocking pieces, and locks for muzzle loading arms.	Revenue	Re. 1-4 each		....	....
	(f) Machines for making, loading or closing* cartridges for rifled arms.	Revenue	50 per cent. <i>ad valorem</i>.		....	....
	(g) Machines for capping cartridges for rifled arms.	Revenue	50 per cent. <i>ad valorem</i>.		....	....
80(3)	THE FOLLOWING ARMS, AMMUNITIONS AND MILITARY STORES:—	....	Free .. ..	....	....	....
	(a) Arms forming part of the regular equipment of a commissioned or gazetted officer in His Majesty's Service entitled to wear diplomatic, military, naval, Royal Air Force or police uniform.					
	(b) A revolver and an automatic pistol and ammunition for such revolver and pistol up to a maximum of 100 rounds per revolver or pistol, (i) when accompanying a commissioned officer of His Majesty's regular forces, or of the Indian Auxiliary Force or the Indian Territorial Force or a gazetted police officer, or (ii) certified by the commandant of the corps to which such officer belongs, or, in the case of an officer not attached to any corps, by the officer commanding the station or district in which such officer is serving or, in the case of a police officer, by an Inspector General or Commissioner of Police, to be imported by the officer for the purpose of his equipment.					
	(c) Swords for presentation as army or volunteer prizes.					
	(d) Arms, ammunition and military stores imported with the sanction of the Government of India for the use of any portion of the military forces of a State in India being a unit notified in pursuance of the First Schedule to the Indian Extradition Act, 1903.					
	(e) Morris tubes and patent ammunition imported by officers commanding British and Indian regiments or volunteer corps for the instruction of their men.*					
80(4)	ORNAMENTAL ARMS OF AN OBSOLETE PATTERN possessing only an antiquarian value; masonic and theatrical and fancy dress swords, provided they are virtually useless for offensive or defensive purposes; and <i>dahs</i> intended exclusively for domestic, agricultural and industrial purposes.	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
81	CARTRIDGE CASES, filled and empty	Preferential revenue.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
	SECTION XX.					
	MISCELLANEOUS GOODS AND PRODUCTS NOT ELSEWHERE INCLUDED.					
82	CORAL, prepared	Revenue	25 per cent. <i>ad valorem</i>.	....	....	....
82(1)	IVORY, MANUFACTURED, not otherwise specified.	Revenue	50 per cent. <i>ad valorem</i>.	....	....	....

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April, 1932, as amended subsequently, .22 inch Adapters and aim teachers imported by officers commanding a unit of the Army in India for the instruction of their men are also exempt from payment of import duty.

SCHEDULE I—IMPORT TARIFF—*contd.*

Item No.	Name of article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty.
				The United Kingdom.	A British Colony.	
SECTION XX—<i>concl.</i>						
MISCELLANEOUS GOODS AND PRODUCTS NOT ELSEWHERE INCLUDED—<i>concl.</i>						
82(2)	BANGLES AND BEADS, not otherwise specified .	Revenue ..	50 per cent. <i>ad valorem</i>.	....	....	....
	<i>Tariff values—</i>					
	Celluloid bangles—	Per doz. pairs. Rs. a. p.				
	Celluloid, plain, flat, with border and without border and grooved but excluding double border and double grooved and those under $\frac{1}{2}$ inch (i.e., 2 lines) width.	0 9 6				
	Celluloid (rubber) rings excluding coils.	0 1 9				
	Celluloid, zigzag, all colours	0 1 3				
83	BRUSHES, all sorts	Preferential venue. re.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
84	Toys, games, playing cards and requisites for games and sports, bird shot, toy cannons, air guns and air pistols for the time being excluded in any part of British India from the operation of all the prohibitions and directions contained in the Indian Arms Act, 1878, and bows and arrows.	Preferential venue. re.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
	<i>Tariff value—</i>	Per cwt. Rs. a. p.				
	Bird shot	25 0 0				
85	BUTTONS, metal	Preferential venue. re.	30 per cent. <i>ad valorem</i> .	20 per cent. <i>ad valorem</i>.	....	....
85(1)	SMOKERS' REQUISITES excluding tobacco and matches.	Preferential venue. re.	50 per cent. <i>ad valorem</i> .	40 per cent. <i>ad valorem</i>.	....	....
	Provided that mechanical lighters as defined in the Mechanical Lighters (Excise Duty) Act, 1934, shall be liable in addition to a duty equal to the amount of the excise duty imposed by that Act, on mechanical lighters manufactured in British India.*					
SECTION XXI.						
WORKS OF ART AND ARTICLES FOR COLLECTIONS.						
86	PRINTS, ENGRAVINGS AND PICTURES (including photographs and picture post cards), not otherwise specified.†	Revenue ..	50 per cent. <i>ad valorem</i>.	....	....	....
86(1)	ART, works of, not otherwise specified ..	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....
86(2)	ART, the following works of:—(1) statuary and pictures intended to be put up for the public benefit in a public place, and (2) memorials of a public character intended to be put up in a public place, including the materials used, or to be used in their construction, whether worked or not.	....	Free .. .. .	....	....	....
86(3)	SPECIMENS, MODELS AND WALL DIAGRAMS illustrative of natural science, and medals and antique coins.‡	....	Free .. .. .	....	....	....
86(4)	POSTAGE STAMPS, whether used or unused ..	....	Free .. .. .	....	....	....
SECTION XXII.						
ARTICLES NOT OTHERWISE SPECIFIED.						
87	ALL OTHER ARTICLES not otherwise specified, including articles imported by post.‡	Revenue ..	25 per cent. <i>ad valorem</i>.	....	....	....

* The rate of excise duty on the 1st January, 1935, and until further notice is Re. 1-8 per lighter.
† Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April, 1932, as amended subsequently, wall pictures and diagrams such as are ordinarily used for instructional purposes are exempt from payment of import duty.
‡ Under Government of India, Finance Department (Central Revenues), Notification No. 14, dated the 9th April, 1932, as amended subsequently, unmanufactured mica and wreaths imported for being placed on graves are exempt from payment of import duty and stereofong is liable to duty at 10 per cent. *ad valorem*.

SCHEDULE II—EXPORT TARIFF.

No.	Names of articles.	Per	Rate of duty.
	JUTE, OTHER THAN BIDLIPATAM JUTE.		Ra. a.
1	RAW JUTE—		
	(1) Cuttings]	Bale of 400 lbs.	1 4
	(2) All other descriptions	Bale of 400 lbs.	4 8
2	JUTE MANUFACTURES, when not in actual use as coverings, receptacles or bindings, for other goods—		
	(1) SACKING (cloth bags, twist, yarn, rope and twine)*	Ton of 2,240 lbs.	20 0
	(2) Hessians and all other descriptions of jute manufactures not otherwise specified.†	Ton of 2,240 lbs.	32 0
	RICE.		
3	RICE, HUSKED OR UNHUSKED, including rice flour but excluding rice, bran and rice dust, which are free.	Indian maund of 82 2/7 lbs. avoirdupois weight.	Two annas and three pies.

* Under Government of India, Finance Department (Central Revenues), Notification No. 14, dated the 9th April, 1932, as amended subsequently, bagging for raw cotton made from cadis rove or from rove containing, in addition to cadis or other material not subject to export duty, not more than 15 per cent. jute weighing not less than 1½ lbs. per square yard and having a total of not more than 140 single or double warp and weft threads per square yard, is exempt from payment of export duty, and bagging for raw cotton made from jute rove (excluding bagging specified above as exempt from payment of export duty), weighing not less than 1½ lbs. per square yard and having a total of not more than 250 warp and weft threads per square yard, is liable to export duty of Rs. 5-8 per ton.

† Under Government of India, Finance Department (Central Revenues), Notification No. 14, dated the 9th April, 1932, as amended subsequently, jute rags such as are used for paper making are exempt from payment of export duty provided that the Customs Collector is satisfied that they are useless for any purpose to which cloth or rope is ordinarily put.

Report for the year 1934.

Section IV.

**SPEECH OF THE FINANCE MEMBER
ON
INTRODUCTION OF BUDGET FOR 1935-36.**

SPEECH BY THE HON'BLE FINANCE MEMBER ON INTRODUCING
THE BUDGET PROPOSALS FOR 1935-36.

1. It is to me somewhat confusing to find that I have to present three sets of accounts. English budget statements, which are made in April, of course only deal with the year which has just closed and the year which has just begun. In India it is necessary to give the final accounts of the year which ended 11 months earlier, a revised forecast of the outturn of the year which has still one month to run and a forecast of a year which has not yet started. I hope that I shall be able to give a clear but succinct account of all 3 years and in doing so I shall avoid all attempts at economic speculation—for I do not think it would be helpful to add one to the infinitude of economic theories which are circulating in India in particular and the world in general—and I shall confine myself to that bare minimum of prophecy which is incidental to presenting a budget statement.

FINANCIAL YEAR 1933-34.

2. I begin by setting out the final results of the year 1933-34.

When my predecessor presented his budget last February, it was anticipated that, after a provision of Rs. 3 crores had been made for debt reduction, the year 1933-34 would close with a surplus of Rs. 1,29 lakhs. The actual figure is Rs. 2,72 lakhs. The main causes of this improvement of Rs. 1,43 lakhs are four :—

First, the fact that a somewhat unusual number of holders of Government securities failed to draw their interest ; secondly, the fact that recoveries from commercial departments were larger than expected ; thirdly, forestalling in anticipation of an increase in the salt duty ; and fourthly, the fortunate non-realisation of our expectations of a reduction in receipts from income-tax in the areas affected by the earthquake of January 1934.

It will be remembered that my predecessor announced that the surplus would be carried to a suspense account and utilised for financial assistance in connection with the earthquake. The Government of India accordingly offered to provide the whole of the financial help required by local bodies to enable them to repair the damage done to roads, bridges, schools, hospitals and other buildings, and to carry out their current responsibilities until their income had regained its normal level. The latest estimate received from the Government of Bihar and Orissa indicates that the amount required for this purpose will be approximately Rs. 1,25 lakhs. In addition about Rs. 5 lakhs were required for the provision of country mills for the crushing of sugar-cane which could not be sent to the factories. It was further decided that the Central Government would assist the Government of Bihar and Orissa in reconstructing Government property which had been damaged by the earthquake to the extent of providing one half of the total capital expenditure involved and financing the remainder from the Provincial Loans Fund. The Local Government now anticipate that the grant required from us in this connection will amount to Rs. 51 lakhs. It was originally proposed that this should be treated as capital expenditure and should not be debited to the special suspense account, but in view of the large increase in the surplus for 1933-34 we now think it more convenient to meet this expenditure also from the suspense account. So far as Bihar is concerned, therefore, the total liability of the Central Government amounts to Rs. 1,25 lakhs *plus 5 plus 51*, a total of Rs. 1,81 lakhs. In addition to this we shall need about Rs. 6 lakhs for the repair of earthquake damage in Bengal and we have also certain contingent liabilities in respect of loans granted to individuals in Bihar whose property was damaged by the earthquake, since it was agreed that in certain circumstances the Central Government would meet part of any loss which may result from the failure of the Local Government to recover these loans. So far as it is possible to judge at present, this liability will not amount to a very large sum, but in order to have a margin for unforeseen contingencies we propose to retain in the suspense account a total sum of Rs. 2,10 lakhs.

This leaves Rs. 62 lakhs to be carried forward to fortify the balances of the current year.

FINANCIAL YEAR 1934-35.

3. I now turn to the current year 1934-35. Our revised forecast shows a material improvement over the original budget anticipations and the surplus is now expected to be Rs. 3.27 lakhs instead of 10 lakhs. The difference is made up of an improvement in revenue of Rs. 3.87 lakhs and a deterioration of Rs. 70 lakhs in expenditure.

Incidentally, I must here make an apology to my predecessor for a somewhat gloomy remark I made last August as to the prospects of realising his revenue estimates. I ought to have known better than to turn myself into a prophet on so slight an acquaintance with India. It would also be fitting that I should pay a tribute to him for the hard and unpleasant work he performed in securing budgetary equilibrium in this country and express my sympathy that the fruits of his unremitting toil should not have fallen to him before his departure.

The actual figures, excluding Railways, are as follows:—

						(Lakhs.)	
						Budget, 1934-35.	Revised, 1934-35.
Revenue	..	..	..	..	..	87,13	91,00
Expenditure	..	..	..	..	..	87,03	87,73
Surplus						10	3,27

Full details are of course given in the Financial Secretary's memorandum but I should perhaps call attention to a few of the more important variations.

Revenue.

4. *Customs, etc.*—On the Revenue side the surplus is in the main due to Customs, etc., the principal items being:—

								Lakhs.
Sugar	..	..	..	..	..	..	..	1,38*
Cotton fabrics	..	..	..	..	..	..	..	90
Yarn and textile fabrics other than artificial silk	..	..	..	..	..	..	..	80

There have also been increases under motor cars, machinery, petrol and kerosene offset by decreases in the export duties on jute and rice and in the excise duties on matches. The actual figure for the export duty on jute—to which I shall have to return later—is Rs. 3.40 lakhs as compared with the Budget Estimate of Rs. 3.80 lakhs.

5. *Interest.*—Apart from Customs, etc., the only Revenue item I need mention specifically is Interest. Here, although the head discloses an increase of Rs. 26 lakhs only, this is made up of a considerable reduction of rupee, combined with a somewhat greater increase of sterling, receipts. The latter is due to our increased sterling balances but the former calls for more detailed comment.

The budget estimates for the current year provided for a receipt of Rs. 67 lakhs on account of interest on the loan granted to Bahawalpur State. During the year we have reconsidered the position with regard to this loan on the basis of the latest forecast supplied by the Public Works and Revenue Minister of the State. The forecast indicated that although the Sutlej Valley Project should ultimately yield a surplus which will be sufficient for the service of a loan of the existing dimensions, the surplus available for this purpose during the current and the next financial years is likely to be of negligible amount and will

* This figure is net, i.e., it covers an increase of Rs. 170 lakhs in the import duty yield and a decrease of Rs. 32 lakhs in the revenue from the excise duty.

certainly be insufficient to pay interest at the prescribed rate, which for the greater part of the loan is $5\frac{1}{2}$ per cent. In view of the recent fall in our borrowing rates the project could now be regarded as reasonably profitable even if it should prove to be unable to pay as high a rate as $5\frac{1}{2}$ per cent., and we might with some justification have proposed an immediate reduction in this rate. As, however, the forecast is admittedly of a very provisional character, we have considered it preferable to defer a final settlement of the terms of repayment of the loan and to avoid taking any step, such as a reduction in the rate of interest, which might prejudice the provisions of that settlement. We have instead decided to charge no interest for a period of two years commencing with the payments which were due to be received during the current financial year. So far as the current year is concerned, this decision involves only a paper loss, since we should in any case have received practically nothing from the State. The final terms of repayment will be considered before the end of the period of two years, and in connection with that settlement we shall of course take into consideration the remission of interest charges which is now being granted.

Expenditure.

6. *Grant to Jute producing Provinces.*—The main part of the increase of Rs. 70 lakhs in Expenditure is due to the allocation to Bengal, Bihar and Orissa and Assam of a larger share of the proceeds of the jute duty than was originally provided for. The figures are now expected to be :—

Bengal		149.3 lakhs.
Bihar and Orissa		11.2 „
Assam		8.5 „

During the debate on the Matches (Excise Duty) Bill last April my predecessor explained that, in view of the reduction in the rates originally proposed for the duty, the abnormal issues from factories during March 1934 and the dislocation in the interval before banderols were available, we should probably only collect eight months' revenue in the first year. Our estimate of income from this source during 1934-35 was, therefore, reduced to Rs. 1,38 lakhs, and consequently we were unable to promise the jute producing provinces the full amount of assistance originally proposed. Our final estimates were accordingly based on the assumption that those Provinces would be given only one-third instead of one-half of the total receipts from the export duty on jute. At the same time it was made clear that we should be prepared to increase this proportion to one-half if the budget as a whole should turn out better than was then anticipated. This condition is clearly in process of being fulfilled. But the transfer was subject, in the case of Bengal, to the further condition that the Government of that province must satisfy us that they are doing everything possible on their side to restore equilibrium. I have twice discussed this question with the Government of Bengal, and I am satisfied that the Local Government cannot reasonably be expected to secure further material reductions in their present scale of expenditure. Indeed in some respects it seemed to me that retrenchment had been carried to the point where it was unremunerative. On the other side of the account, however, the Government of Bengal have, of their own accord, introduced five new taxation Bills which are expected to produce a total additional revenue of about Rs. 24½ lakhs in a full year. For my part I am bound to regard this action as conclusive evidence of the determination of the Local Government to do whatever they can to put their own affairs in order.

7. *Interest.*—On the Expenditure side too it is necessary to mention the Interest heads. Again they show little variation as a whole but there is an excess on "Other Obligations" because of Provident Fund and Post Office Savings Bank deposits being higher than anticipated and of an increase in the amount of accrued bonus on cash certificates; and there is a saving on "Ordinary Debt" owing to the non-payment of the 58 lakhs due to the United Kingdom on the 1st December 1934 on account of the outstanding War Loan liability. Incidentally the United Kingdom has agreed that this non-payment should continue for the year 1935-36.

8. *Posts and Telegraphs*.—Finally I should say a word about Posts and Telegraphs.

The position is as follows :—

					(Lakhs.)	
					Budget, 1934-35.	Revised, 1934-35.
Gross receipts	..	..	..	..	10,71	11,05
Working expenses	..	..	..	..	10,01	10,07
					70	98
Net receipts	..	..	..	..	84	84
Interest charges	..	..	..	..	—14	+14
Balance					..	..

We thus estimate that the year will close with a net surplus of Rs. 14 lakhs as compared with the deficit of Rs. 14 lakhs which was anticipated. The improvement is mainly due to increased sales of stamps, and it is satisfactory that this Department which since 1927-28 has been working at a loss is this year expected to show a small profit. But it is unfortunately not quite so satisfactory as it looks, for it will be remembered that it was decided to draw on the Depreciation Fund to the extent of Rs. 27 lakhs and to that extent, therefore, the accounts do not show a true picture.

Position as at 31st March 1935.

9. On the figures, which I have so far explained to the House, we shall, at the end of March next, have in hand two surpluses, one for 1933-34 of Rs. 62 lakhs and one for 1934-35 of Rs. 3,27 lakhs making Rs. 3,89 lakhs in all. I shall return to the disposal of this amount later but in the meantime I turn to the estimates for the coming year 1935-36.

FINANCIAL YEAR 1935-36.

Revenue.

10. The total revenue, excluding Railways, may be put at Rs. 90,19 lakhs or 81 lakhs less than the revised estimate for the current year.

Customs, etc.—Here I estimate for Rs. 51,92 lakhs altogether or an increase of Rs. 75 lakhs over the revised figures for the current year. The main variations are a decline of Rs. 2 crores in the import duty on sugar combined with increases of Rs. 35 lakhs on the sugar excise, of Rs. 65 lakhs on the match excise and of Rs. 43 lakhs on kerosene and petrol. It is of course a matter of great difficulty to frame an accurate estimate of customs, etc., revenue at a time when there are so many uncertain factors at work. This uncertainty applies in a particular measure to the sugar duties. As I have already stated, our estimates for the current year have been revised to show an increase of Rs. 1,70 lakhs in the import duty and a decline of Rs. 32 lakhs in excise—the original figures being Rs. 2,05 and 1,47 lakhs respectively, and the revised Rs. 3,75 and 1,15 lakhs. We cannot, however, anticipate that the revenue from the import duty will remain at so high a figure in 1935-36 and the increased revenue to be expected from the excise duty will by no means compensate for this inevitable reduction. During the period when Indian factories were not working at their full strength, imports have been substantial, but when Indian production reaches its full level, imports of foreign sugar for ordinary consumption will almost disappear, and there will only be certain small imports of the finer varieties of sugar. This process may not, however, be completed during 1935-36 and the best forecast we can make is to assume an import revenue of Rs. 1,75 lakhs and an excise yield of Rs. 1,50 lakhs. The increase in petrol and kerosene is due to normal growth and that in the match excise merely represents a full instead of a part year's yield of the duty.

The changes in the estimates are set out in greater detail in the Financial Secretary's memorandum.

11. *Taxes on Income.*—During the current year there has been an undoubted improvement in the financial position of some of the more important industries, but this improvement will only be partially reflected in our Income-tax returns for 1935-36. I therefore estimate for an improvement of no more than Rs. 51 lakhs and of this Rs. 16 lakhs is due to the additional tax recovered from Government servants on account of the restored pay-cut. The actual figures are Rs. 17,25 lakhs for the current year and Rs. 17,76 for 1935-36.

12. *Opium.*—Our estimate under this head is Rs. 61 lakhs as compared with Rs. 71 lakhs for the current financial year. This is based on the assumption that only 257 chests of opium will be exported during 1935-36. As Hon'ble Members are aware, this source of income will practically cease at the end of the present calendar year in accordance with the policy which was announced some years ago by the Government of India, and in future we shall recover only the cost of opium sold for consumption in India.

13. *Interest.*—This shows a very large reduction amounting to Rs. 1.29 lakhs which is of course due to the transfer of the currency functions and, therefore the reserves, of the Government of India to the Reserve Bank. It is true that as against this we shall get the surplus profits of the Bank but in the first year instead of getting a full year's interest on the assets in our various reserves and balances we shall only get a part year's dividend from the profits of the Bank. We have included Rs. 50 lakhs on this account under the head "Currency" but the receipts here still show a drop of Rs. 11 lakhs owing to the lower rates prevailing for short term money.

Expenditure.

14. Expenditure as a whole, again excluding Railways, stands at Rs. 88,69 lakhs showing an increase of Rs. 96 lakhs which is of course almost entirely due to the restoration of the pay cut. A good deal of criticism has been passed on the Government's action in this matter and it cannot be denied that the decision has had one unfortunate concomitant in that it has increased the already serious difficulties of many of the Provinces and added to the magnitude of the financial problems to be solved at the inception of Provincial Autonomy. But in this matter the Government were bound by pledges which were both categorical and repeated and in my view those pledges are conclusive.

The cost of restoration will be Rs. 55 lakhs for the Civil Departments, excluding the Railways, but including the Posts and Telegraphs Department, and Rs. 53 lakhs for the Army, a total of Rs. 1.08 lakhs, but there is, as I have said, a set off against this in the form of extra income-tax to the extent of Rs. 16 lakhs.

Apart from the pay cut, there are only minor increases, most of them on new services, e.g., the marketing scheme, grants to the handloom and sericultural industries, the new Dairy Institute and the Institute of Industrial Research. There is also a small increase on Defence and a deficit on Posts and Telegraphs, which is, however, more than explained by the abolition of the pay cut.

15. *Defence.*—The Defence Budget shows an increase, leaving out of account the pay cut, of Rs. 7 lakhs over the original estimate for this year but the partial restoration by His Majesty's Government of the pay cuts of British soldiers, which has necessarily to be applied to British soldiers on the Indian establishment, accounts for Rs. 5 lakhs of this. The purely nominal increase of Rs. 2 lakhs which remains conceals however a considerably increased provision for necessary services and re-equipment which had to be postponed during the financial emergency.

In his budget speech last year my predecessor again communicated to the House a warning previously given that the large reduction in Defence expenditure in recent years had been secured to some extent by emergency measures of a temporary character and that the figure of Rs. 44.38 crores could not be regarded as representing a new permanent level of Defence expenditure. The contingency then foreseen has become a fact and new or rather postponed services amounting to Rs. 67 lakhs have had to be provided for. This sum has

been found as to Rs. 20 lakhs by closer estimating for grains and other food stuffs and as to the remainder by economies in other directions.

My predecessor also stated that His Excellency the Commander-in-Chief had undertaken that he would not relax his search for further economies and I think it will be agreed that the figures I have given demonstrate that this undertaking has been amply fulfilled.

16. *Posts and Telegraphs.*—Honourable Members will remember that I said we now expected a surplus on the Posts and Telegraphs accounts for 1934-35 amounting to Rs. 14 lakhs but that this result was only achieved in consequence of a raid of about Rs. 27 lakhs on the Depreciation Fund. At the time of this raid my predecessor explained that this could not be repeated *in toto* but that the whole question of the amount of the annual contribution to the Fund was under review. The final results of this review are not yet available but it is clear that the amount to be provided need not be so high as under the old rules by something like Rs. 10 lakhs. There is here therefore a deterioration in the estimates for 1935-36 as compared with 1934-35 and it is one of Rs. 19 lakhs and not one of Rs. 27 lakhs. When we add to this the cost of restoring the pay cut for the Posts and Telegraphs Department, *viz.*, Rs. 27 lakhs, we get an initial disadvantage of Rs. 46 lakhs to be made up. We are however estimating for a deficit not of Rs. 32 lakhs but of Rs. 13 lakhs which means that comparing like with like we reckon on a net improvement of Rs. 19 lakhs.

17. *Reduction of Debt.*—There is only one other item which I wish specifically to mention at this stage and that is the provision for the reduction and avoidance of debt. As Hon'ble Members are aware, our revised estimates for 1933-34 and those for the current financial year included only Rs. 3 crores for this purpose. It is of course a matter of common knowledge that 60 per cent. of the Government of India debt is attributable to the Railways and it seems to me that it would be imposing too heavy a burden on the general Budget to revert to the Sinking Fund arrangements in force prior to 1933-34 before the Railways have resumed the practice of making a contribution to the General Revenues. I therefore accept as reasonable for the time being the provision of Rs. 3 crores now prevailing but I should like to make it clear that, in my view, an increased provision for debt reduction ought to be a first charge on any contribution from the Railways in the future.

18. It is interesting here to compare the budget expenditure, actual or estimated as the case may be, for the years 1931-32 onwards and in order to get a fair basis of comparison. I deduct in every case the provision for debt reduction and avoidance and take net figures for Interest, Posts and Telegraphs and Defence :—

1931-32.	1932-33.	1933-34.	1934-35.	1934-35.	1935-36.
Actual.	Actual.	Actual.	Budget.	Revised.	Budget.
88,78	80,59	75,97*	78,12	78,53	80,06

The lowest year was 1933-34. The estimate for 1935-36 shows a net increase from this low level of Rs. 4,09 lakhs. Of this, Rs. 1,79 lakhs is due to the grant of a share of the jute duty to Bengal, Bihar and Orissa and Assam, Rs. 1,30 lakhs is due to the increased provision for bonus on Cash Certificates and Rs. 1,08 lakhs represents the cost of restoring the second half of the pay cut. Apart from these changes the remarkable economies made in Defence and other charges have not only been maintained but extended.

Summary of the position for 1935-36.

19. The final position for 1935-36 is thus as follows :—

Revenue	90,19 lakhs.
Expenditure	88,69 „
Surplus ..	1,50 lakhs.

*Excludes Rs. 2,72 lakhs transferred to the Earthquake Fund.

WAYS AND MEANS.

20. Before explaining our proposals for dealing with the surplus of Rs. 1.50 lakhs which we anticipate in the year 1935-36 and with the accrued balance of Rs. 3.89 lakhs left over from previous years, I shall turn aside to deal briefly with the ways and means position.

21. *Reserve Bank.*—First of all let me refer to the changes due to the inauguration of the Reserve Bank. As has already been announced, the assets of the Currency Department will be transferred to the Bank with effect from the 1st of April 1935. From that date the Reserve Bank will be responsible for the maintenance of the currency, for the investment of the currency reserves in rupees and sterling and for supplying the Secretary of State with sterling for his London requirements. The effect of this on our ways and means estimates will be twofold. In the first place, once the new system is in full operation the Secretary of State will not maintain a larger balance in London than is necessary for his day-to-day transactions with the Bank of England. He will not, as he does at present, hold surplus funds for temporary investment until he requires them. For this reason you will see that at the end of the next year we have provided for the reduction of his balance to a nominal amount of £500,000. To begin with, as it is not contemplated that the Reserve Bank will assume its full banking business until about the beginning of July, it seemed desirable, in order to avoid the necessity of his coming to the Bank for his sterling requirements during that period, to provide him with a sufficiently large opening balance to meet his requirements up to July.

The second change is consequent on the creation of a Silver Redemption Reserve. A memorandum on this subject was submitted to the Joint Select Committee on the Reserve Bank Bill, but the Committee recommended that the Government proposals should be further studied by the Legislature. In accordance with their recommendation the memorandum was submitted to the Standing Finance Committee at a meeting held on the 20th of March 1934, and the Committee expressed their general approval of the arrangements suggested. The proposal which was placed before the Committee was in brief that after the inauguration of the Reserve Bank the proceeds of any sales of silver should be credited to a separate Fund on the lines of the present Gold Standard Reserve which would be called the Silver Redemption Reserve and would be invested by Government in its entirety in gold or sterling securities. This Reserve is required mainly to meet the liability imposed by Section 36 of the Reserve Bank Act under which Government are under an obligation to pay full value for surplus rupees which may be transferred by the Bank up to a maximum of five crores a year. It was originally intended that the Reserve should be gradually built up to a maximum of Rs. 10 crores which would be sufficient to meet a return of 25 crores of rupees by the Bank. Owing to the large remittances which it has been possible to make during the current financial year, the balances at the disposal of the Secretary of State will now be sufficient to enable the Fund to be constituted with the full amount of Rs. 10 crores with effect from the 1st of April 1935.

22. *Remittance.*—The ways and means forecast for the current financial year provided for the purchase of sterling to the extent of £26.7 millions. According to our latest estimate the total should reach about £39 millions, but this figure is of course liable to modification. If the estimate is realized, we should be able not only to set aside the Rs. 10 crores required for the Silver Redemption Reserve but also to increase by about Rs. 14 crores the external assets held as security for the note issue.

23. *Gold exports.*—The increase in our estimate for remittance is, needless to say, largely accounted for by the strength which the continuance of gold exports has given to the exchange. For the 10 months ending on the 31st January 1935 the exports of gold were approximately Rs. 41 crores as compared with Rs. 42½ crores during the corresponding period of the previous year.

I do not propose to discuss at length the arguments which have been advanced in favour of restricting these exports, but I take this opportunity of saying that I cannot share the views which attribute to them some abstruse monetary significance nor do I find in them an indication that India is being driven by distress to part with her last reserves.

Indeed I can see no sufficient reason for placing them in a different category from exports of any other commodity of which India has a surplus, and I therefore find no cause for regret or alarm in the fact that India is still able to obtain so handsome a profit from the reserves of gold which had been accumulated in previous years.

24. *Post Office Cash Certificates and Savings Bank deposits.*—It will be observed from the ways and means statement which is printed with the Financial Secretary's memorandum, that the figure for net receipts from Post Office Cash Certificates has been reduced in the revised estimate for the current year from Rs. 5.50 lakhs to Rs. 2.78 lakhs, and that we have included Rs. 2.75 lakhs under this head in our forecast for next year. This is of course due to the reductions in the rate of interest on these certificates which took place in April and December 1934, the actual rate being now 3 per cent. Post Office Savings Bank deposits, on the other hand, show a net increase from Rs. 6.00 lakhs in the original estimates for the current year to Rs. 7.10 lakhs in the revised and Rs. 8.75 lakhs in the forecast for 1935-36. The rate of interest on these deposits has been $2\frac{1}{2}$ per cent. since the end of 1933, and this is clearly becoming increasingly attractive with the general decline in security yields.

25. *Provincial requirements.*—The revised estimate here shows a reduction from Rs. 6.25 lakhs to Rs. 4.40 lakhs, but we have provided in our forecast for 1935-36 for an increase to Rs. 10.82 lakhs, owing to the fact that we have decided to finance the repayment of the Bombay Development Loan, 1935.

26. *Treasury Bills.*—Last year my predecessor estimated that at the end of the financial year the amount of treasury bills outstanding with the general public would be about Rs. 30 crores. The actual figure on the 1st of April 1934 was Rs. 33.31 crores. In addition treasury bills held in the Paper Currency Reserve amounted to Rs. 25.93 crores. The figures for the 31st March 1935 are expected to be Rs. 22 and Rs. $27\frac{1}{2}$ crores respectively. After the transfer on the 1st of April 1935 of the assets in the Paper Currency Reserve to the Reserve Bank, all treasury bills will be shown under one head. On this basis the figures for the beginning and end of the year 1934-35 are Rs. 59.24 and Rs. $49\frac{1}{2}$ crores respectively and in our forecast for the coming year we have anticipated a further reduction to Rs. 46 crores.

27. *Borrowing programme.*—We have issued two loans in India during the current year. The first was a re-issue of $3\frac{1}{2}$ per cent. loan 1947-50 at 98/8 per cent. and the amount subscribed was approximately Rs. 25.13 lakhs. A few months later owing to the continued improvement in our credit we were able to issue a rupee loan at a nominal rate of 3 per cent. for the first time since 1896. The 3 per cent. bonds 1941 were issued at 99 per cent., and the amount subscribed was Rs. 10.67 lakhs. As a result of these new loans we have been able to repay Rs. 19.48 lakhs of 4 per cent. loan 1934-37 and Rs. 12.94 lakhs of $4\frac{1}{2}$ per cent. bonds 1934. Both of the new issues stand well above their original price. Next year we shall have to provide for the repayment of Rs. 16 crores of $6\frac{1}{2}$ per cent. Treasury Bonds, 1935, and Rs. 11.4 crores of 5 per cent. Bonds, 1935. We have also the option of repaying £11.9 millions of 6 per cent. Sterling Bonds, 1935-37 and £3 $\frac{1}{2}$ millions of East Indian Railway $4\frac{1}{2}$ per cent. debenture stock 1935-55. The total amount of loans which we can repay or convert is thus approximately Rs. 48 crores. In addition to this we are, as I have just said, providing for the repayment of the Bombay Development Loan, 1935, and we expect to reduce the total amount of treasury bills outstanding by a further Rs. $3\frac{1}{2}$ crores. Allowing for a remittance of £26 million we anticipate that we could meet all these liabilities without raising more than Rs. 25 crores by fresh borrowing, but of course the amount, time and manner of our borrowing will depend entirely on market conditions during the year.

PROPOSALS FOR 1935-36.

28. I now come to our proposals both in regard to the balance of Rs. 3.89 lakhs which we expect to have at 31st March next and to the surplus of Rs. 1.50 lakhs which we estimate for 1935-36. The former is of course non-recurrent and is only available for non-recurring purposes. The latter represents the maximum limit of the sums which can be devoted to tax-reduction during the year 1935-36.

29. *Grants to provinces for schemes in rural areas.*—To take the non-recurrent balance of Rs. 3,89 lakhs first we consider that the needs of the rural areas should have the first claim on this and we have decided to set aside a sum of Rs. 1,00 lakhs for distribution to the provinces to be spent on schemes for the economic development and improvement of such areas. I recognise that it may be contended that schemes for rural development are primarily the function of Provincial Governments, whether those schemes take the form of the introduction of improved methods of agriculture, the establishment of industries to give employment to, and increase the income of, the cultivators, or measures designed to effect a general improvement in the condition of village life. It is a problem to which all Local Governments are fully alive and to which Provincial Ministers in particular have devoted much attention, since those matters were entrusted to them. Schemes have been examined and worked out but unfortunately many of them are still merely paper schemes, for even before the financial stringency of recent years some Local Governments could only devote very inadequate funds to those purposes and in the recent years of crisis and retrenchment it has been impossible for any Local Government to find money for new projects however likely they were to contribute to the prosperity of the province. We feel therefore that now when the Central Government fortunately happens to have balances on which it can draw, we cannot do better than make some share of it available to the provinces to carry out schemes which have been held up and thereby show that the Government of India have a very deep concern with the welfare and prosperity of the cultivators and are prepared to help Local Governments to carry out schemes for their benefit.

I have used the expression economic development and improvement of rural areas and I have indicated that I use that expression in a wide sense to cover any measure which will conduce to the amelioration of the conditions of the cultivators and rural classes. One such measure is the Co-operative Movement and we have for the last 7 or 8 months had an expert on duty under the Central Government to examine how the movement stands. Mr. Darling who has acquired great experience of the movement in the Punjab has been touring round the provinces discussing the question with Local Governments and Provincial Registrars. We propose to earmark a sum of Rs. 10 to 15 lakhs out of the crore which I have mentioned and this, we hope, will enable governments to develop the movement on sound financial foundations. Details of the measures and the conditions on which the grants will be given will be settled after we have considered Mr. Darling's Report.

As regards the remaining Rs. 85 to 90 lakhs I do not propose at present to define very closely the terms on which it will be distributed to the Provinces or the purposes for which it will be used. I may, however, say that we shall probably adopt the basis of rural population for distribution and we shall certainly impose the two following conditions :—

- (1) that the grant should be spent on schemes approved by the Government of India which will improve the economic position of the people, and
- (2) that it will be devoted only to schemes which the Local Government would not otherwise have been able to undertake in the immediate future.

We shall give preference to schemes which can be put quickly into operation but the money need not all be spent immediately or during the year 1935-36. Some provinces may not have schemes in final shape : in others the Local Government may prefer to spread the expenditure over more than one year. It will of course rest primarily with the Local Government to decide what schemes can most profitably be undertaken. What may be suitable in one province will not necessarily be suitable to another, but Provincial Ministers are fully acquainted with local conditions and the needs of the rural population and will know what is most suited to those needs. We shall keep the public fully informed of what is done in each province. Having regard to the huge population of rural India I recognise that the sums we are allotting will not go very far, but they will at least do something to help the cultivator.

30. *Roads.*—We also propose to make a special contribution of Rs. 40 lakhs to the Government of India's reserve in the Road Development Fund. There is obviously great scope for expenditure on road development, and I am very glad to be in a position to supplement the somewhat exiguous resources of the Road Development Fund reserve, which was designed, as Hon'ble Members are aware, for the purpose of making grants towards

works of special importance or to specially necessitous parts of India. The Government have drawn up a programme for the expenditure of the additional sum now available and in this prime consideration is being given to the needs of the Province of Assam, which seems to me to be about the most necessitous of all the provinces.

31. *North-West Frontier Roads.*—A further sum of Rs. 25 lakhs we propose to set aside for schemes of development in the North-West Frontier Province. Most of this will be spent on the construction of roads in the tribal areas, and the remainder will be devoted to schemes of economic development in that area. I wish to make it clear that we have no intention of implementing this policy by force or without the consent of the tribes in whose territory the roads will be constructed. A petition has already been received from the Afridis asking that a road may be constructed through a small area in Tirah and it is hoped that this development may lead to a fuller recognition not only by this important tribe but also by others of how their true interests are served by improvement of their communications with British India. It is considered that from the point of view of Government this expenditure, which will probably be spread over several years, is fully justified both on financial and political grounds. As the House is aware the relations between the frontier tribes and Government have not always been peaceful and very large sums have been expended from time to time upon military operations of a punitive and wholly unproductive nature. We hope that by improving communications and by assisting the tribes to become economically self-supporting we shall not only avoid the necessity for such operations in future but shall transform in course of time a potential danger into a source of strength to India.

32. *Broadcasting.*—The last item of special expenditure which I have to mention in this connection is a provision of Rs. 20 lakhs for the development of Broadcasting. As has already been announced, it is proposed shortly to construct a large transmitting station in Delhi, and we hope later to undertake the construction of a similar new station at Madras. The existing stations at Calcutta and Bombay are also in urgent need of improvement and extension. Broadcasting is of course an immensely important factor in the intellectual and cultural development of a country and India cannot afford to fall too far behind in this matter.

33. After these special grants have been made there should remain a balance of Rs. 2.04 lakhs. A large part of this sum I propose to put aside for two schemes which it was provisionally decided to finance from capital. These are the civil aviation programme, which is expected to cost Rs. 93 lakhs, and the transfer of the Pusa Institute to Delhi which will cost about Rs. 36 lakhs. I was not myself very happy about the decision to charge to capital these two schemes, which are certainly not in any strict sense of the word remunerative. And now that we have an accrued revenue surplus it seems to me sound policy to use part of it for these purposes and to avoid the creation of what might have become an awkward precedent. The remainder of the surplus amounting to Rs. 75 lakhs will now go as an additional allotment for the reduction of debt and this concludes the disposal of the sums which we expect to have in hand on the 31st March next.

DISPOSAL OF SURPLUS FOR 1935-36.

34. We can now turn to next year and the surplus of Rs. 1.50 lakhs available for tax reduction. But I must first mention three items which though they do not appreciably affect the financial position are nevertheless of some importance.

35. *Additional Import Duty on Salt.*—The first of these is the additional import duty on salt. Personally I am very doubtful whether this duty can ever achieve the purpose for which it was designed. I have moreover a good deal of sympathy with the views which have in the past been expressed by Hon'ble Members from Bengal that an impost which has the effect of helping the producers of Aden at the expense of the consumers of Bengal is fundamentally unfair. In any case the duty will require reconsideration in view of the impending separation of Aden and Burma. Taking all these things into consideration I was disposed to think that the duty ought to be abolished at once but that would perhaps have been a little harsh to the vested interests which have grown up, and I shall therefore propose to the House that the duty shall be extended for one year, without prejudice to any action which Government may see fit to take at the end of that year. I hope that this extension will be accepted by the House though I should perhaps make it clear that, if it should prefer to remove the

duty at once, in this matter at any rate we should accept its decision. Incidentally we do not propose to make any change in the arrangements for the distribution of the proceeds of the duty.

36. *Silver*.—The next is silver and here we propose to reduce the duty to 2 annas an ounce. This action is dictated by no theory as to the place to be taken by silver in the monetary economy of the world nor has it any connection with the view sometimes expressed that India should be encouraged to build up her hoards of the metal. It is simply a matter of business. There is no doubt that at the present level the duty is encouraging smuggling. There is no doubt that this smuggling is extremely difficult to prevent and there is no doubt that the honest trader is being injured by the illicit trade which is being carried on. At the lower level which we now propose smuggling should become unprofitable and the honest trader will come into his own. I propose to assume that we shall get the same yield from the 2 annas as would have been obtained from the 5 anna duty which is, I think, fully justified by the circumstances in which the reduction is taking place. The reduction will take place immediately by notification.

37. *Export Duty on Skins*.—The third change of a minor order is the abolition of the export duty on raw skins. During the eight months ending 30th November 1934 the export trade in raw skins declined in volume, as compared with the corresponding period of the previous year, from 13,133 tons to 8,938 tons and in value from Rs. 2,24 lakhs to Rs. 1,19 lakhs. We all believe of course that the most necessary factor in India's economic recovery is a revival of her export trade. Many of us feel angry and humiliated at our inability to suggest any positive action designed to promote that end apart from international action of a kind which is not at present likely to be taken, namely, a general agreement to reduce tariffs and quotas. But here is one case, though unfortunately only a small one, where some action is possible within the bounds of our available resources, and I think that it should be taken. The change will take place as from the 1st April and the loss of revenue will be Rs. 8 lakhs.

MAIN PROPOSALS FOR 1935-36.

38. *Reduction of Taxes on Income*.—We still have Rs. 1,42 lakhs left to dispose of and I propose to do this in accordance with the pledge of my predecessor in which he said "Relief must come first in restoring the emergency cuts in pay and secondly in taking off the surcharge on the income tax now to be imposed."

Although the tax on smaller incomes was not strictly a surcharge, it does, I think, come within the spirit of the pledge and I propose to deal with it and the surcharges on income-tax and super-tax together. The removal of the surcharges altogether would cost Rs. 3,34 lakhs a year while the removal of the tax on incomes between Rs. 1,000 and Rs. 2,000 would cost a further Rs. 75 lakhs. Clearly with a surplus of Rs. 1,42 lakhs only we cannot remove the whole of the two surcharges and the quasi-surcharge but what we can do is to reduce them all by one-third and this is what I in fact propose. The cost will be Rs. 1,36 lakhs leaving us with a purely nominal surplus of Rs. 6 lakhs.

CONCLUSION.

39. Clearly this Budget will completely satisfy very few people. It certainly does not satisfy me. There are many who will bitterly complain that it has not been possible to remove the whole of the emergency taxes on income, I myself am extremely disappointed that it has not been possible to take the first steps in the revision of our revenue tariff in a downward direction. Certainly that tariff is too high, certainly it is far too complicated and on both counts it is a restraint on trade and recovery. No doubt I shall be told that if only I had exercised a little more imagination, both of these desirable objects could have been achieved, but do not let us forget that imaginative financiers usually end up in gaol. In any case we have before us the task of financing the inception of Provincial Autonomy. This cannot be performed by any effort of pure imagination, but if we continue in the path of prudence we shall, I believe, find that we can fulfil it triumphantly and, what is more, from time to time provide further alleviations to taxpayers.

P. J. GRIGG.

The 28th February 1935.

Report for the Year 1934.

Section V.

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STATISTICS.

As was stated in the preliminary portion of the report for 1926, the tables printed in the following pages show considerable variations from those published prior to 1926. The tables now given represent an attempt to give in an easily comprehensible form essential information of a statistical nature regarding the textile trade of India as a whole. In addition, information will also be found in certain tables concerning the textile trade of Bombay City and Island which is the largest individual centre of the cotton trade in India.

A number of interesting tables are also included concerning the textile trade of Japan, India's keenest competitor in the home and export markets.

Most of the tables are self-explanatory and no notes regarding their interpretation are necessary. The following notes are only intended to assist in arriving at correct conclusions regarding the progress of the Indian textile trade during the last few years.

Table 3.—Progress of Cotton Mill Industry in India. The falling off in the production of yarn and cloth in the years ending 31st of March 1926 and 1929 is chiefly accounted for by the strikes referred to in the footnote to the table.

Table 7.—Statement showing the cotton arrivals into Bombay during the season 1932-33 as compared with 9 previous seasons.

Tables 16 and 17.—Statements showing the imports of cotton yarn into India and Bombay during the last 20 years. Notable features of the tables are the larger imports of artificial silk and mercerized yarn during the last few years.

Tables 18 and 19.—Statements showing the imports of cotton piecegoods into India and Bombay during the last 20 years.

Table 20.—Summary of imports of cotton yarn into India in 1934 as compared with two previous years. This table shows the shares of the import trade in yarn held by the chief importing countries.

Table 21.—Detailed statement of imports of cotton yarn into India in 1934 as compared with two previous years. This table shows in detail the counts and types of yarn imported into India from the various countries.

Tables 22 and 23.—Summary and Details of imports of cotton yarn into Bombay in 1934 as compared with two previous years. These tables give information similar to that contained in Tables 20 and 21, but for the Port of Bombay.

Table 26.—Summary of imports of cotton piecegoods into India in 1934 as compared with two previous years. This table gives at a glance the quantities of the main classifications of piecegoods imported into India from the chief importing countries. Table 27 gives the information contained in Table 26 in very much greater detail.

Tables 28 and 29.—Details and Summary of imports of cotton piecegoods into Bombay in 1934 as compared with two previous years. These tables contain information similar to that contained in Tables 27 and 26 respectively but for the Port of Bombay.

Table 30.—Detailed statement of exports of Indian-made piecegoods from India. When perusing this table the footnote explaining the exact areas covered by the territories mentioned should be carefully studied. The preponderance of coloured goods in the total piecegoods export trade is very striking.

Table 31 contains information similar to that given in *Table 30* but for the Port of Bombay.

Tables 32 and 33.—Statements showing the re-exports of piecegoods and yarn from India and Bombay respectively. The figures show that the bulk of the re-exports of cotton piecegoods pass through Bombay.

Tables 34 and 35.—Statements showing the quantities of cloth and yarn available for consumption in India. These tables are among the most interesting and instructive statistics ever published concerning the extent of the Indian market for yarn and piecegoods. The figures showing the balance of yarn available for consumption in India to some extent give an indication as to the importance of the handloom weaving industry of India.

Tables 36 to 39 (both inclusive) contain information extracted from the publications issued by the Japan Cotton Spinners' Association and indicate very clearly the phenomenal progress made by the Japanese Cotton Textile Industry during the last decade.

Table 40 is extracted from the statistics published by the British Board of Trade and indicates the relative importance of the three chief Presidency Ports of India in the yarn and piecegoods import trade. It should be noted that the figures for the Port of Bombay as given in this table are not strictly comparable with the Government of India statistics for that port on which all other tables relating to Bombay in this section are based.

TABLE NO. I.
SPINDLES AND LOOMS SET UP IN INDIA, THE UNITED STATES OF AMERICA, GREAT BRITAIN, GERMANY, CHINA AND JAPAN.

The following figures have been obtained from various sources and may be taken as being approximately correct. In order, however, to make the record as complete as possible, the Committee of the Association will be obliged, if members and others who have any additional particulars available will kindly forward them to the Secretary for inclusion in any future statements that may be published:—

SPINDLES.

Year.	India.	United States of America.	Great Britain.	Germany.	Japan.	China.
1882	1,620,814	....	....	....	30,000	....
1883	1,790,388	....	....	....	....	....
1884	2,001,667	....	43,000,000	....	....	....
1885	2,145,646	....	43,000,000	....	....	....
1886	2,261,561	....	42,700,000	....	....	....
1887	2,421,290	....	42,740,000	....	....	....
1888	2,488,851	....	43,000,000	....	....	....
1889	2,762,518	....	43,500,000	....	....	....
1890	3,274,196	14,384,180	43,750,000	....	....	....
1891	3,351,694	14,640,000	44,750,000	....	....	....
1892	3,402,232	15,200,000	45,270,000	....	385,314	....
1893	3,575,917	15,700,000	45,270,000	....	381,781	....
1894	3,649,736	16,100,000	45,190,000	....	530,074	....
1895	3,809,929	16,650,000	45,400,000	6,571,332	560,945	....
1896	3,932,946	17,333,396	44,900,000	....	692,384	....
1897	4,065,618	18,228,991	44,500,000	....	768,328	....
1898	4,259,720	18,434,244	44,900,000	7,115,500	1,027,817	....
1899	4,728,333	19,320,092	45,600,000	....	1,170,337	....
1900	4,945,783	19,472,232	45,600,000	8,031,400	1,274,000	550,000
1901	5,006,936	20,196,835	46,100,000	8,434,601	1,234,976	....
1902	5,006,965	20,907,212	49,727,107	....	1,230,697	....
1903	5,043,297	21,212,827	49,700,000	....	1,381,306	....
1904	5,118,121	22,197,522	49,500,000	....	1,345,585	....
1905	5,163,486	22,861,043	50,964,874	8,832,016	1,426,594	....
1906	5,279,595	24,628,379	52,796,230	9,121,259	1,472,253	....
1907	5,333,275	25,681,509	52,585,362	9,730,209	1,540,452	750,000
1908	5,756,020	26,133,442	55,218,024	9,850,209	1,795,879	....
1909	6,053,231	27,914,085	57,026,422	10,162,872	1,954,892	....
1910	6,195,671	28,299,482	57,731,829	10,200,000	2,099,764	....
1911	6,357,460	29,064,492	58,002,435	10,480,090	2,170,796	831,000
1912	6,463,929	29,962,713	58,140,220	10,725,732	2,176,748	833,112
1913	6,596,862	30,579,000	58,481,000	10,920,426	2,414,499	947,406
1914	6,778,895	32,227,840	59,317,187	10,162,872	2,657,174	1,000,000
1915	6,848,744	32,400,792	59,905,000	10,163,000	2,807,514	....
1916	6,830,877	32,653,164	59,811,222	....	2,875,904	1,029,218
1917	6,738,697	33,535,000	60,973,000	....	3,060,478	1,128,568
1918	6,653,871	34,219,156	57,685,841	....	3,227,678	....
1919	6,689,680	34,648,928	59,182,683	....	3,488,262	1,416,556
1920	6,763,076	34,946,721	60,079,394	8,262,872	3,813,680	1,585,300
1921	6,870,804	35,632,193	60,053,246	8,693,221	4,161,126	1,650,000
1922	7,331,219	36,584,487	58,712,303	9,400,000	4,517,612	1,888,348
1923	7,927,938	37,397,000	59,819,000	9,605,000	4,436,798	3,581,214
1924	8,313,273	37,924,000	59,511,000	10,060,000	5,125,696	3,569,440
1925	8,510,683	37,833,000	59,903,000	10,060,000	5,447,184	3,414,062
1926	8,714,168	37,650,000	60,285,000	10,300,000	5,679,852	3,461,152
1927	8,702,760	37,483,000	60,466,000	10,900,000	6,116,266	3,588,483
1928	8,704,172	36,824,000	60,042,000	11,020,000	6,467,174	3,688,483
1929	8,907,064	36,216,000	59,134,000	11,155,000	6,836,516	3,638,098
1930	9,124,768	35,663,000	57,712,000	11,260,000	7,214,001	3,664,120
1931	9,311,953	33,325,000	57,575,522	10,838,000	7,535,146	3,969,552
1932	9,506,083	32,109,000	53,443,684	10,233,000	7,964,850	4,497,902
1933	9,571,668	30,685,000	51,525,314	9,846,000	8,643,928	4,498,000
1934	9,613,174	30,329,000	47,182,560	9,900,000	9,530,574	4,904,788

Note.—The figures for India are taken from the Association's Mill Statement.
The figures for Japan are taken from the half-yearly publication of the Japan Cotton Spinners' Association.
The rest of the figures are taken from the Comtelburo Year Book.

TABLE NO. 2.
LOOMS.

Year.	India.	United States of America.	Great Britain.	Germany.	Japan.	China.
1882	14,172	....	....	....	....	....
1883	15,373	....	....	....	....	....
1884	16,262	....	....	....	....	....
1885	16,537	....	561,000	....	....	....
1886	17,455	....	....	....	....	....
1887	18,536	....	....	....	....	....
1888	19,496	....	....	....	....	....
1889	21,561	....	....	....	....	....
1890	23,412	....	....	....	....	....
1891	24,531	....	....	....	....	....
1892	25,444	....	660,000	....	....	....
1893	28,164	....	---	....	....	....
1894	31,154	....	....	....	....	....
1895	35,338	362,067	606,585	245,000	5,000	....
1896	37,270	354,358	....	....	....	....
1897	37,584	379,341	....	....	2,852	....
1898	38,013	384,745	....	240,000	2,798	....
1899	39,069	392,690	....	....	2,757	....
1900	40,124	439,465	648,820	211,818	5,045	....
1901	41,180	411,106	....	211,818	....	....
1902	42,584	477,072	....	....	....	....
1903	44,092	488,760	684,000	....	5,043	....
1904	45,337	503,027	....	....	5,085	....
1905	50,139	515,006	704,357	230,200	8,140	....
1906	52,668	525,630	704,357	230,200	9,601	....
1907	58,436	536,815	725,221	....	9,462	....
1908	67,920	546,160	736,325	....	11,146	....
1909	76,898	555,398	739,382	....	13,813	....
1910	82,725	625,719	741,197	230,200	17,702	....
1911	85,352	633,909	741,260	....	20,431	....
1912	88,951	671,873	758,712	....	21,898	3,738
1913	94,136	709,255	786,205	....	24,224	4,755
1914	104,179	696,387	805,452	230,200	25,443	....
1915	108,009	689,840	808,145	....	30,068	....
1916	110,268	719,358	808,796	....	31,295	4,755
1917	114,621	725,366	807,543	....	36,181	5,853
1918	116,484	712,426	787,679	....	40,391	....
1919	118,221	700,620	790,936	....	44,401	7,193
1920	119,012	708,079	798,083	190,200	50,583	7,660
1921	123,783	719,120	790,399	190,200	54,994	---
1922	134,620	707,469	799,000	190,200	60,893	10,814
1923	144,794	744,686	795,244	240,700	64,460	22,477
1924	151,485	760,625	791,674	240,700	68,579	21,644
1925	154,202	762,808	788,197	240,700	73,381	25,934
1926	159,464	760,133	786,309	240,700	77,043	22,924
1927	161,952	745,520	767,524	250,000	78,352	24,047
1928	166,532	747,379	754,940	250,000	81,209	25,980
1929	174,992	736,379	739,887	250,000	77,898	29,788
1930	179,250	720,177	703,878	250,000	79,466	29,582
1931	182,429	658,604	657,864	230,000	77,782	29,582
1932	186,341	646,764	624,629	230,000	79,277	33,580
1933	180,040	625,445	601,750	267,000	86,343	33,580
1934	194,988	608,815	560,153	225,000	91,146	42,596

(Please see foot-note to previous table.)

TABLE No. 3.
PROGRESS OF COTTON MILL INDUSTRY IN INDIA.

Year.	BOMBAY CITY AND ISLAND.						ALL-INDIA.					
	Average Working.		Cotton Consumed.	Yarn Spun.	Cloth Woven.	Average Number of hands employed.	Average Working.		Cotton Consumed.	Yarn Spun.	Cloth Woven.	Average Number of hands employed.
	Spindles.	Looms.					Spindles.	Looms.				
	1	2	3	4	5	6	1	2	3	4	5	6
	Year ending 30th June.	June. Bales of 392 lbs.	Year ending 31st March.	31st March. (in yds.)	Year ending 30th June.	Year ending 30th June.	Year ending 30th June.	June. Bales of 392 lbs.	Year ending 31st March.	31st March. (in yds.)	Year ending 30th June.	
1906	2,527,082	27,738	1,141,264	873,449	307,078,709	100,798	5,017,537	49,137	2,023,516	1,702,296	564,990,190	208,616
1907	2,494,488	29,311	1,115,750	926,649	408,569,624	98,101	5,038,569	52,283	1,980,170	1,634,251	708,139,874	205,696
1908	2,528,977	33,589	1,079,194	882,879	471,817,448	101,536	5,291,336	61,167	1,991,500	1,595,738	808,426,561	221,195
1909	2,584,886	34,657	1,098,704	894,115	455,639,081	105,751	5,526,233	66,097	2,109,000	1,642,075	824,489,164	236,924
1910	2,439,869	36,148	984,058	825,197	532,224,755	104,550	5,290,473	69,599	1,935,010	1,568,410	963,869,482	233,624
1911	2,493,163	38,380	953,450	801,068	563,224,913	104,500	5,392,691	73,549	1,905,866	1,524,318	1,042,741,653	230,649
1912	2,556,706	39,639	1,077,616	819,102	622,451,272	109,691	5,493,477	77,074	2,050,102	1,562,575	1,136,151,590	243,637
1913	2,567,810	39,975	1,072,210	909,202	642,101,710	110,033	5,736,701	82,577	2,096,016	1,721,182	1,220,442,545	253,786
		Year ending 31st August.				Year ending 31st August.			Year ending 31st August.			Year ending 31st August.
1914	2,597,913	41,643	1,078,038	887,561	592,366,008	109,860	5,848,283	85,158	2,143,126	1,706,942	1,164,291,588	260,276
1915	2,455,468	41,667	1,026,050	805,383	562,322,867	111,924	5,704,320	86,868	2,102,632	1,629,961	1,135,707,952	265,346
1916	2,551,736	47,250	1,096,174	941,857	771,266,499	118,303	5,900,896	95,965	2,197,718	1,806,061	1,441,514,550	274,361
1917	2,736,014	52,421	1,134,814	889,748	830,185,157	125,713	6,067,770	100,824	2,198,164	1,702,768	1,578,132,789	276,771
1918	2,671,450	52,887	1,068,492	893,221	933,137,872	124,199	5,987,685	101,141	2,085,678	1,651,439	1,614,126,458	282,227
1919	2,652,115	52,320	999,756	765,475	757,903,744	126,368	6,046,323	102,977	2,044,230	1,537,601	1,450,726,160	293,277
1920	2,814,718	54,664	957,150	794,297	863,292,197	140,208	6,238,771	105,169	1,952,318	1,589,400	1,639,779,227	311,078
1921	2,896,926	57,159	1,060,598	856,141	836,506,933	147,740	6,407,037	111,708	2,120,230	1,650,006	1,580,849,746	332,179
1922	2,952,183	58,848	1,074,198	871,736	921,926,856	149,224	6,549,112	117,318	2,203,540	1,733,929	1,731,573,296	343,723
1923	3,013,593	60,808	1,059,630	870,248	870,284,518	148,771	6,760,218	120,806	2,151,698	1,764,733	1,725,284,187	347,380
1924	2,929,786	62,087	821,466	673,966	855,883,055	148,414	6,962,553	128,320	1,917,748	1,521,569	1,701,574,355	356,887
1925	3,181,654	66,329	994,732	818,857	986,028,304	153,009	7,454,161	135,516	2,226,310	1,798,475	1,970,446,852	367,877
1926	2,860,076	63,403	777,970	654,906	871,840,734	149,069	7,264,234	136,033	2,113,384	1,716,068	1,954,462,650	373,508
1927	2,951,513	69,684	994,500	862,147	1,135,020,515	154,398	7,521,636	146,200	2,417,412	2,017,790	2,258,716,065	384,623
1928	1,826,026	45,464	568,848	796,867	1,131,520,832	129,275	6,505,175	126,235	2,009,782	2,022,351	2,356,564,805	360,921
1929	2,108,747	47,668	630,978	384,382	537,402,790	106,710	6,957,389	133,882	2,161,166	1,620,740	1,893,268,655	346,925
1930	2,803,936	64,397	877,492	658,042	888,944,315	136,774	7,979,454	156,662	2,573,714	2,083,899	2,418,981,049	384,022
1931	2,702,848	62,748	839,388	677,266	967,586,025	129,057	8,093,714	157,609	2,633,176	2,168,146	2,561,133,035	395,475
1932	2,715,889	61,883	920,730	803,974	1,216,886,366	129,534	8,323,082	161,340	2,911,264	2,410,016	2,989,891,101	403,226
1933	2,430,854	58,870	797,976	782,304	1,210,597,547	119,943	8,202,149	162,818	2,837,158	2,541,046	3,169,898,499	400,005
1934	2,043,506	48,764	613,014	606,619	923,057,741	95,007	7,845,077	158,802	2,703,900	2,302,652	2,945,051,727	384,938

NOTE.—Columns 1, 2 and 3.—Figures taken from the Association's Mill Statement.

Columns 4 and 5.—Are taken from "Monthly Statistics of Spinning and Weaving" published by the Government of India.

Column 6.—Same as columns 1, 2 and 3.

Production was at a standstill in all the mills in the Bombay City and Island for about 2 months in 1924 (end of January to March) and for a further period of 2½ months in 1925-26 (Sep. 15th to 1st Dec.) and again for about 6 months in 1928 (April 15th to first week of October) and for about 4½ months in 1929 (26th April to the middle of September).

TABLE NO. 4.

THE WORLD'S COTTON CROPS, 1913-14 to 1933-34 (TODD'S).

(Bales approximately 500 lbs.)

(000's omitted.)

Years.	America (Linters included.)	India*.	Egypt.	Russia.	China.	Others.	Total.	Percentage on 1914-15.
1913-14 ..	14,795	5,066	1,537	980	2,303	1,287	25,968	92
1914-15 ..	16,992	5,209	1,298	1,244	2,333	1,154	28,212	100
1915-16 ..	12,123	3,738	961	1,407	2,057	984	21,270	76
1916-17 ..	12,781	4,489	1,022	1,110	1,714	1,027	22,143	79
1917-18 ..	12,428	4,000	1,262	603	1,863	1,086	21,242	76
1918-19 ..	12,970	3,972	964	420	2,203	1,298	21,827	78
1919-20 ..	12,029	5,796	1,114	274	1,914	1,485	22,612	81
1920-21 ..	13,880	3,600	1,206	66	1,829	1,326	21,907	78
1921-22 ..	8,351	4,485	972	42	1,488	1,263	16,601	59
1922-23 ..	10,370	5,073	1,243	52	2,249	1,380	20,367	72
1923-24 ..	10,808	5,161	1,306	214	1,931	1,600	21,020	74
1924-25 ..	14,525	6,088	1,455	458	2,104	1,904	26,534	94
1925-26 ..	17,219	6,215	1,593	741	2,044	1,991	29,803	106
1926-27 ..	19,135	5,024	1,727	785	1,707	1,995	30,373	107
1927-28 ..	13,972	5,963	1,219	1,025	1,833	1,803	25,815	92
1928-29 ..	15,760	5,782	1,602	1,206	2,114	2,089	28,553	101
1929-30 ..	16,066	5,243	1,697	1,297	1,995	2,117	28,415	101
1930-31 ..	14,918	5,224	1,589	1,562	2,456	1,938	27,687	98
1931-32 ..	18,163	4,025	1,313	1,851	1,703	2,053	29,108	103
1932-33 ..	13,914	4,656	1,010	1,750	2,211	1,707	25,248	90
1933-34 † ..	13,997	4,970	1,785	1,890	2,637	2,283	27,562	98

* 400-lb. bales.

† Estimates.

NOTE.—Figures taken from the tables published in the "Bombay Cotton Annual" issued by the East India Cotton Association.

TABLE No. 5.
PRODUCTION AND CONSUMPTION OF RAW COTTON IN INDIA.
(*Indian Trade Journal* dated 2nd May 1935.)

The following statement compares the estimates of the total outturn of cotton in India for the last two years with the sum of exports and internal consumption. The figures are those compiled by the Indian Central Cotton Committee and refer in the case of mills in British provinces to Indian cotton alone. The estimate of mill consumption in Indian States refers to all cotton, but it has been ascertained from the Indian Central Cotton Committee that the amount of foreign cotton consumed in Indian States is negligible. Import figures have not therefore been taken into consideration for the purposes of the comparison set forth below. A conventional estimate has as usual been made for extra factory or local consumption. It should be borne in mind that estimates of the "Carry-over" from one year to another have not been taken into account owing to complete information not being available regarding stocks.*

	YEAR ENDING 31ST AUGUST	
	1934.	1933.
	Thousand bales (400 lbs.)	Thousand bales (400 lbs.)
Exports to United Kingdom	367	257
„ to Continent (Europe excluding United Kingdom) ..	946	960
„ to China	330	169
„ to Japan	1,536	1,444
„ to Other Countries	90	38
Total ..	3,269	2,868
Home Consumption—		
Mills†	2,336	2,361
Extra—factory or local‡	750	750
Total ..	3,086	3,111
Approximate crop	6,355	5,979
Estimated in forecast	5,068	4,657
Excess (+) or deficit (—) neglecting carry-over	+1,287	+1,322

* Stocks of cotton in Bombay were 713,000 bales on 31st August 1933 and 874,000 bales on 31st August 1934.

† The figure of mill consumption is that compiled by the Indian Central Cotton Committee, Bombay, mainly on the basis of returns made under the Indian Cotton Cess Act.

‡ Conventional estimate.

TABLE No. 6.
STATEMENT SHOWING THE STOCKS OF COTTON HELD BY INDIAN MILLS ON
1ST AUGUST 1934 AND ON 1ST FEBRUARY 1935.
(In bales regardless of weight.)

	Bombay City and Island.		All-India.	
	1-8-34.	1-2-35.	1-8-34.	1-2-35.
COTTON MILL STOCKS.				
(In actual bales regardless of weight.)				
(a) American (Linters and waste not included)	10,230	11,697	13,325	17,907
(b) East India	182,309	146,948	935,064	760,663
(c) Egyptian	3,836	7,815	13,169	16,487
(d) Sundries	23,408	16,757	60,243	39,557
Total	219,783	183,217	1,021,801	834,617

Figures from the Cotton Census taken at the request of the International Federation of Master Cotton Spinners' and Manufacturers' Associations.

(Figures are approximations.)

TABLE No. 7.

The following Table gives details of cotton arrivals into Bombay during the 1933-34 season compared with the total of the nine previous years.

(Actual weight converted into bales of $3\frac{1}{2}$ cwts. each.) (Season ending 31st August in each case.)

NOTE.—The following figures are extracted from the daily returns issued by the Bombay Chamber of Commerce.

	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.
Khandeish	297,806	292,847	315,441	307,249	365,837	294,922	324,940	121,806	220,402	326,265
Central India	351,654	386,999	318,827	299,680	392,022	411,394	339,182	118,798	208,096	243,550
Barsi Naggar and Hyderabad Gaorani	308,365	299,702	274,592	437,759	348,875	355,162	255,074	103,145	190,544	222,445
Berar	574,520	479,843	578,454	730,789	792,419	731,747	593,289	250,475	471,173	502,736
Central Provinces	259,870	247,023	233,578	310,327	393,745	406,227	373,926	75,094	136,713	117,698
Dholleras	316,809	285,748	215,377	384,608	249,115	198,899	281,614	250,430	297,573	156,431
N. W. Provinces	133,887	131,256	59,570	65,213	62,338	140,446	93,552	26,970	8,246	9,184
Rajputana	84,216	117,015	66,045	56,155	51,886	58,599	53,365	56,570	84,484	61,623
Sind-Punjab	365,478	296,512	119,098	137,416	135,491	153,145	124,112	140,672	107,256	190,913
Broach	486,985	313,681	241,163	269,272	196,453	287,060	303,695	260,317	327,831	252,100
Compta Dharwar	222,650	168,007	142,453	145,150	137,799	160,648	98,274	86,693	96,406	92,421
Western Northern	126,862	117,182	75,183	53,777	67,321	71,241	49,378	48,586	75,428	65,472
Coconada	2,403	3,302	495	7	6	103	24	10	115	475
Tinnevely and Cambodia	41,369	68,875	50,161	37,082	40,357	46,250	42,670	16,851	61,326	52,368
Persians	6,904	5,627	5,719	5,770	1,774	704	1,438	2,951	8,063	2,829
Americans	9,649	28,130	379,120	102,910	11,719	15,889	140,296	280,808	75,196	26,622
Egyptians	648	638	3,462	2,199	1,636	12,387	148,947	121,032	32,745	49,971
East Africans	74,289	88,569	85,988	78,119	107,747	134,533	179,473	133,162	133,448	143,304
Comilla, Burmah and Other Sorts	3,513	3,700	916	275	47	858	702	322	188	28
TOTAL ..	3,667,877	3,334,656	3,165,642	3,423,757	3,356,587	3,480,214	3,403,951	2,094,692	2,535,233	2,516,435

TABLE NO. 8.

STATEMENT SHOWING THE WEEKLY PRICES OF COTTON IN BOMBAY
(IN RUPEES PER CANDY OF 784 lbs.)

The figures are extracted from the Weekly Statistics of the East India Cotton Association, Ltd.

Week ending.	BENGAL F. G.		BROACH.		OOMRA FINE.	
	Price.	Delivery.	Price.	Delivery.	Price.	Delivery.
4th January 1934	140	Spot.	192	Apl./May.	172	Spot.
11th "	148	"	197	"	180	"
18th "	145	"	199	"	178	"
25th "	145	"	197	"	177	"
1st February	150	"	204	"	183	"
8th "	152	"	214	"	189	"
15th "	145	"	209	"	183	"
22nd "	141	"	208	"	180	"
1st March		Market	closed.			
8th "	141	Spot.	202	"	177	"
15th "	142	"	201	"	178	"
22nd "	135	"	197	"	172	"
29th "	133	"	194	"	170	"
5th April	136	"	198	"	173	"
12th "	136	"	201	"	179	"
19th "	132	"	197	"	176	"
26th "	127	"	191	"	170	"
3rd May	126	"	187	"	166	"
10th "	127	"	193	"	172	"
17th "	135	"	197	"	177	"
24th "	133	"	198	"	178	"
31st "	135	"	201	July/Aug	183	"
7th June	141	"	210	"	192	"
14th "		Market	closed.			
21st "	137	Spot.	207	"	188	"
28th "	135	"	208	"	188	"
5th July	132	"	207	"	189	"
12th "	133	"	213	"	196	"
19th "	136	"	219	"	203	"
26th "	131	"	213	"	195	"
2nd August	133	"	220	"	198	"
9th "	138	"	227	"	205	"
16th "	147	Dec/Jan.	227	"	204	Dec/Jan.
23rd "	144	"	220	"	198	"
30th "	144	"	224	Apl./May.	197	"
6th September		Market	closed.	1935.		
13th "		"	"	"		
20th "	128	Dec/Jan.	211	"	184	"
27th "	132	"	212	"	184	"
4th October	130	"	208	"	179	"
11th "	133	"	207	"	179	"
18th "	134	"	211	"	182	"
25th "	135	"	211	"	182	"
1st November	134	"	209	"	182	"
8th "		Market	closed.			
15th "	135	Dec/Jan.	214	"	186	"
22nd "	137	"	218	"	194	"
29th "	144	Spot.	223	"	201	"
6th December	150	"	226	"	212	"
13th "	147	"	226	"	212	"
20th "	149	"	228	"	212	"
27th "	152	"	235	"	222	"

TABLE No. 9.

STOCKS OF YARN AND CLOTH HELD BY BOMBAY MILLS.

The following table shows the stocks of Yarn and Cloth held by Bombay Mills compiled from returns received by the Association :—

Date of Returns.	YARN STOCKS IN BALES.			CLOTH STOCKS IN BALES.		
	Approximation of stocks for all Bombay Mills.			Approximation of stocks for all Bombay Mills.		
	Sold but delivery not taken.	Unsold.	Total unclear- ed.	Sold but delivery not taken.	Unsold.	Total unclear- ed.
1931.						
January 31st	11,000	12,000	23,000	46,000	100,000	146,000
February 28th	7,000	10,000	17,000	30,000	84,000	114,000
March 31st	10,000	12,000	22,000	39,000	84,000	123,000
April 30th	12,000	11,000	23,000	44,000	82,000	126,000
May 31st	15,000	14,000	29,000	55,000	84,000	139,000
June 30th	15,000	13,000	28,000	64,000	93,000	157,000
July 31st	14,000	11,000	25,000	75,000	96,000	171,000
August 31st	11,000	12,000	23,000	90,000	102,000	192,000
September 30th	6,000	11,000	17,000	63,000	101,000	164,000
October 31st	7,000	6,000	13,000	64,000	92,000	156,000
November 30th	7,000	6,000	13,000	63,000	72,000	135,000
December 31st	7,000	6,000	13,000	59,000	73,000	132,000
1932.						
January 31st	11,000	6,000	17,000	65,000	75,000	140,000
February 29th	11,000	5,000	16,000	53,000	67,000	120,000
March 31st	13,000	6,000	19,000	57,000	73,000	130,000
April 30th	15,000	9,000	24,000	60,000	78,000	138,000
May 31st	18,000	12,000	30,000	73,000	82,000	155,000
June 30th	17,000	11,000	28,000	76,000	89,000	165,000
July 31st	16,000	10,000	26,000	84,000	84,000	168,000
August 31st	15,000	11,000	26,000	90,000	78,000	168,000
September 30th	14,000	13,000	27,000	85,000	79,000	164,000
October 31st	17,000	13,000	30,000	90,000	70,000	160,000
November 30th	15,000	14,000	29,000	74,000	74,000	148,000
December 31st	16,000	14,000	30,000	69,000	85,000	154,000
1933.						
January	16,000	13,000	29,000	68,000	86,000	154,000
February	16,000	15,000	31,000	66,000	90,000	156,000
March	15,000	16,000	31,000	63,000	97,000	160,000
April	15,000	16,000	31,000	59,000	106,000	165,000
May	15,000	13,000	28,000	62,000	101,000	163,000
June	15,000	15,000	30,000	68,000	90,000	158,000
July	14,000	15,000	29,000	76,000	87,000	163,000
August	14,000	15,000	29,000	75,000	88,000	163,000
September	12,000	14,000	26,000	71,000	78,000	149,000
October	14,000	10,000	24,000	60,000	74,000	134,000
November	8,000	13,000	21,000	48,000	66,000	114,000
December	8,000	10,000	18,000	43,000	63,000	106,000
1934.						
January 31st	7,000	10,000	17,000	41,000	63,000	104,000
February 28th	8,000	10,000	18,000	42,000	54,000	96,000
March 31st	9,000	11,000	20,000	39,000	52,000	91,000
April 30th	7,000	10,000	17,000	40,000	43,000	83,000
May 31st	3,000	8,000	11,000	31,000	31,000	62,000
June 30th	5,000	7,000	12,000	33,000	27,000	60,000
July 31st	5,000	6,000	11,000	38,000	29,000	67,000
August 31st	6,000	6,000	12,000	48,000	26,000	74,000
September 30th	7,000	7,000	14,000	48,000	25,000	73,000
October 31st	7,000	7,000	14,000	41,000	22,000	63,000
November 30th	6,000	6,000	12,000	39,000	19,000	58,000
December 31st	7,000	4,000	11,000	42,000	19,000	61,000

TABLE No. 10.
AVERAGE WHOLESALE PRICES OF PIECEGOODS AND YARN
PRODUCED BY BOMBAY MILLS.

Date.	PIECEGOODS.			YARN.	
	Longcloth.	T. Cloths.	Chadars.	Twist. No. 10's.	Twist. No. 20's.
	As.	As.	As.	As.	As.
Year ending December 31st, 1905 ..	9.39	9.56	9.30	5 29/32	7.0
Year ending December 31st, 1906 ..	9.46	9.45	9.38	5 29/32	7 5/16
Year ending December 31st, 1907 ..		Not Available.			
Year ending December 31st, 1908 ..	9 7/16	9 1/16	8 15/16	5 3/32	6 1/4
Year ending December 31st, 1909 ..		Not Available.			
Year ending December 31st, 1910 ..	9 15/16	9 3/16	9 3/16	2 67/32	7 13/16
Year ending December 31st, 1911 ..		Not Available.			
Year ending December 31st, 1912 ..	10 13/16	10 1/8	9 7/8	7 5/32	8 1/8
Year ending December 31st, 1913 ..		Not Available.			
Year ending December 31st, 1914 ..	9 1/2	9 3/16	9 5/16	5 1/8	6 23/32
Year ending December 31st, 1915 ..	9 1/16	8 7/16	8 7/16	5	6 1/32
Year ending December 31st, 1916 ..	11 1/4	11 1/8	10 3/8	6 7/16	8 9/32
Year ending December 31st, 1917 ..	17 1/2	16 3/16	14 15/16	9 7/16	12 29/32
Year ending December 31st, 1918 ..	29 1/8	26 3/8	25 1/2	16 29/32	20 31/32
Year ending December 31st, 1919 ..	26 3/8	24 9/16	24 1/2	16 19/32	21 3/16
Year ending December 31st, 1920 ..	29 1/4	27 1/4	27 9/16	16 11/16	24 1/8
Year ending December 31st, 1921 ..	26 3/16	24 3/8	24 5/16	12 9/32	17
Year ending December 31st, 1922 ..	25 11/32	22 1/4	23 3/8	12 1/2	16 15/16
Year ending December 31st, 1923 ..	21 3/8	19 15/16	19 13/16	12 1/16	15 19/32
Year ending December 31st, 1924 ..	22 1/4	21 1/8	20 9/16	14 1/2	17 11/32
Year ending December 31st, 1925 ..	19 1/4	18 9/16	18 1/8	12 3/32	13 31/32

TABLE NO. 10—contd.
AVERAGE WHOLESALE PRICES OF GREY UNBLEACHED PIECEGOODS IN 1934.

	Longcloth Standard Quality 37 × 37½ × 9 Per lb.	Shirtings 35 × 38 × 9 Per lb.	Dhoties (up to ¼" Nakhi border, 32 × 9 × 1½. Per lb.	Drills 29½ × 40 × 13½ Per lb.	T-cloths 30 × 24 × 6 Per lb.	Domestics 24 × 48 × 10 Per lb.	Domestics 26 × 61 × 11 Per lb.	Salita 40 × 66 × 25 Per lb.	Chadars 50 × 6 × 2½ Per lb.	Khadi 28 × 24 × 7½ Per lb.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Year ending 31st December 1926	1 0 5	0 15 5	1 0 5	0 14 0	0 14 10	0 15 2	0 14 9	0 15 2	0 15 6	0 11 4
Year ending 31st December 1927	0 15 1	0 14 6	0 15 4	0 12 7	0 13 0	0 14 7	0 13 10	0 13 10	0 14 4	0 11 1
Year ending 31st December 1928	0 15 4	0 14 9	0 15 9	0 12 11	0 14 0	0 14 9	0 14 6	0 14 5	0 14 3	0 11 6
Year ending 31st December 1929	0 15 5	0 14 9	0 15 9	0 13 1	0 14 10	0 15 0	0 14 11	0 14 6	0 14 11	0 11 5
Year ending 31st December 1930	0 12 9	0 12 2	0 13 5	0 10 5	0 12 4	0 12 9	0 12 3	0 11 11	0 12 6	0 9 2
Year ending 31st December 1931	0 11 3	0 10 6	0 11 6	0 9 3	0 10 9	0 11 6	0 11 0	0 10 6	0 11 0	0 8 0
Year ending 31st December 1932	0 11 0	0 10 6	0 11 1	0 8 10	0 10 5	0 10 6	0 10 7	0 10 6	0 10 9	....
Year ending 31st December 1933	0 10 4	0 9 9	0 10 6	0 8 5	0 9 11	0 9 7	0 10 0	0 9 10	0 10 1	....
Fortnight ending:—										
12th January, 1934	0 10 0	0 9 6	0 10 3	0 8 3	Not quoted	0 9 9	0 9 9	0 9 6	0 9 9	....
26th January, 1934	0 10 0	0 9 6	0 10 3	0 8 3	" "	0 9 9	0 10 0	0 9 6	0 9 9	....
9th February, 1934	0 10 0	0 9 6	0 10 6	0 8 3	" "	0 9 9	0 10 0	0 9 6	0 10 0	....
23rd February, 1934	0 10 3	0 9 6	0 10 6	0 8 3	0 9 6	0 9 9	0 10 0	0 9 9	0 10 0	....
9th March, 1934	0 10 3	0 9 6	0 10 6	0 8 6	0 9 6	0 10 0	0 10 0	0 9 9	0 10 0	....
23rd March, 1934	0 10 0	0 9 6	0 10 6	0 8 6	Not quoted	0 10 0	0 10 0	0 9 9	0 10 0	....
6th April, 1934	0 10 3	0 9 9	0 10 9	0 8 6	" "	0 10 0	0 10 3	0 9 9	0 10 0	....
20th April, 1934	0 10 0	0 9 6	0 10 9	0 8 6	" "	0 10 0	0 10 3	0 9 6	0 9 9	....
4th May, 1934	0 10 0	0 9 6	0 10 9	0 8 6	" "	0 10 0	0 10 3	0 9 6	0 9 9	....
18th May, 1934	0 10 0	0 9 9	0 10 9	0 8 6	" "	0 10 0	0 10 3	0 9 6	0 10 0	....
1st June, 1934	0 10 3	0 9 9	0 10 6	0 8 6	" "	0 10 0	0 10 3	0 9 6	0 9 9	....
15th June, 1934	0 10 6	0 10 0	0 10 3	0 8 9	" "	Not quoted	Not quoted	0 9 9	0 10 0	....
29th June, 1934	0 10 6	0 9 9	0 10 3	0 8 9	" "	0 10 0	" "	0 9 9	0 10 0	....
13th July, 1934	0 10 9	0 10 0	0 10 3	0 8 6	" "	0 10 0	Not quoted	0 10 0	0 10 3	....
27th July, 1934	0 10 6	0 9 9	0 10 3	0 8 6	" "	Not quoted	" "	0 9 9	0 10 3	....
10th August, 1934	0 10 6	0 10 0	0 10 6	0 8 9	0 10 3	0 10 9	0 10 9	0 9 9	0 10 3	....
24th August, 1934	0 10 3	0 10 0	0 10 6	0 8 9	0 10 6	0 10 9	0 10 9	0 10 0	0 10 3	....
7th September, 1934	0 10 6	0 10 0	0 10 6	0 8 9	0 10 3	0 10 9	0 10 9	0 9 9	0 10 3	....
21st September, 1934	0 10 6	0 10 0	0 10 6	0 8 9	0 10 3	0 10 9	0 10 9	0 10 0	0 10 3	....
5th October, 1934	0 10 6	0 10 0	0 10 3	0 8 9	0 10 3	0 10 9	0 10 9	0 10 0	0 10 3	....
19th October, 1934	0 10 3	0 9 9	0 10 3	0 8 9	0 10 0	0 10 9	0 10 9	0 10 0	0 10 3	....
2nd November, 1934	0 10 6	0 9 9	0 10 0	0 8 6	0 10 0	0 10 9	0 10 9	0 10 0	0 10 3	....
16th November, 1934	0 10 3	0 9 9	0 10 6	0 8 9	0 9 9	0 10 9	0 10 9	0 10 0	0 10 3	....
30th November, 1934	0 10 3	0 9 9	0 10 6	0 8 9	0 10 0	0 10 9	0 10 9	0 9 9	0 10 0	....
14th December, 1934	0 10 3	0 9 9	0 10 3	0 8 3	0 10 0	Not quoted	Not quoted	0 9 9	0 10 3	....
28th December, 1934	0 10 0	0 9 9	0 10 3	0 8 3	0 10 0	" "	" "	0 9 9	0 10 3	....

NOTE:—Figures extracted from the current quotations issued by the Association.

TABLE No. 10—contd.

AVERAGE WHOLESALE PRICES FOR WHITE AND COLOURED PIECEGOODS AND GREY YARN IN 1934.

	WHITE BLEACHED.			DYED GOODS.		FANCY GOODS.								YARN (Price per lb.)									
	Long-cloth 36 x 40 x 10 1/2 Per piece	Striped Shirting 25 x 24 x 3 1/2 (up to 15% Colour) Per piece	Twills 31 1/2 x 40 x 7 1/2 Per piece	Dyed Long- cloth (Black) 35 x 38 x 9. Per piece	Dyed Long- cloth (napthol red) 45 x 28 x 3 1/2. Per piece	Susi, Grey Weft. 21 x 24 x 2 11/16 (up to 20% colour Per piece	Susi, Check 22 x 24 x 3 1/2 (50% colour) Per piece	Susi, Check. 22 x 24 x 3 1/2 (100% colour) Per piece	Sholapur Coating 27 x 24 x 8 1/2 (100% colour) Per piece	Sholapur Coating 27 x 24 x 6 1/2 (100% colour) Per piece	Striped Drills. 24 x 24 x 5 (up to 20% colour) Per piece	Kash- mere Cloth 24 x 24 x 4 (Cotton Dyed.) Per piece	Towels. 30 x 16 2/3 x 7 Per dozen.	4s Bump (nominal)	6s. All Waste.	8 1/2	10 1/2	12 1/2	16s.	20s.	24s.	32s.	
Year ending 31st Dec. 1928	Rs. a. p. 13 6 0	Rs. a. p. 4 8 10	Rs. a. p. 10 12 8	Rs. a. p. 10 10 9	Rs. a. p. 4 13 2	Rs. a. p. 2 11 2	Rs. a. p. 3 9 8	Rs. a. p. 3 13 9	Rs. a. p. 11 6 0	Rs. a. p. 6 6 6	Rs. a. p. 4 8 7	Rs. a. p. 3 14 5	Rs. a. p. 8 7 0	Rs. a. p. 0 6 0	Rs. a. p. 0 6 4	Rs. a. p. 0 7 5	Rs. a. p. 0 8 4	Rs. a. p. 0 9 2	Rs. a. p. 0 10 2	Rs. a. p. 0 10 8	Rs. a. p. 0 12 5		
Do. 1927	13 1 6	4 4 9	9 14 7	9 13 0	Not quoted.	2 9 3	3 2 9	3 6 0	10 6 10	5 12 4	4 5 7	3 11 1	7 10 0	0 6 0	0 6 11	0 8 0	0 8 8	0 9 9	0 10 3	0 10 10	0 11 4		
Do. 1928	12 3 8	4 2 6	8 11 3	10 2 9	5 7 6	2 10 4	3 4 8	3 10 6	9 10 9	6 1 0	4 11 0	3 10 7	7 9 4	0 5 11	0 7 8	0 8 7	0 9 5	0 10 0	0 11 1	0 11 10	0 12 5		
Do. 1929	12 2 4	4 2 5	8 11 6	9 12 0	5 7 1	2 10 4	3 7 9	3 9 6	9 7 2	6 2 3	4 11 3	3 11 0	6 15 8	0 5 6	0 7 4	0 8 4	0 9 1	0 9 6	0 10 8	0 11 9	0 12 6		
Do. 1930	11 2 3	3 12 0	6 1 2	8 8 5	5 4 10	2 1 7	3 0 6	3 4 3	8 4 8	5 5 0	3 14 8	3 1 6	5 14 4	0 4 4	0 5 7	0 6 5	0 8 10	0 7 3	0 8 6	0 9 2	0 9 9		
Do. 1931	Not quoted.	3 2 0	5 14 0	7 12 0	Not quoted.	1 12 0	Not quoted.	Not quoted.	7 4 0	5 8 0	Not quoted.	2 10 0	5 4 0	0 3 1	0 4 3	0 5 9	0 5 8	0 6 0	0 7 0	0 7 5	0 8 0		
Do. 1932	quoted.	3 3 8	5 12 3	7 3 2	quoted.	1 14 10	quoted.	quoted.	7 2 4	5 13 2	quoted.	2 8 7	Not quoted.	0 3 3	0 4 4	0 5 6	0 6 1	0 6 4	0 7 4	0 7 10	0 8 7	0 10 2	
Do. 1933	"	3 2 2	Not quoted.	Not quoted.	"	1 11 10	"	"	6 9 8	5 8 0	2 11 1	2 7 8	Not quoted.	0 3 3	0 3 10	0 4 11	0 5 4	0 5 8	0 6 5	0 7 0	0 8 4	0 9 6	
12th January 1934	11 0 0	Not quoted.	"	6 5 3	"	1 11 0	2 4 0	2 4 3	6 10 0	5 8 0	Not quoted.	Not quoted.	5 11 0	0 3 3	0 4 0	0 5 0	0 5 3	0 5 6	0 6 3	0 7 0	0 7 6	0 8 9	
26th January "	11 0 0	"	"	6 7 6	"	1 11 0	2 4 0	2 4 3	6 10 0	5 8 0	Not quoted.	Not quoted.	Not quoted.	0 3 3	0 4 0	0 5 0	0 5 3	0 5 9	0 6 6	0 7 0	0 7 6	0 9 0	
9th February "	11 0 0	"	"	6 9 9	"	1 11 0	Not quoted.	Not quoted.	6 10 0	5 8 0	"	"	Not quoted.	0 3 3	0 4 0	0 5 3	0 5 6	0 6 0	0 6 6	0 7 3	0 7 9	0 9 3	
23rd February "	11 0 0	"	7 10 0	6 9 9	"	1 11 0	2 4 0	2 4 3	6 10 0	5 8 0	"	"	"	0 3 3	0 4 6	0 5 6	0 5 9	0 6 3	0 7 0	0 7 9	0 8 0	0 9 3	
9th March "	11 0 0	"	Not quoted.	6 9 9	"	1 11 0	2 4 0	2 4 3	6 10 0	5 8 0	"	"	"	0 3 3	0 4 0	0 5 0	0 5 3	0 5 9	0 6 6	0 7 0	0 8 0	0 9 3	
23rd March "	11 0 0	"	"	6 9 9	"	1 11 0	2 1 0	2 4 0	6 10 0	5 8 0	"	"	"	0 3 3	0 4 0	0 5 0	0 5 3	0 5 9	0 6 6	0 7 0	0 7 9	0 9 3	
6th April "	11 0 0	"	"	6 9 9	"	1 11 0	2 1 0	2 4 0	6 10 0	5 8 0	"	"	"	0 3 3	0 4 0	0 5 0	0 5 0	0 5 6	0 5 9	0 6 6	0 7 3	0 9 3	
20th April "	11 0 0	"	"	6 9 9	"	1 11 0	2 1 0	2 4 0	6 10 0	5 8 0	"	"	5 11 0	Not quoted.	Not quoted.	0 4 9	0 5 0	0 5 6	0 6 0	0 6 9	0 7 6	0 9 0	
4th May "	11 0 0	"	"	6 9 9	"	1 11 0	2 1 0	2 4 0	6 10 0	5 8 0	"	"	5 11 0	Not quoted.	"	0 4 9	0 5 0	0 5 3	0 6 0	0 6 9	0 7 3	0 9 0	
18th May "	11 0 0	"	"	6 9 9	"	Not quoted.	Not quoted.	Not quoted.	6 10 0	5 8 0	"	"	Not quoted.	"	0 4 0	0 4 9	0 5 0	0 5 3	0 6 0	0 7 0	0 7 9	0 9 3	
1st June "	11 0 0	"	"	7 0 6	"	"	"	"	6 10 0	5 8 0	"	"	5 6 0	"	0 4 0	0 4 9	0 5 0	0 5 3	0 6 3	0 7 0	0 7 9	0 9 3	
15th June "	11 8 0	"	"	7 0 6	"	"	"	"	6 10 0	5 8 0	"	"	5 11 0	"	Not quoted.	0 4 9	0 5 3	0 5 6	0 6 3	0 7 3	0 7 9	0 9 6	
29th June "	11 8 0	"	"	6 9 9	"	"	"	"	6 10 0	5 8 0	"	"	5 6 0	"	"	0 5 0	0 5 3	0 5 6	0 6 6	0 7 3	0 8 0	0 9 6	
13th July "	11 8 0	"	"	6 9 9	"	"	"	"	6 10 0	5 8 0	"	"	5 6 0	0 4 0	"	0 5 0	0 5 3	0 5 6	0 6 3	0 7 0	0 8 0	0 9 6	
27th July "	Not quoted.	"	"	6 9 9	"	"	"	"	6 10 0	5 8 0	"	"	5 6 0	Not quoted.	0 4 9	0 5 3	0 5 6	0 5 9	0 6 6	0 7 3	0 8 0	0 9 6	
10th August "	"	"	"	7 0 6	"	"	"	"	6 10 0	5 8 0	"	"	5 6 0	"	"	0 4 9	0 5 3	0 5 6	0 5 9	0 6 6	0 7 3	0 8 0	0 9 6
24th August "	"	"	"	6 14 3	"	"	"	"	6 10 0	5 8 0	"	"	5 6 0	"	Not quoted.	0 5 0	0 5 6	0 5 9	0 6 6	0 7 0	0 8 0	0 9 6	
7th September "	"	"	"	6 12 0	"	"	"	"	6 10 0	5 8 0	"	"	5 6 0	"	"	0 5 0	0 5 6	0 5 9	0 6 6	0 7 3	0 8 0	0 9 6	
21st September "	"	"	"	6 12 0	"	"	"	"	6 10 0	5 8 0	"	"	5 6 0	"	"	0 5 0	0 5 3	0 5 6	0 6 6	0 7 0	0 7 9	0 9 6	
5th October "	"	"	"	6 12 0	"	"	"	"	6 10 0	5 8 0	"	"	5 6 0	"	"	0 5 0	0 5 3	0 5 6	0 6 6	0 7 0	0 7 9	0 9 6	
19th October "	"	"	"	6 9 9	"	"	"	"	6 10 0	5 8 0	"	"	5 6 0	"	0 4 3	0 4 9	0 5 3	0 5 9	0 6 9	0 7 3	0 7 9	0 9 6	
2nd November "	"	"	"	6 9 9	"	"	"	"	6 10 0	5 8 0	"	"	5 6 0	0 4 0	0 4 3	0 4 9	0 5 3	0 5 6	0 6 6	0 7 3	0 8 0	0 9 6	
16th November "	11 8 0	"	"	6 7 6	"	"	"	"	Not quoted.	"	"	"	5 6 0	0 3 9	0 4 0	0 4 3	0 5 3	0 5 6	0 6 9	0 7 0	0 7 9	0 9 3	
30th November "	11 8 0	"	"	6 9 0	"	"	"	"	6 10 0	5 8 0	"	"	5 8 0	0 3 9	0 4 0	Not quoted.	0 5 3	0 5 9	0 7 0	0 7 3	0 8 0	0 9 6	
14th December "	Not quoted.	"	"	6 9 9	"	"	"	"	6 10 0	5 8 0	"	"	5 6 0	Not quoted.	0 4 0	0 5 0	0 5 3	0 5 9	0 7 0	0 7 3	0 8 0	0 9 6	
28th December "	"	"	"	6 9 9	"	"	"	"	6 10 0	5 8 0	"	"	5 6 0	0 4 0	0 4 3	0 5 0	0 5 6	0 5 9	0 7 0	0 7 6	0 8 3	0 9 6	

TABLE NO. II.

EXCHANGE VARIATIONS IN 1934 FOR TELEGRAPHIC TRANSFERS, DEMAND DRAFTS AND THE PRICE OF SILVER.

1933-				Bombay/ London. Selling T. T. Rate.	Bombay/ Yokohama Per 100 yens Selling T. T. Rate.	Bombay/ Hongkong Per 100 dollars Selling D.D. Rate.	Bombay/ Shanghai Per 100 taels. Selling D.D. Rate.	Bombay/ New York Per 100 dollars. Selling D.D. Rate.	Price in Bombay for 100 tolas of ready silver.	
				s	Rs.	Rs.	Rs.	Rs.	Rs. a. p.	
Jany.	Highest	..	..	1/6	1/16	84½	102	92	271	55 9 0
	Lowest	..	..	1/6	1/32	79½	99 1/4	89 3/4	261	53 15 0
Feby.	Highest	..	..	1/6	1/16	79½	104 1/4	94½	277	57 4 0
	Lowest	..	..	1/6	1/32	79½	100 3/4	90½	260	54 5 0
March	Highest	..	..	1/6	1/32	79½	103 3/4	93½	264	57 5 0
	Lowest	..	..	1/6	1/32	79	101	90½	261	54 15 0
April	Highest	..	..	1/6	1/32	79	101 3/4	91½	260½	55 9 0
	Lowest	..	..	1/6	1/32	78½	95 1/2	86	254½	51 13 0
May	Highest	..	..	1/6	1/32	79½	97 3/4	88½	263½	54 6 0
	Lowest	..	..	1/5	15/16	79	93	83	259½	50 7 0
June	Highest	..	..	1/6	1/32	79½	101 1/4	91½	265½	58 7 0
	Lowest	..	..	1/6	1/32	79½	96	87	263½	54 5 0
July	Highest	..	..	1/6	1/32	79½	101 1/4	91½	264½	58 4 0
	Lowest	..	..	1/6	1/32	79½	99 1/2	89½	226½	51 9 0
Aug.	Highest	..	..	1/6	1/32	79½	104 3/4	94½	266½	60 9 0
	Lowest	..	..	1/6	1/32	79½	101	90½	261½	57 8 0
Sept.	Highest	..	..	1/6	1/32	80	109 1/2	99	268½	61 13 0
	Lowest	..	..	1/5	1/32	78½	105 1/4	95	266	60 2 0
Octr.	Highest	..	..	1/6	1/32	78½	116	104	272	68 0 0
	Lowest	..	..	1/6	1/32	77½	108 1/2	89	267½	61 4 0
Novr.	Highest	..	..	1/6	1/32	78½	114	93½	267½	68 2 0
	Lowest	..	..	1/6	1/32	77½	109 1/2	89½	266	64 3 0
Decr.	Highest	..	..	1/6	1/32	77½	117	95½	269½	67 9 0
	Lowest	..	..	1/6	1/32	77½	113	91½	267½	63 8 0

NOTE.—These figures were supplied by Messrs. Premchand Roychand & Sons, Exchange Brokers, Bombay

TABLE NO. 12.
STATEMENT SHOWING THE QUANTITY OF YARN SPUN IN INDIA.
(In thousands of pounds.)

	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928. §	Calendar Year 1929. §	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.
BRITISH INDIA—																				
1 to 10	139,726	107,143	98,391	84,663	81,044	81,180	94,251	97,603	80,123	87,505	89,339	110,470	104,601	54,412	94,387	101,283	104,200	104,901	96,691	95,679
11 to 20	362,372	347,767	325,045	292,365	321,738	334,403	345,887	348,815	299,062	343,398	316,531	353,712	353,501	250,954	322,659	338,667	362,721	406,845	378,659	369,878
21 to 30	160,425	161,469	173,794	180,216	174,240	188,824	193,330	197,325	168,219	205,347	191,063	221,702	240,298	181,581	233,098	233,630	253,019	272,051	229,891	239,129
31 to 40	18,021	23,260	23,600	18,583	16,535	14,868	16,707	15,836	19,143	18,774	18,498	24,849	29,808	33,066	43,185	53,411	64,251	73,071	66,314	82,395
Above 40	1,960	4,461	5,748	4,503	3,542	2,067	2,364	2,195	3,255	5,809	5,816	10,292	11,685	9,200	13,839	22,751	31,987	34,245	34,040	39,018
Wastes	651	346	223	231	256	314	472	162	324	330	1,319	2,590	5,925	5,227	6,375	5,983	4,891	5,346	5,349	5,689
TOTAL ..	683,155	644,447	626,801	580,561	597,355	621,655	653,011	661,936	570,125	661,162	623,371	723,903	745,819	534,442	713,543	755,725	821,069	808,459	810,945	831,766
NATIVE STATES—																				
1 to 10	5,581	3,539	2,081	2,657	3,143	2,763	4,816	5,375	4,721	5,291	6,385	5,935	7,911	8,756	10,421	11,150	12,997	13,222	10,742	12,994
11 to 20	23,816	22,166	20,957	22,175	25,262	25,125	25,565	26,802	28,005	33,619	32,493	37,046	49,643	48,966	55,315	64,166	66,102	75,467	72,989	82,887
21 to 30	9,319	10,019	9,874	8,989	9,417	10,262	9,832	11,634	13,758	18,465	22,726	23,594	24,064	27,334	30,815	31,603	31,309	33,248	30,226	34,838
31 to 40	552	821	789	606	545	156	94	94	524	593	1,239	1,797	1,835	2,304	2,534	3,245	3,971	4,495	6,818	8,805
Above 40	3	116	94	53	18	....	26	....	6	14	18	142	212	254	373	661	1,174	1,749	2,435	3,289
Wastes .. .. .	....	....	....	....	19	41	20	52	190	247	196	187	484	256	268	275	283	283	297	293
TOTAL ..	39,270	36,660	33,775	34,460	38,405	38,347	40,452	43,958	47,204	58,228	63,057	68,702	84,149	87,870	99,726	111,300	116,835	128,465	123,466	143,105
* GRAND TOTAL, BRITISH INDIA AND NATIVE STATES—																				
1 to 10	145,307	110,682	100,452	87,320	84,188	83,943	99,067	102,978	84,843	92,796	95,724	116,415	112,512	63,168	104,809	112,432	117,197	118,123	107,432	108,673
11 to 20	386,188	369,933	346,002	314,541	347,000	359,527	371,452	375,617	327,067	377,015	349,024	390,759	403,144	299,920	377,974	402,833	428,823	482,312	451,829	452,762
21 to 30	169,744	171,488	183,667	189,204	183,657	199,088	203,162	208,959	181,977	223,812	213,789	245,295	264,362	208,918	263,913	265,233	284,328	305,298	260,117	273,966
31 to 40	18,573	24,082	24,389	19,189	17,080	15,024	16,900	15,930	19,667	19,368	19,737	26,645	31,643	35,370	45,719	56,657	68,222	77,566	73,132	91,201
Above 40	1,963	4,577	5,842	4,555	3,560	2,067	2,369	2,193	3,261	5,822	5,834	10,435	11,899	9,454	14,212	23,612	33,161	35,994	36,475	42,307
Wastes	651	346	223	231	275	355	492	214	514	578	1,515	2,777	6,409	5,483	6,643	6,238	5,174	5,630	5,646	5,962
GRAND TOTAL ..	722,423	681,107	660,576	615,040	635,760	660,003	693,463	705,894	617,329	719,390	686,428	792,606	829,968	622,312	813,269	867,025	936,904	1,024,924	934,431	974,871

* During the years 1923-24 and 1925-26 all the mills in the City and Island of Bombay were closed for about 2 months and 2½ months respectively.

† Includes 805 lbs. for which details are not known.
‡ Do. 288 do. do. do.

Note.—The periods covered by all the Statistics included in the report are, unless otherwise stated, official years ending 31st March:

§ During the year 1928 all the mills in the City and Island of Bombay were closed for about 6 months and for about 4½ months during 1929.

TABLE NO. 13.

STATEMENT SHOWING THE QUANTITY OF YARN SPUN IN BOMBAY CITY AND ISLAND.

(In thousands of pounds.)

Descriptions.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	* 1923-24.	* 1924-25.	* 1925-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.
Nos. 1 to 10..	97,875	73,500	71,167	55,970	56,406	58,242	71,274	74,226	56,123	61,164	56,982	75,498	66,995	28,436	54,055	54,381	53,321	52,094	44,725	37,822
Nos. 11 to 20..	197,320	198,700	186,336	151,433	173,435	183,839	175,505	171,828	125,910	156,150	116,959	152,442	142,755	58,298	105,766	103,861	115,740	128,178	97,266	90,480
Nos. 21 to 30..	77,108	77,591	90,916	90,604	81,274	94,134	94,753	95,406	79,538	98,955	79,114	102,169	110,397	48,697	81,295	85,229	101,541	103,225	76,754	76,990
Nos. 31 to 40..	3,832	4,824	6,991	6,669	5,161	5,178	6,000	5,587	6,605	7,961	5,885	8,858	11,290	8,024	12,891	20,517	27,206	33,468	22,040	27,200
Above 40	557	1,226	1,847	1,447	1,405	921	989	1,028	1,338	3,212	2,503	3,834	5,306	2,769	4,768	9,053	12,351	13,487	10,180	13,514
Wastes, etc. ..	51	58	32	67	38	143	173	24	73	101	520	1,085	1,204	628	967	576	745	655	796	1,148
TOTAL ..	376,743	355,899	357,289	306,190	317,719	342,457	348,694	348,099	269,587	327,543	261,963	343,887	337,948	146,853	259,741	273,617	310,903	331,108	251,762	247,154

* Please see footnote to table 12 regarding strikes in Bombay Mills;

TABLE No. 14.

DETAILED STATEMENT OF THE QUANTITY AND DESCRIPTION OF WOVEN GOODS PRODUCED IN INDIAN MILLS.

GRAND TOTAL, INDIA (British India and Indian States).

(Figures in thousands.)

Description.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.	
GREY AND BLEACHED PIECEGOODS																					
Chadars Yards ..	75,163	67,761	54,049	37,914	68,093	59,194	59,428	63,202	58,003	61,614	62,078	65,108	66,659	55,669	65,342	57,500	54,520	59,690	54,161	59,115	
Dhutis Yards ..	323,640	300,949	325,017	369,357	337,602	340,128	455,637	431,145	399,214	458,404	516,394	590,425	614,199	551,131	729,656	829,348	941,393	1,050,443	999,906	1,073,325	
Drills and Jeans Yards ..	46,329	53,503	78,611	54,284	80,845	74,305	60,452	56,306	54,974	77,191	74,150	80,076	90,872	73,668	98,330	80,327	100,232	115,224	105,346	117,120	
Cantrics and Lawns Yards ..	5,701	6,379	8,277	5,195	8,473	5,951	7,347	5,554	3,649	5,395	3,167	3,135	4,988	5,204	3,132	17,236	37,574	68,582	70,925	112,852	
Printers Yards ..	26,900	31,599	26,593	23,067	29,837	28,284	35,622	39,073	34,831	32,777	25,872	22,513	20,876	21,630	18,751	19,294	21,764	16,008	18,403	18,922	
Shirtings and Longcloth Yards ..	419,625	427,753	450,630	393,779	444,501	456,240	487,034	470,549	443,848	525,524	521,126	587,363	612,076	466,464	581,417	605,150	769,607	787,789	714,640	827,316	
T-cloth, Domestics and Sheetings Yards ..	151,401	192,132	137,396	110,511	122,402	97,398	84,117	81,002	68,075	77,742	74,073	83,806	98,233	72,057	90,270	104,474	149,956	158,257	129,787	158,623	
Tent Cloth Yards ..	11,844	17,181	24,550	36,970	5,671	7,508	7,255	6,589	6,573	9,894	9,005	7,907	5,960	6,791	7,458	9,268	5,126	6,405	5,357	5,777	
Khadi, Dugree or Khaddar Yards ..	....	..	..	..	..	..	..	..	..	87,153	87,406	96,625	118,738	88,226	123,329	165,678	124,074	117,947	96,127	101,629
Other Sorts Yards ..	34,264	35,913	35,899	45,733	66,649	60,886	87,859	118,371	128,488	46,675	41,035	43,406	43,252	33,573	41,960	39,587	49,532	59,103	62,771	76,962	
TOTAL Yards ..	1,094,867	1,136,170	1,141,022	1,076,711	1,164,073	1,129,883	1,284,752	1,271,790	1,197,654	1,382,368	1,414,304	1,580,362	1,675,853	1,374,083	1,756,644	1,927,791	2,253,779	2,439,447	2,257,422	2,551,441	
Coloured Piecegoods Yards ..	346,647	441,962	473,105	374,015	475,706	450,967	446,822	453,494	503,920	589,078	540,157	645,153	695,996	486,149	600,741	566,315	646,703	763,775	686,002	734,366	
Grey and Coloured Goods other than Piecegoods Dozens.	653	660	706	721	659	707	629	1,213	514	611	956	1,074	956	781	1,155	913	782	911	900	920	
Cotton Goods mixed with Silk or Wool Pounds ..	....	43	253	307	204	227	178	165	207	272	708	1,876	4,278	3,448	3,382	3,514	3,389	1,940	1,477	3,443
Grand Total { Pounds ..	....	43	253	307	204	227	178	165	207	272	708	1,876	4,278	3,448	3,382	3,514	3,389	1,940	1,477	3,443
Yards ..	1,441,515	1,578,133	1,614,126	1,450,726	1,639,779	1,580,850	1,731,573	1,725,284	1,701,574	1,970,447	1,954,461	2,225,515	2,371,849	1,860,232	2,357,385	2,494,106	2,900,482	3,203,223	2,943,423	3,285,807	
Dozens ..	653	660	706	721	659	707	629	1,213	514	611	956	1,074	956	781	1,155	913	782	911	900	920	

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Until the year 1924-25, Khadi, Dugree or Khaddar production was included in 'other sorts.' Similarly, mixed cotton goods were not shown separately until 1916-17.

Previous to 1st April 1926, the actual production figures of cloth were not recorded, the figures given in the tables relate to the quantities on which excise duty had become payable. (See Cotton Duties Act of 1896 for detailed interpretation of the term 'manufactured.') (Please see footnote to table 12 regarding strikes in Bombay Mills.)

TABLE No. 15.
DETAILED STATEMENT OF THE QUANTITY AND DESCRIPTION OF WOVEN GOODS PRODUCED IN BOMBAY CITY AND ISLAND.
 (Figures in thousands.)

Description of Goods.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.
GREY AND BLEACHED GOODS—																				
Chadars Yds.	33,336	31,655	27,816	14,820	29,010	25,102	28,248	25,239	24,318	25,734	26,795	29,995	31,057	13,644	19,279	18,935	16,576	16,487	16,427	14,406
Dhuties "	61,727	48,341	65,429	88,605	78,919	77,547	121,793	102,025	97,624	110,997	115,412	145,998	170,800	80,484	159,927	224,301	278,577	326,893	258,583	247,321
Drills and Jeans "	29,660	36,452	55,596	33,292	50,170	46,034	35,504	31,523	33,294	49,907	38,408	49,323	58,202	36,514	55,743	46,294	66,263	71,944	61,017	61,199
Cambrics and Lawns "	3,476	4,075	5,269	3,190	3,897	2,470	4,448	2,186	1,560	2,443	1,449	340	1,856	2,216	840	4,176	14,706	14,634	13,603	26,789
Printers "	116	122	61	314	449	376	1,479	1,674	280	165	1,041	927	..	..	26	13	1,047	933	321	..
Shirtings and Longcloths "	269,383	236,283	297,201	233,227	255,628	270,724	311,600	289,340	278,940	326,482	306,776	371,738	380,759	179,243	272,161	319,384	414,754	436,910	331,573	330,702
T-Cloths, Domestic and Sheerings "	108,768	144,514	93,344	64,672	82,792	66,848	53,722	48,427	39,457	45,034	36,195	42,239	46,105	18,233	25,345	33,133	66,817	68,290	55,833	56,407
Tent Cloth "	5,642	7,189	8,820	21,026	2,745	2,924	2,499	1,924	1,488	2,261	2,205	2,399	1,330	1,626	1,842	1,644	698	1,205	814	461
Khadi, Dungri or Khaddar .. .. "	..	..	..	..	..	..	..	..	..	30,574	27,514	46,721	55,340	18,332	34,186	58,677	27,769	15,648	13,831	11,975
Other Sorts "	7,773	6,662	9,644	12,669	14,827	12,313	26,633	44,980	45,897	11,549	10,302	10,898	13,595	8,179	14,581	14,116	18,111	20,835	14,686	18,823
TOTAL	519,881	515,292	563,180	471,814	518,436	504,339	585,926	547,318	522,859	605,145	566,097	700,581	759,044	353,472	583,929	720,674	905,318	973,779	766,687	768,082
COLOURED PIECEGOODS .. Yds.	251,385	314,893	369,958	286,090	344,856	332,168	336,001	322,966	333,024	380,883	305,744	386,085	409,377	186,974	278,103	239,193	268,712	292,969	203,432	178,048
GREY AND COLOURED GOODS other THAN PIECEGOODS. Doz.	478	532	581	616	486	503	420	487	349	429	721	784	656	427	700	458	315	342	316	279
COTTON GOODS MIXED with SILK OR WOOL Lbs.	..	15	96	113	58	113	64	99	139	115	468	1,140	2,105	847	708	1,090	1,749	282	471	1,785
GRAND TOTAL	771,266	830,185	933,138	757,904	863,292	836,507	921,927	870,285	855,883	986,028	871,841	1,086,666	1,168,421	545,446	862,032	959,867	1,174,030	1,266,748	970,119	946,130
	478	532	581	616	486	503	420	487	349	429	721	784	656	427	700	458	315	342	316	279
	..	15	96	113	58	113	64	99	139	115	468	1,140	2,105	847	708	1,090	1,749	282	471	1,785

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NOTE.—Until the year 1924-25, Khadi, Dungree or Khaddar production was included in 'other sorts.' Similarly, mixed cotton goods were not shown separately until 1916-17. Previous to 1st April 1926, the actual production figures of cloth were not recorded, the figures given in the tables relate to the quantities on which excise duty had become payable. (See Cotton Duties Act of 1896 for detailed interpretation of the term 'manufactured.') See footnote to Table 12 for strikes in Bombay Mills.

TABLE No. 16.
IMPORTS OF COTTON YARN INTO INDIA.
(Quantities in thousands of pounds.)

Classifications of Yarn.	'15-16.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.
GREY SINGLES—																				
1s to 10s	113	29	16	99	41	216	91	89	107	99	80	85	354	17	103	10	..	..	8	39
11s to 15s	69	99	63	99	114	148	55	36	102	81	22	26	551	30	6	5	10	10	13	2
16s to 20s	131	614	70	7,660	182	6,993	6,555	12,652	6,377	6,629	4,201	2,008	1,069	748	836	334	143	660	150	162
21s to 25s	71	5	23	..	32	128	900	449	231	168	168	136	140	357	78	49	5	7	11	54
26s to 30s	3,587	884	446	1,927	531	3,436	4,063	4,650	893	677	415	202	346	127	245	163	425	823	559	641
31s to 40s	8,454	4,800	2,255	12,805	2,079	13,885	19,035	21,061	12,943	21,383	21,680	20,924	25,049	13,826	15,996	14,897	13,025	18,299	15,085	6,100
41s to 50s	2,731	1,580	1,413	3,316	1,061	1,429	2,517	2,131	2,078	1,983	1,288	2,031	1,324	1,118	937	600	257	419	544	391
Above 50s	2,997	2,117	1,346	2,718	..	(See classifications below)	&	foot note.	..	..	..	..	..	..	..	..	..	..	..	..
51s to 60s .. .. .	..	..	..	..	767	1,776	2,708	1,772	2,490	3,123	2,883	3,559	3,019	4,357	4,638	1,792	2,445	3,714	2,639	3,686
61s to 100s .. .. .	..	..	..	..	1,143	851	2,742	2,463	1,997	1,756	2,000	1,705	1,961	1,956	1,064	901	1,505	1,439	1,915	..
Above 100s .. .. .	..	..	..	..	50	37	135	123	137	114	242	165	117	137	153	137	113	82	75	128
GREY TWO FOLDS (Doubles) .. .. .	..	..	..	..	840	3,183	4,974	4,063	3,434	5,023	5,222	5,799	6,656	3,815	5,600	3,072	3,440	5,149	3,713	5,848
WHITE (BLEACHED) .. .. .	..	..	..	..	1,077	2,640	2,520	1,894	2,650	3,427	3,751	4,112	4,985	4,555	5,570	4,132	3,614	4,238	3,016	3,276
COLOURED SINGLES—																				
1s to 20s	519	562	205	132	120	234	260	292	271	361	469	293	445	266	201	197	177	247	125	182
21s to 25s	436	583	355	461	308	304	319	352	242	309	375	396	220	248	200	204	208	315	219	206
26s to 30s	739	497	155	136	136	321	174	58	100	257	160	199	114	78	28	23	25	6	5	12
31s to 40s	12,834	11,218	7,810	3,980	4,773	8,958	7,705	5,596	6,864	6,305	4,614	4,165	4,167	2,176	3,126	1,196	552	552	432	280
41s to 50s	904	587	403	221	92	455	221	5	68	50	84	232	87	52	92	49	48	15	58	24
Above 50s	880	602	408	480	478	473	558	235	503	391	433	533	459	270	446	248	181	224	132	133
COLOURED TWO FOLDS (Doubles) .. .. .	..	..	..	..	448	1,060	772	490	598	810	973	694	579	498	433	420	280	348	256	347
MERCERISED COTTON YARN	1,175	1,742	1,135	902	470	1,280	794	1,320	2,019	2,664	2,845	4,165	5,181	3,895	5,874	3,674	4,624	7,547	5,225	6,509
UNSPECIFIED DESCRIPTION	4,788	3,609	3,297	3,161	353	127	24	49	4	57	27	29	76	27	30	11	21	24	40	40
SEWING THREAD	1,920	2,384	1,755	1,360	1,705	1,496	1,004	1,230	1,534	1,660	2,154	2,135	2,387	2,085	2,360	2,049	1,815	2,034	1,939	2,511
ARTIFICIAL SILK YARN .. .. .	..	..	..	..	51	168	74	71	225	406	1,171	2,671	4,012	8,478	6,927	7,992	6,016	8,045	12,354	8,024
TOTAL ..	42,347	31,914	21,155	39,506	16,970	48,903	58,200	60,729	46,515	58,738	56,513	57,900	67,509	47,570	56,900	40,343	40,353	58,572	43,707	47,764

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NOTE.—Before the year 1919-20 all yarns above 50 Counts were grouped as "above 50s." It was only in 1920 that Government introduced the three additional classifications, viz., 51s to 60s, 61s to 100s, and above 100s. Before 1919-20 Greyfolds (doubles), white bleached, and Coloured two folds were not separately shown. The same remark applies to artificial silk yarn prior to 1918-19; previously it was included in the general heading "unspecified descriptions."

TABLE No. 17.
IMPORTS OF COTTON YARN INTO BOMBAY.
(Quantities in thousands of pounds.)

Classifications of Yarn.	'15-16.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.
GREY SINGLES—																				
1s to 10s	2	..	1	97	40	110	49	80	73	17	30	..	260	16	102	10	..	..	8	39
11s to 15s .. .. .	..	..	1	42	71	29	8	..	..	4	4	5	541	13	..	..	1	..	12	..
16s to 20s	41	491	6	6,265	144	5,295	4,716	8,445	4,003	2,044	1,365	299	226	6	40	23	16	578	97	146
21s to 25s	25	1	19	..	8	73	300	41	37	..	..	6	3	228	..	1	..	..	..	38
26s to 30s	3,205	779	436	1,384	451	2,362	3,354	4,486	833	574	397	152	210	89	182	106	8	10	9	26
31s to 40s	4,128	1,671	953	8,208	1,046	7,510	10,300	11,244	8,238	11,933	12,874	12,250	15,820	6,075	6,334	3,282	3,183	4,493	2,123	1,351
41s to 50s	1,466	1,044	867	3,089	775	682	1,673	1,482	1,372	1,358	743	884	856	521	588	422	69	96	207	221
Above 50s	1,214	1,103	734	1,864	..	(See classifications below) & footnote.														
51s to 60s .. .. .	..	..	..	..	564	784	912	343	297	627	926	665	649	1,132	1,047	327	67	162	56	1,146
61s to 100s .. .. .	..	..	..	..	509	381	1,178	838	888	803	385	654	427	321	448	237	48	62	135	133
Above 100s .. .. .	..	..	..	..	8	22	33	13	17	39	127	41	51	19	22	37	..	2	..	2
GREY TWO FOLDS (Doubles) .. .. .	..	..	..	..	839	3,089	3,948	3,564	2,888	3,954	4,123	5,521	5,323	3,124	4,509	2,240	2,504	3,618	2,105	3,306
WHITE (BLEACHED) .. .. .	..	..	..	..	587	1,234	1,482	1,060	1,585	1,916	1,990	2,217	2,525	2,144	2,099	1,806	1,668	1,853	1,354	1,189
COLOURED SINGLES—																				
1s to 20s	40	34	1	..	2	24	2	7	3	36	3	..	1	..	2	1	1	..	1	..
21s to 25s	5	4	3	..	..	13	1	2	..	..	..	1	..	2	1	1	..	..	5	..
26s to 30s	182	133	44	30	49	91	72	35	8	61	22	4	13	16	7	5	..	..	..	6
31s to 40s	2,241	1,874	871	445	630	1,172	1,146	443	892	753	376	339	254	171	240	50	23	2	11	..
41s to 50s	198	183	10	79	71	100	211	..	58	31	57	62	86	43	26	13	22	6	18	..
Above 50s	33	37	13	17	5	16	25	1	6	13	27	8	..	2	..	..	..	..	..	..
COLOURED TWO FOLDS (Doubles) .. .. .	..	..	..	..	306	2,743	566	242	385	487	463	430	213	123	84	50	6	..	2	..
MERCHERISED COTTON YARN	1,020	1,612	1,047	874	453	1,209	770	1,286	1,964	2,607	2,731	4,076	5,162	3,799	5,502	3,045	4,123	6,338	4,054	4,514
UNSPECIFIED DESCRIPTION	1,413	895	1,048	707	..	..	..	..	..	22	11	2	6	27	20	4	17	10	7	8
SEWING THREAD	695	1,383	906	642	412	545	384	465	601	681	721	664	822	721	830	747	661	816	756	974
ARTIFICIAL SILK YARN .. .. .	..	..	..	51	168	69	63	201	356	879	2,002	3,367	7,295	4,981	4,996	3,087	5,540	7,675	4,900	8,951
TOTAL	15,908	11,245	6,962	23,794	7,139	25,556	31,631	34,535	24,509	28,875	29,376	31,647	40,743	23,573	27,080	15,494	17,958	25,721	15,860	22,052

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(See footnote to Table 16.)

TABLE No. 18.

STATEMENT SHOWING THE VARIOUS CLASSES OF PIECEGOODS IMPORTED INTO BRITISH INDIA.

(Quantities in thousands of yards.)

DESCRIPTION.	1915-16.	1916-17	1917-18	1918-19	1919-20	1920-21	1921-22	1922-23	1923-24	1924-25	1925-26	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.
PIECEGOODS.																				
GREY, UNBLEACHED (PLAIN AND BORDERED):—																				
Chadars	1,784	1,647	263	1	296	439	367	634	730	831	780	1,052	1,084	954	1,193	318	23	45	48	74
Dhuties, Saris, etc.	610,338	520,161	398,001	304,314	348,193	291,255	383,411	506,657	432,658	489,881	429,271	509,089	508,666	454,127	490,653	304,944	87,149	113,683	120,265	92,894
Drills and Jeans	23,187	21,171	7,575	13,673	9,811	17,616	16,123	14,275	16,802	17,282	19,427	15,329	14,802	10,132	13,179	5,411	2,862	1,721	1,789	830
Flannels .. .. .	..	..	36	19	..	2	..	412	6	61	19	22	16	12	2	298	4	..	..	..
Jaconets and Madapollams	101,699	82,935	62,730	48,909	40,764	39,061	55,176	83,594	72,983	89,407	57,039	74,327	76,779	77,113	58,518	29,496	22,264	24,283	24,151	23,210
Longcloth	406,478	184,919	122,847	159,611	114,484	181,893	129,364	280,131	118,036	206,741	171,327	166,635	242,408	207,860	344,623	213,600	130,970	190,983	116,895	134,497
Prints .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sheetings	1,833	35,092	30,272	53,793	17,778	46,358	50,164	44,516	60,742	39,361	30,413	19,870	24,000	8,652	14,296	4,471	4,715	3,827	3,591	2,523
T-cloth and Domestics	2,177	121	2,815	2,696	1,564	2,942	398	584	510	531	482	369	578	95	113	89	28	14	..	..
Unspecified Sorts	752	944	936	403	451	642	605	221	488	1,394	323	210	498	979	2,298	1,433	1,558	1,300	1,079	1,006
TOTAL	1,148,247	846,990	625,475	583,420	533,341	580,208	635,608	931,025	703,956	845,502	709,085	786,906	868,829	759,925	924,898	560,066	249,572	335,856	267,819	255,033
WHITE, BLEACHED:—																				
Chadars	689	1,538	679	173	419	479	396	414	487	718	277	311	251	173	54	85	..	17	..	10
Checks, Spots and Stripes	12,751	11,169	5,172	1,312	3,939	8,850	1,542	5,793	8,458	11,024	7,020	10,122	12,820	15,517	11,873	7,046	2,939	6,426	5,900	4,175
Dhuties, Saris, etc.	51,967	63,496	41,623	35,797	37,913	35,672	31,944	44,959	45,693	68,896	72,590	109,993	87,197	40,907	51,704	20,921	2,845	2,636	5,694	8,889
Drills and Jeans	6,632	6,880	3,301	4,447	3,259	6,315	2,023	3,140	3,421	6,347	6,106	5,499	6,586	5,603	6,468	4,767	3,694	4,918	4,621	4,094
Embroidered All-Overs .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4,101
Flannels .. .. .	..	..	390	17	19	367	11	52	38	35	67	44	54	15	23	57	102	68	8	104
Jaconets, etc.	176,081	183,101	13,549	4,424	10,314	11,624	5,737	7,118	8,292	9,294	9,398	13,762	13,950	16,610	16,181	14,273	8,669	17,438	14,880	23,275
Lawns .. .. .	..	..	5,929	4,157	8,666	4,688	8,679	9,193	8,855	16,100	8,650	7,481	11,953	7,344	4,867	15,272	5,223	6,005	6,005	6,005
Longcloth and Shirting	183,430	123,180	113,337	65,940	77,328	108,521	48,163	69,365	67,215	122,724	93,787	93,073	113,352	121,773	100,408	91,883	71,903	109,325	73,440	72,709
Muls .. .. .	..	..	151,218	129,483	109,600	93,911	138,314	159,134	164,657	185,629	168,603	205,565	217,704	242,410	203,978	149,462	142,391	194,224	144,275	131,314
Nainsooks	170,762	168,986	150,193	27,134	59,128	121,718	67,551	90,752	88,468	105,367	76,998	66,861	82,629	86,882	53,173	40,034	20,329	28,504	21,007	14,155
Sheetings	347	265	739	219	214	260	38	135	220	153	164	212	140	269	97	175	89	39	61	113
T-cloth and Domestics	15	8	46	246	8	4	..	17	1	1	25	4	27	5	14	1	1	2	..	50
Twills	10,874	9,128	6,974	2,255	6,207	13,409	3,349	6,382	7,275	13,342	12,226	11,553	14,395	17,467	16,166	11,448	3,309	9,938	7,997	6,407
Unspecified Sorts	17,858	22,082	15,133	9,258	9,543	11,888	2,410	6,569	13,419	16,152	8,995	12,680	11,119	10,181	5,060	2,206	1,797	2,327	1,775	2,061
TOTAL	611,405	589,833	502,353	286,635	322,047	421,784	306,167	402,492	415,357	548,876	465,112	545,781	568,846	565,315	477,143	349,715	262,935	391,132	284,883	277,461
COLOURED, PRINTED OR DYED:—																				
Cambrics	41,495	48,716	50,759	29,267	29,440	54,357	17,701	36,186	44,139	44,472	34,737	38,720	48,816	54,335	43,987	28,237	16,627	34,045	35,472	44,222
Chadars	136	12	7	..	19	22	1	4	2	58	3	49	70	2	11	15	..	2	1	24
Checks, Spots and Stripes	9,510	17,284	11,341	5,331	5,643	13,588	3,657	6,474	8,512	15,446	10,770	14,868	17,856	23,362	24,139	18,720	4,743	10,799	12,795	14,408
Dhuties, Lungis and Sarongs	22,527	24,807	11,938	5,394	11,098	16,278	11,344	17,676	12,776	15,238	17,908	20,697	21,188	17,222	24,334	21,278	13,658	24,556	15,533	14,012
Drills and Jeans	19,593	20,090	22,797	16,858	7,009	19,335	9,628	16,049	17,213	25,349	32,358	38,914	65,973	53,622	78,805	47,464	33,285	66,047	54,977	52,231
Embroidered All-Overs .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,710
Flannels .. .. .	..	..	9,672	4,175	1,294	9,744	1,413	1,610	3,900	6,302	10,301	18,677	21,363	18,980	10,436	7,078	10,050	19,159	3,719	9,413
Prints and Chintz	85,943	106,872	100,986	70,025	48,905	114,722	28,735	44,689	61,529	59,533	56,026	49,801	64,878	76,079	65,297	42,859	21,243	46,142	25,865	28,392
Saris and Scarves	34,082	39,567	28,608	17,320	14,125	38,177	15,944	19,166	32,655	30,772	29,280	34,040	34,116	37,059	33,920	24,788	7,915	15,838	17,034	22,645
Shirtings	55,759	64,121	60,838	24,703	27,985	71,571	25,015	38,231	51,605	69,317	72,450	87,766	86,117	95,406	95,974	74,525	57,337	111,125	61,246	61,467
Twills	12,127	16,505	23,465	10,812	7,524	31,179	5,753	9,289	16,810	22,243	20,368	24,530	40,217	48,975	35,004	22,329	17,252	22,279	15,378	18,644
Sateens .. .. .	..	..	..	..	..	..	..	..	..	..	3,586	3,660	5,068	4,736	2,903	1,747	888	3,653	1,004	969
Coatings and Trouserings .. .. .	..	..	..	..	..	..	..	..	..	..	10,320	8,867	12,027	7,802	3,079	2,393	3,283	2,278	3,451	..
Italian Cloth and Sateens .. .. .	..	..	..	..	..	..	..	..	..	..	12,934	26,004	20,799	34,066	16,510	13,383	11,259	21,123	10,563	22,210
Velvets and Velvetens .. .. .	..	..	..	..	..	..	..	..	..	..	1,219	1,526	1,757	2,485	1,073	910	2,862	2,702	6,311	..
Unspecified Sorts	77,566	116,985	75,182	43,429	55,254	120,283	19,089	54,415	98,353	118,240	56,613	59,818	53,346	40,393	31,104	22,368	9,969	16,753	18,033	19,702
TOTAL	358,739	454,959	395,594	227,319	208,296	489,256	138,279	243,789	347,493	408,971	365,836	429,390	493,432	518,727	471,900	328,940	207,447	399,663	274,597	340,813
FENTS OF ALL KINDS	28,709	41,740	32,086	24,600	17,064	18,472	9,748	15,989	19,020	21,882	23,680	21,883	34,032	36,778	36,456	14,846	21,420	28,583	32,807	45,180

TABLE No. 19.
STATEMENT SHOWING THE VARIOUS CLASSES OF PIECEGOODS IMPORTED INTO BOMBAY.
(Quantities in thousands of yards.)

Description.	1915-16	1916-17	1917-18	1918-19	1919-20	1920-21	1921-22	1922-23	1923-24	1924-25	1925-26	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.	Calendar Year 1933.	Calendar Year 1934.
PIECEGOODS.																				
GREY, UNBLEACHED (PLAIN AND BORDERED).																				
Chadars .. .. .	..	..	..	..	7	..	..	4	..	39	145	61	32	76	90	..	..	..	..	..
Dhutis, Saris, etc. ..	13,945	8,545	8,024	7,626	6,493	5,625	2,460	7,683	7,965	11,015	7,962	6,695	8,614	11,672	18,632	10,189	363	2,254	4,113	1,723
Drills and Jeans	11,227	12,022	4,828	9,971	7,311	12,602	8,743	9,554	12,376	10,291	12,258	8,101	7,277	5,137	6,464	2,115	1,054	832	553	479
Flannels .. .. .	..	..	16	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets and Madapollams	21,523	23,490	24,250	20,259	10,876	12,556	22,282	20,816	16,500	25,161	13,188	13,913	20,977	25,629	20,002	9,933	9,360	11,775	11,540	9,988
Longcloth	54,624	43,126	31,115	78,241	26,204	66,247	35,661	58,580	35,834	54,777	65,388	55,804	78,421	81,226	144,076	71,631	41,208	66,340	48,989	63,908
Printers .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sheetings	1,149	34,351	29,830	44,757	17,481	44,019	46,849	36,612	53,781	29,262	21,662	11,971	16,101	5,466	11,876	2,090	4,635	3,671	2,657	853
T-Cloth and Domestic	40	38	1,991	2,349	481	2,016	277	419	29	289	127	98	384	6	16	..	..	..	..	..
Unspecified Sorts	315	393	387	58	51	185	390	28	55	457	41	27	90	569	1,308	423	960	792	795	690
TOTAL	102,823	121,965	100,541	163,261	68,904	143,250	116,662	133,696	126,540	131,303	120,791	96,694	131,907	129,876	202,487	96,396	57,583	85,665	68,647	77,641
WHITE, BLEACHED:—																				
Checks, Spots and Stripes	1,336	1,125	1,202	273	613	916	236	682	1,073	1,360	1,547	2,305	1,560	1,664	881	505	149	795	1,173	845
Dhutis, Saris, etc. ..	9,809	10,522	8,388	10,411	9,825	4,972	3,260	7,219	6,853	10,371	12,554	9,904	11,200	15,407	16,358	3,785	196	1,02	1,765	2,443
Drills and Jeans	3,228	3,601	1,143	676	1,548	3,031	417	499	1,399	2,126	2,492	2,596	3,202	3,394	3,353	1,854	843	1,817	2,166	2,188
Embroidered All-Overs	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,434
Flannels .. .. .	..	..	268	..	5	301	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets, etc.	33,882	35,238	1,589	1,515	3,154	3,593	516	1,397	1,964	1,745	3,221	4,430	3,729	5,214	2,824	2,550	2,862	6,160	4,139	6,282
Lawns .. .. .	..	..	860	852	1,036	190	1,132	538	495	389	508	508	316	591	325	500	331	560	445	312
Longcloth and Shirting	37,985	37,695	31,022	30,724	25,445	27,671	11,607	16,359	32,882	21,640	18,789	28,417	31,884	25,344	18,889	12,352	28,095	21,074	20,785	
Muls .. .. .	..	..	28,901	27,871	24,604	18,733	22,439	23,083	31,309	34,069	30,405	33,493	35,750	48,203	39,407	20,120	14,205	22,734	22,309	13,849
Nainsooks	39,132	44,949	38,166	10,118	13,722	35,144	10,203	13,314	22,738	24,670	22,438	9,438	20,342	20,149	12,056	8,629	3,732	6,617	5,248	1,401
Sheetings	101	78	582	25	104	105	7	14	38	64	74	62	37	106	46	31	33	9	6	7
T-Cloth and Domestic	..	8	43	246	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	35
Twills	934	1,378	392	375	839	1,633	68	239	690	1,518	2,501	3,082	3,178	5,059	4,267	2,416	735	1,576	2,842	2,467
Unspecified Sorts	9,483	12,564	8,797	7,174	4,970	4,915	957	2,681	4,431	5,864	4,249	5,181	3,699	4,432	2,043	562	238	444	170	193
TOTAL	135,919	147,158	120,503	90,267	85,681	102,050	49,902	61,870	87,409	115,468	101,591	89,880	111,488	136,163	106,938	59,876	35,702	68,951	61,345	53,274
COLOURED, PRINTED OR DYED:—																				
Cambrics	18,198	18,507	19,527	11,852	11,988	14,010	3,312	10,717	15,356	4,864	14,624	15,441	19,081	26,284	20,506	11,601	4,469	10,727	11,588	14,560
Chadars	102	..	6	6	18	22	..	..	2	29	..	18	5	2	..	..	..	..	..	24
Checks, Spots and Stripes	2,091	4,189	3,422	1,363	1,864	4,460	458	1,682	1,449	3,929	4,390	7,014	6,960	11,594	10,788	8,071	916	3,953	4,701	3,913
Dhutis, Lungis and Sarongs	340	489	431	153	457	285	44	146	107	240	310	479	183	510	680	249	33	153	117	39
Drills and Jeans	5,488	9,191	6,139	2,445	5,555	3,489	1,997	2,903	3,057	6,034	7,072	8,346	16,426	20,725	34,985	15,060	7,795	28,091	32,277	26,763
Embroidered All-Overs	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,911
Flannels .. .. .	..	..	3,416	397	464	1,928	214	145	721	1,398	2,334	5,400	5,460	4,990	3,788	1,079	1,731	4,021	1,086	1,617
Prints and Chintz	52,648	66,786	60,290	48,431	27,452	66,840	11,586	23,268	40,707	37,136	39,123	31,701	44,297	55,917	40,767	20,931	9,965	26,447	14,898	15,792
Saris and Scarves	12,877	12,209	7,371	6,493	5,335	11,739	3,049	6,324	12,296	14,079	8,399	8,624	16,183	16,775	7,621	953	5,352	7,987	9,645	
Shirtings	14,281	16,005	12,322	6,920	5,602	14,116	4,689	10,797	14,135	15,041	17,884	22,372	18,928	23,566	27,729	15,602	12,853	32,063	20,901	29,680
Twills	2,220	2,867	3,466	4,908	1,334	4,469	903	1,126	1,573	3,273	5,523	7,185	15,394	20,648	15,983	7,583	3,751	7,408	7,186	7,304
Sateens .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	346
Coatings and Trouserings	..	..	..	..	..	..	..	..	..	..	10	1,111	808	1,504	1,418	981	27	491	263	346
Italian Cloth and Sateens	..	..	..	..	..	..	..	..	..	..	..	2,776	4,687	6,348	2,666	1,101	359	747	582	1,141
Velvet and Velveteens	..	..	..	..	..	..	..	..	..	..	..	5,115	10,855	8,235	5,069	2,930	7,326	4,389	9,472	
Unspecified Sorts	43,424	59,652	36,283	26,230	27,711	56,864	7,819	22,684	46,917	49,538	16,217	782	782	1,209	547	456	416	1,102	1,363	3,273
TOTAL	151,669	169,895	152,673	108,998	83,780	177,842	34,071	79,792	136,320	143,850	131,296	133,976	159,296	211,890	190,679	98,296	47,811	130,982	110,487	130,902
Fents of all Descriptions	16,432	24,428	23,587	21,271	13,274	13,787	8,813	15,283	17,770	20,256	22,056	20,133	32,069	34,156	33,126	12,839	12,828	24,551	21,985	30,296

TABLE NO. 20.
SUMMARY OF IMPORTS OF COTTON YARN INTO INDIA.
(In thousands of pounds.)

Description of Yarn.	United Kingdom.			Japan.			China (including Hongong.)			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.		
	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934
Grey Singles	7,952	6,181	5,149	6,566	4,847	2,036	10,956	9,446	5,834	..	1	..	..	2	..	..	..	..	1	..	..	..	..	..	42	245	97	25,518	20,522	13,117
Coloured Singles ..	1,281	929	810	..	4	13	..	..	..	..	..	..	..	19	3	..	..	..	62	19	10	..	..	..	16	1	..	1,359	972	837
White Bleached. . .	3,576	2,528	2,417	650	490	847	10	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	2	..	12	4,238	3,016	3,278
Grey Folded	966	407	372	2,862	1,049	1,299	1,307	2,163	4,146	..	..	4	13	..	..	..	..	..	..	..	..	..	..	..	..	4	27	5,149	3,713	5,848
Coloured Folded ..	348	247	347	..	9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	348	258	347
Mercerised	229	33	79	7,317	5,192	6,419	..	..	11	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	7,547	5,225	6,509
Artificial Silk .. .	1,544	1,724	1,166	2,138	1,126	7,977	..	..	..	..	..	..	6,306	4,017	5,419	989	188	97	231	26	19	346	478	146	800	464	454	12,354	8,024	15,279
Unspecified Descriptions	11	37	27	13	3	3	..	..	10	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	24	40	40
Rope	683	618	643	1	29	64	1	..	..	22	13	21	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	712	659	728
Sewing Thread .. .	1,786	1,988	1,847	2	8	287	..	1	1	2	..	1	25	..	..	135	144	201	..	..	..	1	1	6	82	96	167	2,034	1,939	2,511
TOTAL	18,376	14,481	12,857	19,551	12,556	18,946	12,275	11,610	10,002	24	14	26	6,345	4,038	5,423	1,124	333	299	294	45	29	351	479	152	943	810	758	59,283	44,366	48,492

TABLE NO. 22.
SUMMARY OF IMPORTS OF COTTON YARN INTO BOMBAY.
(In thousands of pounds.)

Description of Yarn.	United Kingdom.			Japan.			China (including Hongkong).			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.				
	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934		
Grey Singles ..	781	526	544	2,123	159	119	2,500	1,936	2,358	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	25	83	5,403	2,646	3,104
Coloured Singles	8	24	11	8	35	6
White Bleached	1,652	1,214	997	190	140	192	10	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,853	1,355	1,189
Grey Folded ..	887	371	279	2,023	711	797	695	1,020	2,204	..	..	..	13	..	..	..	..	..	..	..	..	..	..	..	..	..	4	27	3,618	2,105	3,306
Coloured Folded	..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	..
Mercerised ..	184	28	59	6,143	4,026	4,444	..	..	11	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	6,338	4,054	4,514
Artificial Silk ..	561	796	525	1,495	537	3,277	..	..	..	..	..	..	4,278	2,769	4,527	474	105	83	216	26	19	213	280	84	440	387	436	7,675	4,800	8,951	
Unspecified ..	9	7	8	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	10	7	8
Rope	557	500	493	1	29	64	1	..	..	22	13	21	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	535	542	578
Sewing Thread ..	673	617	749	1	19	..	..	1	..	1	..	..	..	..	..	88	90	127	..	..	..	..	..	4	53	47	75	816	756	974	
TOTAL ..	5,321	4,085	3,655	11,976	5,603	8,910	3,206	2,956	4,573	23	13	21	4,292	2,781	4,527	562	195	210	216	26	25	216	280	88	494	463	620	26,306	16,402	22,630		

TABLE NO. 23.
 DETAILED IMPORTS OF COTTON YARN INTO BOMBAY.
 (In thousands of pounds.)

Description of Yarn.	United Kingdom.			Japan.			China (including Hong-kong).			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.							
	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934					
SINGLE GREY:—																																			
1 to 10 .. ..	..	..	..	..	..	..	..	..	39	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	8	..	..	5	39
11 to 20	4	..	2	574	35	16	..	56	83	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	17	44	578	108	146
21 to 30	10	9	20	..	..	6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	38	10	9	64
31 to 40	445	119	72	1,548	124	81	2,500	1,880	1,198	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4,492	2,123	1,951
41 to 50	85	207	217	1	..	4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	96	207	221
51 to 60	162	56	100	..	..	10	..	..	1,036	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	162	56	1,146
Above 60	64	135	132	..	..	2	..	..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	64	135	135
SINGLE COLOURED:—																																			
1 to 20	1	1	..				
21 to 30	5	5	..				
31 to 40	2	11	2	11	6				
41 to 50	6	18	6	18	..				
Above 50				
White, Bleached ..	1,652	1,214	997	190	139	192	10	1	1853	1,355	1,189				
Grey, Folded	887	371	279	2,023	711	797	695	1,020	2,204	13	4	27	3618	2,105	3,306			
Coloured, Folded	2	2	..				
Mercerised	194	28	59	6,143	4,026	4,444	11	1	6,337	4,054	4,514				
Artificial Silk ..	561	796	525	1,495	537	3,277	..	..	..	..	..	..	4,278	2,769	4,527	474	105	82	216	26	19	213	280	84	440	387	436	7675	4,900	8,951
Unspecified sorts ..	9	7	8	1	10	7	8				
Rope	557	500	493	1	29	64	1	22	13	21	535	542	578				
Sewing Thread	673	617	749	..	1	19	..	1	..	1	88	90	127	4	53	47	75	816	756	974
TOTAL ..	5,921	4,085	3,655	11,976	5,603	8,910	3,206	2,956	4,573	23	13	21	4,292	2,781	4,527	562	195	209	216	26	25	216	280	88	494	483	620	26,308	16,402	22,630					

TABLE NO. 26.
SUMMARY OF IMPORTS OF COTTON PIECEGOODS INTO INDIA
(In thousands of Yards.)

	United Kingdom.			Japan.			China (including Hongkong).			U.S. of America.			Italy.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.		
	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.
Grey Plain	29,687	29,325	24,529	189,071	117,825	131,828	3,263	157	425	449	264	296	4	..	25	..	..	..	..	..	..	38	2	30	71	28	222,468	147,480	156,932	
Grey Bordered	59,566	75,217	69,053	53,786	45,120	28,976	..	..	29	..	..	..	..	..	..	..	..	5	..	..	..	..	..	..	2	42	113,358	120,339	98,101	
White Bleached	268,710	200,871	221,879	109,783	79,049	48,858	10	24	2	283	5	22	841	194	376	2,781	1,516	2,130	7,031	2,351	3,166	64	36	90	1,629	837	939	391,132	284,883	277,461
Printed	88,215	54,387	86,299	128,857	89,700	97,821	2	9	..	59	8	217	2,888	..	521	783	103	38	38	11	2	27	11	..	539	112	598	221,406	144,341	185,497
Dyed	85,965	75,696	99,351	4,347	22,924	20,134	209	115	596	503	67	280	3,593	749	601	1,291	435	153	2,459	1,387	1,702	139	14	33	900	660	1,051	139,405	102,047	123,901
Woven Coloured	9,711	9,801	13,730	26,049	17,689	16,698	2	..	35	18	19	62	1,705	175	315	622	317	4	71	12	37	443	53	108	228	144	426	38,850	28,208	31,415
Fents of all descriptions	9,649	11,148	9,762	333	7,411	25,630	2	2	5	18,240	14,013	9,631	9	2	20	1	..	..	182	112	34	21	35	62	146	84	36	28,583	32,607	45,180
Towels in the piece	4	10	3	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4	10	3
Piecegoods of Cotton and Artificial Silk.. ..	3,226	2,830	3,421	106,906	65,806	67,570	47	17	12	11	..	..	4,435	3,201	2,387	2	3	1	458	1,900	1,218	294	209	101	752	1,318	752	116,245	75,285	75,461
Canvas	394	441	541	482	179	89	..	..	..	1	..	..	124	14	14	1	..	..	..	..	..	68	32	25	10	1	10	1,170	667	681
TOTAL	551,127	459,725	528,568	659,613	445,503	437,404	3,535	324	1,105	19,559	14,375	10,508	13,599	4,335	4,260	5,481	2,374	2,326	10,244	5,773	6,159	1,055	429	429	3,881	3,229	3,881	1,272,554	936,067	994,631

TABLE No. 28.
 DETAILED IMPORTS OF COTTON PIECEGOODS INTO BOMBAY.
 (In Thousands of Yards.)

	United Kingdom.			Japan.			China (Including Hongkong.)			U. S. A.			Italy.			Netherlands.			Switzerland.			Germany.			Other countries.			Total.			
	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	1932	1933	1934	
GREY (Unbleached):—																															
Plain Grey:—																															
Chadars	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Dhutis, Saries, etc.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Drills and Jeans	18	8	20	407	335	173	..	..	..	407	210	280	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Flannels and Flannelettes	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets	11,680	11,511	9,989	96	29	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Longcloth	1,092	1,671	767	63,740	47,280	63,139	1,499	..	..	..	..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Printers	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sheetings	1	..	..	3,571	2,457	853	99	148	..	..	51	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
T-cloth and Domestics	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified Sorts	791	785	676	1	..	3	..	..	..	..	..	8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL PLAIN GREY	13,582	13,984	11,451	67,815	50,102	64,168	1,598	148	..	407	261	290	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
BORDERED GREY:—																															
Chadars	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Dhuties, etc.	2,154	3,637	1,532	100	475	151	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Drills and Jeans
Flannels, etc.
Jaconets, etc.
Longcloth, etc.
Printers
Sheetings
T-cloth, etc.
Unspecified Sorts
TOTAL BORDERED GREY.	2,154	3,637	1,532	100	475	151
TOTAL GREY	15,736	17,622	12,983	67,915	50,577	64,319	1,598	148	..	407	261	290
WHITE BLEACHED:—																															
Checks, etc.	763	1,120	801	32	13	5	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Dhutis, etc.	98	1,760	2,429	4	4	13	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Drills and Jeans	1,760	2,146	2,186	45	20	3	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Embroidered All-Overs	..	..	43	..	..	128	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Flannels, etc.	..	1	10	40	1	21	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets, etc.	2,378	2,984	5,056	724	475	1,147	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Lawns	183	223	205	38	114	86	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Longcloth	7,647	4,968	5,916	19,578	15,390	13,910	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mulls	15,585	12,071	9,690	7,159	10,237	4,124	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Nainsooks	644	321	413	4,952	4,202	857	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sheetings	9	6	7	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
T-cloth, etc.	1	2	35	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Twills	1,567	2,817	2,453	8	24	6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified Sorts	204	99	156	..	6	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL WHITE BLEACHED..	30,820	28,517	29,399	32,579	30,484	20,301	..	10	..	79	4	5	537	148	267	866	704	919	3,328	1,075	1,841	63	31	75	679	371	468	68,951	61,345	53,274	

TABLE No. 29.
SUMMARY OF IMPORTS OF COTTON PIECEGOODS INTO BOMBAY.
(In thousands of yards.)

	United Kingdom.			Japan.			China (including Hongkong.)			U.S. of America.			Italy.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.			
	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	
Grey Plain	13,582	13,984	11,451	67,815	50,102	64,168	1,598	148	..	407	261	290	..	..	..	..	..	..	..	..	..	38	2	9	..	8	83,411	64,534	75,918	
Grey Bordered	2,154	3,637	1,532	100	475	151	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	40	2,254	4,113	1,723	
White Bleached	30,820	28,517	27,399	32,579	30,484	20,301	..	10	..	79	4	5	537	148	267	866	704	919	3,328	1,075	1,840	64	31	75	679	371	468	68,951	61,343	53,274	
Printed	29,822	24,167	29,946	53,860	49,807	53,807	..	9	..	58	4	43	13	..	77	5	..	..	27	10	2	28	11	..	28	9	64	83,839	74,017	83,940
Dyed	25,635	24,437	35,518	6,685	3,824	2,979	1	4	43	403	37	206	1,429	415	269	4	1	..	2,002	1,084	1,142	35	9	11	414	460	654	36,607	30,273	40,823	
Woven Coloured	2,059	3,061	2,421	7,930	2,949	3,539	..	..	..	13	..	..	241	84	79	2	..	2	39	6	11	165	30	33	88	115	54	10,536	6,197	6,139
Fents of all descriptions	7,767	7,045	5,569	124	6,270	17,437	2	2	5	16,321	8,514	7,228	9	2	9	..	..	..	182	65	22	5	5	1	141	82	25	24,551	21,935	30,296
Towels in the piece	4	9	1	4	9	1
Piecegoods of Cotton and Artificial Silk	1,760	1,506	1,956	74,092	50,171	52,293	30	5	3	10	..	..	2,423	2,354	1,699	1	..	..	323	1,526	1,266	82	79	29	498	1,015	519	79,219	56,656	57,765
Canvas	109	151	200	127	52	12	..	..	..	..	..	..	72	..	14	..	..	..	..	..	..	8	5	12	..	..	10	317	208	247
TOTAL	113,711	106,515	117,993	243,312	194,134	214,687	1,630	179	52	17,291	8,822	7,772	4,723	2,953	2,413	878	706	921	5,900	3,767	4,284	385	208	164	1,857	2,054	1,842	389,688	319,337	350,127	

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TABLE NO. 31.

EXPORTS OF COTTON PIECEGOODS OF INDIAN MANUFACTURE FROM BOMBAY.

(In thousands of yards.)

	European Countries.			China.			Egypt and North Africa.			Red Sea Ports.			East Africa.			Levant and Black Sea Ports.			Ceylon and Straits.			Persian Gulf.			South Africa.			Other Countries.			TOTAL.			
	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.				
GREY (Unbleached):—																																		
Chadars and Dhutis	1	..	..	..	..	..	..	..	..	129	101	128	1,844	1,537	1,049	..	..	..	6	6	65	25	38	34	4	6	4	..	..	..	2,008	1,689	1,281
Drills and Jeans .. ..	..	..	..	..	..	..	..	..	..	11	1	7	98	264	345	..	..	..	11	6	..	..	39	46	..	..	11	5	..	..	125	310	409
T-Cloths and Domestics ..	122	..	..	..	..	..	..	..	..	251	339	291	2	..	4	..	..	..	21	..	..	..	1	..	..	..	..	..	..	..	396	359	295
Shirtings .. ..	..	..	65	..	..	..	..	..	..	316	161	384	1,312	917	233	..	..	4	134	24	463	245	237	148	120	5	277	..	1	22	2,127	747	1,595
Other Shorts	10	9	40	1	..	..	90	..	..	156	96	172	211	587	877	..	..	..	95	123	149	22	46	49	35	33	391	69	50	42	688	945	1,719
TOTAL GREY ..	134	9	105	1	..	..	90	..	..	862	718	982	3,466	2,705	2,508	..	..	4	267	159	677	292	362	277	159	45	693	74	51	64	5,344	4,049	5,300
WHITE (Bleached):—																																		
Chadars and Dhutis	5	..	4	1	..	15	7	6	7	19
Drills and Jeans	3	1	..	..	..	..	..	..	..	..	..	..	..	8	7	..	..	..	..	..	..	12	30	18	..	..	..	..	..	..	15	38	25
T-Cloths and Domestics ..	..	..	..	..	..	..	..	..	..	..	25	19	..	..	..	..	..	..	..	..	..	..	2	16	..	..	..	..	..	..	..	27	35
Shirtings .. ..	..	3	..	..	..	..	..	..	..	21	23	22	41	57	24	..	..	24	2	4	2	3	39	11	..	..	..	..	..	..	68	127	83
Other Sorts .. ..	..	1	32	..	..	..	..	..	..	64	18	32	29	39	27	..	..	..	54	25	24	28	6	4	..	..	..	..	..	10	175	88	129
TOTAL WHITE ..	4	5	32	..	..	..	..	..	..	90	66	77	71	103	73	..	..	24	56	37	27	43	77	50	..	..	..	..	..	10	264	288	292
COLOURED, PRINTED OR DYED:—																																		
Lungis and Saris .. ..	..	..	..	..	..	..	..	..	..	1,252	1,802	887	63	106	118	..	..	..	20	35	87	56	4	6	24	30	52	..	..	..	1,414	1,976	1,150
Drills and Jeans .. ..	..	..	..	..	..	..	..	..	..	2	..	10	221	193	215	..	..	..	..	2	3	515	337	772	..	..	19	..	..	..	737	533	1,019
Other Sorts	3	23	9	1	..	..	9	4	11	1,752	1,757	1,234	13,407	6,639	3,952	..	1	3	907	1,276	3,417	28,864	21,131	13,217	365	518	1,026	8	11	336	45,317	31,360	23,205
TOTAL COLOURED, PRINTED OR DYED	3	24	9	1	..	..	9	4	11	3,005	3,558	2,130	13,691	6,938	4,285	..	1	3	927	1,313	3,507	29,434	21,472	13,995	389	549	1,098	8	11	336	47,468	33,869	25,373

See foot-note to Table 24.

TABLE NO. 32.
RE-EXPORTS OF FOREIGN MANUFACTURED PIECEGOODS AND YARN FROM BRITISH INDIA.

	YARN (In thousand pounds).												PIECEGOODS (In thousand yards).														
	Twist & Yarn.			Rope.			Sewing Thread.			Total.			Grey.			White.			Coloured, etc.			Fents.			Total.		
	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.
European Countries ..	38	1	1	3	..	..	1	..	..	42	1	1	..	..	4	3	8	45	32	101	124	..	3	2	35	112	176
China & Hongkong ..	..	..	..	..	..	..	1	..	..	1	..	..	2	..	..	8	7	3	34	42	31	..	..	..	44	48	34
Egypt & North Africa ..	4	38	13	..	..	..	..	..	..	4	38	13	59	..	..	30	..	..	..	..	..	..	..	..	89	..	..
Red Sea Ports ..	51	28	44	..	..	..	..	..	..	52	29	45	508	751	518	74	189	344	559	768	347	9	15	..	1,150	1,704	1,210
East Africa ..	..	1	2	..	..	..	29	11	6	29	12	8	383	427	293	118	97	248	428	586	959	3	..	..	932	1,110	1,499
Levant & Black Sea Ports ..	14	95	97	..	..	..	..	..	..	14	95	97	..	..	..	..	..	1	..	..	..	6	..	1	6	..	
Ceylon & Straits ..	7	6	15	..	..	..	5	3	3	12	9	18	162	707	604	116	897	459	709	767	1,181	..	..	70	987	2,371	2,316
Persian Gulf ..	1,237	627	198	..	..	..	7	4	5	1,245	631	203	3,428	3,560	1,913	3,006	4,493	1,921	9,955	11,076	4,623	1	..	..	16,391	19,129	8,456
South Africa ..	..	..	..	..	..	..	18	18	6	18	18	6	..	..	..	12	..	7	146	60	26	..	..	..	157	60	33
Other Countries ..	2	3	6	..	..	..	..	..	..	2	3	6	..	19	2	85	8	9	62	26	30	1	29	261	147	82	300
TOTAL ..	1,354	800	375	3	..	..	61	37	22	1,418	836	397	4,543	5,464	3,335	3,451	5,680	3,036	11,926	13,425	7,320	14	53	333	19,935	24,623	14,025

TABLE NO. 33.
RE-EXPORTS OF FOREIGN MANUFACTURED PIECEGOODS AND YARN FROM BOMBAY.

Countries	YARN (In thousand pounds).												PIECEGOODS (In thousand yards).														
	Twist & Yarn.			Rope.			Sewing Thread.			TOTAL.			Grey.			White.			Coloured.			Fents.			TOTAL.		
	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.	1932.	1933.	1934.
European Countries ..	..	1	..	3	..	..	..	..	..	3	1	..	..	..	4	..	9	8	31	59	15	..	3	2	31	70	30
China and Hongkong ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	6	7	..	34	42	31	..	..	..	42	48	31
Egypt and North Africa ..	4	38	13	..	..	..	..	..	..	4	38	13	59	..	..	30	..	..	..	..	..	..	..	..	89	..	..
Red Sea Ports ..	51	28	44	..	..	..	..	..	..	52	29	45	508	751	518	73	165	344	557	760	347	9	15	..	1,146	1,692	1,210
East Africa ..	..	1	2	..	..	..	29	11	6	29	12	8	383	427	293	106	84	233	426	586	959	..	..	..	915	1,097	1,485
Levant and Black Sea Ports	14	95	97	..	..	..	..	..	..	14	95	97	..	..	..	..	..	1	..	..	..	..	..	1	..	..
Ceylon and Straits ..	7	6	15	..	..	..	4	3	3	10	9	18	138	670	566	69	845	356	613	657	610	..	..	..	820	2,175	1,533
Persian Gulf ..	1,237	627	184	..	..	..	7	4	5	1,244	631	188	3,426	3,531	1,827	2,918	4,442	1,837	9,745	10,851	4,323	1	..	..	16,089	18,824	7,987
South Africa ..	..	..	..	..	..	..	18	18	6	18	18	6	..	..	..	12	..	1	146	60	26	..	..	..	157	60	27
Other Countries ..	2	..	6	..	..	..	..	..	..	2	..	6	..	..	..	85	4	7	49	1	4	..	28	109	135	34	120
TOTAL ..	1,316	797	361	3	..	..	59	37	21	1,378	833	382	4,514	5,379	3,210	3,301	5,559	2,788	11,602	13,016	6,315	10	46	111	19,427	24,000	12,424

TABLE No. 34.
TABLE SHOWING THE APPROXIMATE YARDAGE OF PIECEGOODS AVAILABLE FOR CONSUMPTION IN INDIA.
(In millions of Yards.)

	'15-16.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	'26-27.	'27-28.	'28-29.	'29-30.	'30-31.	'31-32.	'32-33.	'33-34.
Total Indian Mill Production	1,441	1,578	1,614	1,451	1,640	1,581	1,732	1,725	1,792	1,970	1,954	2,259	2,357	1,893	2,419	2,561	2,990	3,170	2,945
Less—Exports by Sea	113	264	189	149	197	146	161	157	165	181	165	197	169	149	133	98	105	66	56
Exports by Land	48	45	45	38	42	24	26	29	36	49	68*	83*†	88*†	95*†	86*†	90	103	103	113*
Balance	1,280	1,269	1,380	1,264	1,401	1,411	1,545	1,539	1,591	1,740	1,721	1,979	2,100	1,649	2,200	2,373	2,782	3,001	2,776
Imports	2,148	1,934	1,556	1,212	1,081	1,510	1,090	1,593	1,486	1,823	1,564	1,788	1,973	1,937	1,919	890	776	1,225	796
Total	3,428	2,203	2,936	2,476	2,482	2,921	2,635	3,132	3,077	3,563	3,285	3,767	4,073	3,586	4,119	3,263	3,558	4,226	3,572
Less—Exports by Sea	41	97	85	114	89	61	74	75	61	54	35	20	34	24	22	17	16	22	25
Exports by Land	88	65	65	53	56	44	36	51	51	59	116*	131*†	118*†	121	80	64	75	70	74
Total quantity of Piecegoods available for consumption in India	3,299	2,041	2,786	2,309	2,337	2,816	2,525	3,006	2,965	3,450	3,134	3,607	3,921	3,441	4,008	3,182	3,467	4,134	3,473

From 1915-16 to 1924-25 the figures in both the tables are taken *en bloc* from the " Notes on Hand Loom Weaving " by Mr. R. D. Bell.

NOTE:—With effect from 1st April 1925, the Government of India discontinued the publication of "Accounts relating to the trade by land of British India with other countries." Since then, the statistics in question are published in Special Supplements to the *Indian Trade Journal* in an abbreviated form. The revised form does not affect the above table materially but in Table 35 it has not been possible to separate the land export figures for Indian and foreign yarn. This, however, does not affect the approximate accuracy of the figure showing the balance of yarn available for consumption in India.

† Maunds converted into lbs. and lbs. converted into yds: 1 Maund=82½ lbs; 1 lb.=4·27 yds.

TABLE No. 35.
TABLE SHOWING THE APPROXIMATE POUNDAGE OF YARN AVAILABLE FOR CONSUMPTION IN INDIA.
(In millions of Lbs.)

	'15-16.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	'26-27.	'27-28.	'28-29.	'29-30.	'30-31.	'31-32.	'32-33.	'33-34.
Total Indian Mill Production	722	681	660	615	636	660	693	706	617	719	686	807	809	648	833	867	96	1,016	921
Less—Exports by Sea	160	169	122	64	152	83	81	57	39	37	32	42	25	24	25	23	22	15	16
Exports by Land	8	9	8	8	9	6	7	7	7	9	7*	8*†	5*†	5*†	6*†	7*†	6*†	6	8
Balance	554	503	530	543	475	571	605	642	571	673	647	757	779	619	802	837	938	995	897
Imports	40	30	19	38	15	47	57	59	45	56	52	49	52	44	44	29	32	45	32
Total	594	533	549	581	490	618	662	701	616	729	699	806	831	663	846	866	970	1,040	929
Less—Export by Sea	1	2	1	1	3	..	1	2	2	1	1	1	1	..	..	..	..	..	..
Exports by Land	8	5	6	5	4	3	3	5	4	4	..	..	..	..	..	..	..	..	..
Quantity of Yarn available for consumption in India	586	526	543	574	483	615	658	692	610	724	698	805	830	663	846	866	970	1,040	929
Cloth produced in India in millions of pounds, Approximate equivalent in Yarn (taking 100 lbs. of yarn=112 lbs. of piecegoods.) ..	352	377	381	350	384	367	403	405	402	459	465	539	568	446	562	590	672	695	646
Real balance of Yarn available for sale in India.	272	189	203	262	141	287	298	335	251	314	283	324	323	279	344	339	370	419	352

*Includes re-exports also.

† Maunds converted into lbs. at the rate of 82½ lbs.=1 Maund.

See foot-note to Table 12 regarding strikes in Bombay mills.

TABLE No. 36.
PROGRESS OF JAPAN COTTON MILLS DURING THE LAST 17 YEARS.
 (The information is extracted from the half-yearly statistics published by the Japan Cotton Spinners' Association.)

Term.	No. of Companies.	Capital.		Reserve Funds.	No. of Mills.	Spindles		Doubling Spindles.	Looms.
		Authorised.	Paid up.			Ring.	Mule.		
Half-year ending		Yen.	Yen.	Yen.					
June, 1918	41	176,202,650	127,055,220	71,457,603	170	3,064,922	51,910	583,074	37,607
December, 1918	43	192,877,650	138,494,595	92,426,047	177	3,175,768	51,910	384,872	40,391
June, 1919	48	202,177,650	147,157,670	110,447,795	184	3,282,754	52,330	400,307	42,400
December, 1919	54	221,927,650	165,758,695	139,073,867	190	3,435,932	52,330	410,690	44,401
June, 1920	56	315,427,650	248,180,420	153,923,042	198	3,637,310	52,330	434,736	49,826
December, 1920	56	394,327,650	276,535,896	165,697,053	198	3,761,250	52,330	466,460	50,583
June, 1921	58	410,017,650	286,789,308	172,110,853	201	3,939,534	49,370	492,204	51,761
December, 1921	61	429,577,650	295,648,358	182,040,774	217	4,116,616	44,510	533,384	54,994
June, 1922	67	472,807,650	319,612,328	194,010,558	232	4,338,759	44,510	573,486	59,693
December, 1922	64	462,107,650	317,148,075	202,774,376	235	4,472,112	45,500	602,032	60,765
June, 1923	62	468,427,650	321,654,393	209,984,818	235	4,618,946	48,470	635,212	62,205
December, 1923	70*	530,277,650	376,272,935	217,407,870	241	4,422,428	14,370	510,031	64,460
June, 1924	69*	559,750,000	396,081,600	213,411,662	245	4,832,552	17,340	581,583	66,283
December, 1924	69*	575,302,500	398,163,443	219,043,315	247	5,100,546	25,150	685,995	68,579
June, 1925	64*	570,612,500	394,567,318	223,098,069	242	5,266,000	26,040	723,824	71,702
December, 1925	64*	551,362,500	382,714,817	223,531,448	243	5,413,094	34,090	759,632	73,381
June, 1926	65*	558,416,650	394,488,167	228,827,952	247	5,551,607	34,420	780,404	74,193
December, 1926	64*	539,237,500	391,305,247	231,149,181	247	5,644,772	35,080	789,688	77,043
June, 1927	64*	539,527,500	390,703,307	233,953,175	247	5,892,620	36,994	788,916	76,163
December, 1927	64*	535,077,500	391,550,767	238,367,331	257	6,079,272	36,994	787,490	78,352
June, 1928	68*	562,902,500	426,376,017	243,987,627	258	6,230,512	41,674	792,138	79,777
December, 1928	72*	552,196,250	419,792,127	249,978,831	259	6,425,500	41,674	809,452	81,209
June, 1929	72*	558,696,250	428,098,852	257,406,526	259	6,487,720	41,674	807,100	78,870
December, 1929	70*	560,846,250	429,415,222	259,756,504	258	6,795,502	41,014	808,324	77,896
June, 1930	73*	567,596,250	433,048,087	258,259,496	262	7,047,832	41,464	801,184	77,850
December, 1930	74*	561,989,750	425,346,487	252,094,974	263	7,171,527	42,474	803,004	79,466
June, 1931	74*	560,664,750	421,327,167	243,860,512	262	7,269,120	42,474	810,294	79,173
December, 1931	72*	537,964,750	398,855,292	240,828,488	263	7,493,152	36,994	801,594	77,782
June, 1932	71*	545,114,750	397,003,277	242,704,877	265	7,762,448	35,320	793,420	77,528
December, 1932	71*	540,561,100	397,674,627	245,939,613	265	7,929,530	35,320	810,492	79,277
June, 1933	71*	540,261,100	397,974,777	249,828,487	267	8,173,994	35,320	833,016	81,552
December, 1933	69*	543,761,100	403,898,752	255,398,338	268	8,608,608	35,320	842,808	86,343
June, 1934	70*	555,222,600	413,338,448	261,998,722	272	9,090,344	35,320	840,870	89,766
December, 1934	72*	567,228,600	438,573,910	273,315,614	275	9,495,254	35,320	868,440	91,146

* Including non-members of the Japan Cotton Spinners' Association.

TABLE No. 37.
JAPAN'S COTTON CONSUMPTION.

(Figures extracted from the half-yearly publication of the Japan Cotton Spinners' Association.)

Years.	Indian.	American.	Chinese.	Egyptian and African.	Annam and Saigon.	Korean	Sundries.	Total.
	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.
1908	230,701,058	95,674,700	76,140,575	9,406,175	7,154,158	..	4,166,275	423,242,941
1909	306,535,475	105,293,050	53,332,225	13,087,891	6,366,292	..	4,787,692	489,402,625
1910	372,808,800	69,456,508	79,219,308	11,374,717	4,823,683	..	5,909,009	543,592,025
1911	297,798,250	111,540,908	110,200,125	13,506,525	1,837,833	..	4,321,184	539,204,825
1912	368,062,933	214,251,250	31,654,633	15,086,558	3,735,384	..	3,441,058	636,231,816
1913	434,685,666	202,441,016	46,621,309	16,699,942	7,547,250	..	4,143,508	712,138,691
1914	549,868,658	170,397,933	36,528,292	15,161,483	4,742,225	..	7,158,842	783,857,433
1915	559,320,525	209,035,492	18,389,108	13,436,266	2,641,083	..	4,998,742	807,821,216
1916	593,978,108	235,615,875	29,506,075	16,421,546	9,069,166	6,744,540	4,251,590	895,586,900
1917	590,521,080	242,144,925	42,305,808	14,717,091	3,715,905	8,194,558	4,344,308	905,943,675
1918	453,072,641	280,374,975	83,091,375	14,769,342	3,187,334	11,790,775	6,941,733	853,228,175
1919	376,648,588	355,589,221	130,970,193	15,588,908	2,265,292	11,454,470	5,037,182	897,553,824
1920	482,881,416	310,370,393	30,684,616	11,558,208	2,041,258	9,412,820	5,367,604	852,316,315
1921	521,998,441	304,763,617	3,037,340	14,600,500	3,923,158	8,744,408	3,479,358	860,546,824
1922	615,242,183	389,759,225	3,626,017	19,652,842	5,563,967	8,354,600	5,680,941	1,047,879,775
1923	652,798,508	296,423,592	25,836,858	22,140,542	2,519,492	12,054,233	7,929,408	1,019,702,633
1924	563,969,233	282,197,025	58,888,450	36,176,192	1,461,775	20,443,692	5,877,333	969,013,700
1925	637,749,440	378,526,322	47,050,425	34,567,864	2,712,025	18,994,691	9,742,440	1,129,343,210
1926	664,655,716	486,464,350	19,956,425	43,557,383	1,011,383	12,512,942	8,763,400	1,236,921,599
1927	551,571,275	562,091,700	15,841,558	39,414,575	2,958,633	9,768,591	7,474,050	1,189,120,382
1928	510,871,795	511,694,394	60,928,568	36,900,193	1,663,337	11,052,982	7,069,534	1,140,180,803
1929	643,388,869	565,561,191	29,004,654	42,942,636	572,363	14,876,498	7,260,005	1,303,606,216
1930	627,594,598	468,778,932	11,443,473	34,718,189	1,931,984	20,269,592	6,330,650	1,171,067,418
1931	580,912,185	562,947,021	2,600,976	34,950,377	1,218,158	14,086,629	4,837,025	1,201,552,371
1932	331,599,316	908,859,160	2,029,745	37,576,519	482,167	5,054,240	7,185,856	1,292,787,003
1933	461,207,207	870,256,491	7,857,146	51,725,839	575,257	16,659,397	10,823,516	1,419,104,853
1934	608,343,495	856,692,099	11,402,307	71,522,108	1,286,479	16,101,950	31,506,901	1,506,855,339

NOTE.—Korean cotton before 1916 is totalled under "Sundries."

TABLE No. 38.

JAPAN'S COTTON YARN PRODUCTION AND EXPORTS.

YEAR.	Average Working Spindles.	Production. (Bales of 400 lbs.)				Exports. (Bales of 400 lbs.)							
		16s. warp.	20s. weft	Others.	Total.	China.	Hongkong.	British India.	Philippine Islands.	Korea.	Other countries.	Total.	
1907	1,458,020	341,433	218,665	423,384	983,482	190,868	7,829	396	2,215	25,073	93	226,475	
1908	1,367,631	224,897	209,475	444,198	878,570	134,267	6,511	41	2,645	21,807	2,573	167,843	
1909	1,569,080	295,802	229,763	499,679	1,025,244	236,102	3,389	15	1,524	14,725	3,123	258,878	
1910	1,741,168	338,175	258,412	538,193	1,134,780	301,535	17,953	701	3,503	19,825	4,118	347,635	
1911	1,784,064	295,065	262,298	571,904	1,129,267	234,324	12,918	1,809	3,076	22,828	10,054	285,009	
1912	1,984,191	346,844	335,821	669,544	1,352,209	304,199	29,091	989	3,625	21,034	15,994	374,933	
1913	2,167,926	396,645	371,522	749,815	1,517,982	389,297	34,031	3,258	3,296	15,237	15,237	468,739	
1914	2,369,801	388,992	439,672	837,517	1,666,181	455,124	66,124	3,144	4,791	19,020	21,787	569,990	
1915	2,463,376	393,027	443,040	884,197	1,720,264	463,921	65,241	1,565	3,629	26,688	14,848	575,892	
1916	2,757,299	409,053	497,291	1,019,235	1,925,579	440,158	50,381	11,744	1,889	26,137	16,839	547,148	
1917	2,850,637	359,623	528,603	1,035,615	1,923,841	356,576	58,405	9,313	3,260	27,597	15,702	470,853	
1918	2,936,495	228,818	511,539	1,063,509	1,803,866	231,689	62,598	79,426	5,685	13,053	29,062	421,513	
1919	3,179,568	204,486	539,748	1,176,548	1,920,782	156,261	35,638	4,753	693	16,047	16,945	230,337	
1920	3,191,753	196,928	191,141	1,128,907	1,816,976	166,711	58,349	47,615	2,548	5,535	24,167	304,925	
1921	3,162,353	215,682	436,629	1,159,039	1,811,350	174,584	56,211	37,164	1,418	..	22,884	292,261	
1922	3,967,265	205,489	746,731	1,276,026	2,228,246	212,862	83,394	68,319	2,896	..	26,591	394,062	
1923	4,079,855	170,357	680,708	1,320,088	2,171,153	121,568	40,108	58,937	2,267	..	28,778	248,325	
1924	4,115,092	135,844	631,476	1,305,497	2,072,817	96,536	61,493	80,840	1,799	..	29,692	270,361	
1925	4,669,753	142,796	779,203	1,514,784	2,436,783	132,778	58,788	87,172	3,176	..	28,888	310,801	
1926	5,002,932	146,983	795,170	1,665,593	2,607,746	72,640	29,286	72,283	3,201	..	28,140	205,550	
1927	4,831,429	140,924	784,673	1,605,095	2,530,692	28,762	12,887	54,508	1,921	..	19,577	117,654	
		Under 20.	20s.	Medium Counts.	Fine Counts.	Total.							
1928	4,983,089	721,557	736,767	906,924	86,614	2,451,862	22,626	15,921	17,260	1,217	..	14,632	71,656
1929	6,149,365	827,363	878,405	964,992	101,826	2,792,586	17,637	6,988	27,514	1,826	..	13,436	67,401
1930	5,698,030	780,498	808,560	834,426	101,215	2,524,699	13,493	13,272	20,390	1,255	..	10,976	59,386
1931	5,904,342	809,822	803,442	814,398	139,471	2,567,133	3,839	2,340	16,094	1,367	..	7,793	31,442
1932	6,307,884	797,180	896,921	957,915	158,421	2,810,437	9,100	8,103	50,591	962	..	20,049	88,895
1933	6,771,692	877,043	941,139	1,145,009	136,665	3,099,856	428	1,133	18,286	638	(a) 13,260	14,178	47,923
1934	7,502,504	962,110	20s—22S 1,100,937	23S—44S 1,305,406	Above 45S 103,989	3,472,442	6,465	3,385	24,452	1,027	(a) 138,745	241,145	64,453

(a) Manchuria.

TABLE NO. 39.
JAPAN'S CLOTH PRODUCTION.

Year.							Average Working looms.*	Production of cotton piece-goods.*	Yarn consumed.*
								Yards.	lbs.
1907	..	..	..	..	..	..	9,245	{ 135,253,029 Doz. 02,533 }	44,262,958
1908	..	..	..	..	..	..	9,496	147,443,838	47,676,427
1909	..	..	..	..	..	..	11,585	181,976,972	57,388,586
1910	..	..	..	..	..	..	14,911	226,313,958	71,197,654
1911	..	..	..	..	..	..	17,884	289,039,671	82,498,136
1912	..	..	..	..	..	..	20,208	342,584,684	93,562,721
1913	..	..	..	..	..	..	23,299	416,725,357	11,159,616
1914	..	..	..	..	..	..	24,911	454,901,674	126,863,966
1915	..	..	..	..	..	..	27,687	502,076,621	124,632,631
1916	..	..	..	..	..	..	30,110	560,181,108	136,413,408
1917	..	..	..	..	..	..	31,920	594,649,419	142,770,758
1918	..	..	..	..	..	..	36,365	656,935,420	160,301,569
1919	..	..	..	..	..	..	40,969	739,390,012	179,788,560
1920	..	..	..	..	..	..	44,635	762,037,360	189,651,320
1921	..	..	..	..	..	..	44,109	700,697,985	179,427,501
1922	..	..	..	..	..	..	51,033	869,327,652	214,327,505
1923	..	..	..	..	..	..	52,972	1,000,708,890	240,979,975
1924	..	..	..	..	..	..	56,351	1,030,905,658	241,319,095
1925	..	..	..	..	..	..	62,076	1,179,524,733	274,472,668
1926	..	..	..	..	..	..	65,699	1,277,726,954	294,334,545
1927	..	..	..	..	..	..	66,733	1,294,668,822	293,166,913
1928	..	..	..	..	..	..	70,606	1,382,034,413	303,008,225
1929	..	..	..	..	..	..	67,070	1,538,249,015	336,276,152
1930	..	..	..	..	..	..	62,767	1,388,423,325	296,592,495
1931	..	..	..	..	..	..	64,392	1,404,668,382	301,231,848
1932	..	..	..	..	..	..	68,028	1,532,850,514	325,907,959
1933	..	..	..	..	..	..	73,966	1,673,880,702	362,300,980
1934	..	..	..	..	..	..	79,676	1,793,845,440	384,958,215

*Sub-work by spinners only.

Sub-work by spinners means that the table in question was prepared from the reports of the weaving companies which are affiliated to the Japan Cotton Spinners' Association.

TABLE NO. 40.
STATISTICS.

STATEMENT of Imports of Piecegoods of British Manufacture (Grey, Bleached, Coloured and Printed) and of Yarns (Grey and Dyed) from Great Britain into Bombay, Calcutta and Madras, from the years 1864 to 1934, both inclusive.

YEAR.	PIECEGOODS.			YARNS.		
	Bombay.	Calcutta.	Madras.	Bombay.	Calcutta.	Madras.
	Sq. Yards.	Sq. Yards.	Sq. Yards.	Lbs.	Lbs.	Lbs.
1864.....	189,812,984	223,036,538	14,787,062	4,268,662	8,742,699	3,447,635
1865.....	175,486,677	319,047,954	17,291,203	4,073,811	6,981,809	2,232,948
1866.....	243,476,368	351,572,331	22,081,805	6,877,968	10,795,517	4,629,986
1867.....	316,784,109	528,434,956	23,258,498	6,568,619	13,006,019	4,684,638
1868.....	555,337,050	619,101,683	31,793,397	7,780,033	13,236,453	6,873,398
1869.....	296,158,439	518,741,346	29,683,469	7,981,949	11,858,210	7,773,636
1870.....	272,898,226	687,639,911	45,750,099	9,946,299	16,816,936	6,649,598
1871.....	305,416,233	684,926,367	47,560,133	6,097,531	12,041,848	8,876,841
1872.....	262,849,273	657,123,291	48,177,871	6,163,813	11,490,636	8,616,040
1873.....	349,631,830	664,987,114	57,666,809	8,667,090	11,192,248	8,918,841
1874.....	292,843,697	765,762,164	49,878,834	8,867,978	14,041,520	10,510,639
1875.....	305,917,934	744,439,224	44,683,288	6,863,763	12,945,102	10,104,020
1876.....	356,940,508	733,913,330	54,875,423	8,246,211	12,090,167	9,664,609
1877.....	354,779,192	885,688,850	39,106,318	10,624,710	14,364,841	8,683,595
1878.....	344,068,807	749,233,431	47,038,579	7,754,005	13,967,396	8,373,916
1879.....	343,811,233	788,759,250	61,375,691	7,469,113	10,580,436	9,581,363
1880.....	531,050,559	1,007,531,497	77,010,037	13,024,923	16,446,089	12,108,002
1881.....	544,890,697	947,329,460	82,451,852	12,326,706	13,597,371	11,099,762
1882.....	500,248,293	883,611,784	106,615,818	12,019,123	14,780,667	13,069,871
1883.....	572,738,196	878,949,353	107,868,579	16,220,463	13,478,764	11,033,824
1884.....	568,220,318	908,294,475	120,841,003	14,299,380	15,313,840	13,114,875
1885.....	547,773,459	911,987,148	93,757,204	14,132,372	13,473,067	99,597,197
1886.....	700,061,881	1,159,407,968	143,318,736	17,087,709	14,177,149	13,937,810
1887.....	585,502,258	988,370,500	117,502,619	14,990,151	14,040,137	13,432,638
1888.....	652,344,548	1,045,951,384	138,271,060	16,595,176	14,778,545	14,570,258
1889.....	634,608,171	1,031,000,980	144,140,943	13,011,348	11,836,681	13,393,848
1890.....	665,550,786	1,037,911,379	115,224,797	15,805,515	12,455,601	13,284,690
1891.....	572,065,309	961,686,226	108,083,576	15,526,869	12,484,617	14,666,189
1892.....	548,944,867	1,013,742,658	93,892,712	12,427,053	10,108,327	10,390,439
1893.....	604,439,138	1,009,441,511	106,086,291	10,466,233	13,124,097	11,387,889
1894.....	719,324,449	1,161,138,343	140,749,235	11,723,808	10,529,734	12,547,763
1895.....	484,780,087	925,203,136	99,427,366	10,857,586	10,689,066	10,188,466
1896.....	574,410,316	1,163,967,702	86,265,292	11,649,977	13,403,663	15,402,931
1897.....	472,597,133	932,328,974	121,396,515	11,788,246	13,299,211	13,650,022
1898.....	557,597,951	1,202,254,978	91,950,978	10,238,969	11,412,068	11,673,878
1899.....	611,556,220	1,266,926,546	93,492,746	10,441,484	10,729,842	11,532,812
1900.....	461,938,302	1,086,463,274	120,383,837	5,892,081	9,435,371	9,496,085
1901.....	629,976,200	1,127,753,500	129,392,500	7,911,750	11,050,890	9,564,200
1902.....	475,541,800	1,176,051,500	119,878,000	6,299,820	7,411,640	9,438,560
1903.....	520,373,400	1,119,542,300	129,898,800	5,300,460	6,442,050	6,699,580
1904.....	593,591,100	1,193,265,900	145,618,800	6,221,400	6,613,460	8,056,710
1905.....	637,039,600	1,292,516,900	119,829,700	11,368,420	11,443,550	10,175,810
1906.....	611,705,100	1,189,552,900	142,636,200	10,548,720	10,300,210	10,260,270
1907.....	646,598,400	1,298,662,500	131,107,800	10,419,750	9,921,670	7,601,280
1908.....	470,956,400	1,005,027,600	200,636,400	10,894,540	9,019,320	10,432,380
1909.....	481,389,100	1,180,586,000	108,497,400	16,251,580	8,448,010	6,169,190
1910.....	624,859,600	1,129,898,600	109,976,800	8,410,140	6,384,450	6,891,410
1911.....	622,516,400	1,226,065,400	138,414,300	12,842,440	9,179,460	8,364,340
1912.....	658,026,700	1,451,819,200	173,698,700	13,298,110	11,913,170	10,745,130
1913.....	804,333,100	1,547,872,400	210,797,700	13,628,700	7,519,860	9,497,740
1914.....	617,498,700	1,378,930,300	160,552,000	13,538,110	9,985,330	8,280,700
1915.....	354,966,900	1,052,246,400	106,332,200	15,423,650	8,974,950	10,801,200
1916.....	481,857,500	1,035,437,900	88,153,700	8,931,510	5,922,490	7,583,020
1917.....	851,853,300	898,872,200	78,886,500	5,185,900	5,646,600	6,295,900
1918.....	429,754,300	449,044,800	33,046,000	2,054,500	2,211,400	3,490,800
1919.....	275,575,100	423,299,200	37,684,300	3,217,300	2,401,100	3,201,100
1920.....	569,054,700	656,277,100	69,872,000	10,850,000	5,096,900	6,011,600
1921.....	265,737,000	744,049,100	50,486,100	18,383,900	7,573,200	7,257,800
1922.....	410,565,000	854,974,300	77,837,700	21,204,800	7,284,200	7,471,600
1923.....	476,873,200	797,622,700	89,096,800	9,024,500	5,154,800	5,978,300
1924.....	553,405,800	938,652,800	91,324,300	9,281,600	4,280,600	5,613,800
1925.....	524,457,900	767,338,700	72,441,200	6,244,300	4,184,500	4,465,500
1926.....	504,044,100	902,411,700	93,138,100	8,809,600	4,286,100	6,244,000
1927.....	576,045,900	924,941,700	84,499,100	8,681,600	5,262,900	6,660,400
1928.....	687,653,200	710,112,300	92,249,700	9,089,800	4,960,500	6,791,500
1929.....	511,977,900	687,826,200	108,049,200	8,318,800	4,031,000	8,447,700
1930.....	317,988,200	345,331,500	75,803,600	4,734,900	1,959,400	4,620,200
1931.....	231,407,000	77,021,300	59,272,200	3,407,400	2,608,000	4,785,400
1932.....	339,930,400	129,501,100	78,127,500	3,792,200	2,964,900	7,036,100
1933.....	258,655,100	131,375,900	66,094,000	2,416,400	3,088,300	4,741,000
1934.....	326,065,000	161,206,000	59,385,000	2,106,800	2,969,200	3,686,900

Figures from "Accounts relating to Trade and Navigation of the United Kingdom."

Report for the year 1934.

Section VI.

RULES AND REGULATIONS.

**Rules for the Registration of Trade Marks, Trade Numbers,
Trade Names, Rules for Arbitration on Piecegoods, Standard
Contract Form, Etc., Etc.**

RULES AND REGULATIONS.

*Revised and adopted down to the Special General Meeting held on
13th February 1930.*

1. The Association shall be called the Bombay Millowners' Association. Name,
2. The Office of the Association will be situate in Bombay.
3. The objects of the Association are :— Objects of
the Associa-
tion.
 - (a) To encourage friendly feeling and unanimity amongst Millowners and users of steam, water and/or electric power on all subjects connected with their common good.
 - (b) To secure good relations between members of the Association.
 - (c) To promote and protect the trade, commerce and manufactures of India in general and of the cotton trade in particular.
 - (d) To consider questions connected with the trade, commerce and manufactures of its members.
 - (e) To collect and circulate statistics and to collect, classify and circulate information relating to the trade, commerce and manufactures of its members.
 - (f) To take all steps which may be necessary for promoting, supporting or opposing legislative and other measures affecting the trade, commerce or manufactures of its members.
 - (g) To make representations to Local, Central and Imperial authorities on any matter connected with the trade, commerce and manufactures of its members.
 - (h) To arbitrate in the settlement of disputes arising out of transactions in piece-goods and yarn between parties willing or agreeing to submit to arbitration in accordance with the arbitration rules of the Association.
 - (i) To advance and promote commercial and technical education connected with the trade and commerce of its members.
 - (j) To undertake special inquiries and initiate or support any action for securing the redress of legitimate grievances connected with the trade or commerce of its members.
 - (k) To take any action which may be conducive to the extension of the trade and commerce of its members or incidental to the attainment of this object.
 - (l) To subscribe, to become a member of and co-operate with any other Association whether incorporated or not whose objects are altogether or in part similar to those of this Association and to procure from or communicate to any such Association such information as may be likely to forward the objects of this Association.
 - (m) To establish or aid in the establishment of funds to benefit employees of the Association or the dependents of such persons and to subscribe, donate or guarantee money for charitable or benevolent purposes at the discretion of the Association.
 - (n) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Association directly or indirectly.

Persons
eligible for
membership.

4. Any individual, firm or Company owning one or more mill or mills or one or more press or presses or one or more ginning or other factory or factories actuated by steam, water, electric and/or other power shall be eligible for membership of the Association.

Definition
of the term
"member."

5. The expression "Member" in these rules shall ordinarily mean the person, firm or Company, as the case may be, by whom or by which any such mill or mills, press or presses, or factory or factories as last aforesaid is or are actually owned, but shall where the context so requires or permits also mean and include the person or persons for the time being entitled or empowered in accordance with these rules to act and vote on behalf of any member of the Association.

Voting
power of
members.

6. At any General Meeting of members of the Association every member shall be entitled to one vote for every complete sum of Rs. 50 paid by him as annual subscription under Rule 35 hereof.

7. Each individual, who, as an individual, shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled either to act and vote on his own behalf or to empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign his name per procuracy, to act and vote on his behalf.

8. Every partner in any firm, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of his firm, and the firm may also empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign the name of the firm per procuracy, to act and vote on behalf of the firm.

9. Every Director of a Joint Stock Company, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company, and the Agent, Secretary or Manager, as the case may be, of such Company, and every partner in any firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, and likewise any one or more persons, who shall have been duly authorized by the Agent, Secretary or Manager, as the case may be, of such Company, or by the firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, to sign either the name of such Agent, Secretary or Manager or the name of such firm, per procuracy, shall also, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company.

10. The name of every person entitled or empowered to act and vote on behalf of any member of the Association, whether such person be the member himself or any other person, shall be notified in writing by such member to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned, and if more than one person shall be entitled or empowered to act and vote on behalf of any member, such member shall notify in writing to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned, the order of precedence in which such persons shall be entitled to act and vote on behalf of such member.

11. When any member shall notify to the Secretary of the Association that any one or more persons, other than the member himself, is entitled or empowered to act and vote on behalf of such member, such member shall, in such notification, state the capacity in which such person or each of such persons is so entitled or empowered to vote, that is to say, either as a member of a firm or as a Director or Agent or Secretary or Manager of a Company or as the holder of a power to sign per procuracy or otherwise as the case may be.

12. If the name of any person shall be notified as a person empowered to act and vote on behalf of a member by virtue of being the holder of a power to sign per procuracy, the notification shall be accompanied by the document authorizing such person to sign per

procuration, in order that the same may be registered by the Secretary, and the Secretary shall, after registering the document, return it to the person who sent it.

13. The Association shall provide a Register, to be called "Register of members and of persons entitled to act and vote for members" (hereinafter in these rules referred to as "the said Register"), and the names of all members of the Association shall be entered in the said Register together with the name of each person entitled or empowered, in accordance with these rules, to act and vote for such members, so soon as the name of such persons and all particulars regarding him and all formalities shall have been duly notified and observed in accordance with these rules, and when the name of more than one person shall have been notified as entitled to act and vote for any one member of the Association, the names of such persons shall be numbered in the order of precedence in which such persons are entitled to act and vote for such member.

14. No person shall be entitled to act or vote on behalf of any member of the Association unless and until his name shall have been entered in the said Register as a person entitled to act and vote for such member.

15. If two or more persons, who shall be entitled to act and vote on behalf of one and the same member of the Association, shall be present at any meeting of the Association, that one, who takes priority in the order of precedence in the said Register, shall alone be entitled to vote at such meeting.

16. If any one person shall, according to these rules, be entitled to act and vote for more than one member of the Association, such person shall be entitled to act and to exercise the right of voting, according to these rules, for each member, on whose behalf he is entitled to act and vote.

17. Members of the Association shall be elected by ballot in the manner hereinafter mentioned. Mode of
electing
members.

18. Every candidate for election as a member of the Association must be proposed by one member of the Association and seconded by another, and a letter of proposal signed by the proposer and seconder must be sent to the Managing Committee of the Association (hereinafter called "the Committee").

19. After the receipt by them of a proposal duly made and seconded according to these rules of a candidate for election as member of the Association, the Committee shall fix a day for the commencement of the ballot for the election of such candidate.

20. Not less than seven days before the day so fixed as aforesaid for the commencement of the ballot for the election of any candidate, notice in writing shall be given by the Committee to all members of the Association of the name of the candidate and of his proposer and seconder and of the date so fixed as aforesaid for the commencement of the ballot for the election of such candidate.

21. The Committee shall, before the day appointed for the commencement of the ballot for the election of a candidate for membership of the Association, appoint a scrutineer for such election.

22. The Association shall, for the purposes of all elections by ballot, provide a ballot-box with a lock and key and with an aperture sufficiently large to admit of the deposit therein of voting papers.

23. Before the time appointed under these rules for the commencement of the ballot for the election of any candidate for membership of the Association, the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same, and the same shall not be opened until after the expiration of the full time appointed for such ballot.

24. The Committee shall provide voting papers for the election of a member of the Association in such form as they shall, from time to time, think fit and shall send one of such voting papers to each member of the Association, not less than seven days before the day fixed according to these rules for the commencement of the ballot for the election of any candidate for membership of the Association.

25. If any person entitled or empowered to vote concerning the election of a candidate for membership of the Association shall desire to exercise his right of voting he shall fill up a voting paper in accordance with the directions contained therein stating whether he votes for or against the election of such candidate and shall sign the paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

26. Voting papers may be deposited in the ballot-box in accordance with these rules at any time between the hours of 10-30 a.m. and 4 p.m. on the day appointed for the commencement of the ballot or on any one of the six succeeding days, exclusive of Sundays or Gazetted Holidays.

27. The ballot-box shall, at 4 p.m. on the seventh of the days appointed for the election of any candidate for membership, be opened by the Secretary in the presence of the scrutineer, and the votes shall be counted and scrutinized by the scrutineer, and the scrutineer shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

28. No candidate for election as a member shall be deemed to have been elected unless the number of votes recorded is greater than one-fourth of the total number of the votes which would have been recorded if all members had voted. One adverse vote in every six votes recorded shall exclude. The result of every election shall be recorded in the Minutes of the Proceedings of the Committee.

29. If any candidate for election as a member of the Association shall not be elected, his proposer shall be informed of his non-election by the Secretary.

30. Particulars of the voting for the election of any candidate for election as a member of the Association shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to anyone whomsoever.

31. A candidate, who shall have been proposed for election as a member of the Association and shall not have been elected, shall not be again eligible for election as a member of the Association until after the expiration of six months from the date of the election at which he shall not have been elected.

32. If a candidate for election as a member of the Association be elected, his election shall be notified in writing by the Secretary to his proposer and likewise to the candidate himself, and a copy of the last annual report of the Association and also a copy of the Rules of the Association, together with a bill for the entrance fee payable by such member on election and the amount of the annual subscription payable in accordance with these rules shall be sent to him by the Secretary.

Membership
subscription.

33. Every member who shall after the date on which these rules shall come into force be elected a member of the Association shall pay on election an entrance fee of Rs. 100.

34. Every member who shall after the date on which these rules shall come into force be elected a member of the Association after the 1st January but before the 1st October in any year shall in addition to the entrance fee pay such proportion of the annual subscription for that year as shall be attributable to the period between the date of election and the 31st December of that year. Every member similarly elected after the 30th September in any year shall pay in addition to the entrance fee one-quarter of the annual subscription for that year.

35. Each member of the Association shall pay the annual subscription to the Association which may from time to time be determined by the Committee. Provided that the resolution of the Committee determining such annual subscription shall be passed by a majority of not less than two-thirds of the members of the Committee present at a special meeting called for the purpose of determining such subscription.

36. Annual subscriptions shall be payable in advance on the 1st January in each year in respect of the period from the 1st January to the 31st December in that year, and a member shall not be entitled to exercise any of the privileges of membership if his subscription is more than two calendar months in arrear.

37. The Committee of the Association shall, in the case of mills which remain entirely closed for one calendar year or more for causes not due to a strike or a lock-out, be empowered to remit the ordinary membership subscription, and to substitute therefor a subscription of Rs. 100 only for each calendar year during which the mills remain entirely closed.

38. A member who shall fail to pay his subscription for a period of three calendar months after it has become payable shall, *ipso facto*, cease to be a member of the Association and his name shall forthwith be removed from the said Register. Provided that the Committee may, for good cause shown for such non-payment of the subscription as to which the decision of the Committee shall be final and binding upon the member in default, and upon payment of the subscription in arrear, revoke the cancellation of membership and order the name of such member to be reinstated in the said Register. Subscriptions in arrear shall be treated as a debt due to and recoverable by the Association.

39. Each member shall, on election to the Association, sign a form of adherence to the rules of the Association in the form from time to time approved by the Committee and until such form shall have been signed a member shall not be entitled to exercise any of the privileges of membership. Form of adherence to be signed by members.

40. Every member of the Association shall have power to terminate his membership thereof by giving not less than three calendar months' previous notice in writing (expiring at any time) to the Secretary of the Association of his desire to terminate such membership and upon the expiration of any such notice such member shall cease to be a member of the Association and his name shall forthwith be removed from the said Register. Mode of resigning from membership.

41. The affairs and funds of the Association shall be managed by a Managing Committee hereinafter and hereinafter called "the Committee" to be constituted as hereinafter mentioned. The Committee, its constitution and mode of election.

42. The members of the Association shall, in each year between the 1st and the 31st day of January, elect the Committee from amongst the list of persons whose names appear in the said Register as persons entitled to act and vote for members.

43. The Committee shall consist of a Chairman, a Deputy Chairman and not more than eighteen ordinary members, making a maximum of twenty members in all.

44. The Committee, holding office for the time being, shall appoint a day between the 1st and the 31st day of January in each year for the election of the Chairman, the Deputy Chairman and the eighteen ordinary members of the Committee for the ensuing year, and shall cause notice of the day so appointed for such election as aforesaid to be advertised in at least one English and one Vernacular newspaper published in Bombay.

45. The Secretary of the Association shall also give to each member of the Association not less than seven days' notice in writing of the day appointed for the said elections and of the names of all authorized representatives of members who are eligible for election as members of the Committee.

46. The members of the Committee shall be elected by ballot.

47. The Committee shall, before the day appointed for the said election, appoint a scrutineer for each of the said elections.

48. Before the time appointed under these rules for the commencement of the ballot upon the day appointed for the said elections the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same and the same shall not be opened until 4 p.m. upon that day.

49. The Committee shall provide separate voting papers for

- (a) the election of a Chairman of the Committee,
- (b) the election of a Deputy Chairman of the Committee,
- (c) the election of eighteen ordinary members of the Committee,

in such form as they shall, from time to time, think fit and shall send to each member of the Association not less than seven days before the day fixed for the said elections, one voting paper in respect of the election of the Chairman, one voting paper in respect of the election of the Deputy Chairman and one voting paper in respect of the election of the ordinary members of the Committee.

50. On the day appointed for the said elections voting shall commence at 10-30 a.m. and terminate at 4 p.m.

51. If any person entitled or empowered to vote concerning the election of the members of the Committee shall desire to exercise his right of voting, he shall, in the case of the election of a Chairman, write on a voting paper relative to the election of a Chairman the name of the person representing a member of the Association whom he desires should be appointed such Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of a Deputy Chairman, write on a voting paper relative to the election of a Deputy Chairman the name of the person representing a member of the Association whom he desires should be appointed such Deputy Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of the eighteen ordinary members of the Committee, write on a voting paper relative to the election of the ordinary members of the Committee, the names of the eighteen persons representing members of the Association whom he desires should be appointed as ordinary members of the Committee as aforesaid and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

52. Voting papers regarding the elections of a Chairman, Deputy Chairman and the ordinary members of the Committee may be deposited in the ballot-box in accordance with these rules between the hours of 10-30 a.m. and 4 p.m. on the day which shall have been appointed under these rules for such elections.

53. At 4 p.m. on the day appointed for the said elections the ballot-box shall be opened by the Secretary of the Association in the presence of the scrutineer and the votes shall be counted and scrutinized by the scrutineer, who shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

54. Particulars of the voting for the election of the members of the Committee shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to anyone whomsoever.

55. Those persons in whose favour the largest number of votes shall have been cast for the respective appointments of Chairman, Deputy Chairman and ordinary members of the Committee shall be deemed to have been appointed Chairman, Deputy Chairman and ordinary members of the Committee respectively.

56. Two representatives of any one member entitled under Rule 6 to ten votes or less shall not be on the Committee at the same time, and if two representatives of any one such member shall be elected to serve on the Committee at the same time, the election of that representative who obtains the lesser number of votes shall be void. In case of an equality of votes, the Chairman of the retiring Committee shall have a casting vote.

57. No member of the Association shall vote for more than one Chairman, one Deputy Chairman and eighteen ordinary members of the Committee.

58. If any person who shall have been elected according to these rules either as Chairman of the Committee or as Deputy Chairman of the Committee shall decline to accept the appointment there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be.

59. If any person who shall have been elected in accordance with these rules as an ordinary member of the Committee shall decline to accept the appointment the person who shall have received the next largest number of votes shall be considered to have been elected, and if there shall be no such person then the vacancy shall be filled by the retiring Committee.

60. If in any ballot for a Chairman or Deputy Chairman of the Committee there shall be an equality of votes for the appointment, there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be. If in any ballot for the election of the eighteen ordinary members of the Committee there shall be an equality of votes for the eighteenth appointment, the Chairman of the retiring Committee shall have a casting vote.

61. The new Committee shall take office upon the conclusion of the first Annual General Meeting of the members of the Association held after their election, and shall continue to hold office until the conclusion of the next Annual General Meeting of the members of the Association, when they shall retire but shall be eligible for re-election.

62. If any member of the Committee shall be absent from the regular meetings of the Committee for more than three consecutive months he shall, unless he shall have previously obtained leave of absence from the Committee, be deemed to have vacated his office.

63. When any vacancy other than a vacancy in the office of Chairman or Deputy Chairman shall occur in the Committee, the members of the Committee shall have power to appoint any duly qualified person to fill such vacancy who shall hold office until the conclusion of the next Annual General Meeting of the members of the Association when he shall retire but shall be eligible for re-election. Similarly if any member of the Committee shall have previously obtained leave of absence from the General Meetings of the Committee, the members of the Committee shall have power to appoint any duly qualified person to act as a member of the Committee during the absence of such member.

64. If any vacancy other than a temporary vacancy shall occur in the office of Chairman or Deputy Chairman of the Committee, such vacancy shall be filled by the election according to these rules by the members of the Association of any duly qualified person. A temporary vacancy may be filled by the members of the Committee from their own number.

65. The Chairman of the Committee shall, if present, preside at all meetings of the Committee held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and failing both, the chair shall be taken by one of the members of the Committee who shall be appointed by the other members of the Committee present at such meeting.

The procedure to be adopted by the Committee in conducting business.

66. In case of a tie in voting in Committee the Chairman for the time being shall have a casting vote in addition to his own vote.

67. Five members of the Committee shall constitute a quorum.

68. The Committee shall meet at least once in every month.

Powers of
the Com-
mittee.

69. The Committee shall have power to require from any member an explanation as to any act done or conduct pursued by such member which in the opinion of the Committee shall be in contravention of the rules of the Association or to the detriment or discredit of the Association or shall be injurious to the welfare and interests of the Association. If any such explanation shall be refused or having been given shall be deemed unsatisfactory, the Committee shall cause a Special General Meeting of the Association to be convened to consider the acts and conduct of such member, and the Association shall have power if a quorum be present at such Special General Meeting to resolve by a majority of not less than two-thirds of the votes cast at the meeting to declare that such member is expelled from the Association.

70. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association and shall not be entitled to claim any refund on account of subscription which may have already been paid.

71. Previous to each Annual General Meeting of the members of the Association, the Committee shall prepare a report of the proceedings of the Association during the year prior to such General Meeting and shall cause the same to be printed and shall send at least one printed copy thereof to each member of the Association not less than seven days prior to the date fixed for the said Annual General Meeting. The Committee may also, if they see fit to do so, send any one or more copies of the said report to any individual or Corporation or Association to whom or to which they may think it desirable in the interests of the Association to send the same.

72. The Committee shall have authority to appoint Solicitors to the Association and the Committee may consult them whenever they deem it expedient to do so.

73. The Committee shall have authority at any time and from time to time, if for any reason they shall consider it advisable to do so, to attach to the office of the Chairman of the Committee a remuneration or honorarium of such amount, and to operate from such date and for such period as the Committee may determine, and such remuneration or honorarium shall be met from the revenues of the Association.

74. At the first meeting of the Committee held after the holding of the Annual General Meeting of the members of the Association in each year, the Committee shall appoint three or more of their number to form a Sub-Committee for the purpose of deciding questions other than arbitrations, arising under the rules of the Association relating to the registration of trade marks, and the decision of such Sub-Committee on such questions shall have the same effect as if given by the entire Committee. Any vacancy which may from time to time occur in any such Sub-Committee shall be filled by the Committee by the appointment thereto of another member of the Committee.

75. The Committee may from time to time appoint a Sub-Committee to investigate and to report upon any matter whatsoever and may invite any member of the Association not being a member of the Committee to serve on any such Sub-Committee, or may consult any outside authority if for any special reason such a course may seem to them advisable.

76. Sub-Committees other than a Sub-Committee appointed under Rule 74 shall have no executive or substantive power or authority, and the duty of every Sub-Committee shall be to report to the Committee the result of its investigations, deliberations or other proceedings.

Duties of
Secretary &
Assistant
Secretary.

77. A Secretary of the Association shall be appointed and his remuneration shall be fixed by the Committee. The Secretary shall devote himself entirely to the business and affairs of the Association except in cases where he has received the special permission of the Committee. He shall have charge of all correspondence and shall keep an account of the funds of the Association and of funds connected with or in any way controlled by the

Association. He shall have the care of the rooms, furniture, library, pictures and of all documents belonging to the Association. He shall give notice as desired by the Chairman or Deputy Chairman of all meetings of the Association, of the Committee, of the Departmental Committees and Sub-Committees of the Association and of all Associations working in connection with the Association. He shall duly notify members of their election, collect all dues from members of the Association or from any Committee or any Association working in connection with the Association. He shall prepare the Annual Report of the Association and the reports of all Committees and of all Associations connected with the Association under the guidance of the Chairman and the Committee and generally shall perform all such duties as are incidental to his office and generally act under the orders of the Chairman or in his absence of the Deputy Chairman and the Committee. In all matters appertaining to the detailed duties of his office as above enumerated he shall follow the policy and instructions laid down by the Chairman or in the absence of the Chairman by the Deputy Chairman.

78. An Assistant Secretary of the Association may be appointed, and if so appointed, his remuneration shall be fixed by the Committee. The Assistant Secretary shall during any temporary absence of the Secretary owing to sickness or any other cause or during the absence of the Secretary on leave perform all or any of the duties of the Secretary as may be assigned to him.

79. Minutes of all proceedings of the Committee shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time. Minutes
Book of the
Committee.

80. A general meeting of the members of the Association to be called the Annual General Meeting shall be held in each year at such time as the Committee may appoint. General
Meetings of
members.

81. The Committee may also at any time call a General Meeting should it seem to them expedient to do so.

82. If any four members of the Association shall by a requisition in writing signed by the said four members respectively addressed to the Committee and containing a statement of their reasons for the requisition request the Committee to call a General Meeting of the members of the Association the Committee shall call such General Meeting to be held within fourteen days after the receipt by the Committee of the said requisition, and if the Committee shall refuse or neglect to call such General Meeting to be held within the time aforesaid, the said four members who shall have signed the said requisition, shall have power themselves to call such General Meeting to be held on such day as they themselves shall appoint.

83. Seven clear days' notice of every Annual General Meeting shall be given by advertisement in at least one English and one Vernacular newspaper published in Bombay and seven clear days' notice shall also be given to members of every Special General Meeting, except Urgent General Meetings specially convened by the Chairman or the Committee.

84. No business shall be transacted at any General Meeting unless a quorum according to these rules shall be present at such meeting.

85. At any General Meeting a quorum shall be constituted if the number of votes of the members represented at the meeting shall exceed 25 per cent. of the total number of votes of all the members for the time being of the Association.

86. If on the day originally appointed for holding a General Meeting a quorum according to these rules shall not, within thirty minutes of the time appointed for the commencement of the meeting, be present, the meeting shall be adjourned to such time on such day not being less than 10 days thereafter as the Committee may determine and if a quorum shall not, within fifteen minutes after the time appointed for the commencement of such adjourned meeting, be present, the members then present shall constitute a quorum and may transact the business for which the meeting was convened.

87. Whenever any meeting shall be adjourned under Rule 86 on the ground that a quorum was not present within the prescribed time, seven clear days' notice shall be given by the Committee by advertisement in at least one English and one Vernacular newspaper published in Bombay of the day and time to which such meeting shall have been adjourned

88. The Chairman of the Committee shall, if present, preside at all General Meetings of the members of the Association held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and, failing both of these, the chair shall be taken by one of the members of the Committee, who shall be appointed by the other members of the Committee, present at such meeting.

89. The voting at any General Meeting shall be in the first instance, by show of hands, but this shall not preclude any member present from demanding a poll. If a poll is demanded the number of votes to which each member shall be entitled shall be calculated in accordance with Rule 6. The result of a poll shall supersede a vote taken by show of hands. In the case of a tie in voting at any General Meeting the Chairman for the time being of the meeting shall have a casting vote.

90. Minutes of all proceedings at every General Meeting of the members of the Association shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time.

91. Every resolution which shall have been duly passed according to these rules at any General Meeting of the members of the Association shall be binding upon all the members of the Association.

Special
General
Meeting for
concerted
general
action.

92. All proposals or recommendations for concerted general action respecting the mills which the Committee of the Association may consider to be concerned in respect to a strike, lockout, short-time working or organized lessening of production, payment of bonus, increases or reductions in wages, or any other matter whatsoever, shall only be adopted if passed by a majority of not less than 85 per cent. of the votes cast at a Special General Meeting duly called for the purpose of considering such proposals or recommendations.

Expulsion
of members
for contrave-
ning resolu-
tions adopt-
ed at the
General
Meeting.

93. Any member of the Association who shall contravene the terms of any proposal which has been approved and adopted by the members of the Association under Rule 92 hereof shall be liable to be summarily expelled from the Association by a resolution of the Committee declaring that such member is expelled; provided that such resolution shall be passed by a majority of not less than three-fourths of the members of the Committee present at a Special Meeting called for the purpose of considering such contravention.

94. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association, and shall not be entitled to claim from the Association any refund on account of subscription which may have already been paid.

95. A firm or Joint Stock Company or other Corporation which shall be expelled under the last preceding rule shall be eligible for re-election after the expiry of six months from the date of expulsion provided not less than three members in addition to the proposer and seconder concur in the proposal for re-election.

Funds and
properties of
the Associa-
tion.

96. The control of the funds of the Association shall be vested in the Committee, who in addition to the powers expressly conferred on them by these rules may exercise all such powers, and do all such acts and things as may be exercised or done by the Association and are not hereby or by law expressly directed or required to be exercised or done by the Association in General Meeting, and in-particular may from time to time at their discretion raise or borrow or secure the repayment of any sum or sums of money in all respects as they think fit.

97. If at any time during the year the funds at the disposal of the Committee are insufficient or are likely to be insufficient to defray the estimated expenditure for the remaining portion of the year, then the Committee shall, in such case, call a General Meeting of the members of the Association and lay the accounts of the Association before such meeting.

98. The Committee shall cause proper books of account to be kept of the transactions of the Association and of the assets, credits and liabilities thereof, which books of account shall be kept at the office of the Association or at such place or places, and in the charge of such person or persons as the Committee may from time to time direct.

99. At least seven days previous to each Annual General Meeting of members of the Association the Committee shall send to each member of the Association a duly audited income and expenditure account, and a balance sheet, containing a summary of the property and liabilities of the Association and made up to the 31st December of the year immediately preceding the meeting, and such account and balance sheet shall be laid before the members at the Annual General Meeting of the Association in each year.

100. The Committee for the time being shall have power to invest and deal with any of the moneys of the Association not immediately required for the purposes thereof in such securities and in such manner as they may think fit and from time to time to vary or realize such investments.

101. The Committee shall have the power to determine the manner in which bills, loans, receipts, acceptances, endorsements, cheques, releases, contracts and documents shall be signed or executed by and on behalf of the Association.

102. There shall be two Trustees of the Association and the first Trustees shall be Mr. H. P. Mody and Mr. Ratansi D. Morarji. Subsequent Trustees shall be appointed by resolution of the Committee. Any person for the time being entitled to act and vote for a member shall be eligible as a Trustee. Any Trustee who shall cease to be entitled to act and vote for a member shall *ipso facto* cease to be a Trustee. Any Trustee may be removed by a majority of three-fourths of the members of the Association present at a meeting duly convened for the purpose of considering such removal.

103. All the funds and properties of the Association shall be vested in the Trustees who shall have the custody of all securities and documents of title relating thereto and shall deal with and dispose of the same and the income thereof in accordance with the written directions from time to time given to them by the Committee for the time being.

104. Neither the Chairman, Deputy Chairman, nor any ordinary member of the Committee nor the Secretary nor any Trustee shall be answerable for anything other than his own acts or defaults, nor shall he be answerable for any act done by him for the sake of conformity only, nor for any moneys of the Association other than such as shall come into his own hands, nor for any collector or receiver of moneys appointed by the Committee, nor for any misfortune, loss or damage happening to the Association by reason of any deed done or executed by him as a Chairman, Deputy Chairman or ordinary member of the Committee or as Secretary or Trustee, nor by reason of any error in judgment or mere indiscretion on his part in the performance of his duties, nor otherwise on any account, except for wilful negligence or fraud. Every person being Chairman, Deputy Chairman, or an ordinary member of the Committee or Secretary or Trustee of the Association, his heirs, executors or administrators shall at all times be indemnified and saved harmless out of the funds of the Association from and against all costs, losses, damages and expenses whatsoever incurred or sustained by him in the execution of his power or duties, and every person having been or being a Chairman, Deputy Chairman, or ordinary member of Committee or Secretary or Trustee of the Association, his heirs, executors and administrators shall be indemnified and saved harmless out of the funds of the Association against all actions, suits, claims and demands whatsoever brought or made against him or them in respect of any engagement of the Association save such as may be incurred by his own personal wilful neglect or default.

Responsibility of the Chairman, Deputy Chairman, Secretary & members of the Committee.

The date when the rules come into force & the date when the present rules shall stand cancelled. No alterations in these rules shall be made save and except by a majority of not less than three-fourths of the votes cast at a General Meeting of the members of the Association duly convened and held for the purpose of altering the rules. considering such alteration, the terms of which shall have been fully set forth in the notice convening the meeting.

RULES FOR THE REGISTRATION OF TRADE MARKS.

Revised and adopted down to the Annual General Meeting of the Association held on 3rd March 1927.

1. Throughout all these rules the following words shall bear and include the following meanings:— Interpretation.

- (a) 'The Association' means the Bombay Millowners' Association.
- (b) 'Member' means a member of the Bombay Millowners' Association.
- (c) 'The Secretary' means the Secretary of the Bombay Millowners' Association.
- (d) 'The Managing Committee' means the Managing Committee of the Bombay Millowners' Association.
- (e) 'Trade mark' includes 'ticket' and 'stamp.'
- (f) 'Colourable imitation' includes a trade mark, which is likely to become known by or to acquire the same name as that by which another trade mark is already known or which such other trade mark has already acquired.

2. For the purposes of these rules a registrable trade mark must consist of a distinctive mark, device or design not being a name, signature or word or words (invented or otherwise) either alone or in combination with one or more of the following:— Essentials of a registrable trade mark.

- (a) The name of a Company, individual or firm represented in a special or particular manner.
- (b) An invented word or invented words.
- (c) A word or words having no direct reference to the character or quality of the goods and not being according to its ordinary signification a geographical name or surname.

Provided—

- (1) that any trade mark registered in the Permanent Register of the Association prior to the 31st March 1924 shall be registrable as a trade mark under this rule;
- (2) that no trade mark shall be accepted for registration which contains or consists of any scandalous design, or any matter the use of which would by reason of its being calculated to deceive or otherwise be disentitled to protection in a Court of Justice, or would be contrary to law or morality;
- (3) that no trade mark shall be accepted for registration which contains or consists of a representation of the Royal Arms (or Arms so closely resembling the Royal Arms as to be calculated to deceive), or of a photograph or photographs of any member or members of the Royal Family.

3. All goods to which these rules apply shall be divided into the following classes:— Classification of goods.

Class 1.—Cotton yarns and threads being either grey or bleached.

Class 2.—Cotton yarns and threads being coloured either in whole or in part.

Class 3.—Cotton piecegoods of all kinds.

Registers. 4. The Association shall keep two registers, one of which shall be called ' The Permanent Register ' and the other ' The Suspense Register.'

Duty of members to register trade marks and mode of applying to register same. 5. Every member shall send to the Secretary an application in writing addressed to the Secretary and signed by the member or by some person duly authorized to sign the same on behalf of the member, to register with the Association every trade mark, not already registered by such member with the Association, which is or is to be the property of such member and which such member desires to apply to any produce of the mill or mills, factory or factories, owned by such member.

6. Every such application shall specify the name by which the trade mark to which the application relates is intended to be known and the class or classes of goods to which the trade mark is intended to be applied and shall be accompanied by one copy of the trade mark for the use of the Association and also by such further number of copies thereof as the Managing Committee may from time to time prescribe in that behalf, regard being had to the total number of members.

7. Every member shall send to the Secretary such number of copies of every trade mark which is the property of a dealer dealing with such member, and which such member intends to apply to any produce of the mill or mills, factory or factories, owned by such member as the Managing Committee may from time to time prescribe in that behalf, regard being had to the total number of members, accompanied by a statement in writing specifying the name by which any such trade mark is intended to be known, and the class or classes of goods to which the trade mark is intended to be applied. The Secretary shall so soon as may be after the receipt thereof send to every member a copy of such trade mark together with a copy of such statement.

Secretary to enter every trade mark which a member shall apply to register in the Suspense Register. 8. The Secretary shall forthwith on receipt of an application for registration of a trade mark with the Association made in conformity with these rules enter the said trade mark in the ' Suspense Register ' for use on goods of the class or classes specified in the application.

Notice of every application to register a trade mark to be sent to every member. 9. The Secretary shall so soon as may be after any application shall have been made for the registration of any trade mark with the Association, send to every member a copy of such application with an intimation of the date when it was made and that such trade mark has been entered in the Suspense Register and shall also send with such intimation one copy of such trade mark, and also if the application shall have been accompanied by a notification in conformity with Rule 21 that the member, who shall have made the application, is not willing to refer to arbitration any matter relating to the application, one copy of such notification and shall after the expiration of three weeks from the date of the despatch of such intimation send a reminder to each member who shall not in the interval have acknowledged the receipt of such intimation or otherwise intimated that such intimation has been received by such member.

Effect of entry of trade mark in Suspense Register. 10. The entry of a trade mark in the Suspense Register shall not confer upon the member upon whose application the same shall have been so entered any right against any other member in respect of the trade mark so entered save and except a right to apply for the removal of any other trade mark from the Suspense Register as in Rule 11 hereinafter set forth.

Applications for removal of trade mark from the Suspense Register 11. Any member may apply that any trade mark which has been entered in the Suspense Register may be removed therefrom on the ground that it is an imitation colourable or otherwise of another trade mark which at the time of the entry of the trade mark objected to was then already in the Suspense Register and had been entered therein on application of the member applying for such removal and was intended to be applied to the same class or classes of goods as the class or classes to which the trade mark objected to is intended to be applied.

12. Every application for removal of a trade mark from the Suspense Register shall be made in writing addressed to the Secretary and signed by the applicant or by some person duly authorized to sign on behalf of the applicant and shall set forth the ground on which the same is made.

13. Every application for removal of a trade mark from the Suspense Register shall be determined in the manner hereinafter prescribed ; and if, when the same shall have been so determined, the application shall be upheld, the trade mark for the removal of which the application shall have been made, shall forthwith be removed from the Suspense Register.

14. Any member may object to any trade mark being entered in the Permanent Register on the ground that such trade mark is an imitation colourable or otherwise of a trade mark which has already, on the application of such objecting member, been entered in the Permanent Register for use on goods of a class or classes similar to the class or classes of goods to which the trade mark, in respect of which an application has been made, is intended to be applied, and that such trade mark, so already entered, is habitually applied by such objecting member to such class or classes of goods.

Objections to entry of a trade mark in the Permanent Register.

15. Every such objection shall be made within one month after the application to register the trade mark objected to shall have been made and shall be in writing addressed to the Secretary and signed by the objecting member or by some person duly authorized to sign on behalf of the objecting member and shall set forth the grounds of objection.

16. Any member may within three calendar months from the date of his becoming a member for the first time apply that any trade mark which shall have been registered in the Permanent Register, at any time before the expiration of the said period of three months, shall be removed therefrom on the ground—

That the trade mark so already registered in the Permanent Register is an imitation colourable or otherwise of a trade mark for the registration of which such member has applied for use on goods of a class or classes similar to the class or classes of goods to which the trade mark so already registered in the Permanent Register is applied, and that such trade mark for the registration of which such newly joined member has so applied as aforesaid has been habitually applied by such newly joined member to the said class or classes of goods.

17. When any member being the owner of a mill shall have ceased to be a member for any reason, other than expulsion, and shall subsequently again become a member by virtue of the ownership of the same mill, or, when any mill, being the property of a member, shall have passed to a new owner and such new owner shall become a member by virtue of the ownership of the said mill, such member, who shall have again become a member, may at any time, within one month from the date of his having so again become a member or such new owner, who shall have become a member, may at any time within one month from the date of his becoming a member apply—

(a) That a trade mark which shall have been entered in the Permanent Register subsequent to the date on which such member shall have ceased as aforesaid to be a member but prior to the date of the application under this rule or subsequent to the date when such mill as aforesaid passed to such new owner as aforesaid but prior to the date of the application under this rule, as the case may be, shall be removed from the Permanent Register ;

or

(b) That if any trade mark shall have been or shall be entered in the Permanent Register in compliance with an application for the registration of the same which has been made subsequent to the date on which such member shall have ceased as aforesaid to be a member but prior to the date of the application under this rule, or subsequent to the date when such mill as aforesaid passed to such new owner as aforesaid but prior to the date of the application under this rule, as the case may be, the said trade mark shall be removed from the Permanent Register, on the ground either in the case (a) or in the case (b)—

That the said trade mark is an imitation colourable or otherwise of a trade mark previously registered with the Association by the member who shall have so ceased to be a member as aforesaid or by the member who was for the time being the owner of the mill which has so passed to a new owner as aforesaid for use on goods of a class or classes similar to the class or classes of goods for use on which the trade mark so objected to shall have been registered and that a fresh application for the registration of the mark so previously registered as aforesaid has been made by the applicant.

18. Every application for removal of a trade mark from the Permanent Register shall be made in writing addressed to the Secretary and signed by the applicant or by some person duly authorized to sign on behalf of the applicant and shall set forth the grounds on which the same is made.

19. Every application under Rules 16 and 17 for removal of a trade mark from the Permanent Register shall be accompanied by twelve or such other number of copies as the Managing Committee may from time to time prescribe of the trade mark said by the applicant to have been previously registered with the Association.

20. If any member, being the owner of a trade mark which shall have been registered in the Permanent Register shall so alter the trade mark as in the opinion of a majority of the Trade Marks Sub-Committee to render it likely to deceive, or materially different, either in name or design, from the registered trade mark, and shall use the mark so altered on goods of a class or classes similar to the class or classes of goods for use on which registration of the original mark was obtained, the member concerned may be required to apply in the manner prescribed for registration of the altered trade mark as a new trade mark and in default of compliance with any such requisition within one month after receipt thereof by the member concerned, the altered trade mark shall be deemed an unregistered trade mark.

Liberty to refuse
to refer to arbitra-
tion in certain
cases

21. Notwithstanding anything contained in these rules or in the Form of Adherence prescribed under Rule 39 of the Rules and Regulations of the Association any member who shall have become a member for the first time may send a notification in writing addressed to the Secretary with any application, made by such member, to register a trade mark, which shall be sent to the Secretary within one month from the date when such member shall have become a member notifying that he is not willing to refer to arbitration any matter relating to the application with which the notification is sent ; and whenever any such notification is sent as aforesaid no member shall in the matter to which the notification relates be bound by the rules relating to arbitration.

22. In like manner, notwithstanding anything contained in these rules or in the Form of Adherence in Rule 39 mentioned, if any member who shall have received notice of any application to register a trade mark, which shall have been sent to the Secretary, by a member who shall have become a member for the first time, within one month from the date when such member shall have become a member shall object, in the manner prescribed by these rules, to the said trade mark being entered in the Permanent Register on the ground specified in Rule 14, such objecting member may send with such objection, a notification in writing addressed to the Secretary notifying that he is not willing to refer to arbitration any matter relating to such objection to the application of which he shall have so received notice as aforesaid and specifying such application and objection ; and whenever any such notification is sent no member shall in the matter to which such notification relates be bound by the rules relating to arbitration

Provided always that if a member who shall have become a member for the first time shall prove to the satisfaction of the Managing Committee that for a period of not less than five consecutive years immediately preceding the date when such member shall have become a member he has habitually applied the said trade mark to goods of a class or classes similar to the class or classes of goods to which such objecting member shall have habitually applied the trade mark of which the said trade mark is alleged by such objecting member to be an imitation colourable or otherwise, then such objecting member shall be deemed to have

sent to the Secretary such a notification in writing as above mentioned, and the provisions of Rules 37 to 43 (inclusive) so far as the same are applicable shall forthwith operate and have effect.

23. All questions in dispute between two members arising out of or incidental to any

- (a) application to register a trade mark,
- (b) application to remove a trade mark from the Suspense Register,
- (c) application to remove a trade mark from the Permanent Register,

Determination of questions relating to any application to register a trade mark or to any application to remove a trade mark from the Suspense Register or from the Permanent Register, as to which notice of refusal to refer to arbitration has not been given.

shall, if no such notice, as is permitted by these rules, of unwillingness to refer to arbitration shall have been given in connection with the same, be determined by arbitration in the manner prescribed by the following rules :—

24. Either member may give the other member notice of the appointment of an arbitrator on behalf of the member giving such notice and may call upon such other member to appoint and to notify to the member who shall give the notice of the appointment of an arbitrator within seven days from the date of the giving of the notice ; and on receipt of such notice such other member must, if he should desire to appoint an arbitrator, appoint him within seven days from the receipt of such notice and notify such appointment within the same time to the member from whom he shall have received the notice to appoint an arbitrator.

25. If the member to whom such notice as in Rule 24 mentioned shall have been given fail to appoint and to notify to the member who shall have given the notice of the appointment of an arbitrator within seven days from the service of the notice upon him the matter in dispute shall stand referred to the arbitrator already appointed as sole arbitrator.

26. If a matter in dispute shall stand referred to an arbitrator as sole arbitrator he shall make his award within fourteen days from the date when the matter in dispute shall first stand referred to him.

27. If two arbitrators shall be duly appointed in accordance with these rules, they shall within 3 days from the date when such one of them as was last appointed shall have been appointed and before proceeding with the reference appoint an umpire.

28. If two arbitrators and an umpire shall have been duly appointed, the two arbitrators shall, if they can agree upon their award, make their award within fourteen days after the appointment of the umpire.

29. If two arbitrators and an umpire shall have been duly appointed but the two arbitrators shall either fail to agree upon their award or fail to make it within fourteen days from the appointment of the umpire, the matter in dispute shall stand referred to the umpire.

30. When a matter in dispute shall stand referred to an umpire he shall make his award within fourteen days from the date when the matter in dispute shall stand referred to him.

31. If

- (a) a matter in dispute shall stand referred to a sole arbitrator but such arbitrator shall fail, from any cause whatever, to make his award within fourteen days from the date when the matter in dispute shall first stand referred to him ;
or

- (b) two arbitrators shall have been duly appointed but shall fail, from any cause whatever, to appoint an umpire within three days from the date of the appointment of such one of the arbitrators as shall have been last appointed ;
or

- (c) a matter in dispute shall stand referred to an umpire but such umpire shall fail, from any cause whatever, to make his award within fourteen days from the date when the matter in dispute shall first stand referred to him ;

the matter in dispute shall in any of such cases stand referred to a referee who shall be appointed by the Managing Committee.

32. When a matter in dispute shall stand referred to a referee he shall make his award within fourteen days from the date when the matter in dispute shall first stand referred to him and it shall be deemed to stand referred to him so soon as he shall have been informed of his appointment by the Managing Committee.

33. The sole arbitrator, two arbitrators, umpire or referee, as the case may be, shall, when he or they make an award, reduce it into writing, sign it and forward it to the Managing Committee who shall file it in a separate file, in which such awards shall alone be filed.

Fees on arbitrations.

34. Every award, whether made by a sole arbitrator, two arbitrators, an umpire or a referee, which shall be duly made under the authority of and in conformity with these rules, shall be conclusive and binding upon the parties to the arbitration in which the award was made and the Association shall give effect to it.

(a) No person shall be appointed an arbitrator, umpire or referee, under the foregoing rules, who shall not be either a member of the Association or a person entitled to act and vote on behalf of a member of the Association, and any appointment made in contravention of this rule shall be null and void.

35. The following fees on arbitrations shall be chargeable by the Association to members :—

- (a) In cases where there is a sole arbitrator, Rs. 15, which shall be paid by the member who has failed to appoint an arbitrator within the time prescribed by these rules.
- (b) In cases where each party has appointed one arbitrator, the sum of Rs. 30, whereof each member, a party to the arbitration, shall pay Rs. 15.
- (c) In cases where an umpire is appointed, Rs. 15, whereof each member, a party to the arbitration, shall pay Rs. 7-8-0.
- (d) In cases where a referee is appointed, Rs. 15, whereof each member, a party to the arbitration, shall pay Rs. 7-8-0.

The sole arbitrator, two arbitrators, umpire or referee, as the case may be, shall have power to direct by any award made by him or them under these rules that any fee paid by any member, a party to the arbitration in which such award shall have been made, shall be refunded to him by the other member, a party to the said arbitration.

36. The Association shall, whether the fees payable under these rules in connection with any arbitration shall have been duly paid to it or not, pay to each arbitrator, umpire and referee who shall have acted in such arbitration a fee of Rs. 15.

Procedure when any application made to register a trade mark, or any objection made to register a trade mark as to which notice of refusal to refer to arbitration has been given.

37. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, make

- (a) any application to register a trade mark,
or

(b) any objection to a trade mark being entered in the Permanent Register, accompanied by a notification that the member is not willing to refer to arbitration any matter relating to the application or objection, as the case may be, with which the notifica-

tion is sent, no steps shall be taken by the Association in the matter of the application or objection specified in such notification for a period of two months from the receipt by the Secretary of such notification.

38. Any member, who shall have made any such application or objection as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, may, at any time during the said period of two months in the said Rule 37 mentioned, institute legal proceedings either to establish the right of such member to the trade mark to which such application or objection relates or to restrain any other member from using such trade mark or to procure the punishment of such member for using the same and such proceedings may be taken either in a Civil or a Criminal Court.

39. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, have made any such application as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, and at the expiration of the said period of two months in the said Rule 37 mentioned, no such legal proceedings as in Rule 38 mentioned shall have been instituted in connection with the trade mark to which the application relates, the said application shall be rejected and the said trade mark be removed from the Suspense Register and shall not be entered in the Permanent Register.

40. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, have made any such objection as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, and at the expiration of the said period of two months in the said Rule 37 mentioned, no such legal proceedings as in Rule 38 mentioned shall have been instituted in connection with the trade mark to which the objection relates, the said objection shall be rejected, and the application to register the trade mark, to which such objection relates, shall be dealt with under these rules, as if no such notification had been given.

41. If, within the said period of two months in Rule 37 mentioned, such legal proceedings as in Rule 38 mentioned shall have been instituted, no steps shall be taken in the matter of the application or objection concerning the trade mark to which such legal proceedings relate until such legal proceedings shall have been finally determined.

42. When such legal proceedings as in Rule 38 mentioned shall have been finally determined, if it shall have been held by the Court—

- (a) That a trade mark, to register which an application shall have been made, or in respect of which an objection to the same being entered in the Permanent Register shall have been made, is an imitation colourable or otherwise of another trade mark, the trade mark so held to be an imitation colourable or otherwise shall not be registered ;

or, if it shall have been held by the Court—

- (b) That a trade mark, to register which an application shall have been made, or in respect of which an objection to the same being entered in the Permanent Register shall have been made, is not an imitation colourable or otherwise of another trade mark, the same shall, if it be in the opinion of the Managing Committee a proper mark to be registered as a trade mark, be entered therein.

43. The production to the Managing Committee of a certified copy of a decree passed by a Civil Court of competent jurisdiction in British India from which no appeal lies or in respect of which the time for appealing has expired or the production of a certified copy of a judgment of a Criminal Court from which no appeal lies, or in respect of which the time for appealing has expired, shall be conclusive evidence of everything therein appearing to have been held, decided or found, and the Managing Committee shall act in accordance therewith.

All trade marks registered with the Association on or before the First day of April 1912 to be entered in the Permanent Register.

44. All trade marks which shall have been registered with the Association on or before the First day of April 1912 either under the Rules for Primary Registration or under the Rules for Secondary Registration, which were in force prior and down to the said First day of April 1912, shall be entered in the Permanent Register and shall be deemed respectively to have been entered therein as of the respective dates on which the same were originally registered with the Association.

Effect of entry of trade mark in Permanent Register.

45. Registration of a trade mark in the Permanent Register under these rules for use on goods of the class or classes specified in the entry in such register shall, *prima facie*, be held to secure to the said member an exclusive right as against all other members to the use of the said trade mark on goods of the class or classes so specified.

46. These rules shall come into force on the First day of April 1924 on which date they shall supersede all other rules relating to the Registration of Trade Marks.

RULES FOR THE REGISTRATION OF TRADE NUMBERS.

*Adopted at the Special General Meeting of the Members of the Association
held on 10th October 1932.*

THE object of these Rules is to protect quality numbers used on cloth by member mills and registered with the Association, against all possible imitations and infringements. It has been recognised that this object can only be achieved by exercising systematic control over numbers introduced in future by members. The Rules will provide mills with a ready guide, which they can always consult before introducing a number, as to the minimum difference which has to be maintained between a number already registered and a number proposed for registration. It should be clearly understood, however, that the maintenance of the differences referred to in Rule 16 will not necessarily result in a member obtaining a certificate of registration from the Association. The real test of registrability will be whether a number is likely to become known by or acquire the same name, or be passed off as another number already registered with the Association.

1. These Rules shall be called the "Rules for the Registration of Trade Numbers" and shall come into force on the 1st day of January 1933.

2. Throughout these Rules, the following words shall bear and include the following meanings, namely:— Definitions.

- (a) "The Association" means "The Millowners' Association, Bombay."
- (b) "Member" means a member of the Millowners' Association, Bombay.
- (c) "The Secretary" means "The Secretary of the Millowners' Association, Bombay."
- (d) "Number" means and includes:—
 - (i) ANY COMBINATION OF NUMBERS of not less than two nor more than six digits.
 - (ii) ANY COMBINATION OF LETTERS of not less than two nor more than six letters.
 - (iii) ANY COMBINATION OF NUMBERS AND LETTERS of not more than eight digits, a letter representing a digit.
 - (iv) ANY NUMBER FRACTION of not more than eight digits in the numerator and denominator together.
 - (v) ANY LETTER FRACTION of not more than eight letters in the numerator and denominator together.
 - (vi) ANY COMBINED LETTER AND NUMBER FRACTION of not more than eight digits (each letter representing a digit) in the numerator and denominator together.
 - (vii) ANY COMBINATION OF NUMBERS AND FRACTIONS of not more than six digits, each fraction representing a digit.
 - (viii) ANY COMBINATION OF NUMBERS, LETTERS AND FRACTIONS of not more than eight digits, each letter and fraction representing a digit.

3. The following combinations shall not be capable of registration, namely:— Unregistra-
ble Numbers.

- (a) A combination of numbers and letters ending with a fraction of more than one digit in the numerator and the denominator;

(b) A combination of numbers and/or letters representing cloth dimensions ;

(c) A combination of letters making a word.

Portion of Number relating to design, etc.

4. Where a portion of a number submitted for registration relates to the design, colour or border of the cloth on which it is used, or indicates that the cloth on which it is used is dyed, bleached, calendered, etc., that portion of the number shall not be capable of registration, but will be recorded against the number in the Exclusive Register.

Registers.

5. The Association shall keep two Registers, one of which shall be called the "Exclusive Register" and the other the "Suspense Register."

Suspense Register.

6. There shall forthwith be entered in the Suspense Register all numbers which prior to the 1st April 1930, were being used by more than one member on the same class or classes of goods, together with the names of the members by whom and the class or classes of goods on which such numbers were being so used.

Effect of entry in Suspense Register.

7. The entry of a number in the Suspense Register shall not confer upon the members whose names shall be entered therein as the users of such number prior to the 1st April 1930, any right against any other member in respect of the number so entered.

Agreement as to user of numbers in Suspense Register.

8. If and when the members whose names shall be entered in the Suspense Register as the users of a number on the same class or classes of goods prior to the 1st April 1930, shall agree that the number in question shall henceforth be the exclusive property of one of them for use on a particular class of goods, and shall signify such agreement in writing to the Secretary signed by all of them, the Secretary shall forthwith enter the number in the Exclusive Register together with the name of the member entitled under such agreement to the exclusive use of the number on the particular class of goods on which it is to be used.

Exclusive Register (Old Numbers).

9. There shall forthwith be entered in the Exclusive Register every number which, prior to the 1st April 1930, was being used exclusively by a member on a particular class or particular classes of goods together with the name of the member by whom and the class or classes of goods on which such number was being used.

Exclusive Register (Intermediate Numbers).

10. Every number introduced by a member for use on any class of goods after the 1st April 1930, but before the date on which these Rules shall come into force, shall, provided such number differs in any respect from any number already registered in the Suspense Register or the Exclusive Register, forthwith be entered in the Exclusive Register together with the name of the member by whom and the class or classes of goods on which such number is entitled to be exclusively used.

Exclusive Register (New Numbers).

11. Every number which shall, after the date on which these Rules shall come into force, be certified for registration under these Rules shall forthwith be entered in the Exclusive Register together with the name of the member by whom and the class or classes of goods on which such number is entitled to be exclusively used.

Effect of entry in Exclusive Register.

12. Registration of an old or new number in the Exclusive Register under these Rules for use on goods of the class or classes specified in the entry in such register shall *prima facie* be held to secure to the said member an exclusive right as against all other members to the use of the said number on goods of the class or classes so specified.

Use of New Number.

13. A new number shall not be used by any member after the date on which these Rules shall come into force until he shall have obtained from the Secretary a certificate of registration of the number under these Rules.

Form of Application for Registration.

14. An application for the registration of a new number shall be signed by a Director, or the Secretary or other principal officer of the applicant member, and shall be addressed and

sent to the Secretary at the office of the Association for the time being, accompanied by a sample of the cloth upon which the number is intended to be used. The application shall specify :—

- (i) The number to be registered ;
- (ii) The class of cloth on which the number is intended to be used ;
- (iii) The dimensional particulars of the cloth on which the number is intended to be used ; and
- (iv) Whether any, and if so, which portion of the number submitted for registration refers to the design, border or width of the cloth, or indicates that it is bleached, dyed or calendered.

A separate application must be made for each class of goods.

15. Upon receipt of an application for registration of a new number, the Secretary, ^{Search by Secretary.} if satisfied that the number is capable of registration under these Rules, shall cause a search to be made amongst the numbers registered in the Suspense Register and the Exclusive Register for the purpose of ascertaining whether there are on record any numbers for the same goods or description of goods identical with the number applied for or so nearly resembling it as to be calculated to deceive.

16. A number shall be deemed to be so nearly resembling a registered number as to be calculated to deceive if it does not differ from the registered number :— ^{What is calculated to deceive.}

- (i) in the case of a number not exceeding four digits, in at least one corresponding digit ;
- (ii) in the case of a number of five digits, in at least two corresponding digits ;
- (iii) in the case of a number of six digits, in at least three corresponding digits ;
- (iv) in the case of a letter number of two letter digits, in at least one corresponding letter digit ;
- (v) in the case of a letter number of three or four letter digits, in at least two corresponding letter digits ;
- (vi) in the case of a letter number of five or six letter digits, in at least three corresponding letter digits ;
- (vii) in the case of a number consisting of one letter digit and one number digit, in at least one corresponding digit ;
- (viii) in the case of a number consisting of one letter digit and two or three number digits, in at least one corresponding number digit ;
- (ix) in the case of a number consisting of one letter digit and four or more number digits, in at least two corresponding digits ;
- (x) in the case of a number consisting of two or more letter digits and one or more number digits, in at least one corresponding letter digit and one corresponding number digit ;
- (xi) in the case of a number fraction, in which the total number of digits in the numerator and denominator is three or four, in at least one digit from either the numerator or denominator ;

- (xii) in the case of a number fraction in which the total number of digits in the numerator and denominator is five or more, in at least one corresponding digit in the numerator and one corresponding digit in the denominator, or two corresponding digits in either the numerator or the denominator ;

PROVIDED that no fractions of less than three digits in the numerator and denominator together will be accepted for registration.

Sub-rule (xi) applies also to letter fractions and letter and number fractions where the total number of letters is three or four ; and sub-rule (xii) applies where the total number of digits in the numerator and denominator is five or more.

(xiii) in the case of a combination consisting of a number and fraction :—

- (a) where the number portion consists of not more than four digits, in at least one corresponding digit ;
- (b) where the number portion consists of five or more digits, in at least two corresponding digits ;

PROVIDED always that a combination of a number and a fraction shall not be capable of registration if the number portion is already registered.

(xiv) in combinations of letters, numbers and fractions :—

- (a) where the total number of digits, excluding the fractional digit, is not more than three, in one corresponding digit ;
- (b) where the total number of digits excluding the fractional digit is four or more, in at least two corresponding digits ;

PROVIDED that the restrictions mentioned in this rule are not applicable to "BALANCED NUMBERS."

17. *The standards set forth in Rule 16 shall constitute the minimum requirements in each case, and the Trade Marks Sub-Committee or the Arbitrators as the case may be, shall, in the event of an appeal or arbitration, take into consideration such other factors or possibilities directly bearing on the question as may appear to them feasible. They shall in all cases consider whether the number which forms the subject of appeal or arbitration is likely to become known by or acquire the same name, or is likely to be passed off as another number already registered with the Association.*

Temporary
certificate.

18. (a) After such search as aforesaid, the Secretary shall either reject the application, if he shall be satisfied that the number in question is not capable of registration under these Rules, or, if he shall be satisfied that the number in question is capable of registration under these Rules, he shall issue to the applicant a Temporary Certificate intimating that the number has been accepted by the Association as registrable under these Rules.

(b) The Secretary shall publish at the end of every week a list of the numbers in respect of which temporary certificates have been issued since the last publication together with the names of the members to whom such certificates have been issued and the classes of cloth on which it is intended that such numbers shall be used.

Certificate of
registration.

(c) If no objection to the registration of any such number on the ground that apart from these Rules, the number is likely to lead to deception in the market shall be received by the Secretary in writing within ten days after such publication, the Secretary shall forthwith thereafter issue to the applicant in exchange for the Temporary Certificate previously issued to him a certificate of registration which shall be conclusive evidence of the fact that the use of the number in question has been authorised. If any such objection as aforesaid shall be received by the Secretary within the prescribed period, he shall reject the application.

19. If as the result of such search or any objection as aforesaid an application is rejected, the Secretary shall send to the applicant a statement in writing of the reasons for such rejection, and if within two weeks from the date of the communication notifying such rejection, the applicant does not give notice of appeal he shall be deemed to have withdrawn his application. Notice of rejection to be given to applicant.

20. (a) An appeal against the rejection of an application by the Secretary of the Association on the ground that the use of the number has been objected to by another member of the Association shall be dealt with by arbitration in accordance with the procedure laid down in the rules for the registration of Trade Marks. Appeal.

(b) An appeal against the rejection of an application by the Secretary of the Association on the ground that the number is likely to be passed off as a number already registered by another member shall lie to the Trade Marks Sub-Committee of the Association.

21. The Committee of the Association shall from time to time prescribe such fees as they consider necessary for temporary certificates and certificates of registration. Fees for Registration.

22. A "Balanced Number" means a number consisting of not less than three nor more than seven identical digits (numbers or letters). A "Balanced Number" shall not be capable of registration under these Rules unless it comprises at least 2 more or 2 less digits than a "Balanced Number" of the same series already registered either in the Suspense Register or the Exclusive Register. Balanced Numbers.

23. It shall be lawful for the Secretary, subject to appeal to the Trade Marks Sub-Committee, to reject an application for registration of a number which would otherwise be capable of registration under these Rules, if, in his opinion, it is likely to lead to deception in the market in regard to a number already registered. Rejection of Number likely to bear same name as a registered number.

24. (a) These Rules shall not apply to numbers introduced by members prior to their becoming members, if they shall become members for the first time after the date on which these Rules shall come into force. Such numbers shall be capable of registration provided they differ from numbers already registered and are submitted for registration within one month after the date on which the member became a member. Numbers excluded from operation of Rules.

(b) Where a number submitted by a member within one month after the date on which he became a member corresponds exactly with a number already registered in the Exclusive Register or the Suspense Register, the fact will be communicated to such member with a request to settle the rights in respect of that number by direct negotiation with the member or members interested in the registered number.

(c) An application for the registration of a number submitted more than one month after the date on which the applicant became a member will be governed by these Rules.

RULES FOR THE REGISTRATION OF TRADE NAMES.

1. These Rules shall be called the "Rules for the Registration of Trade Names" and shall come into force on such day as may be fixed by the Committee of the Association in this behalf.

Definitions.

2. Throughout these Rules, the following words shall bear and include the following meanings, namely :—

- (a) "The Association" means "The Millowners' Association, Bombay."
- (b) "Member" means a member of the Millowners' Association, Bombay.
- (c) "The Secretary" means "The Secretary of the Millowners' Association, Bombay."

Registrable Trade Names.

3. For the purposes of these Rules a registrable trade name shall be :

- (a) An invented word or words printed or written in English characters ; or
- (b) An English Dictionary word or words having no direct reference to the character, quality, design, colour, border or dimensions of the cloth on which it is used ; or
- (c) An Indian vernacular Dictionary word or words having no direct reference to the character, quality, design, colour, border or dimensions of the cloth on which it is used.

PROVIDED that such vernacular word or words shall only be used in the vernacular or vernaculars from which it/they is/are taken and shall be recorded in the Trade Names Registers of the Association (phonetic spelling) in English characters.

Unregistrable Trade Names.

4. Notwithstanding anything contained in the foregoing Rules, the following types of words shall not be registrable :—

- (a) Personal Names.
- (b) Geographical Names.
- (c) Mis-spelt Words.
- (d) Names of Gods and Goddesses.
- (e) Names of mythological persons.
- (f) Word or Words describing scenes from scriptures, or mythology of any religion whatsoever.
- (g) Word or words likely to offend religious susceptibilities.
- (h) Indecent or obscene word or words.
- (i) Trade names known to be current on imported goods.
- (j) Recognized textile terms, for example, African Domestics, Alhambra Quiltings, etc.
- (k) Word or words already registered with the Association as the name of a trade mark.

(l) Monograms.

(m) Names or colourable imitations of names of Indian Mills.

(n) Colourable imitations of letter combinations already registered with the Association as trade numbers.

5. These Rules shall be applicable only to cotton mill members of the Association. Application.

6. On and after the introduction of these Rules, the Association shall keep two Registers, one of which shall be called the "Exclusive Register" and the other the "Suspense Register."

7. There shall forthwith be entered in the Exclusive Register all trade names which comply with the requirements set forth in Rules 3 and 4, and which on the date of the introduction of these Rules are being used exclusively by one member together with the names of the members by whom such trade names are being used.

8. There shall forthwith be entered in the Suspense Register all trade names which comply with the requirements set forth in Rules 3 and 4 together with the names of the members by whom such trade names are used and which on the date of the introduction of these Rules are being used by two or more members.

9. If and when the members whose names shall be entered in the Suspense Register as the users of a trade name prior to the introduction of these Rules, shall agree that the trade name in question shall henceforth be the exclusive property of one of them, and shall signify such agreement in writing to the Secretary signed by all of them, the Secretary shall forthwith enter the trade name in the Exclusive Register together with the name of the member entitled under such agreement to the exclusive use of the trade name. Agreement as to user of names in Suspense Register.

10. A trade name entered in the Exclusive Register shall preclude any member other than the member whose name is set opposite such trade name and a trade name entered in the Suspense Register shall preclude any member other than those whose names are set opposite such trade names from using such trade name. Effect of an entry in the Suspense Register or Exclusive Register.

11. Every trade name which shall after the date of the introduction of these Rules be certified for registration under these Rules, shall forthwith be entered in the Exclusive Register together with the name of the member by whom such trade name is entitled to be exclusively used. Exclusive Register (New Trade Names).

12. A trade name which is registrable under these Rules shall not be used by any member until he shall have obtained from the Secretary a certificate of registration of the trade name as provided in these Rules. Use of a new Trade Name.

13. An application for the registration of a new trade name shall be made in writing and shall be signed by a Director or the Secretary or other principal officer of the applicant member, and shall be sent to the Secretary at the office of the Association for the time being. Form of application for Registration.

The applicant shall write in his application in English characters the trade name for which registration has been applied and shall state whether it falls under Rule 3(a), 3(b) or 3(c).

In case the trade name applied for registration falls under Rule 3(c), the applicant shall clearly state the Indian vernacular or vernaculars from which the word has been taken, the Indian vernacular or vernaculars in which it is to be used and its English meaning.

14. A separate application shall be sent in respect of each trade name.

15. Upon receipt of an application for the registration of a new trade name, the Secretary, if satisfied that the trade name is capable of registration under these rules, shall cause a search to be made amongst the trade names already registered in the Exclusive Register and Suspense Register, for the purpose of ascertaining whether there are on record Search by Secretary.

any trade name or names identical in spelling or pronunciation with the trade name for which registration is applied, or so nearly resembling it as to be calculated to deceive.

Temporary Certificates.

16(a) If the Secretary shall be satisfied that the trade name in question is not capable of registration under these Rules, or if after such search as aforesaid he is satisfied that there is in the Exclusive or the Suspense Register a name identical in spelling or pronunciation with the trade name for which registration is applied or so nearly resembling it as to be calculated to deceive he shall reject the application. Otherwise he shall issue to the applicant member a Temporary Certificate intimating that the trade name has been accepted by the Association as registrable under these Rules.

16(b) The Secretary shall circulate to all members of the Association a description of every trade name for which a Temporary Certificate has been issued together with the name of the member to whom such Certificate has been issued.

Certificate Registration.

of 16(c) If no objection by a member to the registration of such trade name is received by the Secretary in writing within 10 days, he shall forthwith thereafter issue to the applicant in exchange for the Temporary Certificate previously issued to him, a Certificate of Registration which shall be conclusive evidence of the fact that the trade name in question has been entered in the Exclusive Register and its use by the member concerned has been authorized.

17. If any objection or objections to the registration of a trade name is/are received by the Secretary within the prescribed period, he shall reject the application for registration.

Notice of Rejection to be given to Applicant.

18. When an application is rejected, whether under Rule 16 or 17, the Secretary shall forthwith send to the applicant a statement in writing of the reasons for such rejection, and in the case of a rejection under Rule 17, the name or names of the member or members objecting, and if within 14 days from the date of the communication notifying such rejection, the applicant does not give notice of appeal, he shall be deemed to have withdrawn his application.

APPEALS.

19(a) An appeal against the rejection of an application by the Secretary of the Association on the ground that the trade name does not comply with the conditions laid down under these rules or so nearly resembling a trade name already registered by another member in the Exclusive or the Suspense Register as to be calculated to deceive shall lie to the Trade Marks Sub-Committee of the Association.

19(b) An appeal against the rejection of an application by the Secretary of the Association on the ground that the registration of such trade name has been objected to by another member of the Association shall be dealt with by arbitration in accordance with the procedure laid down in the Association's Rules for the Registration of Trade Marks.

20. The Committee of the Association shall from time to time prescribe such fees as they consider necessary for Temporary Certificates and Certificates of Registration.

21(a) These Rules shall not apply to names introduced by members prior to their becoming members if they shall become members for the first time after the date on which these Rules shall come into force. Such names shall be capable of registration provided they differ from trade names already registered and are *prima facie* capable of registration under Rules 3 and 4 and are submitted for registration within one month after the date on which the member became a member.

21(b) Where a trade name submitted by a new member within one month after the date on which he became a member corresponds exactly with a trade name already registered in the Exclusive Register or entered in the Suspense Register, the fact will be communicated to the parties concerned with the request that they should settle the rights in respect of such trade name by direct negotiation.

21(c) An application from a new member for the registration of a trade name submitted more than one month after the date on which the applicant became a member will be governed by these Rules.

RULES FOR ARBITRATIONS ON INDIAN PIECEGOODS AND YARN.

PREAMBLE.—Whereas it is desirable that disputes and differences arising out of contracts for the sale and purchase of Indian piecegoods and yarn which it is desired to submit to arbitration in accordance with the Rules of the Millowners' Association, Bombay, shall be speedily and economically decided by competent practical authorities on Indian piecegoods, and with that end in view the following Rules have been framed for the conduct of such arbitrations.

1. In these rules unless the context otherwise requires :—

“The Association” means The Millowners' Association, Bombay.

“The Committee” means the Committee for the time being of the Association.

“Member” means a member of the Association.

“The Secretary” means the Secretary or Acting Secretary for the time being of the Association.

Words importing the singular number only shall include the plural, and the converse shall also apply.

2. These rules shall apply to any dispute or difference arising out of contracts for the sale and purchase of Indian piecegoods and yarn entered into between members and merchants and between the selling agents of members and merchants, which specifically provide for arbitration in accordance with these rules, and also to any dispute or difference arising out of similar contracts entered into between any other parties who shall have applied in writing to the Secretary to have such dispute or difference decided by arbitration in accordance with these rules, and whose application shall have been sanctioned by the Committee.

3. The Committee shall select triennially a panel of Arbitrators consisting of 30 persons, of whom fifteen shall be selected from representatives of members and fifteen shall be selected in consultation with the Bombay Country Fancy and Grey Piecegoods Merchants' Association, from dealers in Indian-made piecegoods. Panel of Arbitrators.

4. The Committee shall also select triennially from the panel of Arbitrators selected in accordance with Rule 3, a panel of ten persons to act as Umpires. Panel of Umpires.

5. If a member of the Arbitration or Umpire panel shall resign or refuse to act or become incapable of acting or shall die, the Committee shall forthwith select in accordance with Rule 3 or Rule 4 as the case may be some other person to fill the vacancy so caused.

6. The Secretary shall keep a record, in the form, from time to time prescribed by the Committee, of all arbitrations conducted by the Association and of the awards made therein, and shall collect all fees in connection therewith and do all such things as are prescribed by or are necessary under these rules.

7. (a) The parties to a dispute may appoint an arbitrator selected from the panel of arbitrators to act as sole arbitrator or Appointment of Arbitrators.

(b) Either party to the dispute may appoint an arbitrator selected as aforesaid to act on his behalf and the Secretary shall immediately upon receipt of notice of such appointment give written notice thereof to the other party and shall call upon the other party to appoint within 10 days of the receipt of such notice an arbitrator selected as aforesaid to act on his behalf, and if such other party shall fail to make such appointment within the prescribed period the dispute shall stand referred to the arbitrator appointed by the first party as sole arbitrator. Reference to sole arbitrator if second arbitrator not appointed within 10 days.

Arbitrators not to be appointed without previous consent. (c) No person shall be appointed to act as arbitrator under these Rules whose consent to so act shall not previously have been obtained.

Appointment of arbitrators to be made on the form prescribed by the Association. (d) The appointment of an arbitrator under these rules shall be made on the form prescribed by the Association, which form shall be signed by the person making the appointment, and submitted to the Secretary for necessary action.

(e) All applications for appointment of an arbitrator or arbitrators shall be accompanied by a deposit of Rs. 60, or such other sum as the Committee may direct, as a cover against the expenses of the arbitration.

Where the expenses of an arbitration remain unpaid by the party liable thereto for a period of 10 days after the award is made, the Secretary shall appropriate the deposit or a portion thereof towards the amount recoverable from the party. A refund of the amount of the deposit shall be made to the parties concerned on payment of all expenses of the arbitration in accordance with the terms of the award.

Arbitrators to be disinterested.

8. No party to a dispute shall appoint an arbitrator, and no person shall consent to act as arbitrator, who is or whose employers are interested directly or indirectly, in the subject-matter of the dispute. Any appointment made in contravention of this rule shall be deemed to be invalid and of no effect.

Appointment of Umpire by arbitrators.

9. When two arbitrators are appointed they shall, before proceeding with the reference, select from the panel of Umpires an umpire, who is willing to act, and communicate his name to the Secretary.

10. If the arbitrators are unable to agree as to the umpire they shall proceed with the reference and notify the Secretary of their disagreement, and the Committee shall thereupon select a person from the panel of Umpires to act as umpire. No person shall be appointed to act as umpire either by the arbitrators or the Committee who is or whose employers are interested either directly or indirectly in the subject-matter of the dispute. Any appointment made in contravention of this rule shall be deemed to be invalid and of no effect.

11. The arbitrators shall fix a time and place for the hearing of the reference and notify the Secretary thereof. The date so fixed shall be not later than 10 days after their appointment. The Secretary shall forthwith notify the parties of the time and place appointed.

Submission of statements.

12. Parties to the reference shall attend at the time and place appointed for the hearing of the reference, either in person, or (subject to the provisions of Rule 18) by any person duly authorised by them acquainted with all matters in dispute and they shall if so required by the arbitrators submit written statements of their respective cases to the arbitrators and answer all material questions relating to the dispute.

13. Parties to the reference shall, if required, submit to be examined by the arbitrators on oath or solemn affirmation or otherwise in relation to the matters in dispute.

Samples for inspection.

14. At the time appointed for the reference the parties shall have ready at the rooms of the Association or elsewhere as directed the sale samples duly attested, and if required sample packages or complete bales. Samples, packages or bales so sent will be at the sender's risk and must be accompanied by a peon in charge and by a cooper to open the packages.

15. The parties to the reference and all persons claiming through them respectively shall produce before the arbitrators all books, deeds, papers, accounts, writings and documents within their possession or power which may be required or called for and do all other things which during the proceedings on the reference the arbitrators may require.

16. The arbitrators shall have general authority to require from either or both of the parties to the reference such further statements, explanations, and other information, evidence and materials as they may consider necessary for the adjudication of the dispute

and may, in such a case, by endorsement on the reference paper, extend the time for making an award by a period not exceeding one English calendar month.

17. The arbitrators shall proceed with the reference and make an award *ex-parte* in the absence of any party who shall after due notice refuse or neglect to attend without having satisfied the arbitrators that good and sufficient reason exists for such neglect or refusal.

18. No party to a reference shall, without the express permission of the arbitrators be entitled to appear by counsel, attorney, advocate or pleader, or insist on or require the arbitrators to hear or examine witnesses or receive oral or documentary evidence other than what is deemed necessary by the arbitrators.

19. The arbitrators may, before making a final award, and at the joint expense of the parties to the reference, consult counsel or solicitors to be selected by them on any question of law, evidence, practice or procedure arising in the course of the reference. In such cases the time for making an award may be extended for a period not exceeding 28 days.

20. The arbitrators shall make an award in writing in the form prescribed by the Association or notify their disagreement to the Secretary as early as possible and in any case within 28 days from the date of the first hearing of the reference or within the period of any permitted extension of time.

21. If the arbitrators fail to make an award or to agree upon their award within the prescribed period or any permitted extension thereof or if the arbitrators make an award on part only of the subject-matter of the reference, the Secretary shall forthwith call upon the umpire to enter upon the reference and the umpire shall thereupon proceed with the reference. The arbitrators shall, in such case, furnish the umpire with a brief statement of the facts of the case and their reasons for such failure to make an award or to agree upon their award or for awarding on part only of the subject-matter of the reference as the case may be.

22. The foregoing rules as to the practice and procedure before the arbitrators shall apply *mutatis mutandis* to the proceedings before the umpire.

23. If an arbitrator or umpire duly appointed neglects or refuses to act or is otherwise incapable of acting, or dies, a new arbitrator or umpire shall be appointed in accordance with the foregoing rules.

24. Parties to the reference shall do all acts necessary to enable the arbitrators or umpire to make a just and expeditious award, and shall not wilfully do or omit to do, or cause to be done or be omitted to be done, any act to delay or prevent the arbitrators or umpire in or from making an award. If either party shall be guilty of any such act or omission which delays the proceedings in any manner, the arbitrators or the umpire shall direct him to pay to the other party such costs as they or he may deem reasonable and may proceed with the hearing of the reference.

25. When a dispute stands referred to an umpire, he may proceed to adjudicate in the matter on the basis of the statement furnished to him by the arbitrators as provided by Rule 21 and shall make his award thereon within 14 days of his first entering on the reference or within the period of any permitted extension of time.

26. The arbitrators or umpire shall by their or his award determine exactly what they or he shall think fit to be done by either of the said parties, respecting the matters referred and shall direct to and by whom and in what manner and in what proportion the total costs of the reference and the award, including the fees payable to the arbitrators and umpire and the Association shall be paid.

27. All awards under these Rules shall be made in the forms prescribed therefor bearing stamps of the value laid down under the Indian Stamp Act or any other law for the time being in force and shall be lodged with the Secretary who shall send copies thereof to the parties.

28. Every award made under or in pursuance of these rules shall be final and binding on the parties to the reference and on their respective representatives notwithstanding death or legal disability occurring to any party, before or after the making of the award, and so that death or legal disability shall not operate as a revocation of the award.

29. Whenever an award directs that a certain act or thing shall be done by one party to the reference and such party fails to comply with the award, the party in whose favour the award was made may make an application for a further award determining the amount of damages or compensation payable by reason of such failure, and the Committee on receipt of such application shall proceed to appoint a sole arbitrator or two arbitrators and an umpire who may or may not be the same person or persons who made the first award. The arbitration on the said application shall then proceed in accordance with these rules and the award thereon may be filed separately or together with the original award.

30. Neither party to a dispute which has been submitted to arbitration under these rules shall bring or prosecute any suit or proceeding on any ground whatsoever against the arbitrators or the umpire, or the Secretary.

31. In respect of arbitrations conducted under these rules the following fees shall be paid by the parties to the reference or by those claiming under them, namely :—

- (a) To a sole arbitrator a fee at the rate of Rs. 30 per hour or part thereof, subject to a maximum of Rs. 75.
- (b) To each of two arbitrators a fee at the rate of Rs. 15 per hour or part thereof, subject to a maximum of Rs. 60 for each arbitrator.
- (c) To an umpire a fee at the rate of Rs. 30 per hour or part thereof, subject to a maximum of Rs. 75.
- (d) To the Association in every case a fee of Rs. 10.

32. If the parties to a reference shall take the reference out of the cognizance of the arbitrators or umpire, after the commencement of proceedings and before the publication of the award, they shall nevertheless be liable to pay fees to the arbitrators, umpire and Association at the rates specified in Rule 31 hereof.

33. A bill showing the amount due in respect of fees, stamp duties, etc., to the arbitrators, umpire and Association by each party to the dispute shall accompany any copy of the award sent in accordance with Rule 27, and shall be paid within seven days of the receipt thereof.

34. In addition to the fees mentioned in Rule 31, the parties to the dispute shall pay as and when demanded by the Secretary and as set out in the award, all other fees or charges incurred during the arbitration in accordance with Rule 19.

35. All notices required by these rules to be given shall be given in writing in the form prescribed by the Association and shall be sufficiently given if left at the last known place of abode or business of the party to whom the notice is addressed, or if sent by post prepaid addressed to him by name at such place of abode or business and not returned through the post as undelivered before the completion of the award and shall if sent by post be considered to have been given at the time at which the letter would, in the ordinary course, be delivered.

36. The provisions of the Indian Arbitration Act, 1899, or any modification or amendment thereof, or any other relevant Act for the time being in force, in so far as they are not inconsistent with these rules, shall apply to all arbitrations conducted by the Association.

37. These rules shall come into force on the Eleventh day of October 1932, on which date they shall supersede all previous rules relating to Arbitrations on Piecegoods.

THE TERMS AND CONDITIONS OF THE STANDARD
CONTRACT FORM.

1. The quality of the goods shall, except in the case of a sale by sample, accord with the recognized standard quality cloth manufactured by the Company.

In the case of a sale by sample the buyers shall be deemed to have approved the sample furnished by the Company, unless the buyers shall within 4 days after the receipt of the sample intimate in writing to the contrary to the Company.

2. The Company does not guarantee, except where a particular assortment is specially stipulated, any fixed assortment in the deliveries of goods of various dimensions and patterns and bearing different numbers, and in such cases the buyers shall take delivery of and pay as herein agreed for all bales (not exceeding the contract quantity) from time to time ready for delivery regardless of the assortment.

3. Where the contract is for 100 bales or more, the buyers agree to accept at the price herein fixed an assortment of bales to the extent of 10 per cent. more or less than the contract quantity, and where the contract is for less than 100 bales the buyers agree to accept at the price herein fixed an assortment of bales to the extent of 5 per cent. more or less than the contract quantity, but as regards such limits the buyers shall not be obliged to take up more than 5 bales more or less of each sort, including any loose pieces of each sort.

4. In the case of goods sold at a fixed rate per pound the buyers shall not raise any objection or claim compensation for short weight so long as the average weight per bale in each lot delivered does not vary from the invoice weight by more than 2 per cent. per bale. The Company does not guarantee the weight of any goods sold by the piece.

5. The buyers shall not be entitled to any allowance or compensation for any deficiency in the width of dyed, bleached and/or calendered goods when such deficiency does not exceed one inch.

6. In the case of a sale of ready goods payment therefor shall be made and delivery thereof taken by the buyers within 8 days of sale.

7. In the case of a sale of goods for future delivery, when the period of delivery extends to two months or more and the quantity deliverable per month is not specified, the Company shall supply the goods in approximately equal lots per month, and the buyers shall on the last day of each English calendar month take delivery and pay for in cash against delivery of as many bales, approximating to the quantities specified in the contract, as shall have been made ready during that month, and either at the mill premises or at the godowns of the Company as the Company may direct: Provided that in the case of bales of which delivery is required in Bombay, the Company will ordinarily be willing to give delivery through the Selling Agents of the Company in the market, but giving delivery in the market shall not render the Company liable to a claim by the buyers for late delivery if the bales were ready for delivery at the mill premises or the godowns of the Company on the last day of the aforesaid calendar month.

8. The Company shall as far as possible, but without being under any obligation to do so, notify the buyers of the number and particulars of the bales ready for delivery at the end of each calendar month, and shall also furnish to the buyers if requested by the buyers in writing so to do the number and particulars of the bales ready for delivery from time to time during the month. Any such notification or furnishing of particulars by the Company as aforesaid shall not imply or be deemed to imply an obligation or undertaking on the part of the Company to give any further notification, or to furnish any further particulars, except upon the written request of the buyers, it being the duty of the buyers to ascertain the number and particulars of the bales ready for delivery from time to time and to pay for and take delivery thereof.

9. In the event of the buyers requesting the Company to despatch the goods either by rail, road or sea and the Company acceding to such request the goods shall be at the risk in all respects of the buyers from the time they leave the mill premises or the godowns of the Company as the case may be, including the risk of delay in delivery due to the non-booking of the goods by the Railway or Shipping Company for which the Company takes no responsibility.

10. Where the goods are to be delivered in lots or by instalments this contract shall be deemed and construed as a separate contract in respect of each lot or instalment, and the rights and liabilities of the Company and the buyers respectively shall be the same as though a separate contract had been made in respect of each lot or instalment.

11. All goods of which delivery shall not be taken by the buyers in accordance with the terms of this contract shall, as from the date on which delivery thereof ought to have been taken, be deemed to have been appropriated to this contract and the buyers shall be deemed to have assented to such appropriation without any further consent on their part than is evidenced by their being parties to and signing this contract. From the date of such appropriation the said goods shall be held by the Company for the account of the buyers and at their sole risk as regards loss, damage, deterioration or otherwise and the price of the goods *plus* all charges shall carry interest in favour of the Company from due date at the rate of 9 per cent. per annum and the Company shall be entitled at its sole discretion and after giving not less than seven days' written notice to the buyers, which shall be deemed to have been duly given if delivered at or sent by registered post to the last known place of business or residence of the buyers, to sell the said goods on account and at the risk of the buyers either by public auction and/or private sale and either together or in lots and at such time or times and on such terms and conditions as the Company may think fit. If the net sale proceeds of the goods shall be less than the amount due to the Company for the price of the goods *plus* interest and all charges, the buyers shall pay the difference to the Company on demand.

12. The Company shall have a general lien on all goods of the buyers for the time being in the possession of the Company (including goods already paid for but of which delivery may not have been taken by the buyers) for the total amount due to the Company for the time being under this contract and also for any amount due to the Company under any other contract with the buyers either alone or jointly with another or others.

13. In respect of all goods of which delivery shall not be taken by the buyers within 14 days after the due date the buyers agree to pay to the Company on demand annas eight per bale per month or any part of a month for godown rent and annas four per bale per month or any part of a month for insurance calculated from the expiry of such period of 14 days to the date on which actual delivery shall be taken by the buyers.

14. If any goods while in the possession of the Company shall be destroyed and/or damaged from any cause whatsoever after the due date for delivery thereof to the buyers, any sum recovered from the insurance of such goods against such destruction and/or damage may be applied by the Company in satisfaction in whole or in part as the case may be of the price of the said goods *plus* interest and all charges and if the sum so recovered shall be less than the price of the said goods *plus* interest at 9 per cent. and all charges the buyers shall pay the difference to the Company on demand, and on the other hand if the sum so recovered shall be greater than the price of the said goods *plus* interest at 9 per cent. and all charges the Company shall pay the excess to the buyers on demand.

15. If the Company shall be unable to deliver the whole or any part of any goods sold for future delivery by the time specified for delivery thereof by reason of the mills working short time or its being expedient to stop the mills temporarily or by reason of fire, war, stoppage or hindrance in the supply of raw materials or fuel, explosion, accident, strike, riot, lock-out or other disorganization of labour or transport, breakdown of machinery, or any inevitable or unforeseen event beyond human control directly or indirectly interfering with the working or the full working of the mills, the buyers shall take delivery of such bales as the Company may be in a position to deliver (if any) and the time for completing the contract

shall, as regards the bales not ready by the specified time, be extended for such time as the Company may reasonably require to make up for the delay caused by stoppage, hindrance to or interference with the working of the mills or any other events or circumstances before mentioned PROVIDED ALWAYS that should the inability to deliver in the case of non-seasonal goods be continuous during the period of three consecutive English calendar months, and in the case of seasonal goods during the period of one English calendar month, then the buyers shall be entitled by notice in writing of their intention to do so, to cancel the contract in respect of any bales then remaining to be manufactured.

16. If for any reasons other than those mentioned in the last preceding clause any portion of the contract goods is not ready by the specified time it shall be lawful for the buyers at their option either to cancel the contract in so far as it relates to the balance of the goods not then ready for delivery, or to extend the time of delivery for such period as the Company may reasonably require, not exceeding one month, PROVIDED ALWAYS that if the buyers shall elect to cancel the contract it shall be incumbent upon them to give to the Company within 7 days after the due date for delivery of the goods not then ready notice in writing of their intention to cancel, and in default of such notice within the time aforesaid the buyers shall be precluded from cancelling the contract and the time for delivery shall be deemed to have been extended for such period as the Company may reasonably require, not exceeding one month, to make ready for delivery the balance of the goods then undelivered.

17. In any of the cases provided for in the last two preceding clauses the buyers shall not be entitled to make any claim for damages, allowance, compensation or otherwise in respect of such non-delivery or late delivery and shall pay for the goods delivered at contract rates, and in the event of the time for delivery being or being deemed to have been extended all the provisions of this contract shall apply equally to the extended time as the time originally specified including therein the remedies reserved to the Company for failure on the part of the buyers to pay for and take delivery of the goods when ready within the extended period and including the liability of the buyers for interest.

18. The buyers shall not be entitled to make any claim for an allowance or otherwise in regard to the condition of the goods when once the goods have left the mill premises or the godown, as the case may be of the Company, unless the buyers prove that the damage was done at the mills, and the claim is lodged within 14 days of the delivery of the goods.

19. The buyers shall not be entitled to make any claim for an allowance or otherwise on the ground that the goods delivered are not in accordance with the contract unless notice in writing of their intention to make such claim shall have been given to the Company within one calendar month after the date of actual delivery of the goods to the buyers or to a carrier or other agent on behalf of the buyers. In default of any such notice the goods delivered shall be deemed to be in all respects in accordance with the contract.

20. In the event of any goods the subject of this contract or any portion thereof being destroyed or so damaged by fire, water or other cause beyond the control of the Company as to render them unmerchantable while stored at the mills or godowns of the Company pending due date of delivery, the contract in respect of such goods shall be deemed to have been cancelled by mutual consent and the buyers shall have no claim whatsoever against the Company in respect of such goods, but if the price of such goods shall have been then paid the buyers shall be entitled to a refund thereof.

21. All disputes and questions whatsoever which shall arise between the parties hereto out of or in connection with this agreement or as to the construction or application thereof or the respective rights and obligations of the parties hereunder or as to any clause or thing herein contained or any account or valuation to be made hereunder or as to any other matter in any way relating to these presents shall be referred to arbitration in accordance with the rules of the Millowners' Association, Bombay, for the time being in force regulating arbitrations with respect to piecegoods.

22. Notwithstanding any such reference to arbitration as aforesaid the buyers shall take delivery of the goods the subject of the reference and pay for the same as herein agreed and unless the arbitration award is to the effect that the goods under dispute are "no tender" the buyers shall be bound to accept the said goods on payment by the Company of the allowance (if any) awarded to the buyers. If, however, the arbitration award is to the effect that the goods are "no tender" the buyers shall be entitled to invoice back the said goods with any penalty the arbitrators may award.

23. Nothing appearing in the contract in any vernacular language, save only the name or signature of the buyer or his agent, shall be binding upon the Company.

RULES FOR THE ELECTION OF REPRESENTATIVES OF THE
ASSOCIATION ON THE BOARD OF THE VICTORIA JUBILEE
TECHNICAL INSTITUTE.

The Association is entitled to elect two members on the Board of the Victoria Jubilee Technical Institute so long as it continues to contribute not less than Rs. 2,000 per annum for the maintenance of the Institute.

1. Any member of the Association shall be eligible to act as Representative of the Association on the Board of the Victoria Jubilee Technical Institute.

2. The period of office of any elected Representative of the Association on the Board of the said Institute shall be one of three years. At the end of such period he shall retire but may be re-elected.

3. The appointment of the Association's Representatives shall be made at a general meeting of the Association and such Representatives shall *ex officio* be members of the Committee of the Association.

4. In the event of the disqualification of any of the Association's Representatives under Section 9 or 10 of the Rules and Regulations of the said Institute, or in the event of the decease or resignation of such Representative, or in the event of his ceasing for any reason to be a member of the Association, the Committee shall appoint a successor, who shall hold office up to that date at which the Representative whom he succeeds would, under Rule 2, have retired.

5. In the event of the absence of any of the Association's Representatives from three or more consecutive meetings of the Board, or in the event of any of the Association's Representatives applying for leave of absence, the Committee may, if they think fit and with the consent of the Board of the said Institute, appoint a substitute who shall hold office until the Representative whom he replaces resumes attendance or up to that date at which the Representative whom he replaces would, under Rule 2, have retired.

**RULES FOR THE ELECTION OF A REPRESENTATIVE
OF THE BOMBAY MILLOWNERS' ASSOCIATION TO
SERVE ON THE BOARD OF TRUSTEES
OF THE PORT OF BOMBAY.**

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary fifteen clear days before the day fixed for the election.
 2. The Secretary of the Association shall circulate the names of the applicants ten clear days before the election.
 3. The Committee shall appoint a day, which shall be duly advertised, upon which the balloting shall take place. The ballot-box shall be open from 10-30 A.M. till 5 P.M. on that day.
 4. Votes may be given either in person or through any one duly authorized by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees fifty paid by him as annual subscription to the Association.
 5. The Committee shall appoint two scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.
 6. The candidate who has the largest number of votes shall be declared duly elected.
 7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.
 8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.
 9. In the event of a casual vacancy the above course shall be followed in the appointment of a substitute.
 10. In the event of the temporary absence of a Representative of the Association on the Board of Trustees, necessitating the appointment of a substitute, such appointment shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.
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PROCEDURE IN CONNECTION WITH THE ELECTION OF A
REPRESENTATIVE OF THE ASSOCIATION TO THE BOMBAY
LEGISLATIVE COUNCIL AND THE LEGISLATIVE ASSEMBLY.

Explanatory Note.

Prior to November 1920, the date of the first elections to the Legislative Council and the Legislative Assembly constituted under the Reforms scheme, the Association's representative to the Bombay Legislative Council had been elected in accordance with the provisions of the Association's Rules for the election of such members. In accordance with the Rules framed under the Government of India Act of 1919 however, the Association became a Commerce and Industry Constituency and was entitled to elect one member to the Legislative Assembly alternately with the Ahmedabad Millowners' Association and one member to the Bombay Legislative Council. Elections to these bodies have to be held in accordance with the special Rules and Regulations drawn up by the Government of India and Local Governments for the purpose. The Rules and Regulations in question, last revised in 1929, have already been published in Government Gazettes, but the following summary of the principal provisions so far as they relate to elections in the Millowners' Association Constituency has been prepared for the convenience of members.

Note.—It must be distinctly understood that the following notes are drawn up merely for the convenience of members, and are in no way to be considered as over-riding the Rules and Regulations framed under Section 7 of the Government of India Act of 1919.

Notes as to the procedure to be followed in connection with the elections in the Bombay Millowners' Association Constituency to the Legislative Assembly and the Bombay Legislative Council.

1. Members only of the Millowners' Association, Bombay, as defined in Rule 5 of the Association's Rules and Regulations, and whose names appear in the Electoral Roll for the time being of the Association will be eligible to vote at elections for, and be eligible for nomination as candidates for elections.

The term "member" includes any person entitled to exercise the rights and privileges of membership on behalf of any person, firm, company or other corporation registered as member, provided such person is not disqualified under the provisions of Part II and Part III of the Electoral Rules.

2. The Secretary for the time being of the Association will be the Returning Officer for the Constituency.

Electoral Roll.

3. The Secretary will, immediately before each general election, prepare a fresh Electoral Roll of the Constituency in accordance with the prescribed Rules and Regulations, and shall also take such steps as may be permissible under the prescribed Rules and Regulations if called upon to do so in the case of any bye-elections, for the revision of the Electoral Roll of the Constituency.

4. The Secretary will on or before the date fixed by the Local Government in this behalf publish the Electoral Roll or the list of amendments as the case may be for the first time at the Headquarters of the Association, and at the time of publication will in like manner publish a notice in the form prescribed in Schedule I attached to these notes.

5. The orders made by the Chief Judge of the Small Causes Court on any claim or objection shall be final, and the Electoral Roll shall be amended by the Secretary in accordance therewith, and shall, as so amended, be republished on the date fixed by the Government in this behalf.

5(a) The Electoral Roll shall come into force from the date of such republication.

6. The Electoral Roll as amended and supplemented by the list of additions will be conclusive evidence for the purpose of determining whether any person is an elector in this Constituency.

7. Any person whose name appears on the Electoral Roll of the Association may be nominated as a candidate for election in the manner hereinafter provided.

8. Nominations will be made by means of a nomination paper completed in the form prescribed in the Rules and Regulations. Nomination of Candidates.

9. Each nomination paper will be subscribed by the candidate himself as assenting to the nomination and by two members as proposer and seconder whose names are registered on the Electoral Roll of the Constituency.

10. Each candidate will be nominated by a separate nomination paper or papers.

11. On or before the date appointed by Government for the nomination of candidates, each candidate shall, either in person, or by his proposer and seconder together, between the hours of 11 o'clock in the forenoon and 3 o'clock in the afternoon, deliver to the Secretary of the Association the nomination form completed in the prescribed manner.

12. Every nomination paper delivered under Clause (11) shall be accompanied by a declaration in writing subscribed by the candidate that the candidate has appointed or does thereby appoint as his election agent for the election either himself or some other person who is not disqualified under the Rules for the appointment and who shall be named in the declaration ; and no candidate shall be deemed to be duly nominated unless such declaration is delivered to the Secretary along with the nomination paper. Appointment of Election Agent.

13. The appointment of an election agent, whether the election agent appointed be the candidate himself or not may only be revoked in writing, signed by the candidate and lodged with the Secretary and shall operate from the date on which it is so lodged.

14. No candidate shall be deemed to be duly nominated unless a deposit of Rs. 500 (Rs. 250 in the case of the Bombay Legislative Council) in cash or in Government promissory notes of equal value at the market rate of the day has been made with the Secretary of the Association by the candidate himself or by his election agent when filing a nomination form. Deposit.

15. Any nomination paper which is not received before 3 o'clock in the afternoon on the last day appointed by the Local Government for the nomination of candidates shall be rejected.

16. Any candidate may withdraw his candidature by notice in writing signed by him and delivered to the Secretary of the Association on or before 3 o'clock in the afternoon on the date succeeding that appointed by Government for the scrutiny of nominations. Withdrawal of Candidature.

17. A candidate who has withdrawn his candidature shall not be allowed to cancel the withdrawal or to be re-nominated as a candidate for the same election.

18. The Secretary of the Association shall on receiving a nomination paper inform the person or persons delivering the same of the date, hour and place appointed for the scrutiny of nominations and shall enter in the nomination paper its serial number, and shall sign thereon a certificate stating the date on which and the hour at which the nomination paper was delivered to him ; and shall as soon as may be thereafter cause to be affixed in some conspicuous place in the Headquarters of the Association a notice of the nomination containing descriptions similar to those contained in the nomination paper, both of the candidate and of the persons who have subscribed the nomination paper as proposer and seconder.

19. In the event of the death of a candidate between the date fixed for the presentation of nomination papers and the date fixed for recording votes, the Secretary of the Association shall, upon being satisfied of the fact of the death of the candidate, countermand the poll, and report the fact to Government, and all proceedings with reference to the election shall be commenced anew in all respects as if for a new election : provided that no fresh nomination shall be necessary in the case of a candidate who stood nominated at the time of the countermanding of the poll.

Scrutiny of Nominations. 20. On the date appointed by Government for the scrutiny of nominations, the candidates, their election agents, one proposer and one seconder of each candidate, and one other person duly authorized in writing by each candidate but no other person, may attend at such time and place as the Secretary of the Association may appoint and the Secretary of the Association shall give them all reasonable facilities for examining the nomination papers of all candidates which have been delivered within the time and in the manner prescribed in these rules.

Rejection of nomination papers. 21. The Secretary shall examine the nomination papers, and shall decide all objections which may be made to any nomination and may, either on such objection or on his own motion, after such summary enquiry, if any, as he thinks necessary, refuse any nomination on any of the following grounds :

- (a) That the candidate himself is ineligible for election under the prescribed Rules and Regulations, or that a proposer or seconder is disqualified from subscribing a nomination paper under the prescribed Rules and Regulations.
- (b) That there has been a substantial failure to comply with any of the provisions laid down in clauses 11, 12, 14, 15 and 17.
- (c) That the candidate or any proposer or seconder is not identical with the person whose electoral number is given in the nomination paper as the number of such candidate, proposer or seconder as the case may be.
- (d) That the signature of the candidate or of any proposer or seconder is not genuine or has been obtained by fraud.

For the purpose of this rule, the production of any certified copy of an entry made in the Electoral Roll of the Association shall be conclusive evidence of the right of any elector named in that entry to stand for election or to subscribe for a nomination paper as the case may be unless it is proved that the candidate himself or the proposer or seconder is disqualified under the provisions laid down in the prescribed Rules and Regulations.

22. The Secretary shall endorse on each nomination paper his decision accepting or rejecting the same, and if the nomination paper is rejected, shall record in writing a brief statement of his reasons for such rejection.

The scrutiny shall be completed on the day appointed in this behalf by Government and no adjournment of the proceedings shall be allowed.

23. On completion of the scrutiny of nominations, and after expiry of the period within which candidatures may be withdrawn, the Secretary shall prepare a list of valid nominations and cause it to be affixed in the Headquarters of the Association.

24. If only one candidate has been duly nominated, and he does not withdraw his candidature, then he will be declared to be elected.

25. If more than one valid nominations have been received, a ballot shall be taken on such date as may be prescribed by Government in this behalf.

26. The Secretary shall prepare the necessary ballot papers and shall perform the duties of the Collector and of the Presiding Officer in connection with the supervision and maintenance of order at the ballots.

27. Votes will be given by ballot and no votes shall be received by proxy. The voting paper will be in the form set out in Form I(A) in the Regulations.

28. Each member shall be entitled to one vote only.

29. The Secretary shall as soon as may be practicable after the close of the ballot give notice in writing to all candidates and election agents of the date and time appointed by Government for counting of votes.

30. No person shall be allowed to be present at the counting of the votes except the Secretary and such persons as he may appoint to assist him in the counting of votes and such other persons as the candidate, the election agent of each candidate and one representative of each candidate authorized in writing by the candidate. ^{Counting of} ^{Votes.}

31. The Secretary shall follow the provisions laid down in the Rules and Regulations as regards the counting of votes and other matters and report the results of the election to the Government of Bombay or to the Government of India as the case may be as early as possible.

32. If a candidate is not elected and the number of votes polled by him does not exceed one-eighth of the total number of votes polled, his deposit shall be forfeited to Government. For the purpose of this Rule, the total number of votes polled shall be deemed to be the total number of ballot papers other than the spoilt ballot papers counted.

33. Where any equality of votes is to be found to exist between any candidates, and the addition of one vote will entitle any of the candidates to be declared elected, the determination of the person to whom such one additional vote will be deemed to have been given will be made by lot to be drawn in the presence of the Secretary of the Association and in such manner as he may determine.

34. Within 35 days from the date of publication of the result of election each candidate for election shall lodge with the Secretary of the Association a return of election expenses signed both by the candidate and by his election agent, in the form prescribed in the Rules and Regulations and verified and attested in the prescribed manner. ^{Return of Elec-} ^{tion Expenses.}

35. Every such return shall contain a statement of all payments made by the candidate or by his election agent or by any persons on behalf of the candidate, or in his interests for expenses incurred on account of or in respect of the conduct and management of the election, and a further statement of all unpaid claims in respect of such expenses of which he or his election agent is aware.

SCHEDULE I.

1. The Electoral Roll of the Bombay Millowners' Association Constituency is hereby published in accordance with Regulation 3, Part II.

2. Any person entered on the roll who objects to any entry in the roll or any person claiming to be entered in the roll should lodge his claim or objection in the following manner :—

(a) Such claim or objection shall be made in writing and shall specify the Constituency in question, the grounds on which the right of any person to be entered in the roll is asserted or denied, the evidence which the claimant or objector intends to lead, the address of the claimant or objector, his number, if any, in the Electoral Roll and the area in the roll for which he is entered and in the case of an objection, the number in the Electoral Roll of the person to whose entry objection is taken and the area in the roll for which he is entered.

(b) Four copies of the claim or objection shall be delivered or sent by post so as to reach the office of the Judge authorized to receive the claim or objection under the Regulations on or before the third day from the publication of the roll, excluding the day of such publication.

(c) A claim or objection which is not lodged in the manner herein prescribed or by a person not entitled to lodge the same, shall be rejected.

3. Claims and objections relating to this roll should be sent to the Chief Judge of the Court of Small Causes, Bombay.

RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE
BOMBAY MILLOWNERS' ASSOCIATION TO SERVE ON THE
BOMBAY MUNICIPAL CORPORATION.

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary fifteen clear days before the day fixed for the election.
2. The Secretary of the Association shall circulate the names of the applicants ten clear days before the election.
3. The Committee, in consultation with the Municipal Commissioner, shall appoint a day, which shall be duly advertised, upon which the balloting shall take place. The ballot box shall be open from 11 A.M. till 5 P.M. on that day.
4. Votes may be given either in person or through anyone duly authorized by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees Fifty paid by him as annual subscription to the Association.
5. The Committee shall appoint two Scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.
6. The candidate who has the largest number of votes shall be declared duly elected.
7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.
8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.
9. In the event of a casual vacancy, an appointment to fill such vacancy shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

Sections of the City of Bombay Municipal Act, III of 1888, as amended by Act IX of 1928, pertaining to the Election of Councillors by the Bombay Millowners' Association.

(1) The Corporation shall consist of one hundred and eight Councillors, as follows, Section 5.
namely :—

Seventy-six Councillors elected at Ward elections ;

Fourteen Councillors appointed by Government ;

Four Councillors elected as follows :—

One by the Bombay Chamber of Commerce,
One by the Indian Merchants' Chamber and Bureau,
One by the Bombay Millowners' Association,
One by Fellows ;

Four Councillors elected by delegates,

and ten co-opted Councillors elected by transferable vote by the Councillors elected and appointed under the preceding clauses of this section.

- Section 6. (1) [*Repealed by Act XVI of 1895.*]
(2) Councillors selected or appointed to succeed retiring Councillors shall come into office on the day for the retirement of the Councillors whom they are to succeed.
- Section 7. All members of the Corporation constituted as aforesaid shall retire from office at noon on the first day of April, three years after they take office, which day is in this Act referred to as the day for retirement.
- Section 8. Any person who ceases to be a Councillor shall, unless disqualified, be re-eligible.
- Section 15. A person shall not be qualified to be elected to be a Councillor at an election by a Chamber or Association mentioned in sub-section (1) of Section 5 or at a Fellows' election, unless he is at the time of the election a member of that Chamber or Association or a person entitled to exercise the rights and privileges of membership on behalf and in the name of any firm, company or corporation registered as a member of such Chamber or Association or a Fellow, as the case may be, and unless, in the case of a Fellow, he resides in the city.
- Section 22. (1) General Elections of Councillors shall be fixed by the Commissioner, subject to the provisions of Section 23, to take place triennially on such days in the months of January and February as he shall think fit.
(2) [*Repealed by Act XVI of 1895.*]
(3) Elections to fill casual vacancies shall be fixed by the Commissioner to take place on such days as he shall think fit, as soon as conveniently may be after the occurrence of the vacancies.
- Section 23. The dates for all General Elections shall be fixed in the following order, and with the following intervals, namely :—
Firstly.—The Ward elections shall be fixed to take place simultaneously for all the Wards.
Secondly.—The day for the election by the Chamber or Association mentioned in sub-section (1) of Section 5 shall be fixed at an interval not exceeding twenty-one days after the day fixed for the Ward elections.
Thirdly.—The day for the Fellows' election shall be fixed at an interval not exceeding fourteen days after the day fixed for the elections by the Chamber and Association mentioned on sub-section (1) of Section 5.
Fourthly.—The election of co-opted Councillors shall be held on a day fixed by the Commissioner subsequent to the above-mentioned elections and the appointment of Councillors by Government but prior to the day for retirement.
- Section 31. (1) Elections of Councillors by the Chamber and Association mentioned in sub-section (1) of Section 5 shall be made by the members for the time being of the said Chamber or Association subject to the provisions of Section 15, in such manner as shall from time to time be determined at a meeting of the said Chamber or Association convened in accordance with the rules at the time in force in this behalf.
(2) The Secretary to the said Chamber or Association shall make a return in duplicate to the Commissioner setting forth the name in full of every person so elected.
- Section 32. (1) The result of every election shall be declared by fixing, as soon as may be after the election, in some conspicuous place in the Chief Municipal Office, a notice certifying the names of the persons, if any, elected, and in the case of a contested election the number of votes recorded for each candidate.
(2) The said notice shall be signed in the case of a Ward election, and in the case of an election by Councillors, by the Commissioner, and in the case of an election by a Chamber or Association mentioned in sub-section (1) of Section 5, by the Secretary of such Chamber or Association, and in the case of a Fellows' election by the Registrar of the University of Bombay.

THE MILLOWNERS' ASSOCIATION, BOMBAY.

LIST SHOWING THE VARIOUS STATISTICAL RETURNS PUBLISHED BY THE ASSOCIATION, THEIR RESPECTIVE SUBSCRIPTIONS, ETC.

	MEMBERS.		NON-MEMBERS.		POSTAGE.	
	Yearly.	Charge per copy.	Yearly.	Charge per copy.	Yearly.	Per copy.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Yarn and Piecegoods Trade Statistics of Bombay	1 copy free, additional copies @ Rs. 2-8-0 each..		24 0 0	2 8 0	Free	Free
Yarn and Piecegoods Trade Statistics of British India	Do.		24 0 0	2 8 0	Do.	Do.
Current Quotations of Local-made Piecegoods and Yarns— Issued fortnightly ..	....	....	6 0 0	0 6 0	0 12 0	0 0 6
Rules and Regulations of the Association, etc...	....	0 8 0	....	1 0 0	....	{ 0-2-0 Inland. 0-4-0 Foreign.
Annual Report of the Association.	1 copy free and for additional copies each Rs. 12-8-0.		....	{ 12 8 0 for current issues 15 0 0 for back numbers.	....	{ 1-8-0 Inland. 3-0-0 Foreign.
Mill Statement showing Cotton Spinning and Weaving Mills working and in course of erection in India on 31st August each year issued yearly.	2 paper and 1 cloth copies free and for additional copies each— Paper .. 3 0 0 Cloth .. 4 0 0		Paper .. 3 0 0 Cloth .. 4 0 0		Paper .. 0 4 0 Cloth .. 0 8 0	