

REPORT

OF THE

Bombay Millowners' Association

For the year 1923.

(Established 1st February 1875.)

Bombay:
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BOMBAY MILLOWNERS' ASSOCIATION.

ESTABLISHED 1st FEBRUARY 1875.

List of Members.

ALLIANCE COTTON MANUFACTURING COMPANY, LIMITED.	KASTOORCHAND MILLS COMPANY, LIMITED.
APOLLO MILLS, LIMITED.	KHANDAIS SPINNING AND WEAVING MILLS COMPANY, LIMITED.
ASSUR VEERJEE MILLS, LIMITED.	KHATAU MAKANJI SPINNING AND WEAVING COMPANY, LIMITED.
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BENGAL-NAGPUR COTTON MILLS, LIMITED.	MADHOWJEE DHARAMSEY MANUFACTURING COMPANY, LIMITED.
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E. D. SASSOON UNITED MILLS, LIMITED.	PEARL MILLS, LIMITED.
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- Bombay Legislative Council*—C. N. WADIA, Esq., C.I.E.
City of Bombay Improvement Trust—S. D. SAKLATVALA, Esq.
Bombay Port Trust—N. B. SAKLATVALA, Esq., C.I.E.
Victoria Jubilee Technical Institute—JEHANGIR B. PETIT, Esq.
Bombay Smoke Nuisance Commission—N. B. SAKLATVALA, Esq., C.I.E., AND W. A. SUTHERLAND, Esq.
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Empire Cotton Growing Corporation—W. H. BRADY, Esq.
Development of Bombay—Advisory Committee—JEHANGIR B. PETIT, Esq.
Royal Institute of Science—Advisory Committee—J. A. KAY, Esq.
League of Nations—Commissions of Enquiry—J. A. KAY, Esq.

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1886, 1887, 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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CAPT. E. V. SASSOON, 1923.
S. D. SAKLATVALA, 1924.

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DAVID WATSON (Acting), 1881-82.
JOHN MARSHALL, 1884-1898.
* FREDERICK NOEL-PATON, 1898-1905.
* J. B. LESLIE-ROGERS, 1905-1911.
R. E. GREGOR-PEARSE, 1912-1920.
C. B. SAYER, 1921-1924.
T. MALONEY, appointed 1924.

Bombay Millowners' Association.

Annual General Meeting.

THE ANNUAL GENERAL MEETING of the Members of the Bombay Millowners' Association was held in the rooms of the Association, Graham's Building, on Tuesday, the 26th February, 1924, at 11-30 a.m. (S.T.), to transact the following business:—

1. To receive the report of the Committee for the year 1923.
2. To adopt and confirm, with or without alteration, the new rules for the registration of Trade Marks of the Association's Members, and
3. To elect an Auditor of the Association's Accounts for the year 1924.

Mr. S. D. SAKLATVALA, Deputy Chairman of the Association, presided.

Among those present were:—

His Excellency the Rt. Hon'ble Lt.-Col. Sir Leslie Orme Wilson, G.C.I.E., C.M.G., D.S.O., P.C., Governor of Bombay; The Hon'ble Mr. Cowasji Jehangir (Jr.), C.I.E., O.B.E., J.P., General Member; The Hon'ble Khan Bahadur Shaikh Gulam Hidayatallah, B.A., LL.B., J.P., Minister for Local Self-Government; The Hon'ble Mr. B. V. Jadhav, M.A., Minister for Education; A. M. Green, Esq., M.A., I.C.S., Collector of Customs, Bombay; T. W. Johnstone, Esq., M.B.E., A.R.C.Sc., Chief Inspector of Factories; G. Findlay Shirras, Esq., M.L.C., J.P., Director, Labour Office, Bombay; R. H. A. Delves, Esq., Chairman, Bombay Improvement Trust Board; A. J. Turner, Esq., B.Sc., F.I.C., J.P., Secretary and Principal of the Victoria Jubilee Technical Institute; L. S. Hudson, Esq., Deputy Chairman of the Bombay Chamber of Commerce; The Hon'ble Mr. P. C. Sethna, B.A., O.B.E., J.P., Deputy Chairman of the Indian Merchants' Chamber; A. Parry, Esq., Chairman of the Bombay European Textile Association; Cowasjee D. Panday, Esq., Deputy Chairman of the Bombay Textile and Engineering Association; V.A. Grantham, Esq., M.L.C., Deputy, Chairman of the Indian Central Cotton Committee; N.N. Wadia, Esq., C.I.E.; W.J. Herridge, Esq., Investigator, Labour Office, Bombay; Ishwardas Laxmidas, Esq., Sheriff of Bombay; S. N. Pochkhanawalla, Esq., Managing Director, Central Bank of India; W. Kellinger, Esq., Consul for the United States of America; Sir Jamsetji Jeejibhoy, Kt.; Sir Dinshaw M. Petit, Bart., and Jehangir B. Petit, Esq., of the Framjee Petit & Spg. Mfg. Co., Ltd., Manockjee Petit Mfg. Co., Ltd.; H.M. Mehta, Esq., of the Victoria Mills, Ltd. and Jubilee Mills, Ltd.; C. N. Wadia, Esq., C.I.E., M.L.C., and H. P. Mody, Esq., of the Century Spg. & Mfg. Co. Ltd.; Lalji Naranji, Esq., M.L.C., of Jam Shri Ranjitsinghji Spg. & Wvg. Co., Ltd., The Khandeish Spg. & Wvg. Mills Co., Ltd.; Munmohandas Ramji, Esq., M.L.A. and Madhowjee Damodher Tackersey, Esq., of the Hindoostan Spg. & Wvg. Mills Co., Ltd.; The Indian Mfg. Co., Ltd.; Pranjivandas Vussonji, Esq., of the New Kaiser-i-Hind Spg. & Wvg. Co., Ltd., Sir Fazulbhoy Currimbhoy, Kt., C.B.E., and T. Watts, Esq., of the Bradbury Mills, Ltd., The Ceylon Spg. & Wvg. Co., Ltd., The Crescent Mills Co., Ltd., The Currimbhoy Mills Co., Ltd., The Ebrahimbhoy Pabaney Mills Co., Ltd., The Fazulbhoy Mills, Ltd., The Indian Bleaching, Dyeing and Printing Works, Ltd., The Indore Malwa United Mills, Ltd., The Kastoorchand Mills Co., Ltd., The Madhorao Scindia Mills, Ltd., The Mathradas Mills, Ltd., The Premier Mills, Ltd., The Pearl Mills, Ltd.; H. H. Sawyer, Esq. and S. J. Wood, Esq., of the Sassoon and Alliance Silk Mill Co., Ltd., Sassoon Spg. & Wvg. Co., Ltd..

and the Union Mills, Ltd.; C. D. Silas, Esq. and F. Stones, Esq., O.B.E., of the Apollo Mills, Ltd., The David Mills, Co., Ltd., the E. D. Sassoon United Mills, Ltd., the Edward Sassoon Mills, Ltd., the Elphinstone Spg. & Wvg. Mills Co., Ltd., The Meyer Sassoon Mills, Ltd., F. F. Stileman, Esq., of the Kohinoor Mills Co., Ltd.; Madhowji D. Thackersey, Esq., of the Crown Spg. & Mfg. Co., Ltd., Western India Spg. & Mfg. Co., Ltd.; J. A. Kay, Esq., M.L.C., J. Tinker, Esq. & T. Bradley, Esq., of the Colaba Land and Mill Co., Ltd., The New City of Bombay Mfg. Co., Ltd., and The New Great Eastern Spg. & Wvg. Co., Ltd.; H.F. Commissariat, Esq., of the Jamshed Mfg. Co., Ltd.; K. C. Dinshaw, Esq., of the Burhanpur Tapti Mills, Ltd.; B. Brown, Esq., of the Finlay Mills, Ltd., and the Swan Mills, Ltd.; D. M. Wadia, Esq., the Alliance Cotton Mfg. Co., Ltd., Jivaraj Balloo Spg. & Wvg. Co., Ltd.; Laxmidas Haridas, Esq., of the Assur Veerjee Mills, Ltd.; D. J. Registrar, Esq., of the Berar Mfg. Co., Ltd., Model Mills, Nagpur, Ltd.; Sorabji Palonji, Esq., of the Birla Mills, Ltd., Gulabchand Devchand, Esq., of the Diamond Spg. & Wvg. Co., Ltd., O. Turton, Esq., of Gokak Mills, Ltd.; Devji Damodhar, Esq., of the Indian Woollen Mills, Ltd., Jalgaum Mfg. Co., Ltd., Madhowji Dharamsi Mfg. Co., Ltd., The New Pachora Mfg. Co., Ltd., Sir Shapurji Broacha Mills, Ltd., Mr. Thakore, of the Kilachand Mills, Ltd.; Narottam Morarjee Esq., Trikamdas D. Morarjee, Esq., and Madhowji D. Morarjee, Esq., of the Morarjee Goculdas Spg. & Wvg. Co., Ltd., The Sholapur Spg. & Wvg. Co., Ltd.; C. B. Sayer, Esq., Secretary; R. Ainscough, Esq., Assistant Secretary, and T. Maloney, Esq., Assistant Secretary on special duty of the Bombay Millowners' Association.

The notice convening the meeting having been read by Mr. T. Maloney, the Assistant Secretary, Mr. S. D. Saklatvala in opening the proceedings said:—

YOUR EXCELLENCY AND GENTLEMEN,

In the unavoidable absence of our Chairman I have to-day the honour of moving the adoption of the Association's Annual Report, but before doing so I should like to say how much we appreciate the honour conferred upon us by the presence of Your Excellency.

On this your first official appearance amongst us I wish to tender to you, on behalf of the Bombay Millowners' Association, a most cordial welcome and to say we deeply appreciate the spirit which prompted you to grace this meeting by your presence at what must have been a considerable sacrifice of your valuable time.

Instances have not been wanting since your arrival in Bombay of the deep and genuine interest you are taking in the welfare of the Presidency you have been called upon to govern, and I am sure that I am voicing the feelings of every member of the Bombay Millowners' Association in wishing you complete success in your administration of its multitudinous affairs.

Those matters which in the discretion of your Government are referred to this Association for an expression of opinion, I can assure you, will receive the benefit of dispassionate and considered criticisms, untainted by the least suspicion of partiality, and in those subjects of which my Committee have expert knowledge, we are prepared to offer you the fullest measure of help, and it is in that spirit of service that I, on behalf of this Association and the great industry which it represents, extend to you a most hearty welcome here to-day.

TRADE.

With your leave, Sir, I shall now proceed to give a review of the year under report and dwell on some of the subjects which have occupied the attention of this Committee during the past year. Already last year my predecessor from this place had announced that the position for the year 1923 was "one of some considerable concern." Unfortunately for our industry this has proved true. The year commenced with heavy stocks and a diminishing margin of profits. The depression in the cloth market continued and grew serious, by the end of March, and your Committee resolved to obtain monthly figures of stocks from all members with a view to find out to what extent the stocks of cloth and yarn were mounting up. The situation grew from bad to worse during the following three months and

proposals to go on short time were received from some members. However, in the hope of improvement in the trade, consideration of organised short time was postponed. The stocks began to grow and had it not been for the fact that most mills had accumulated fairly large reserves in the past, it would have been financially impossible to have carried on our business at all. It was apparent that as far as the spinning mills were concerned they could only be worked at a loss whilst weaving concerns were just able to make both ends meet, and it was only those few fortunately placed mills that held large stocks of cheap cotton from the previous year that could hope to make some profit. However, in the beginning of September hopes were revived of a better business on cloth although it was only at the end of October that there were definite signs of a demand from the consuming centres. This demand, although it did not last more than a month, came as a welcome relief and considerably eased the financial side of the situation. With this spurt in the market, after a continued stagnation of nine months, prices also improved. The industry, however, could not reap the full benefit from the rise in prices of cloth as, simultaneously, owing to reports of the smallness of the American crop, cotton prices began to soar up, and, as mentioned in the Report, by the beginning of December there was a jump of 15 cents over July prices with a sympathetic rise in our own cotton. Indeed had it not been for the continued rise in the price of cotton there would have been no chance of higher prices for our goods. Such a state of affairs naturally induced some members of your Association to put forward proposals for a cut in wages, as relief in any other direction was hardly to be expected. Fortunately for labour the improvement in the trade, even at the fag end of the year, enabled your Committee to advise members not to make any reduction in wages. This decision unfortunately in one or two instances forced some of our members to completely close their mills for a short period. It was still felt that any reduction in wages should be brought about only as a last resort. It is not the intention of this Committee to reduce wages to any extent so long as the industry can afford to pay at present rates. The year that has just passed has clearly indicated to us that we are now drawing very close to the pre-war level of profits, and perhaps before normality has established itself our industry may pass through a still more critical time during the current year. Indeed, gentlemen, we are now feeling the effects of the aftermath of war. India can scarcely hope to escape the gloom which seems to have enveloped countries with far greater staying power than India. But the main reasons for this continued depression are, in my opinion, the stringency and uncertainty prevailing in the money market and an inclination on the part of buyers to wait with a view to be able to make better bargains in the future.

OUR LABOUR.

I shall now turn to our relations with labour. On the whole, labour was well satisfied, mainly, I believe because the cost of living had declined and was 18 per cent. below the high level of 1920 and about 6 per cent. below the preceding year, according to the latest statistics from the Labour Office, and neither side had any serious cause of complaint. In the month of July, however, your Committee was obliged to recommend to members the posting of a notice regarding the non-payment of bonus. I think I must here give reasons as to the necessity of putting up this notice at that particular period. Bad trade really commenced about November, 1922, and the question of bonus for 1923 was considered in January and again in February, 1923. The feeling then was, that it would be unfair to issue a notice at that time informing workpeople that no bonus would be paid, as any turn in trade during the middle portion of the year might convert a loss or an insignificant profit into a good profit and thus enable mills to pay the bonus. It was decided to reconsider the question in the middle of the year and it was only the continuance of depression in the cloth market from April to July that ultimately compelled millowners, to put up the notice with regard to the non-payment of the bonus for the year 1923. I do not see how our critics can justifiably take exception to the course adopted. Naturally, the notice gave cause for some dissatisfaction to the workers. But the state of the industry left us no choice. At the time there was some talk of a strike, but in the end wiser counsels prevailed and trouble seemed to have been averted. However, as we all know, the storm broke out at the end of January this year, a storm which we all deplore. Although the present strike was not brought about during the year under review, it is still impossible to overlook it altogether on this occasion. I must, at any rate, deal with the broad aspects of the situation. Our local labour leaders

have expressed themselves very freely on the matter. From the speeches and interviews given in the press the main contentions seem to be as follows:—

- (1) That the bonus being an annual payment, a year's notice should have been given if it was to be stopped.
- (2) That bonus being only deferred wages the millowners have no right to stop such wages.
- (3) That it was a mistake on the part of the owners to have started paying bonus at all.

As regards the first point I have already explained to you that it was in the interest of the men themselves that no action was taken in January, 1923. The next contention will, I think, not be accepted even by those unconnected with the industry. It is absurd to put such an interpretation on the word bonus. Besides, as already pointed out by us, in the year 1920 after the general strike the men were taken in on definite conditions, one of them being that bonus would be paid when profits allowed and as a matter of goodwill but that no guarantee could be given about its continuance from year to year. During this strike the men had made 15 definite demands, and an answer was categorically given to each demand. Notices in very large print, both in English and Marathi, were put up in prominent places at all mills. Five thousand copies of the notice were distributed among members and non-members, and it is idle to contend that such notices could have passed unobserved. The third point has been emphasised by Mr. Joshi who forgets that it was labour leaders themselves who had urged the payment of a bonus when profits were obviously large. We have also got to consider whether the profits from the industry as a whole during 1923 have been large enough to allow of the payment of the bonus amounting to about Rs. 60 lakhs. Just as Capital does not dream of realizing profits on the past scale, so Labour must realise that it will have to give up something. It is up to those who presume to lead labour to put the position fairly and correctly before the workmen instead of filling them with false hopes. We have done, and I assure you, Sir, we shall continue to do, all we can to help labour to maintain its position in spite of extreme difficulties. In spite of the fact that a few mills have been actually working at a loss we have made no reduction in wages yet, although the Millowners in Ahmedabad succeeded in doing so.

Before I finish this subject I think it is my duty to bring to your notice a very important point in connection with our strikes mentioned by the *Times of India*. In its issue dated 31st January the editor drew our attention to the fact that the health of the city would be endangered because the mill operatives were debarred from the use of sanitary conveniences at the mills during the period of strike. This is certainly an alarming state of affairs. I am not disposed to quarrel with the view put forward that the Millowners should open their mills through this consideration, irrespective of the merits of their own case, but I do wish to point out that such a state of affairs should not be permitted to exist. It is certainly wrong that these men who are also tax-payers should be left to the mercy of the owners in this direction. Labour strikes are by no means peculiar to Bombay. Indeed we get fewer strikes than many industrial centres. A situation might arise when through no choice either of the Millowners or of the men the mills might have to close down for a length of time. It is not only within the range of possibility but is highly probable that in the near future owing to a world shortage of raw materials our mills may have to shut down. In such an event there could be no question of blaming one side or the other. It is, therefore, imperatively necessary that proper sanitary arrangements should be provided at the dwelling houses of our workmen. Unless the *Times* has greatly exaggerated the matter, and I have no reason to believe it has done so, present arrangements are extremely inadequate. The authorities responsible for the health of the city had this matter brought home to them vividly in 1919. After a lapse of over four years conditions do not seem to have improved appreciably. Government, I am aware, are providing sanitary chawls for our working population and I hope the municipality will not fail in its duty. Only recently we were informed that the municipality had made special efforts and had, no doubt, successfully coped with the situation, but measures of a more permanent character are called for. The strike will have produced some good result if it serves to bring about better sanitary provisions for the working class dwellings in the near future.

This Committee has every desire not only to take up a fair but a sympathetic attitude towards Labour. We fully realize our responsibility in this connection but I cannot help mentioning that oftener than not enormous difficulties are placed in our way by an unreasonable attitude taken up by some labour leaders who seem always to maintain that owners are always in the wrong and the men invariably right. I would also like to make it clear once for all that we do not object to outside intervention on behalf of Labour. We are aware how very ignorant our workpeople are and it is necessary that some people should work on their behalf but we demand that those who presume to lead Labour should not be unfair to us. Indeed, we would welcome a labour organization properly led. During the present strike it was apparent that there was a diversity amongst labour leaders themselves some asking the men to keep firm, others advising them to resume work. If the mill operatives of Bombay were organised in a properly constituted Union and had their accredited representatives, who could speak with authority for the members of the Union, who in their turn would loyally carry out any arrangements made between Millowners and their representatives, the possibility of strikes could be diminished to some extent, and when a strike did occur, the position of both employers and employees would be understood more quickly than now.

It is also claimed that Labour has not received sufficient advantages from the high profits made by our mills in the past. A mere comparison between increases of profits and advances in wages so often put before the public cannot convey an adequate idea of the extent to which Labour has benefitted. It must not be forgotten that our men are now working, or at any rate, are supposed to work, for 10 hours compared to 12 hours in the past and are producing less than before. We have also provided amenities, such as medical aid, cheap housing accommodation wherever possible, and cheap grain shops, which did not exist before. It is the complaint of middle class people that our workers can afford to pay more for foodstuffs than they can, and, consequently prevent a fall in prices of foodstuffs. Whatever be the case, we have certainly endeavoured to improve the conditions of our workpeople. I might also refer to various welfare schemes undertaken by some millowners, which I can assure you, gentlemen, from my personal experience at our own mills, have not been undertaken in any grudging manner. The amount spent by a few owners alone during recent years runs not into thousands but lakhs of rupees. It might be contended that it is our duty to take up this work, but let the public judge whether there can be any better instance of that broad-minded sympathy which some owners at any rate have towards their workers than the fact that this large amount was practically placed at the disposal of Mr. Joshi, a labour leader, to spend at his discretion for the benefit and welfare of the workers concerned. The members of the Social Service League, I must say, have rendered us great assistance in carrying out welfare work at the mills. Our greatest obstacle is, of course, the total illiteracy of our men and it is difficult to do more for our workers till education has spread further amongst our masses. May I, then, from this place, make an earnest appeal to our labour leaders to give a moment's thought to our difficulties, which are no less than theirs, and to our responsibilities in all directions which are far greater than theirs?

THE BURDEN OF TAXATION.

When our industry is in the condition described above it is natural that we should turn our serious attention to reducing our burdens as much as possible. The time has now arrived when we can ill-afford to pay heavy taxes which have been enhanced all round in recent years, but more especially on mill stores. The enhancement would not have touched us so heavily but for the fact that we have now to pay additional taxes such as Town Duty and Cotton Cess on cotton bales. The Municipality has recently increased the property tax by 25 per cent. and water tax from 7½ to 12 annas. The Municipality, as mentioned in our report, has recently prepared a schedule of Town Duties wherein it is proposed to tax all important items in use by the mills, such as coal, oil, metals and this proposal, if carried out, would impose an additional burden of 8 to 10 lakhs per year on our industry. Your Committee are fully alive to the need of making representations in the proper quarters, and this will be done during the current year. Indeed an initial step has already been taken in this direction. But, gentlemen, as you are aware, the most irksome tax that is still with us is the Excise Duty. This duty, in addition to the taxes mentioned above, is now pressing heavily on our industry. After the promise made by the Government of Lord Hardinge

that the duty would be removed at the earliest opportunity we have a right to expect that the Government of India will take this matter seriously into consideration. The reasons advanced both for the imposition and retention of this duty have varied from time to time to suit the political needs of the moment. I shall not weary you with details but suffice it to say your Committee have prepared a weighty representation on the subject which, I trust, will not only meet with your approval but will also appeal to our friends in the Legislative Assembly. Unfortunately, mainly owing to the undreamt of profits made during abnormal times, an impression has got abroad that almost anything can be got out of the Bombay Millowners. Let those who hold this view look up the history of our industry from 1900 to 1914 and they will soon be disillusioned. Too much is made of the large Reserve Funds which we have accumulated. We have certainly fortified our position, but it must not be forgotten that we shall now have to pay for our machinery and spare parts at least twice as much as we did before. During the war years, repairs and renewals could not be carried out and our machinery has considerably depreciated and large amounts will have to be spent to put it in an efficient state again. The mill industry of Bombay not only keeps employed 1,50,000 persons and maintains their families in their villages but spells prosperity for the country as a whole, and it would not only be a pity but a disaster if that industry was crippled through an endeavour to get more out of it than it could reasonably bear.

EAST INDIA COTTON ASSOCIATION.

I may now refer to another subject in which we are all interested—the control of the cotton trade by the East India Cotton Association. As you are aware from the very beginning we had pressed for a reduction in the number of hedge contracts but provisionally had agreed to five contracts, with not more than four in operation at a time. Subsequent events have fully justified our contention. This matter is still under discussion and your representatives on the Board have by no means lost sight of it. It was found that before the trade could be induced to accept two or three contracts it would be necessary to establish a basic principle on which the entire classification of Indian Cotton might be framed. The crisis which prevailed recently in the cotton market has also made it clear that other reforms are very much needed if the East India Cotton Association is to perform its work in an efficient manner. Some excellent suggestions were made by Mr. Grantham at the annual meeting of the Association and your Committee will consider the whole subject in light of these suggestions during the current year. I am aware age-long practices cannot be swept away in a day, but it is now time that more strenuous efforts were made to bring about certain reforms.

CENTRAL COTTON COMMITTEE.

As regards the work that is being performed by the Central Cotton Committee I cannot speak too highly. The various research schemes and other measures will in due course bring about an improvement in the quality of our cotton which will be of immense benefit to our agriculturists. The establishment of a Technological Laboratory and an Experimental Spinning Plant is an event of the highest importance to the cotton trade. There is no doubt that with the improved quality of Indian Cotton and the reduced American crop our cotton will be much more in demand by Lancashire and the Continent, and we shall have to face greater competition in the purchase of our raw material, but any step which will bring more wealth to the agriculturist is to be warmly welcomed. As your representative on this Committee, in absence of Mr. Kay, I was obliged to differ only on one point, namely, the tendency to try to deal with ordinary trade abuses by means of legislation. In the opinion of your Committee, such grandmotherly legislation is likely to defeat its own object and might be looked upon as unnecessary interference in matters which had best be settled by the various sections of the trade concerned. I would suggest that instead of diverting their efforts towards making men honest by means of legislation the Central Cotton Committee should devise a scheme of giving credit to the agriculturists at the time when it would be most useful to them. In conjunction with the Government Agricultural Departments they might also with advantage take up the question of distribution of pure seeds or seeds suitable to particular districts. These, of course, are merely suggestions and it is a matter of opinion as to what particular steps should be taken first, but I repeat that the

work of the Central Cotton Committee is in my opinion most excellent and deserving of our support.

STOCK EXCHANGE INQUIRY.

Before I turn to the internal affairs of this Association I must express on behalf of the Association our appreciation of the step taken by the Government of Bombay with regard to our Stock Exchange. I have no doubt the inquiry was most opportune and am confident will lead to improvements in the methods obtaining at present regarding transaction of business on the Exchange. The evidence prepared by us will be found in the report and will, I trust, meet with your approval.

DOMESTIC AFFAIRS.

When reviewing our domestic affairs it is pleasant to find that our financial position is sound, and that the membership of the Association was maintained at the same level as the previous year. During the year our Trade Mark Register has been completely revised and this will minimize the chances of dispute amongst members as to the use of particular tickets. The rules regarding the registration of Trade Marks have also been revised and will be now placed before you for confirmation. As you are aware, an attempt has also been made to evolve a standardized Contract Form which can be used by all mills in their dealings with local merchants, and I trust this will meet with your acceptance. Your Committee felt it was necessary to take up the question of arbitration also and rules have been framed which will be submitted to you for approval. Another item of great interest is a scheme of Mutual Insurance in connection with the Workmen's Compensation Act, which is being prepared by a sub-committee of your Association. You will admit it is in the interest of all members to combine and give your support if our scheme is found favourable. The Rules under the Factory Act as well as the New Boiler Rules have claimed a great amount of attention on the part of your Committee. In this connection, on your behalf, I must convey my special thanks to Mr. Bell, the Director of Industries, for the extremely fair-minded manner in which he met us regarding exemptions under the Act and cognate matters.

REORGANIZATION OF THE ASSOCIATION.

But, perhaps, the most important event of the year is the contemplated reorganization of the Association. The engagement of Mr. Maloney in March, 1923, as Assistant Secretary of the Association marked a definite change in the arrangements which had previously existed with reference to the Secretarial work of the Association. The new arrangement was found necessary owing to the great increase both in volume and importance of the Association's activities and when Mr. Maloney's appointment was made it was also indicated that if the work of the Association continued to increase upon a scale commensurate with the development and progress of the industry it might be necessary at a later date to effect a complete separation of the office organization of the Association from that of the Chamber of Commerce.

In September last the Chamber submitted a proposal for a change in the financial arrangements agreed upon in March last, to which the Committee were unable to agree. An alternative proposal made by the Association for the employment of a separate office staff the expense of which would be borne by the Association was unacceptable to the Committee of the Chamber. The only alternative appears to me to be one of complete separation from the Chamber and the establishment of a separate office organization, and this is being seriously considered by your Committee. I can assure you, gentlemen, that if the decision to separate is eventually arrived at, it will be made with the greatest reluctance. On behalf of the Association I should like on the present occasion to place on record our very deep appreciation of the services rendered to the Association by the Chamber in the past, and more especially by its Secretaries, who have always been gentlemen of exceptional abilities, whose labours on behalf of the Association have contributed in no little degree to the successful growth of the Association from very small beginnings to the high position which it now holds as one of the most important Associations in India to-day.

Of course, our separation, if it takes place, will in no way impair the close and cordial relations which have always existed between the Chamber and the Association to our mutual advantage.

I must here also on behalf of your Chairman express my thanks to the various sub-committees, members of which have freely given us their expert advice on important matters. Our thanks are also due to our staff who have loyally carried out what must have been an onerous duty, and to none more so than to our Assistant Secretary, Mr. Maloney. Last year at the annual meeting my friend Mr. Wadia had congratulated us on the appointment of Mr. Maloney and evidently Mr. Wadia knew what he was talking about. Mr. Maloney has carried out his duties in a quiet and unostentatious but very efficient manner.

CONCLUSION.

Gentlemen, I cannot close without a word of thanks to all our Members who have done me the honour of appointing me to the chair for the current year. I am aware my election to the chair is perhaps more in the nature of a compliment paid to the firm to which I have the privilege to belong than to anything else. When I turn to the list of eminent persons who have occupied the chair in the past I cannot but feel that the responsibility I have undertaken is a heavy one. But, at the same time, I know I can count on the co-operation of the entire Committee and I am confident that will be given in unstinted measure. On my part I can say with equal confidence that the will to work for the welfare of this Association will not be wanting. One fact in particular fills me with hope and encouragement for the future. The most pleasing features of the work of the Association during recent years has been the spirit of *esprit de corps* shown by all Members, Indian and Non-Indian. No matter what questions have been under discussion, relations have been most excellent and, while on some questions differences of opinion have necessarily existed, in no instance has the division ever been one of race. This, at the present time, is particularly noteworthy and gratifying, and forms an example which might be followed with advantage in business and other relationships where Indians and Englishmen meet on a common footing.

I might on this occasion also make a special appeal to those firms who are still outside the Association to join and give us the benefit of their advice and help. The days of isolation are past and a strong combination alone can have a chance of success. There are yet many things to be done so that our industry may continue to prosper, such as exploitation of new markets and such work can only be accomplished through an organization that claims as its members all connected with the industry. It must be our common endeavour to see that our Association grows in power, prestige and public estimation from year to year.

With these remarks, Sir, I beg to move that the Annual Report for the year 1923 be and is hereby adopted.

TAXATION.

Mr. C. N. Wadia, C.I.E., in seconding the adoption of the report said:—In rising to second the adoption of the report for the year 1923 I have little or nothing left to say after the very able and comprehensive survey made by our Chairman on our trade and prospects. There is one thing only that the Chairman seems to have left to me to draw your attention to and that is the enormous contributions we make to the Government in the shape of taxation. The Government, in fact, is a partner in each of our concerns, and at the present moment probably the predominant partner. It therefore behoves Government, if it is not its purpose to kill the goose that lays the golden egg in the shape of over 2 crores of contribution to its revenues, that it should not imitate the grinding methods of the local marwari but in settling its taxes impose them in a broad spirit of impartiality. Indeed the time has now arrived for a reduction, if not a total extinction, of the iniquitous and universally hated Excise Duties. Lord Hardinge, the ex-Viceroy, declared in 1916 that as soon as funds permitted they would be abolished. We are beginning to despair that the revenues of India will ever permit of this being done, but at least we have strong grounds for hoping and believing that some mitigation is due to us. Our profits have vanished and in spite of the strike which has now lasted for nearly a month there has been little or no movement in the off-take of

goods, and we are still saddled with large stocks towards the financing of which the Government does not contribute one anna, whilst as soon as they are issued from the mills they are at once liable to heavy taxation. Further this taxation is inequitable and its extraction on Ahmedabad and Cawnpore Mills values is unfair. The intention of the Legislature was that the taxation should be on mean values. Government, if they do not extract taxation on maximum values, at any rate collect it on far higher values than the Cawnpore and Ahmedabad goods fetch. The method of collecting this excise is also open to serious objection. I will not dilate on this point, as Government are fully aware of it, and I have reason to believe, are taking early steps to remedy the grievances and the abuses to which it is liable. I think the collection of the whole of the excise and the customs duties on cotton cloth and yarn should be placed under an independent department with a proper testing house attached to it. If such a course were adopted and a scientific tariff substituted it might get over a good many objections against the present procedure. With these words I have the honour to second the adoption of the report.

INTERNATIONAL LABOUR OFFICE.

Mr. J. A. Kay, M.L.C., in rising to support the resolution said :—

YOUR EXCELLENCY, MR. CHAIRMAN AND GENTLEMEN,

May I add my "quota" to what has already been said in our appreciation of His Excellency's presence here to-day. It is still another further indication of his great desire to meet and know the people irrespective of their special interests—of this great city and of this important Presidency.

I do not, Sir, propose to touch upon the work of the Association for last year as this has been very fully reviewed by the Chairman, but I would like to take this opportunity of drawing the attention of our members, and also other employers of labour to the work of the International Labour Office.

Part 13 of the Treaty of Versailles of 1919—to which this country is a party—lays down the reasons for establishing the International Labour Office, and deals specifically with its objects and scope, therefore so long as the League of Nations exists then so long will the International Labour Office continue to play an all-important part in international labour legislation.

Briefly the process is, that broad principles of universal labour questions are decided upon by a Governing Body and then submitted to a General Conference comprised of representatives of the various Governments, employers, and labour of such countries. Draft Conventions or Recommendations are decided upon by these General Conferences and are then sent back to the various States for ratification or acceptance.

It may be asked what work has the International Office done up to now. This—since the office was inaugurated—according to the last Directors' Report, 109 ratifications have either been communicated or authorised, which, considering the political and fiscal changes in many countries consequent upon the war may be considered as satisfactory progress. The office claims amongst other things to have been instrumental in bringing about improvements in labour legislation in this country, but I think considerable credit must go to our own Government for this, and also a little to the goodwill of employers, a combination of forces which has enabled this country to put into force during the last three years more forward labour legislation than any other country.

What I want to impress upon you to-day, gentlemen, is the importance of watching for the application of conventions. The Labour Office cannot go much further than getting conventions ratified. It is then for the individual States to see that they are applied. Obviously, if enlightened countries give immediate effect to Draft Conventions whilst others who have agreed fail to ratify these, the result is that competition re-acts unfairly on those countries who have introduced forward labour legislation.

As an example let me give the case of the all important question of hours of work. At the Washington Conference of 1919 the principle of a 48-hour week for Western Countries and 60-hour week for Eastern Countries was accepted. Since that time 13 countries only, including India, have applied this convention, whilst 14 countries are still either drafting or preparing legislation. I could give other examples but, I think, this will illustrate the importance of our watching and following up through our own Government or any other channels the work of the International Labour Office.

Here, Sir, is work for the Association of Employers in India suggested some few years ago and I trust this and other labour questions of our own will now help to bring such an Association into being.

With these remarks, Sir, I beg to support the resolution now before the meeting.

The report was then adopted.

HIS EXCELLENCY'S SPEECH.

His Excellency the Governor, who was enthusiastically received, said :—

MR. CHAIRMAN AND GENTLEMEN,

I am grateful to you for giving me the opportunity of being present at the Annual General Meeting of the Millowners' Association, and I thank you most sincerely for your most cordial welcome and for the good wishes which you have so kindly expressed to me when moving the adoption of the annual report.

I welcome the opportunity of being here, for perhaps you may remember that, in the course of the first speech I made on my arrival in Bombay, when thanking the Municipality for their cordial offer of co-operation, I assured them, as I assure you now, that I am keenly convinced of the importance to any administration of maintaining the closest and most friendly relations with all the commercial interests of Bombay.

Your Association represents the premier industry of this Presidency, the importance of which can best perhaps be realised by the fact that the paid-up capital of the Cotton Mills in the City and Island alone amounts to 20 crores, while the workers' wages bill for last year is estimated to have amounted to Rs. 7,61,00,000. Your industry naturally brings a great access of wealth to Bombay and its importance to India can be best gauged from the fact that the production of Indian Mills is almost entirely consumed in India, for the whole of the exports abroad to the various countries only amounted to 10 per cent. of the total production in 1923.

I have listened with the greatest interest, Sir, to your speech, and I must say that my feelings have been tinged with some regret at the rather pessimistic view which you have taken. I realise, however, that you are speaking from the point of view of the Cotton Mill industry alone, and undoubtedly that industry is feeling the effects of the depression which has followed on the enormous boom which was experienced during the years 1919 to 1921.

As you have indicated in your speech, the prosperity of the industry must depend on the next American crop of raw cotton being a good one, and if this is so, an industry which is in such a strong position as yours, as regards its reserves, cannot fail to prosper. Unfortunately the world's cotton crop in 1922-23 was only 69 per cent. of that in 1914, while the American crop was only just over 10 million bales as compared with 16½ million bales in 1914-15. The consequence is that prices of raw cotton have soared to a great height in Bombay, and this is natural, as India could not hope to escape the effects of the economic solidarity which binds her to the outside world.

Before I came out here I had the opportunity of visiting Manchester on more than one occasion and of discussing this question with those in Manchester who are suffering from the same economic disturbances as you are, and it is an undoubted fact that the general position of the raw cotton supply and consumption is one which must command more attention than ever. I have read a most interesting article in the *Statist* of the 26th of January this year, which I think is well worth mentioning to you. I will not quote it at length, but it deals with the yield per unit of the cotton crop in the Southern States of America ; it deals with the cost of the production of cotton in the Cotton Belt of North America ; it deals with the Egyptian crop, with the Indian crop, and shows that the area under cotton in India is 60 per cent. of the United States, but that the Indian yield per unit is the lowest of any of the important cotton centres of the world.

I have every hope that in the future, India, with the help of the great irrigation schemes now under construction, will not only increase her output very largely, but will also add considerably to her yield per unit.

Generally I must say that I do not share with what I have termed the rather pessimistic view of your Chairman. With the general trade improvement throughout the world, the cotton industry must benefit. 1921 was a period following the bursting of the boom, 1922 was a period of minor adjustments, 1923 witnessed the first definite steps towards recovery and was a period of slow but continuous progression, and it is very satisfactory to realise from a speech made by the Chairman of the Westminster Bank last month that Great Britain has again taken her place as a lending nation and the London market is now best for a foreign borrower. There are many facts which I could, with sufficient time, quote to you and which I feel sure would prove that after several years of great depression, we are entitled to look forward with a definite feeling of confidence and of hope to the coming years.

It is needless for me to say that I have listened to your remarks on the relations of your Association with labour with the deepest possible interest. Your minds, as well as mine, have been filled during the past few weeks with the thought of the strike, and, through all this time, I have been more anxious, as I cannot help feeling a greater responsibility towards the men and women out of work than one would feel if one were dealing with an industrial disagreement in the West. Here the workers are practically unorganised, and although I have made every possible enquiry, I am afraid that it is a fact that there is no man or body of men who is entitled to speak for the mill operatives as a whole.

As I have already told the representatives of your Association, I view with grave apprehension a similar progress in this industrial dispute to that which has occurred on previous occasions when nothing was done on either side until riots, bloodshed or danger to the health of the community made necessary the intervention of Government. Up to the present I am glad to say, and I feel sure that you will agree with me, that the behaviour of the men out of work has been exemplary. But the time must come, if matters continued as they are, when hunger might cause some looting and possibly riots, or the health of the city may be endangered. I accordingly stated in my speech when opening the Legislative Council that Government proposed to set up a Committee of Enquiry, as it seemed to me that this was the least, and, at the same time the most, under the circumstances, Government could or ought to do. There are certain facts in the dispute which you, Sir, have dealt with in your speech, and, as you have stated yourself, one of the questions to be resolved is with regard to the profit of the industry being large enough, or not large enough, to allow of the payment of bonus.

° This is a question which obviously no one can decide without knowing the facts, and this is one of the questions which has been put before the Committee to report on. I am sure that you would not expect me to deal with any arguments on this question of bonus, and it would, of course, be most improper for me to do so. I am fully aware, as you tell me, that your Committee have every desire not only to take up a fair, but a very sympathetic, attitude towards labour. While realising the difficulties with which you have to contend, I am certain that, on your side, you will make that allowance to all your workpeople who have not the advantages either as regards literacy, organisation or experience which are possessed by the workpeople in the West.

I can assure you that I should welcome as heartily as you a labour organisation properly led, and I know that you will give every assistance in your power, and, in fact, in some cases have done so, to organise the mill operatives into a properly constituted union, so that you could discuss all important questions with their accredited representatives, knowing that any agreement made with them would be loyally carried out by those for whom they were speaking.

I hope that I can rely on the earnest and whole-hearted support of every member of this Association to bring this unfortunate strike to an early conclusion. I have seen your Committee, as you are aware, more than once. I have seen representatives of the men whenever they have asked to see me. I am as fully aware of all the facts in dispute as it is possible for me to be and with a willingness on your part which naturally exists to end the dispute, and with the desire on the part of the great majority of the men which I know is there to re-start work, I would urge very strongly a further effort on both sides to bring the matter to a satisfactory conclusion, realising as I do, and as you must do, the possible consequences of a prolongation of the strike.

In the speech which you have just delivered, Sir, you have mentioned many matters of great importance, and I have attempted to deal with some of the points which you have mentioned. If, however, I were to start on a discussion on Excise Duty, a subject as engrossing in interest to Manchester as it is to you—a subject which has sent more deputations of Members of Parliament to interview the Secretary of State than perhaps any other—I should not only detain you at inordinate length, but I should undoubtedly be unable to deal properly in a speech of this description with a subject of such keen controversy. Before I left England I was honoured by an invitation from the Manchester Chamber of Commerce to address the members. You will understand that the task was by no means an easy one, and I sincerely hope that any members of the Association going to England will visit that centre of the cotton industry and explain the Indian position, which I am quite sure is not properly appreciated there.

I must say just one word on the subject of the Stock Exchange Enquiry to which you have referred. In the first place, I should like to express the sincere gratitude of Government to Sir Wilfred Atlay and his colleagues who devoted so much time and care to a most thorough investigation of a very difficult problem.

With regard to the report, this will be published immediately, and it would have been published before had it not been for the fact that the minority report has only been received within the last few days. I do not think it would be advisable for me at this juncture to comment on the report until the public generally have had an opportunity of studying it.

With regard to the domestic affairs of your Association to which you, Sir, have alluded, I can naturally make no comment except that perhaps you will allow me to endorse the remarks you have made in regard to your Assistant Secretary, Mr. Maloney, of whose ability and efficiency I have had some personal experience, and the Association would perhaps allow me to say that they are fortunate indeed in securing his services.

May I, Sir, in conclusion offer you my sincere congratulations on your appointment to the Chair of this important Association. The responsibility of the post which you occupy is a heavy one, but I feel sure that you will maintain that *esprit de corps* between Indians and non-Indians which is indeed noteworthy to-day and could be followed with great advantage in other relationships. In the words which you have used in this connection you have struck the key-note by which we can only hope to find a solution of the many complex problems which confront us. Indians and Europeans living and working together in India must have for their one object the prosperity of India and of the millions who inhabit this great country, and I in all sincerity, hope that during your term of office, your Association will grow in power, using that power, as you will, to the benefit of this important industry on which the welfare of Bombay depends to so great an extent. Gentlemen, I thank you very sincerely for asking me to be present to-day.

A vote of thanks to HIS EXCELLENCY for gracing the occasion by his presence, proposed by Sir D. M. Petit, Bart. and seconded by Mr. H. H. Sawyer, was then carried with acclamation.

Mr. Munmohandas Ramjee, proposed, Mr. Jehangir B. Petit seconded and it was resolved

“That the revised Trade Mark rules of the Association be adopted and confirmed.”

Mr. F. Stones, O.B.E., proposed, Mr. Lalji Naranji seconded and it was resolved

“That the following donations be paid out of the funds of the Association :—

	Rs.
The Victoria Jubilee Technical Institute	2,000
The Sydenham College of Commerce and Economics	1,000
The Police Comforts Fund	1,000
The Sir J. J. Hospital Nursing Association Fund	750
The Goculdas Tejpal Hospital Nursing Association Fund	250
The Bombay Textile and Engineering Association	250
The Adams Wylie Memorial Hospital	250
The Society for the Promotion of Education Among the Masses	250

Mr. H. P. Mody proposed, Mr. F. F. Stileman seconded and it was agreed.

“That Messrs. A. F. Ferguson & Co., be re-elected Auditors of the Association's Accounts for the year 1924 on the remuneration hitherto paid to them.”

Mr. J. B. Petit then proposed a vote of thanks to the Chairman for his able conduct of the Association's affairs during the year.

The proposition was carried with acclamation and the proceedings then terminated.