

Wm J

R.R.J

I

~~P. J. H.~~

P. 1-41

**PROCEEDINGS**

**OF THE**

**Bombay Strike Enquiry Committee**

**PUBLISHED BY**

**The Bombay Millowners' Association.**

X9(117): 97.231. N. SE

F8.1.

16568

---

*Monday, 29th October 1928.*

---

The Bombay Strike Enquiry Committee met at the Secretariat, Bombay, on Monday, the 29th October 1928, at 11-15 a. m., the Chairman the Honourable Justice Sir Charles Fawcett presiding.

THE CHAIRMAN :—You all know why we have met here this morning. In the ordinary course we anticipated starting with perhaps a short opening address and then examining the witnesses who were called by the Millowners Association, but we understand that you have agreed to first start the proceedings with a general discussion about the Wages Cut.

MR. SAKLATVALA :—That is so.

THE CHAIRMAN :—Of course, anything that may tend to clear the air and perhaps possibly shorten our enquiry will be all to the advantage of everybody. So, we are very glad to fit in with that view.

MR. JOSHI :—May I say, Sir, that we have got some complaints about the agreement. Unfortunately, we could not give you written copies before.

MR. SAKLATVALA :—As regards complaints, we must have notice.

MR. JOSHI :—I have not yet finished. It is but fair that the other side should ask for notice. Unfortunately, I could not give them notice. If you like, we may fix to-morrow for discussing the complaints or the next day when the Committee meets.

THE CHAIRMAN :—I am afraid we cannot take up the complaints immediately without our having some time to read what is stated in them and possibly without having a re-joinder from the other side.

MR. DANGE :—About the question of notice, Sir, what I have to say is this, that we have got a system by which, as soon as we get a complaint, we send one copy of it to the Millowner concerned and one copy to the Millowners Association, so that as soon as the Association gets that copy, it is in a position to investigate into the complaint and to report on it. Therefore, the Association has got almost every notice of every complaint that we have received.

MR. SAKLATVALA :—When I spoke of notice, I did not mean notice to individual Mills. I meant by notice that the matter was to be brought before this Enquiry Committee. If the other side is going to bring in such complaints, I think we would be justified in bringing similar complaints on our side, and I am afraid that will occupy the Committee for some days. I therefore propose that we should at this stage go on with the proceedings as regards the justification of a cut and when that point is finished, before taking up further points, we may go into these complaints.



MR. JOSHI :—No, Sir. We do not want that all complaints should be taken up, but so long as there are some complaints which cannot be removed and as this Committee is authorised to look into these complaints, I think the complaints should be taken up. I do not think they will take up a lot of time. A sample complaint may be taken up and the Committee can then give a decision on certain principles and if this is done, there will be no complaints after a short time.

MR. SAKLATAVALA :—I thought that the Committee would not be troubled with such complaints but since the other side are going to do it, we shall have to prepare our own case and submit our own grievances.

THE CHAIRMAN :—I do not know that we are a committee to decide every possible point that may come from the one side or the other. All that our terms of reference say is “any dispute arising out of the interpretation of this agreement shall be referred for decision to that committee. We have to see whether these complaints come under that paragraph.

MR. JOSHI :—That is exactly what I mean, Sir.

THE CHAIRMAN :—In any case, don't you think that it is better that we go on with what was contemplated to-day and leaves these complaints over at any rate for some time?

MR. DANGE :—Our committee (Strike Committee) is faced with two tasks, namely, the conduct of this enquiry and the material to be placed before it and, as the Strike Committee, it is our duty to see that the dispute is settled alright, that the workers are reinstated and that they get their wages. Being faced with these two tasks, we cannot carry them on. At the same time, if we go into these complaints and if matters are coolly and calmly settled, we can go into the whole thing in a better way and in a better atmosphere. We are threatened with strike every moment and the Strike Committee has to look into that and at the same time we have to attend here at this Enquiry. This therefore becomes an impossible situation for us, because, as you are aware, a violation of the agreement led to a strike of four days just last week in one of the mills in Bombay and it is threatening to develop.

MR. STONES :—The “alleged” violation, you mean?

MR. DANGE :—We say that the violation has been proved.

THE CHAIRMAN :—I think we are all agreed that we cannot take this up definitely to-day. Wednesday will perhaps do.

MR. JOSHI :—Yes, that will be alright, as the other side will get sufficient notice.

THE CHAIRMAN :—We must know what the other side has got to say about it.

MR. JOSHI :—Has the Committee taken any decision on the question of the other mills which are outside the Millowners Association ?

THE CHAIRMAN :—Will the Secretary please answer that ?

THE SECRETARY (MR. MEHERBAN) :—I have already addressed a letter to the Joint Strike Committee with regard to this matter with regard to the mills outside the Association, the Jam Mills have also submitted a separate written statement and the Toyo Podar mills have also submitted a separate written statement. The Presidency Mills have not yet replied. The other mills which are not members of the Association agree to be bound by the views of the Association and to be represented by them at this Enquiry.

MR. JOSHI :—I have received that letter. I only wanted to know the decision of the Committee.

THE CHAIRMAN :—Certain of them have agreed to be bound by the views of the Millowners Association and also to be represented by them. As regards the others, they can, if they like, be present at this Enquiry and suggest questions.

MR. JOSHI :—We were told that the Jam Mills and the Toyo Podar Mills want to make their own statement, They should be taken up with the Millowners Association.

THE CHAIRMAN :—They have put in a written statement.

THE SECRETARY :—According to the decision of Saturday, I have written asking whether they are in favour of the proposal of each party allowing the other parties to receive copies of all the written statements filed.

MR. DANGE :—I find that most of the mills which are not in the Association are replying to us that they are not bound by the agreement because they are not a member of the Association. So, in one case they take advantage of the Enquiry Committee and are willing to represent the case before the Committee and yet they are not willing to abide by the agreement.

THE CHAIRMAN :—We cannot go into that ; our duty is to go on with the Enquiry and make a report, whatever may be the attitude taken up by one particular mill or any other mill. Who will now start the discussion ?

MR. SAKLATVALA :—I will, Sir.

MR. SAKLATVALA :—Your Lordship and Honourable Members of the Enquiry Committee. At the very commencement of our proceedings, on behalf of the Millowners, Association, I beg to assure you, Sirs, that my colleagues and

myself are prepared to assist you to the fullest extent possible in the arduous task that lies before you. We are equally willing to give every reasonable facility to the other side whenever wanted. We are anxious that every point that may be advanced by either side should be discussed as fully and as thoroughly as possible, but at the same time we are desirous that the enquiry may not be unduly prolonged and we shall do our best to achieve this end.

As you, Sir, have already observed, we have now agreed to proceed with the question of justification of a cut, leaving the Standardization Scheme itself over for a later date, but before discussing this question, I should like very briefly to deal with the Strike situation generally as this has a very important bearing on almost all points at issue and particularly as reference has been made in the statement submitted by the labour Leaders to this aspect of the question.

I next propose to take up the subject on the lines as given in our written statement and I will then tackle the statement which has been furnished to us by the other side when evidence on both sides can also be produced.

**THE CHAIRMAN :—**Before you go into the question whether the cut is justifiable, to what extent do you say there is a cut in wages under your scheme?

**MR. SAKLATVALA :—**We say that in the Spinning department there is no cut, on the other hand some spinning rates have been definitely advanced. In the Weaving section, our Standardization scheme has been so revised that as far as possible we believe that it will give a cut on an average of  $7\frac{1}{2}$  per cent. in the weavers' wages. Taking the average for 1925—1927 at Rs. 48-, the weaver's wage will come to about Rs.  $3/80$  less than Rs. 48, that is to say, Rs. 44-80- or thereabouts. But, I might make it clear that when we say that this is the cut, we certainly did not (at any rate I am not prepared to say on oath) mean to say that our standardization scheme would actually bring about exactly this cut and not more than  $7\frac{1}{4}$  per cent. or not less than  $7\frac{1}{2}$  per cent. cut. The scheme has got to be tried. The average cut, after the scheme has been tried say for a month or so, will be not more than  $7\frac{1}{2}$  per cent. If it is more, we shall add to our scheme and if it is less, we shall have to take away from some of the allowances. That is the position as regards the cut itself.

Then, Sir, as I was saying, my submission is that from the brief history of the strike that we have given you in the beginning of our statement, a few points of vital importance emerge very clearly. First, the strike commenced quite suddenly and no complaints were made to the authorities; no grievances were formulated before the men went on strike. In the mills where the strike was started, there was no reduction of wages and no new system of working was introduced. As you are aware, Sirs, the strike commenced in the Currim-

bhoy group and Mr. Watts, who is one of my colleagues, will be able to tell you at the proper time as a witness as to how the strike commenced in his own mills.

The second point is that the men who went on strike prevented the operatives of the other mills from working chiefly by means of intimidation and stone-throwing. On this point we had circularised our members and the replies in most cases were that their men were willing to work but that they were prevented from entering the mills through intimidation. Stone-throwing, as no doubt members of the committee are aware, is more or less usual with strikers. In my own mills I had to make a claim of about Rs. 75/- on the Insurance Company for glasses broken.

Point No. 3:—As soon as allegations against owners appeared in the papers, although they were not submitted to our Association, still we lost no time in promptly instituting inquiries and we were satisfied that there was no cut in wages as was represented by the Labour Leaders but that there were mere adjustments in weaving rates which had always been taking place. As early as the end of April, when we had a conference with H. E. the Governor, we assured His Excellency that we would consider any grievances which may be placed before us by representatives of registered trade unions. In spite of that offer, grievances were not placed before us.

Point No. 4:—After about a fortnight from the commencement of the strike, we warned Labour Leaders not to encourage men to put up absurd demands and that labour cannot be left untouched when all round retrenchment was absolutely necessary. This is made clear on page 3 of our statement and in the appendix B.

Point No. 5:—Early in June our sub-committee met Mr. Joshi and his colleagues and discussed all points, including the standardization scheme, with a view to terminate the strike. We even made an attempt early in July to re-open the mills in groups but we failed, and that also was due mainly to intimidation. We accepted the intervention of the President of the Bombay Municipal Corporation, Dr. Deshmukh, and spent days and days in discussing the means to end the strike. We agreed to Government calling a conference, which however proved abortive for reasons which have been stated in the Government communique, given as appendix M, which explains clearly the attitude taken up by our friends. In spite of this we continued to negotiate with those gentlemen formally as well as informally. Mr. Dange (Mr. Joshi was unfortunately away in Simla) will bear me out when I say that we had sat together for hours on end, sometimes four hours, five hours at a stretch. We explained our point of view to the best of our ability on week

days, holidays, Sundays and Saturdays. I therefore submit that there was no want of faith on our part. We were anxious to terminate the strike; we were anxious to put before them our point of view: we are anxious that the correct point of view should be placed before the men, but to our regret we found all our attempts were misrepresented and especially the standardization scheme was, I am constrained to say, deliberately misrepresented by the strike leaders to the men. They started by telling the men that the cut was only 20 per cent. Then it was stated to be 25 per cent. then they described it to be 30 per cent, and at one meeting the men were actually told that the cut was between 30 and 35 per cent. Mr. Joshi himself had written a letter to the press where he said that the cut was anywhere between 20 and 20 per cent.

Having made this clear, I shall now come to the main point. I do not wish to discuss the circumstances under which the Standardization scheme itself was taken up as this can be considered when we discuss the scheme itself, but at this stage I do want to emphasize that the proposed cut under the standardization scheme does not by any means stand by itself. It forms part of a programme of reorganisation of the entire industry. I respectfully ask you, Sirs, also to remember that the scheme was taken in hand not as a sort of a reprisal for the strike as our friends seem to believe but long before the strike took place it formed one of the most important and distinct recommendations of the Tariff Board. All this I hope to prove to your satisfaction when discussing the Joint Strike Committees' memorandum on this subject.

As regards the cut, as I have already explained, in the spinning section there is no question of a cut; in fact, in some places we have definitely advanced the rates of wages. Not only that but we have formulated our scheme in such a manner that if the men are inclined to work a little more, they can still earn much more and it is left to the men's option. We are not going to work them very hard but if they are so inclined, they can earn much more under our standardization scheme I know the contention of the other side is that even in spinning we are making a saving in the total wage. That may be, but if there is any saving, that saving is due not to any cut in the rates or a cut in the earnings of men but due to the retrenchment in the number of operatives. I need scarcely say to you, gentlemen, that retrenchment is the order of the day; applying the axe is the common phrase now-a-days. This axe is applied everywhere in the world, in every industry, in every organisation and in every Government department. There is nothing new. It is not a fad on the part of the Millowners' Association nor is it taken up with a view to reduce wages. We know and we admit that in the past we have been employing a good number of useless men. That is a fact which we admit and it cannot be got over.

There were of course reasons for employing them. That does not mean that at a time when the whole industry is being reorganised, when we are compelled to do it through force of circumstances, that we should continue and perpetuate those defects and those deficiencies. We must remove every supernumerary man, however unwelcome it may be to the other side. In most of our mills, I can assure you that we have to do it with very great reluctance also. We do not like to turn off our old hands. As far as possible we keep our old employees and as far as possible we try to remove the new ones. Even here, I may point out one fact namely, that the hardships under our retrenchment scheme are nothing like what is very generally believed or what my friends may perhaps try to make out. In our industry a good deal of casual labour is employed over and above the usual workers; then are a good many men who simply come to Bombay, work not in any particular mill but they go from one mill to another and at time they take up other work; when it suits them they come to the mills; when it suits them, they go away to their native country. My submission is that it is this casual labour that is going to be affected most.

I now come to the weaving section. As I have said, we definitely intend that there should be a cut of  $7\frac{1}{2}$  per cent. compared to the pre-strike wages.

THE CHAIRMAN :—What exactly you call the pre-strike wages?

MR. SAKLATVALA :—The average that obtained during 1926/27 and in March 1928. The Labour Office have got figures for 1926. There has been no difference in the wages of 1927 as compared with 1926, and that also I will prove later on.

As given in the written statement, the main reason is that the weaver has been getting far more than the spinner in relation to the work he performs. The whole standardization scheme is framed on this principle that no man should get more, as compared to his work, than what his own conferrers are getting in other departments. Later on, I will show that in many mills in the frame department, where the work is by no means easier than in the weaving department, and where the work is certainly much more difficult than in the warping department, the frame tenders get about Rs. 34 or Rs. 35. Well, Sir, confining my remarks to our own will in the weaving department, our average comes to about Rs. 53, whereas the weavers on broad looms get anything between Rs. 65 and Rs. 85, In the warping department, we pay as much as Rs. 80, whereas in the generality of Bombay mills not more than Rs. 50 or Rs. 55 is the rule. There were all these anomalies, but of course there

were certain reasons for it. We started our Tata Mills late in the day; we wanted to make it a model mill; we wanted to attract the best labour, and we kept our rates high in some departments. As a result, for the present, we have made our shareholders suffer. Of course, not for a moment do I mean that it is all due to high wages, but high wages certainly form one of the causes. As will be seen in the Tariff Board Report, they themselves have noticed this disparity, and on page 136-137 they touch upon this point. They say:—

“A noteworthy feature of the Indian cotton mill industry, which is of great importance in this connexion, is the disparity between the wages of spinners and weavers. In the enquiry conducted by the Labour Office in 1923, the average daily wages in the ring spinning department in Bombay were returned at Re. 1-0-4 whereas those of the weaver in charge of two looms, that is of the great majority of the weavers, were returned at Re. 1-11-3.”

Later on they say :—

“This disparity in the wages of weavers and spinners is a matter which, in our view, deserves the consideration of the industry.”

On page 110, you will find a table which gives the monthly wages of various departments. Take the table at the bottom: You will see that in the blow room the average was Rs. 23-10-0; ring frame side boys Rs. 26-7-0, and weavers Rs. 47-15-0, which shows that the disparity is by no means insignificant.

MR. DANGE :—The table on page 110 refers to the Ahmedabad Mills.

MR. SAKLATVALA :—Yes; it is my mistake; it is page 113. The figure in the table there is blow room tenters Rs. 29, and for weavers Rs. 47-12-0; but the proportion holds good there also.

We have briefly explained in our written statement the reason for this disparity. As we have said, the Bombay mill industry originally was a spinning industry. With the loss of trade with China, we had to organise the industry as a weaving industry, and in order to induce the spinners to turn into weavers, we had to keep a margin of about Rs. 8 to Rs. 10 over the spinners wages.

THE CHAIRMAN :—When did they first start weaving?

MR. SAKLATVALA :—There was weaving in Bombay, but it was not anything to the present extent.

Then, as we have explained, when we increased the allowances in 1920 we went in for 10 hours' work. The Act was passed in 1922, but before that we ourselves reduced the number of working hours from 12 to 10.

MR. JOSHI :—Was it done willingly?

MR. SAKLATVALA :—You will have a chance of contradicting me later on. I can assure you that I never make any statement which, later on, I will not be able to substantiate.

THE CHAIRMAN :—Was the reduction in consequence of the Washington Convention?

MR. SAKLATVALA :—No, it was before that. We regret that we did it. We did it under the impression that Japan would follow suit, but to our cost we found that it was not so. At that time, the dear food allowance was raised from 35 to 55; in January 1921 it was raised to 55. When we reduced the number of hours of work, the weavers instead of 55 got 75, because their time was reduced by about 16 per cent. and therefore we gave them more. Of course, this applied to pieceworkers in the spinning department also, but there are very few pieceworkers in the spinning department; in the ring frame department, it is fixed wages. At the end of 1920, when we raised the allowance further, we finally made it for fixed wage earners 70 per cent. and for pieceworkers 80 per cent. The result was, as we have pointed out on page 11 of our statement, that whereas the spinner was getting about Rs. 16 before January 1920, and when he got 70 per cent. advance his wages came to about Rs. 27 or Rs. 28; the weaver was already getting Rs. 25 or Rs. 9 more, and with 80 per cent. allowance got Rs. 45. The disparity thus increased further. The weaver, in my opinion was mighty getting Rs. 8 or Rs. 9 more, but then he got another gift of Rs. 9. Of course, it may be contended that it was our fault that we gave the weavers higher wages than we ought to. My submission is that 1920 was a boom year. The year 1920 and the following 2 years were hectic times, when we all made mistakes. Let us put it at that, that we did make a mistake and gave the weaver a much higher wage than we ought to have given, or a much higher wage than he deserved.

MR. KAMAT :—All these years, is the industry treating the weaver as a better skilled worker comparatively than the man in the spinning department?

MR. SAKLATVALA :—Yes, to the extent of about 30 per cent. or 40 per cent., not more. That is why he was being paid Rs. 7 or Rs. 8 more than the spinner originally, but he is now being paid about Rs. 20 more.

The main reason why we are making a cut is of course the state of the industry. Had the times not been what they are, had there not been this



unprecedented and continuous depression in the industry, we would certainly not have made this cut at this juncture. I also want to emphasise that the 7½ per cent. cut is by no means the cut which is justifiable. A much higher cut would be justifiable looking to the state of the industry, and looking to what our competitors pay to their workers. Our original standardisation scheme was based on a cut of about 11 per cent. Finally, when we discussed this scheme with the Labour leaders, we were not only discussing the scheme, but we were discussing the means to put an end to the strike as soon as possible. With that object in view we said that we would go as far as we possibly could, and we would offer to them the minimum cut that we could think of. Therefore, this 7½ per cent. cut is not to be treated as a cut which should be brought about looking to the state of the industry. It was offered in the spirit that the whole thing might end and the mills might re-open. Had that not been our idea, the cut would not have been less than 11 per cent. Later on, when we compare the wages which we give and the wages which our competitors pay, I hope to convince you that a cut not of 7½ per cent. but at least of 30 per cent. would be fully justifiable in the weaving section.

As regards the state of the industry, on page 241 of its report, the Tariff Board gives figures of profits since 1917. You will observe that since 1923 there is a loss ; the figures in italics show the losses. Our friends the Labour representatives seem to doubt those figures. Not only that, but Mr. Joshi has gone so far as to publicly make a statement that these figures of profits are a mere fake, as if we had made them out merely to justify the cut. Now, these figures are authenticated figures. In the year 1923, as you perhaps remember, there was an enquiry committee ; Sir Norman Macleod was its president. At that time, the main enquiry was whether the profits of that particular year (1923) were such as to justify the payment of the bonus. That being the main, in fact the only question, we were asked to prepare our statement, showing whether there was a loss or profit in that year. That was how we started taking out an authenticated balance sheet for the whole industry. Each company was asked to send its audited balance sheet, and the figures were scrutinised by ourselves. From these balance sheets we prepared a joint balance sheet. This collective balance sheet was examined by Messrs. Ferguson & Co. In the 1923 enquiry, all the figures were produced ; not only that, but a representative of Messrs. Ferguson & Co. came and gave evidence, and certified that those figures were correct. Since then, we have kept up the system. We have with us all the balance sheets, which I am quite willing to produce, if my friend Mr. Joshi wants to prove that the figures are a fake. We have got balance sheets signed and authenticated by Messrs. Ferguson & Co., the well-

known chartered accountants. Therefore, I do not see how at this stage the other side can rise any doubt as to the authenticity of these figures. When we produced the figures for 1923, 1924 and 1925 (the figures for 1926 were not ready) before the Tariff Board, they on their part scrutinised them very minutely and satisfied themselves that the figures were correct. As far as I remember, they made one or two alterations also; and the figures as found correct by them are given in the statement.

Appendix to our written statement G gives the figures for 1926. These figures have been taken out similarly. If required, I could produce the original audited balance sheet signed by Messrs. Ferguson & Co. It will be seen that in that year the loss comes to Rs. 1,95,40,908, as shown on page 3. Appendix H has been recently got out and gives similar figures for the year 1927. There, there is a very small loss, but a loss all the same, of Rs. 7,36,309.

**THE CHAIRMAN:**—That is for all the mills. Some of the mills may have worked at a profit.

**MR. SAKLATVALA:**—Yes. That gives the number of mills also. It tells us exactly which mills did not give a balance sheet, which mills have gone in to liquidation, and so on. At the end a complete list of the mills that have submitted balance sheets is given. They are 75 in number. Other mills did not give balance sheets for the simple reason that most of them had gone into liquidation, and some had entirely stopped, and so there was no balance sheet in their case.

**THE CHAIRMAN:**—Does it show how many mills made a profit as against those that made a loss?

**MR. SAKLATVALA:**—No. This shows the figures for 75 mills. I am fully aware that that may be a line of argument brought up by the other side, but we have to consider the industry as a whole. There are mills which have made profits. For instance, my own mills, the Swadesi Mills at Kurla have made profits, but even those mills are being gradually and slowly affected. Others were affected first, but those mills which had larger reserves, and for other reasons also, continued to make a profit. Speaking again of our own mill take the instance of the Swadesi Mills. At one time, it used to earn Rs. 40,00,000; in 1926/27, it came down to Rs. 7,00,000, and at the present time we are losing. Even the profit of Rs. 7,00,000, is not all a manufacturing profit. We have a reserve of Rs. 1,14,00,000.

**THE CHAIRMAN:**— For all the mills?

**MR. SAKLATVALA:**—No; it is only that one mill. Besides that, the Swadesi Mill owns half a dozen ginning factories, and the profit of

the ginning factories is of course naturally included in this balance sheet. All these points, individually, must be considered. It is no good taking an individual concern and saying that it has made a profit. There may be other reasons for the profits. In every case, we will be able to prove that the manufacturing profits, even for the best mills, are gradually diminishing. Of course, these mills have larger capital reserves. After all, one cannot live on capital for a very long time. That capital is being gradually diminished, and that can be proved in any instance that may be brought before us. So, I submit that the state of the industry is such that, if we total up these losses for the years 1923, 1924, 1925, 1926 and 1927, it will come to the colossal figure of, 8,60,00,000, with still worse prospects in front of us. If that is the state of the industry, can it be claimed that the very slight cut, which we maintain is justifiable, is really not justified under the circumstances? Have we started our standardisation scheme merely with a view to reduce wages? By no means. Had the standardisation scheme been taken in hand during 1920 or 1921, it would certainly have been a different scheme. Any scheme that may be formulated must of course take into consideration the time at which it is formulated, and had there been any brighter prospects for the industry in front of us, we would not have asked Labour to make even this trivial sacrifice. I am quite sincere when I say that we regret that even this slight cut has to be made, but we have to face realities. We have to exist, and we must do the best that we can for the industry. This cut, as I have already hinted, is proposed to be brought about only after every other recommendation of the Tariff Board has been tackled. I will go into details at the proper time; we have deliberately left touching labour to the very last. Unfortunately, mills going into liquidation is a common occurrence. How long can we go on maintaining wages at the same high peak that we had in 1920? I can prove to you that wages, not only in the textile, but in other industries in several countries have been reduced since the boom. The Bombay textile industry is the only industry <sup>sub.</sup> which has not reduced wages after the boom. Our friends in Ahmedabad very cleverly managed a cut of about 15½ per cent., Re. 0-2-6 in the Rupee, in 1923. No one objected then. At that time the industry was not so bad. They are our main competitors. If they could bring about a cut in 1923, are we not justified, in the year 1928, after what has happened, in asking Labour to make a very small sacrifice? I do submit that this cut is more than justifiable. As we have said, I certainly maintain that a cut of 30 per cent. at least would be justifiable under the circumstances in which the industry finds itself and, in spite of the allegations made in the Labour Memorandum, I would declare that those circumstances were not such as we had any control over them. It is not mismanagement, it is not misappropriation which they freely allege and which they shall now be called upon to prove; it is nothing of the

kind. The Tariff Board has given the reasons very clearly and very succinctly. The very fact that the Tariff Board suggested that protection should be given shows that the industry was managed efficiently, because it is a fundamental principle laid down by the Board that no industry deserves protection unless it is managed in a reasonably efficient and economical manner! All this, of course, will be dealt with later on.

I might also say that it is not labour that is asked, as I pointed out, to make this sacrifice. We have mentioned here that we have been successful in reducing other charges which will be dealt with later on.

Then I come to point D on page 11. The main argument that may be advanced against any cut is "Look at the high cost of living in Bombay." Certainly, we are prepared to go into this question. The cost of living is given here. The figures are taken from the Labour Gazette and are for 1921, 1922, 1923, 1924 and 1925, right up to September 1928. The figures for 1921 will be found at page 2 of the Labour Gazette for September 1928. It will be seen that in 1921 the cost of living in Bombay was 73 per cent over the 1914 cost. Then it went down to 64—54, 57—55, 55—54 and in April 1926 it was 144, and in September 1928 it was 145. That is, at present the cost of living is 45 per cent over the cost of living in 1914. In appendix J we give a comparative table showing the rise in wages in the various departments and the cost of living for the same period. For the present we are concerned with whether there really is a cut. You will observe that the weaver's wage has gone up, taking the figure for 1913 as 100 to 217. That means it has advanced by 117 per cent, whereas the cost of living has gone up by 45 per cent. On following page we give a chart which makes it more clear and visible. Here I may at once submit that in 1918, we were certainly paying the weavers less, not fully commensurate with the high cost of living. Even in 1919, in spite of an advance, they were not getting a wage fully commensurate with cost of living. But things have altered since the beginning of 1920. Since the beginning of 1920 wages jumped from 142 in 1919 to nearly 182 in 1920. You will see that during 1920 the two curves meet together. The cost of living in the middle of that year was not higher and so also the weaver's wages. Then, Sir, from 1921 when the cost of living actually declined, wages were higher and have continued to be on the same scale.

THE CHAIRMAN :—What is this chart based on?

MR. SAKLATVALA :—All these figures as regards the cost of living have been based on the Labour Office figures. The Labour Office figures I have given you show only the average. For each particular year, they give figures from month to month and the points have been put according to the figures as obtained from month to month, but the averages are there.

THE CHAIRMAN :—What about the weaver's wages ?

MR. SAKLATVALA :—As regards that, there is the statement that was submitted to the Tariff Board. This statement was drawn up from actual musters of representatives mills. The Tariff Board were very anxious to know how we had advanced wages because at that time it was one of our contentions that we were paying higher wages than our competitors. I tender, my Lord, a copy of the statement submitted to the Tariff Board. As regards this table itself, I will make one thing clear.

THE CHAIRMAN :—What were the representative mill ?

MR. SAKLATVALA :—I do not not exactly remember, but I know that they had come to the conclusion that Sir Ness Wadia's Mill was more or less a representative mill ; that they were not paying too high wages but at the same time they were not pay too low wages, and as far as my memory goes, these figures were mostly based on the figure supplied by the Bombay Dyeing Co. They had in their possession figures and musters of other mills also. They had scrutinised these figures and the statement was based on them.

I would like to make one thing clear. In our statement we have taken 1913 as the basis because the cost of living figure is based on the pre-war year, that is, the end of 1913 or 1914. In the statement that was submitted to the Tariff Board, we had given these figures of wages on the 1910 basis.

THE CHAIRMAN :—Did you produce that ?

MR. SAKLATVALA :—Yes, Sir. However, Sir, as I was going to point out, it does not affect the weavers wages at all ; because between 1910 and 1913 there was no difference. The cost of living was 100 for 1913. The weavers wages were 100 in 1910 but it was 100 in 1913 also ; but in the case of other departments there was a small difference. These figures had been revised so as to bring them in conformily with the basis but that does not affect the weavers at all. I only make it clear from the beginning so that later on we can avoid much trouble.

Then, Sir, as regards this point, *i.e.* cost of living, I would like to submit that if a spinner can afford to live in Bombay on Rs. 29 within the Standardization Scheme which Figure has been admitted by our friends, I do not see how a weaver cannot subsist on Rs. 44. Simply because he is a weaver does he require more, and does his cost of living go high ? This brings us to the next point E. Wages had been reduced since the boom period in all parts of the world. In Ahmedabad a reduction of 16% has been made. This will be found, Sir, on page 110 of the Tariff Board Report. Immediately below the table they say

wages were reduced by 15½% in June 1923 in spite of a strike of 10 weeks duration. Sir, as pointed out by me we have to compete with other mills in India. We have to compete, first and foremost, with Japan, and if I can show, as I hope to your entire satisfaction, that all these countries and all the other centres in India pay the weavers a much less wage, surely we are fully justified in asking for a cut. On page 111, Sir, will be found Table 66. There, Sir, they give the wages in different centres: Bombay City, Ahmedabad & Sholapur. In Bombay City men are paid Rs. 35-10-7, all workers Rs. 30-10-1. Then in Ahmedabad men are paid Rs. 33, all workers Rs. 29-7. Then in Sholapur men are paid Rs. 22-3-10 against Rs. 35 for a weaver, and all workers Rs. 17-10-6. Then, Sir, on the following page they give figures for Baroda State where men are paid Rs. 24, average for all workers Rs. 17-10-6. For other centres Rs. 24 for men and Rs. 21 for all workers. Bombay Presidency as a whole Rs. 33-1-10 and for all workers Rs. 28-9-1. This Table, Sir, will give some idea as to the high costs of wages in Bombay. Then, Sir, as I have said, Japan is our greatest competitor. This question has been fully dealt with by the Tariff Board.

Well, Sir, then let us go on to page 120. Here, Sir, the Tariff Board had asked for full particulars from Bombay mills as well as Ahmedabad Mills, from our own mills in Nagpur and other centres. Then they have selected such mills as would include more or less the most efficient mills, the less efficient mills and so on. And then they give on this page a comparative table which will show, Sir, that wages in Bombay per loom per day comes to 317 Pies against upcountry mills 255 Pies, which means a difference of 62 Pies, or over 24 per cent. That is as regards wages alone. This table, Sir, will later on be referred to by me as regards the other items also. Then, Sir, on the next page 121, beginning of page 52, the Tariff Board say "An examination of the two tables given above shows very clearly in what respects Bombay is at an advantage or disadvantage over the mills in upcountry centres. It will be seen that its greatest disadvantage is in regard to wages, a point with which we have already dealt fully in the preceding chapter." And there is no question that wages in Bombay are high. Again, Sir, on page 101, right at the bottom, they say. "We cannot but regard the increasing competition of the upcountry mills as one of the most important factors which have contributed to the present depression in Bombay." This increasing competition, they say, is certainly one of the causes of the Bombay mills depression. Then, another question is that Bombay is at its greatest advantage as far as wages are concerned, and the inference is quite clear. Here, Sir, is the English list. They, of course, had the Standardization Scheme long ago. What they do is that they leave the scheme untouched but they vary the percentages, so many on and so many off, according to the state of

the industry. Here, Sir, is the latest book for the year 1922, which shows the figures.

MR. STONES :—In 1920 paid on 15th May 15 per cent. reduction; in 1921 paid in July 60 per cent. reduction. 1921 paid in week ending 31st December 10 per cent. reduction 1922 paid in week ending 6th May 40 per cent. reduction and 1922 paid week ending 4th November 10 per cent. reduction. They settled this reduction at a Round Table Conference.

MR. SAKLATVALA.—Then, Sir, coming to Japan, if this question was fully gone into by the Tariff Board, it was because this was our main contention that we were being hampered by unfair competition from Japan; that labour conditions in Japan were inferior, and therefore they were under selling us. We, of course, advanced several other factors. We also said that the industry had been subsidized by Government and that they had the advantage of a depreciated exchange. We maintained that the greatest advantage was in labour charges. On page 56, Sir, Para 31, they discussed labour conditions in Japan. They show, Sir, how the Factory Act in Japan has been revised from 1911 to 1920 (quotation from page 57 of the Report of the Indian Tariff Board). The greatest advantage which Japan enjoys, Sir, is in the employment of female labour during night. Our Factory Law prohibits employment of female labour during night. Japan works two shifts. Of course, we cannot blame Japan for working two shifts; but unfortunately our conditions are not such that we can work two shifts. But our grievance is that Japan is able to work two shifts because her Factory Act permits employment of woman during night; otherwise they would not be able to work two shifts. Their labour is 80 per cent. female labour and 20 per cent. male labour whilst here it is just the reverse, less than 20 per cent. female labour and 80 per cent. male labour. So there they have got the biggest advantage. Apart from the question as to what they pay, this advantage in itself is sufficient to make for the slight cut we propose. As regards double shift, on page 62 of the Tariff Board Report, in the middle of the page, they say, . . . . . So it is clear that Japan has a substantial advantage. As regards subsidies from Government I shall go into details when dealing with the labour memorandum because they have quoted certain authorities saying that it is not a fact. It is a fact that Industry in Japan not only the Textile Industry but other industries, are fortunately subsidized by Govt. of Japan. Now, on page 69, Sir, you will find a statement to the effect "We have shown that it is impossible to estimate the assistance the Japanese industry derives from subsidies, bounties or other artificial advantages....." Unfortunately, Sir, when they made the recommendation of protection they said that it was unnecessary to take this question into consideration. They said

that now-a-days State aid is more or less common, and therefore protection should not be afforded to the Bombay industry on that score.

THE CHAIRMAN :—Is the question an important and relevant one?

MR. SAKLATVALA :—Yes. It is relevant in this way. Japan has got several advantages. The main advantage is of course as regards wages but over and above that there are other advantages also however, I will not stress this point. Then, Sir, there is a very interesting case, a recent example of a reduction in wages.

MR. JOSHI :—Japan.

MR. SAKLATVALA :—No, No. In the Bedford District.

THE CHAIRMAN :—Where is it from?

MR. SAKLATVALA :—This is from "Commerce and Finance" an American Journal of very great repute but we are only concerned with the facts. In the new Bedford District which is a very important Textile District of America next to England, there occurred a strike practically on the same day that we had a strike here on the 16th of April, and Sir, this is a mere coincidence. But the mills re-opened also on the same day the October. Not only that but the points in dispute were more or less the same, though we only propose a small cut in one section they had proposed an all round wage cut, I do not know what percentage. Subsequently it was settled at 5 per cent. And I have no doubt that you gentlemen must have read in the papers and also in the Reuter's telegram of 7th October that 25 local Cotton Mills which had been closed since April as a result of the strike which has affected 27,000 workers, had re-opened. The strikers agreed to 5 per cent. reduction in wages. I mean this is only an interesting case and the latest example that the reduction in wages is by no means uncommon in the textile industry. Then, Sir, we come to point F in our written statement. Point F is that although labour leaders maintain that the cut is not justified we were discussing the ways and means to settle it on at basis of at  $2\frac{1}{2}$  per cent. I submit, Sir, that they were merely haggling over the percentage. If this  $2\frac{1}{2}$ % cut was agreed to it lies on them now to show that not more than  $2\frac{1}{2}$  per cent. is justified. In opinion Sir, 30 per cent. is justified. Later on they themselves raise the cut to  $3-1/8$  per cent. So their final figure is  $3-1/8$  per cent. They have to show now why it should not be more than  $3-1/8$  per cent. I can understand their attitude when they say that no cut is justifiable. We say that 30 per cent. is justified. They do not say no cut is justified. They say that  $3-1/8$  per cent. is justified I would say that  $7\frac{1}{2}$  per cent. is justifiable.



MR. JOSHI :—.....This is wrong interpretation of our offer, Sir, as regards this we had issued a statement to the press after we had broken on this point which made it clear that the offer was made if settlement was made that day. But as the settlement was not made the offer was withdrawn. A cut in wages is a great injustice to the workers.

A note to the press issued by the Millowners' Association stating they had offered  $7\frac{1}{2}$  per cent. cut as the minimum and the representatives of labour offered only  $2\frac{1}{2}$  per cent. cut was read out. This was not contradicted by the other side. On the other hand, in "The Chronicle" of 2nd October, there was a statement made by the Secretary of the Joint Mill Strike Committee. I say that our offer was made in a spirit of compromise. While we felt justified in making a cut of 30 per cent., in a spirit of compromise, we offered a cut of  $7\frac{1}{2}$  per cent.

THE CHAIRMAN :—Was your proposal published in the papers?

MR. SAKLATVALA :—It was published in all the papers. Theirs appeared in "The Chronicle."

THE CHAIRMAN :—You admit, Mr. Joshi, that this publication was made?

MR. JOSHI :—We admit that the publication was made, but we do not admit the interpretation put upon it.

MR. SAKLATVALA :—Then we come to another point, which is not mentioned here, but it is a very important point. There is a very important consideration why this cut is necessary; it is because of the stabilisation of the exchange at  $1/6$  ratio. I know you will not desire me to go into this question I admit it is a very wide question and a controversial subject. I will even go so far as to admit that perhaps the Government of India may be right that the  $1/6d.$  ratio was in the best interests of the country as a whole. I quite realise that this is not the place to argue that point, but there is the fact that the ratio was altered from  $1/4d.$  to  $1/6d.$  What is the result? Necessarily there should be adjustments as regards everything. Changing the ratio from  $1/4d.$  to  $1/6d.$  means a dwindling down by  $12\frac{1}{2}$  per cent. If that ratio is to be permanent, then cost of production, taxation, wages, and everything else has necessarily to be adjusted to that level, and I submit that labour is now called upon to go through that process of adjustment.

THE CHAIRMAN :—But the adjustments relate to foreign countries.

MR. SAKLATVALA :—Exactly. But that brings about the question of cost of production. If our competitors have an advantage of  $12\frac{1}{2}$  per per cent., that means that unless and until our ratio also adjusts itself with new stabilisation, we cannot maintain ourselves.

THE CHAIRMAN :—The upcountry mill is subject to the same disability?

**MR. SAKLATVALA** :—I am talking of competition from Japan. It is a fact that labour is now called upon to go through, call it, the agony of the process of adjustment. It is a small sacrifice. It bears no comparison with the sacrifices made by the shareholders of the industry as a whole, who have got nothing for the past two or three years. Whatever dividends have been paid from equalisation funds. The managing agents, at whom the Labour leaders have a go in their memorandum, have suffered. Some Mills, have been making heavy losses since 1923, and as a result Agents get nothing for the trouble of managing the mills. It should be realised that in times of depression the trouble is much more than when everything is going on smoothly. If Mills are in a bad way, they can not get deposits from the public. Of course, this is also partly due to the stabilisation of the exchange at 1/6d. As I say, we have suffered, and we are now asking labour to make a small sacrifice. Labour must not blame us for doing this. They must thank Mr. Joshi himself. Mr. Joshi now turns round and very naively asks us "Where is the justification for a cut?" My answer is, the best justification for a cut is in the speech Mr. Joshi made in the Assembly on the question of exchange, and, in spite of warnings of business men like Sir Purshotamdas and Sir Victor Sassoon, siding with Government and having the exchange established at 1/6d.

**MR. JOSHI** :—Will you just show when I made that speech in the Assembly, and on what date?

**MR. SAKLATVALA** :—At any rate, you voted for it. I think you did make a speech, and will find out the date. It is a matter of common knowledge. If it is not a speech, it is the conduct of Mr. Joshi in getting the ratio stabilised at 1/6d., when he was told that fixing it at that rate would lead to strikes would lead to wage cuts. In spite of that clear warning, though he might not have made a speech, he voted for it.

**THE CHAIRMAN** :—That is touching upon a personal matter.

**MR. JOSHI** :—I only wanted the facts. What Mr. Saklatvala has said is merely his interpretation of what has happened; what has happened is a different thing. If he is making allegations against me, I think he should quote my speech, or point out when I had voted in that way.

**MR. SAKLATVALA** :—I will show that Mr. Joshi voted with Government, on the question of the exchange.

**MR. KAMAT** :—Was that the only vote which turned the issue?

**MR. SAKLATVALA** :—My point is that Mr. Joshi, as a representative of Labour, was told that this would lead to strikes, and it would lead to a reduction of wages.

MR. JOSHI :—You have the satisfaction of saying “I told you so.”

MR. SAKLATVALA :—I submit that Mr. Joshi took upon himself a certain amount of responsibility when he voted in that particular way, and that is what I want to point out.

There is another point. What does this cut after all, amount to? There are in Bombay about 75,000 looms, of which, on an average, about 72,000 are working. Out of the 72,000, the bulk, that is about 70,000 are on the ordinary system, that is, one weaver works two looms; which means that there are 35,000 weavers who will be affected by this cut. The proposed cut of 7½ per cent. on the weaver's average monthly earnings, which was about Rs. 47-12-0 (your Secretary will bear me out when I say that the average in 1926 was also about the same, say, Rs. 48) comes to Rs. 3-8-0 per weaver per month, or Rs. 1,22,500 per month on the whole, or Rs. 14,70,000 per year. Now, if you will turn to Appendix H, about the middle of the book you will find the Profit & Loss Account for the year ended 31st December 1927. You will find the second main heading is “To mill labour Salaries Rs. 61 lakhs, wages Rs. 6,12,00,000.” For the year 1926 it is also Rs. 5,94,00,000, roughly about Rs. 6 crores. Therefore, the reduction of our total wage bill of Rs. 6 crores by Rs. 14,00,000 works out at less than 2½ per cent; it is about 2½ per cent. Therefore, I submit that this cut is certainly a reasonable one. It is nothing abnormal, nothing out of the way, and looking to the high wage which the weaver was paid the cut is amply justified.

Then, we come again to page 12 of the statement. After point (f), we go on to say :—

“ Besides the above, there are two facts which have got to be remembered. (1) The present Standardisation Scheme is not merely a process of averaging over an already existing scientific scheme but is intended to remove anomalies of the present system.”

If we had in existence a scientific scheme, where workers were obtaining a fair wage for a fair day's work, and if we were standardising, it would be a simple matter. We would more or less average cut and remove the variations from mill to mill. But at present it is not so. The present system does contain anomalies; it is defective, and as I already said, when we are re-organizing the industry we must put the system on a sound basis. When we discuss the standardisation scheme, shall show the manner and the method in which the scheme is prepared. But I bring this to your notice that our standardization scheme will bring about wide variations as regards a particular mill or as regards

particular varieties of cloth. This is a standardisation scheme ; on an average, the cut is going to be about  $7\frac{1}{2}$  per cent. It does not mean that every weaver in Bombay in every mill will get just  $7\frac{1}{2}$  per cent less. Some weavers will be getting more than that ; some weavers will be getting about 3 per cent. less, and some weavers about 10 per cent. less. It depends on the particular varieties of cloth. The whole spirit of this standardisation scheme is that it must be given a fair trial, and then revised on a definite basis. The basis is that a  $7\frac{1}{2}$  per cent. cut must be made. We said that that  $7\frac{1}{2}$  per cent. cut is to be on the pre strike wages. In the statement to the press that I just read out, you might have noticed that we said that that average cut would be on the 1926-27 basis, from 1st April 1926 to 31st March 1927. The reason is this: These gentlemen (the Labour leaders) maintain that, since the beginning of 1927, we had, in indirect ways, reduced wages, and therefore if you base your cut on the figure of 1927 (middle of 1927) or 1928 wages, then the cut will be more than  $7\frac{1}{2}$  per cent. We said that, if it is their contention that we have reduced wages in 1927, they could select the period, and they selected 1st April 1926 to 31st March 1927. We are quite prepared to keep to that period. Our contention is that no reduction was ever made ; the wages are just the same. I would again refer to Appendix G, on page 6, you will see under the heading " Mill Labour " Rs. 61,00,000 for salaries, which is the same as in 1927, and wages Rs. 5,94,00,000. Now, if we had reduced wages during 1927, the total wage bill for that year would certainly have been affected. The total wage bill in 1927 was Rs. 6,12,00,000, and in 1926 it is a little under Rs. 6 crores. It cannot, therefore, be maintained that any reduction was made in 1927. If they maintain that a reduction was made, we are prepared to take the period which they themselves select. On page 12 of the statement, in (2,) we have also stated that no perfect scheme can be devised immediately, but once the principles are accepted, the scheme is intended to be put in force and then revised or adjusted as regards details. Our offer to them was this: Let us put this scheme into force for two or three months. They said " Supposing it brings about a heavier cut than  $7\frac{1}{2}$  per cent., why should the men suffer ? " Our point was that during the first two months we were prepared to increase the dear food allowance ; instead of 80 per cent. we could make it 100 per cent. for the weavers, so that they would be protected: for the second month we would give them 90 per cent. By that time we were sure to find out exactly where we were. It may be that the scheme will work out harshly in the case of some. The cut may be 8 per cent., it may also be that the cut will be only 4 or 3 per cent. Then we will again adjust the details so as to make it  $7\frac{1}{2}$  per cent. Therefore, I maintain that this cut is small. It is reasonable, and the manner in which it is proposed to be adopted is certainly fair to Labour,

and there is really no justification to grouse about it. The standardisation scheme, as I stated, will be taken up later on. I would mention here one fact. I have shown you that the cut is really small and does not do justice to the industry, which can claim a higher cut. I will go into further details at later stage. It really cannot be contended that we are doing any injustice to the weavers, and I maintain that even the small cut can be considerably reduced, if not wholly made up, if the weavers were more efficient than at present. I will go further and say that there is undoubted scope for the increase of efficiency on the part of weavers. When the working hours were reduced from 12 to 10 under the Factory Act, about 16 per cent., the weavers in Bombay able to make up about 4 to 5 per cent. The loss on production was less by about 4 to 5 per cent. Whereas, the weavers in other parts of India made up the full 16 per cent, and were able to produce as much in 10 hours as in 12. This is also dealt with in the report of the Tariff Board, page 134, 4th line from the top. They say:—

“Valuable Light on this point has been thrown by figures obtained from some upcountry mills in regard to the fall in production owing to the reduction of the hours of labour in 1920 from 12 to 10. The Bombay Millowners' Association place this at 16 per cent. in the spinning department and about 11 to 12 per cent. in the weaving department but the experience of some mills in upcountry centres has been that, owing to increased labour efficiency and improved conditions, such as the installation of humidifiers, the drop in the production in the spinning department has been reduced to 10 per cent. while there has actually been increased production in the weaving department.

The Labour leaders might say that in Bombay Labour is already efficient and therefore they could not increase their efficiency as much as the upcountry mills. As against that, I will give you the case of a mill at Nagpur which the other side will certainly admit is one of the most efficient mills in India. There the weaver was able to make up 10 to 11 per cent., and the loss in production was only 4 to 5 per cent., against 10 to 11 per cent. in Bombay. Weavers there were already efficient. They are not allowed to loiter about; they are allowed to waste time as much as they do in Bombay. They have got a system whereby each employee is given a ticket, and he cannot pass out without the ticket. The number of tickets is restricted. It is one ticket say for 20 or 25 men. So, unless the fellow-worker returns the other man cannot go out, and the fellow-worker sees to it that he does not waste his time outside. In that way, they are able to make up a loss of 11 to 12 per cent. out of a loss of 16 per cent. Why should the Bombay weavers not be able to

make up the loss, if not to the full extent, at least to some extent? Why should he be able to make up only 4 per cent? Can he not increase his efficiency and bring about similar results? When discussing the standardisation scheme, I will revert to that point. This is practically the viewpoint of our Association, and if Mr. Joshi desires to go through the statement, criticise it and then produce evidence, he can do so.

MR. JOSHI :—We would like to have some time to give a reply. Before we go into a detailed discussion of this matter, we would like to collect some information from the Millowners themselves. I had raised that point in the first meeting, and you, Sir, agreed and the Millowners themselves agreed that they would be quite willing to give us some information. I have now made a list of the points on which we would like to get some information, and I would like the committee to go into these points and see whether our demand is reasonable or not. If we have this information, then we can go on with the enquiry with some facts in our possession.

THE CHAIRMAN :—Do you think that the whole enquiry should be held up until this information is obtained?

MR. JOSHI :—If it is a general statement, I shall be able to make it, if you like, to-morrow morning. In the meanwhile, we may take up some other point before we get this information, if you really want us to go into the details.

MR. SAKLATVALA :—I am not prepared to go into any other question. I could go through Mr. Joshi's statement, their memorandum and criticise it.

As regards further details, if the Committee so desire we shall give them as far as it lies in our power. Mr. Joshi can give replies generally.

MR. JOSHI :—As I said, our general statement need not wait for this detailed information but the later enquiry will have to wait for fuller information unless we find some points on which we need not have information.

THE CHAIRMAN :—Of course, the Committee will have to consider how far these points that you propose to raise, Mr. Joshi are relevant to this enquiry.

MR. JOSHI :—We have raised most of the points in our memorandum.

THE CHAIRMAN :—If you make your general statement and explain to us how you consider or maintain they are relevant to this enquiry that we have to make, we shall have some better basis to go on before we discuss the detailed information.

MR. JOSHI :—Shall we make our general statement to-morrow morning or do you expect me to go on just now :

THE CHAIRMAN :—I should have no objection to your replying to-morrow if in the meantime we can take some evidence or something like that.

MR. SAKLATVALA :—Our evidence will depend on the other side's statement.

THE CHAIRMAN :—But you can lead evidence in support of what you have been urging.

MR. SAKLATVALA :—The only evidence which I, at this stage, would like to put in, is, as I said to you, Sir, about the origin of the strike. Mr. Watts, who represents the Currimbhoy Ebrahim Group of Mills, where the strike took place, will give his evidence.

Mr. T. Watts, Superintendent, Currimbhoy Ebrahim Mills.

THE CHAIRMAN :—What is your name ?.....Mr. T. Watts. What position do you hold ?.....I am the Superintendent of the Currimbhoy Ebrahim Group of Mills.

Will you please say what you want to say about the origin of the strike. All the work-people downed tools and went out.

When was that ?.....That was a pay day, about the 16th April 1928.

Did that happen in any one particular mill ?.....The Currimbhoy mill was the first to go on strike, without any reason.

Had there been any dispute between you and your workmen ?.....No dispute whatever either as regards wages or anything else. In fact the scale of wages was higher than what the men had been getting for months.

Did you introduce any changes in the mode of working ? .....The only change that we introduced was in respect to making a finer count but the wages went up correspondingly.

(Mr. Stones explained that the finer count meant really less work.

What do you consider they went out on account of ?.....They made no complaints. They just sat down and eventually, after a few hours, walked out and stopped the other mills in our group. The workers from one mill went to the other mills in our group and stopped them all eventually.

You mean all the workmen or of only one department ?.....Of the weaving department only.

**THE CHAIRMAN :—**Mr. Saklatvala, you said that there had been some mis-statements in the written statement of the Joint Strike Committee about the origin of the strike.

**MR. SAKLATVALA :—**They say that the immediate causes of the last strike were the cuts in the rates that resulted in cuts in monthly wages in some of the mills; the introduction of three loom and two loom system and the cut in rates being adopted by other mills and reduction of hands and consequent over working, etc. Our contention is that if the strike was due to the introduction of this new system, this reformed system, the strike would have occurred in January. Here was a mill which had not introduced this new system. There was no allegation of reduction of wages. They never made any cuts in wages but on the contrary, because they went on finer counts, they were paying higher wages, and in spite of that the men went out on strike.

**MR. KHAREGHAT :—**Did this occur in your mill ?

**MR. SAKLATVALA :—**No.

**MR. KHAREGHAT :—**What is the allegation then ?

**MR. SAKLATVALA :—**The allegation is that there was a cut in wages.

**MR. SAKLATVALA :—**Did you employ the 3-loom and 2-loom sides system ?

**MR. WATTS :—**No. No.

**THE CHAIRMAN :—**Is there any other point you would like to ask Mr. Watts about ?

**MR. SAKLATVALA :—**I would like to tender myself as a witness.

**MR. ASVALE :—**Do you mean to say, Mr. Watts, that there was no complaint in 1927 or in 1928 when the mill-workers struck work ?.....I say there was no complaint when my work-people went on strike.

Before they went on strike, were any complaints made as to the cut in wages since the year 1927 ?.....Not to my knowledge.

Were there any complaints about any mismanagement ?.....No.

Is it not a fact that the millhands struck work in other mill first and that your mill was not the first mill to go on strike ?.....No.

**MR. ASVALE :—**The first mill was the Textile mill ?.....No, it was the Kasturchand.

Is it not a fact that the other workers of other mills came to your mills and threatened the workers and your mill managers drove them away ?..... No.



Is it not a fact that the Government Labour Gazette for April 1928 reports that the dispute over the cut of wages arose in some of the mills and that some of the mill managers drove out the other workers though they were ready to give them work? .....Not to my knowledge.

Is it not a fact that some of the managers of mills actually made a demand on the workers to go away?.....I can not say.

**THE CHAIRMAN** :—We must say this is not quite relevant as to how the strike started in a particular mill. I think you are laying too much stress on that, Mr. Saklatvala.

**MR. SAKLATVALA** :—In the ordinary course, it will be of no importance whatever as the strike was there and we would go on facts, but they make certain allegations which will have to be examined, namely, that the strike was prolonged owing to the determination of the millowners not to negotiate with the representatives of the workers and that the strike was caused by certain definite factors.

**THE CHAIRMAN** :—That really does not concern us. There is the report as to the origin, the cause and the continuation of the strike. We are not an historical committee to go into all that. We are prepared to take your contention that that is a wrong statement. Supposing it is a wrong statement, it has still very little effect, as far as I can see, on the general question we have to consider. As far as we can see, the point as to how exactly the strike started generates a little heat without any advantage.

**MR. SAKLATVALA** :—I will not press the point if that is your ruling.

**THE CHAIRMAN** :—We are prepared to hear what the Strike Committee has to say as to how the strike started.

**MR. JOSHI** :—We shall explain that in the statement I am going to make. May I ask Mr. Watts whether Kasturchand Mill is one of his group?.....Yes.

You make the statement that no complaints were sent to you from this mill? No. I said Currimbhoy Mill. The Kasturchand Mill was the one to go on strike.

Is it one of your group?.....Yes, it is.

There were complaints sent to you from that mill?

**THE CHAIRMAN** :—What is it that Mr. Joshi wants to ask about?

**MR. JOSHI** :—My question was whether Kasturchand mill is managed by the group of mills which is under the supervision of Mr. Watts; and Mr. Watts says it is.

My second question is whether there were any complaints from the workmen sent to Mr. Watts from that mill?.....Yes.

There were complaints that the men were dissatisfied with some of the rates?.....With the proposed reduction in the blankets section.

You agree that there was at least one mill in your group where was a cut?.....A cut in blankets section was intended.

Against which the men had protested?.....Yes.

Are you aware that in some of your mills some looms were thrown into idleness in spite of the fact that there were some men without work and mills were not all working?.....Yes.

Do you agree that that must have caused some discontent?.....I have no knowledge of that because no complaints had reached me.

As one who had worked in English mills, you agree that when looms are kept idle and if there is no work for some of the men, discontent is sure to result therefrom?.....Not in England.

Do you mean to tell me that unpleasant does not cause discontent?.....There can be no discontent in any Cotton Mill in England.

MR. DANCE :—In the case there would have been no question of the unemployed in England.

MR. JOSHI :—You are aware that in England there is the system of unemployment benefit while in India there is no such system?.....Yes.

You therefore admit that there is a great deal of difference between the Indian conditions and English conditions as regards unemployment?.....Certainly.

You can then agree with me that unemployment is the cause of discontent in India and in Bombay in particular?.....I maintain that there was no complaint from people who were employed. They did not complain about anything. They simply took the wages and went away.

I want to know the fact from you, whether there were some people who were actually thrown out of employment?.....Yes.

You know that these people are ignorant and illiterate and often their complaints are made in the form of a strike?.....I think they are sufficiently literate to know when to complain.

You mean they are able to complain in both ways, in writing as well as orally?.....Certainly.

MR. ASVALE :—Did I hear you say that they are literate enough to complain orally as well as in writing?.....Yes.

Which is the more favourite method with them?...I cannot particularly say.

THE CHAIRMAN :—I do not think there is much good in pursuing that line of cross-examination.

MR. JOSHI :—When the men were thrown out of employment from your mills, were they thrown out of employment in big groups or in small group?.....Small groups.

You agree with me that these small groups could not go on strike until they became a big group?.....I say in the Currimbhoy group there was no complaint made before closing down with regard to rates.

You mean tell me that these people lost their jobs on account of there not being sufficient work in the mills and that they did not feel any discontent at all? ..... I am not prepared to say so.

You know the conditions described by your colleague Mr. Saklatvala that there is depression at present? ..... Certainly.

You accept that there will therefore be some unemployment in the industry at present? ..... Yes.

If more people become unemployed, there will be greater discontent?..... I won't answer the question of discontent as I cannot see where the discontent comes from.

THE CHAIRMAN :—That is a matter of argument.

MR. JOSHI :—Is it or is it not a fact that you received complaints from people who were thrown out of employment from your mills? ..... I have already said that I did not receive any complaints from the Currimbhoy mill but from Kasturchand mill.

The Kasturchand mill is in the group which you are supervising? ..... Yes.

MR. B. S. KAMAT :—Mr. Watts, between the time when certain innovations were made in the Sassoon Group of Mills and the time the workmen downed tools in your mills, do you mean to say that you never heard any heart-burnings, any sign of discontent, direct or indirect, which came directly to your knowledge or any heart burning which your colleagues or employers did not hear about, between those two times? In other words, was that really a lightning strike or were there any grumblings or indication of heartburning? .....

Leaving out the Kasturchand, there were no grumblings or murmurings. In fact, I had two mills working, the Premier and the Kasturchand. The Premier mill was willing to accept the reduction in blankets wages, not so the Kasturchand. During the time the Kasturchand stopped work, the Premier mill was still working and it was the last mill to close down during the strike of all the mills in Bombay. The Kasturchand mill was the only mill that refused the reduction in its blankets section and we had no grumbling or murmuring. In fact it was a surprise to me and the Agents to see the Currimbhoy mills down tools.

**MR. SAKLATVALA :—** I would like to re-examine Mr. Watts. The strike did not begin in the Kasturchand mill?.....The strike started in the Kasturchand on the first of March.

When did the strike in your group of mills commence? Which was the first mill in your group that went on strike?.....The first mill was the Kasturchand which objected to the reduction in rates on blankets.

Was it on the first of March that the strike started?.....Yes, in the Kasturchand mill.

Did not the strike commence on the 16th of April?.....No, it started on the first of March in the Kasturchand.

Was your group the first to go on strike?.....The blankets section of Kasturchand mill was the first to go on strike.

Only the blankets section and not the whole?.....Not the whole but the blankets section.

When was that?.....I think on the first of March or April.

But you know that the present strike commenced and you yourself said on the pay day in April, namely, the 16th of April?.....Yes, in the Kasturchand blankets section.

I am asking not about the Kasturchand mills, but I am asking the question as to whether the strike commenced on the 16th April or not?.....

**THE CHAIRMAN :—**You mean the general strike.

**MR. SAKLATVALA :—**It first began in the group of the Currimbhoy mills on the 16th of April. Then it gradually spread. My own mill closed down on the 20th April and slowly the other mills did so and by the end of April all mills were closed.

**MR. JOSHI :—**You will agree with me, Mr. Watts, that the discontent started in February and continued in March and April?—Not in the

Kasturchand mill as a whole nor in the other 13 mills of our group, but only in the blankets section of the Kasturchand mill, which has only about 100 looms.

MR. JOSHI :—Were there not some small disputes and small strikes in other mills, the Textile, etc. ?—No,..... The Textile has nothing to do with me.

I am talking of general conditions in the city?—The Textile was on strike previously.

In February ?.....Yes.

In March also ?.....

MR. DANGE :—In January the Spring mill was on strike.

THE CHAIRMAN :—I do not think we need go into all that. What the exact origin is immaterial.

MR. ASAVALE :—We want to show that the people themselves had not struck first. There were cuts in wages, direct and indirect and therefore the workers went on strike. That is our object.

THE CHAIRMAN :—You may bring some evidence to that effect before us.

MR. JOSHI :—We are still writing some of our statements and if for the first few days we only sit in the morning and.....

THE CHAIRMAN :—You are trying to keep us on very short rations.

MR. JOSHI :—I want you to take our position into consideration. We have got to look after many things. We have now to write one or two more statements. We have already written some and we are very thankful to you for giving us some time. If we go on till 5 O'clock, I do not know when we are going to find time to prepare the statements that we want to.

MR. SAKLATVALA :—I must really protest. Mr. Joshi has to prepare his statements. Mr. Joshi has to attend to many other jobs, as if we are not busy men.

MR. JOSHI :—I do not talk of any important work of my own. I am taking of work in connection with this Committee.

THE CHAIRMAN :—We did give you some time before we started.

MR. JOSHI :—Unfortunately, we have found that that time was not quite sufficient. We have done our very best. I agree that there is a difference between the position of Mr. Saklatvala and myself. He has a big office, to assist him. I have none.

MR. DANCE :—I had pointed out in the very beginning to-day that we are faced with a number of disputes created by the owners. We do not find time to do the work.

MR. SAKLATVALA :—The other point is the 17 demands. If Mr. Joshi is prepared to go through them, we will do the same. The next point is about the standardized rules and regulations.

MR. JOSHI :—I am prepared to take up these.

MR. SAKLATVALA :—We are not prepared to take them up just now because some legal questions will arise and on our behalf Mr. Caroe will act but he will not be in Bombay city till the 4th or 5th of November.

THE CHAIRMAN :—What we want to arrive at is to what extent this cut will affect particular people and if you produce evidence in support of your statements, it will give us a better footing to go on with.

MR. B. S. KAMAT :—You would have to lead some evidence as to which group (Sassoon group) has introduced these new methods and how they are working.

MR. SAKLATVALA :—The other side is going to submit their statement and we are going to submit a written statement in due course.

MR. JOSHI :—Our statements are being typed and we are not going to change a word of these statements.

THE CHAIRMAN :—Is there any one who can say "I have introduced the standardized scheme or a part of it in my mill.

MR. SAKLATVALA :—No Sir. Nobody has introduced the standardization scheme in his mill. The Rational system is quite a different system. We have given a clear idea about this in submitting our separate statement. It has nothing to do with that scheme. That is a reform by itself introduced by a few mills.

MR. KHAREGHAT :—The change is in the method of calculating the wages.

MR. SAKLATVALA :—Absolutely so.

THE CHAIRMAN :—It is not from one to three looms?

MR. SAKLATVALA :—No, Sir. It is not what we call the Rational Scheme.

MR. KHAREGHAT :—Has not the standardised scheme been in operations?

MR. STONES:—No, that is the trouble.

MR. KHAREGHAT :—As it is working now, can you not say what amount the men will be getting?

MR. STONES:—Yes.

MR. KHAREGHAT :—You can calculate what the man can get out of the standardized scheme and otherwise and explain what he will stand.

THE CHAIRMAN :—That depends a good deal on the work the man does.

MR. STONES :—There are so many factors of assumption in it

MR. SAKLATVALA :—We have prepared a book of examples. In it we show what each weaver should get under our scheme under certain conditions of efficiency, etc. Then we have worked out as many sorts as are made in Bombay and we show what a weaver will be able to earn and we have made a column which gives the wage which, we maintain, he will get and the actual wage which he will get if that efficiency is maintained. You will find that in every case he will get much more than what we say he will get under our scheme. That means we have left a sufficient margin for inefficient workers, etc. Our original scheme provided for a cut of 11 per cent, but it was revised and now it provides for a cut of  $7\frac{1}{2}$  per cent, which means that these figures will have to be altered. The payment will be higher.

MR. KHAREGHAT:—You have been working for the last 15 days?

MR. STONES:—But not on this scheme.

MR. KHAREGHAT:—Would it be possible to ascertain what it will be on the present basis?

MR. STONES :—It would be all wrong. The weaver gets an advance of one-eighth per day, and they are neglecting their work at present to a very considerable extent. You can take the figures as they existed before they went on strike, but the conditions are absolutely abnormal in the mills as they exist to-day.

MR. KHAREGHAT:—Under the conditions existing to-day, they would be actually getting less wages?

MR. STONES :—Enormously less.

MR. DANGE :—There is another method of calculation. You may take the statement on page 12, and in that you can take a particular variety of cloth.

THE CHAIRMAN :—What work are we to do this afternoon?

MR. JOSHI :—We must have time to prepare ourselves. I am getting one more statement ready, about 3 looms and 2 frame system. It will be ready to-morrow. I have given one statement to-day on the standardisation scheme of the owners. We will give one more statement to-morrow about the 3 loom and 2 frame system. One of our demands is a minimum wage, and there are other smaller demand. They will all be taken up in one small statement on the third day. We shall meet in the morning to-morrow, and I will make a general statement, as Mr. Saklatvala has made a general statement about the cut in wages. To-morrow, I shall place our point of view of the matter before you. We shall have to prepare ourselves for the next day's work to-morrow.

MR. KAMAT :—We want a full day's work to-morrow.

MR. STONES :—We shall also want time to go into these two points now put forward. We shall have to discuss what information we will have to supply, and the question also is whether the committee will permit all that information to be supplied.

MR. JOSHI :—That can be settled to-morrow after my statement. It will have to be decided.

THE CHAIRMAN :—We should like the Millowners' Association to have some witness ready, say, to-morrow, in support of their case, so that we can go on with him if there is time.

MR. KAMAT :—You could have your chartered accountant to come here and depose about the balance sheet of 1926-1927. Supposing it is challenged, you may keep your chartered accountant ready to-morrow afternoon.

MR. STONES :—Until we know what is to be challenged and what is not, it is rather difficult for the opening of the case. As soon as the programme is laid down, we shall have out witnesses ready. There are also these complaints, and we will have to go into them.

THE CHAIRMAN :—They will be considered on Wednesday.

MR. JOSHI :—How can we go on unless we get time ?

MR. STONES :—If the committee has any time left at its disposal, I can be examined on the three-loom system. I am always available for that.

The Committee adjourned till 11-15 a.m. on the 30th October 1928.



## EXHIBIT NO. I.

Copy of Statement submitted by the Millowners' Association to the Tariff Board.

### STATEMENT A.

#### COMPARATIVE STATEMENT OF WAGES PER MONTH.

	Standard Muster 1-4-1910.	Standard Muster 1-4-1913.	Standard Muster 1-1-1918 including 15%.	Standard Muster 1-1-1919 including 35%.	Standard Muster 1-2-1920 including 55% & 75%	Standard Muster 1-1-1-1920 including 70% & 80%	Standard Muster 1-5-1921 including 70% & 80%	Standard Muster 1-4-1923 including 70% & 80%
	Rs a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Blow Room Tenters ... ..	12 0 0	14 0 0	17 4 0	20 4 0	23 4 0	25 8 0	25 8 0	29 0 0
Card Room „ ... ..	9 0 0	11 8 0	15 0 0	17 8 0	20 0 0	22 0 0	23 12 0	27 4 0
Speed Frame „ ... ..	18 0 0	19 9 0	24 0 0	28 8 0	36 12 0	37 12 0	37 12 0	37 12 0
Ring Frame Side Boys ...	13 0 0	15 0 0	20 0 0	23 8 0	27 0 0	29 12 0	29 12 0	29 12 0
Winders ... ..	12 8 0	12 8 0	14 8 0	16 12 0	19 4 0	21 4 0	21 4 0	21 4 0
Weavers „ ... ..	22 0 0	22 0 0	27 8 0	32 0 0	41 8 0	42 12 0	47 12 0	47 12 0
Folders ... ..	14 0 0	14 0 0	17 4 0	20 4 0	23 4 0	25 8 0	25 8 0	29 0 0

## EXHIBIT NO. 2.

Submitted by the Millowners' Association.

*Extract from the 1922 Year Book of the Oldham Master Cotton Spinners' Association, Ltd.*

Advance, and Reductions which have been made on this List and on the allowances for extra work :—

						STATE OF LIST.
1977.	October 22nd,	5 per cent.	Reduction	...	...	5% off
1878.	May 27th,	5 per cent.	Reduction	...	...	10% „
1878.	November 25th,	5 per cent.	Reduction	...	...	15% „
1979.	October 20th,	5 per cent.	Reduction	...	...	20% „
1880.	February 9th,	5 per cent.	Advance	...	...	15% „
1881.	From last making-up day in January,	5 per cent.				
	Advance	...	...	...	...	10% „
1885.	October 16th,	5 per cent.	Reduction	...	...	15% „
1888.	May 20th,	5 per cent.	Advance	...	...	10% „
1891.	First pay-day in January	5 per cent.	Advance	...	...	5% „
1893.	March 24th,	7d. in £	Reduction—2·91 per cent.	...	...	7·91% „
1899.	March 25th,	7d. in £	Advance 2·91 per cent.	...	...	5% „
1900.	April 30th,	5 per cent.	Advance	...	...	Nett.
1905.	August 17th,	Bonus of 5 per cent.	for 12 weeks payable monthly	...	...	Nett.
1906.	May,	5 per cent.	Advance on Wages paid on third pay-day	...	...	5% on
1907.	June,	5 per cent.	Advance on Wages paid on third pay-day	...	...	10% „
1909.	March,	5 per cent.	Reduction on Wages paid on first pay-day	...	...	5% „
1915.	War Bonus of 5 per cent.	on pay-day week ending 3rd July	...	...	...	10% „
1916.	Pay-day week ending June 10th,	5 per cent.	Advance.			15% „
1917.	Pay-day following February 11th,	10 per cent.	Advance.			25% „
1917.	Pay-day week ending December 15th,	15 per cent.	Advance	...	...	40% „

1918.	Pay-day week ending June, 15th, 25 per cent. Advance	...	...	...	...	...	65% on
1918.	On work done after 7th December 50 per cent. Advance.						115% „
1919.	On and after 14th July, 30 per cent. Advance	...	...				145% „
	(Hours reduced 55½ hrs. to 48 hrs.)						
1920.	A fixed bonus ranging from £ 3 to £ 9 per operative in three instalments, Jan. to March	...	...	...			
1920.	Pay-day week ending 15th May 70 per cent. Advance.						215% „
1921.	Pay-day ending 2nd July 60 per cent. Reduction	...					155% „
1921.	Pay-day week ending 31st December 10 per cent. Reduction	...	...	...	...	...	145% „
1922.	Pay-day week ending 6th May, 40 per cent. Reduction.						105% „
1922.	Per-day week ending 4th Nov. 10 per cent. Reduction.						95% „

---

### EXHIBIT 3A.

---

Submitted by the Millowners' Association.

---

*Reuters Commercial Financial and Shipping Service October 8th, 1928.*

---

New Bedford (Massachusetts, U. S. A.) October 7th, (Sunday).

---

Twenty-five local Cotton Mills, which have been closed since April as the result of a strike, and which has been affecting 27,000 workers, are re-opening, the strikers having agreed to a five per cent. reduction in their wages.

---

### EXHIBIT 3B.

---

Submitted by the Millowners' Association.

---

*Extract from "Commerce and Finance No. 15" dated 11th April 1928.*

---

New Bedford Wages Cut.

---

Following similar action in so many other New England Textile centres, the cotton manufacturers of New Bedford on Monday announced a wage reduction of 10 per cent. effective April 16th. This brings the wage scale to a level 89.82 per cent. of the pre-war scale, and affects approximately 30,000 people now working in the Mills. For several months the fine goods plants have been running on a curtailed schedule of 30 to 50 per cent. below normal.

The announcement of the manufacturers, which is signed by 27 mills, says that wage action is taken at this time with great reluctance, but declares that competitive conditions brought about by wage reduction in many other cotton manufacturing centres forces the mills to fall into line.

Despite the fact that wage cuts in other centres have been accepted by the operatives without open resistance, Abraham Binns and W. E. G. Batty, president and secretary, respectively of the New Bedford Textile Council, declared that nothing, in their opinion, can prevent a strike in New Bedford as a result of the wage action taken.

The three big tire fabric plants at New Bedford, the Devon Mills, the Firestone Mills and the Fisk Mills, have taken no action with regard to wages and it was indicated at their offices that no action is contemplated at present.

---

### EXHIBIT 3C.

Submitted by the Millowners' Association.

---

*Extract from "Commerce and Finance No. 29" dated July 18th, 1928.*

---

#### Hope for Arbitration in Mill Strike.

There is reason to believe that this week is likely to see a successful movement under way to obtain a settlement of the New Bedford Cotton Mill strike *via* the arbitration route, though it is not likely that the suggestion for such action will come from either side. Neutral agencies, probably other than the state board, are likely once more to advance this means of ending the struggle, and it is understood that both sides are being felt out unofficially in an effort to prepare the way for such a proposal. In case of the failure of other neutrals, it has been suggested that the Governor be asked to intervene in an attempt to get both sides together. After three solid months of complete idleness of mills and workers, the strike is now in its fourteenth week.

Cotton manufacturers are disposed to believe that the number of workers reporting at the mills for employment will begin to increase day by day just as soon as police measures become strict enough to afford a guarantee of safety from bodily harm, and to give real protection from intimidation on the part of strike picketers and their sympathizers.

But in labor circles there is not a single indication of the slightest weakening nor is there the slightest ground for believing the union members are becoming restless, or are losing confidence. Apparently they are prepared to

continue for the rest of the summer and fall in their present condition of idleness or are planning to seek employment elsewhere. Already the exodus of textile workers of both sexes has been large and a considerable number have moved their household effects to other places.

Arbitration is the only feasible course towards an early settlement. Although it has been mentioned more than once in both camps, and the idea has been talked over informally both by the labour group and by the manufacturers, each is stubbornly determined to make no suggestion in that direction lest it be interpreted by the other side of an indication of weakness. Nevertheless, it will be surprising, indeed, if neutral parties do not find some way of bringing the two into a position where an arbitration may be arranged without loss of dignity or prestige on either side.

---

### EXHIBIT 3D.

---

Submitted by the Millowners' Association.

---

*Extract from "Commerce and Finance No. 30" dated July 25th, 1928.*

---

#### Fear Spread of Mill Strike.

For the first time since the beginning of the New Bedford strike, there is developing a very real possibility of its extending to other textile centres, in New England, even before a definite conclusion is reached in that city, according to special advices from New Bedford. It had been supposed, up to recently, that labor strategy was bent on confining the struggle to one centre with the other centres working and lending financial support to the striking operatives until such time as a successful conclusion was gained, when the battle would be shifted to another centre. Information obtained during the past week, however, indicates that there is strong prospect of the Fall River fine goods mills becoming involved in a struggle along similar lines to that in New Bedford.

It is understood that the old established unions in Fall River have been disposed to await the issue of the New Bedford struggle, but that the more pugnaciously inclined have been preparing in advance by so changing the union bye-laws and rules that it will be easier in the future to call a strike.

Last week's development in the New Bedford mill strike included nothing that could be construed as indicating an early settlement of the controversy. The mills opened their gates each morning, but the number of operatives reporting for work was negligible and insufficient to operate any machinery.

Ever since the strike started the manufacturers have been comparatively silent on the strike situation, but last week John Sullivan, President of the New Bedford Manufacturers Association, issued four statements in as many days. In the first one he challenged the strike leaders to demonstrate confidence in the solidity of their forces by withdrawing pickets from the mill gates, and asserted that there were thousands of people who would like to go to work if they were not intimidated by pickets.

On Thursday Mr. Sullivan charged the Mayor of New Bedford with failure to enforce either the letter or the spirit of the law and asserted that the police did not provide "real protection" for those who wished to return to work.

In his third statement Mr. Sullivan attacked the Textile Mill Committee which he characterized as a menace to both the mills and organized labor. He contrasted the attitude of the New Bedford authorities to this group with the attitude of the Fall River authorities.

Touching again on the subject of the T. M. C. and its backers, Mr. Sullivan declared that the reports coming to the Manufacturers' Association connected this group with the Communist Party of New York. According to reports received by him Mr. Sullivan added, the Socialist Party regards the success of the strike in New Bedford as very important, because it may lead to a renaissance of the textile labor unionism of New England, with resulting strength to the whole Socialist movement.

Labor leaders assert the strikers can and will hold out for a long time yet. Relief work continues, with the New Bedford Textile Council distributing over 3,000 dollars per week.

---

#### EXHIBIT 4.

---

Statement issued to the Press by the Millowners' Association,  
29th September 1928.

---

THE MILLOWNERS' ASSOCIATION,

*Bombay, 29th September 1928.*

To all Papers.

Dear Sir,

The negotiations which had been in progress between a Committee of the Association and the representatives of the Joint Strike Committee have been put an end to on Saturday, with the result that the strike situation conti--

nues as before. The main point of difference was that the members of the Strike Committee were not prepared to agree to an average cut of  $7\frac{1}{2}\%$  which was the absolute minimum the Millowners could possibly accept as a cut based on the average earnings of weavers during April 1926 to March 1927. The Members of the Joint Strike Committee offered  $2\frac{1}{2}\%$  which could not be accepted.

On all other points of difference complete agreement was arrived at.

Yours faithfully,  
 (Sd.) B. K. MANTRI,  
*Ag. Secretary.*

---

### EXHIBIT NO. 5.

---

Submitted by the Millowners' Association.

---

*Extract from "Bombay Chronicle," 2nd October 1928.*

---

The Secretary of the Joint Strike Committee writes :—

A number of versions have appeared in the Press regarding the question of the weavers' wages and the offer of accepting a cut. The Strike Committee wants it to make clear that no talk of accepting a 5% cut was made or agreed to by any party as suggested in some Anglo-Indian Paper. As regards the  $2\frac{1}{2}\%$  cut that was offered by the Workers' Committee, it was made in a spirit of compromise if the strike was to be settled there and then. But the Owners having refused to meet the workers in the same spirit, the offer now does not stand.

II

RNY

~~42-113~~

42-114

---

*Tuesday, 30th October 1928.*

---



Tuesday, the 30th October 1928.

The Committee met 11-15 A. M. in the Secretariat, Bombay.

Present :—

THE CHAIRMAN.  
MR. KHAREGHAT.  
MR. KAMAT.

MR. SAKLATVALA :—Before Mr. Joshi makes his statement, may I say a few words as regards the statement submitted to us? We want some information from the other side, and we want to put in our statements. They gave us three statements yesterday. As regards the statement they submitted about the breach of agreement, we have prepared our own statements, which I hand in. Any evidence that is necessary will be brought up to-morrow. We also want a little information from Mr. Joshi as regards labour organisations, and the points are set out in the statement which I hand in.

THE CHAIRMAN :—Why do you want this information.

MR. SAKLATVALA :—Labour organisations have been freely referred to in their memorandum. They have been referred to by the Tariff Board, and I think it is quite relevant to the whole subject. The Tariff Board, for instance, recommend that no scheme could be satisfactorily got out unless in consultation with labour organisations, and labour representatives maintain that as regards their 17 demands such and such a thing cannot be done except in consultation with labour organisations. We must have some idea as to what those labour organisations are.

THE CHAIRMAN :—On the other hand, it is not part of our reference as to how far any scheme should be drawn up in consultation with labour representatives, and under what conditions. That is not one of the terms.

MR. SAKLATVALA :—It is not one of the exact terms, but the main contention on the other side is that we have not drawn it up in consultation with them. The Tariff Boards recommendation is also quite distinct on the point, and it would be much better if we had some idea of their organisation. We want only ordinary information.

THE CHAIRMAN :—We can consider it with the other request of Mr. Joshi.

MR. STONES :—The Committee should decide whether it should be called for or not.

THE CHAIRMAN :—There is the request for certain information from the Millowners' Association, and we shall be glad to hear you on that point. You can put in a written reply about it, or just address us.

MR. SAKLATVALA :—I think the best way would be for Mr. Joshi to dilate on his own memorandum, because all these points are referred to there, and if

you will permit me to give our criticisms, then it will be very clear to the committee as to which points are really relevant. I am quite sure that it will be seen that some of the information which Mr. Joshi wants is not really wanted.

**THE CHAIRMAN :—**We had better hear Mr. Joshi, and then hear you, and then we can consider the points. This request for further information from the other side can be gone into after we have heard Mr. Joshi and Mr. Saklatvala in reply.

**MR. JOSHI :—**I quite agree. I shall proceed with my statement.

On behalf of the representatives of the Joint Strike Committee, I assure the committee that we shall be very glad to assist the committee in its work in finding out the true position of the industry, especially the conditions under which the workers are working in this industry. Even the millowners will agree with me when I say that we have been quite anxious for an enquiry on the subject on which we are now making an investigation through this committee, and if I may say so, it was the millowners who were at least at some stage unwilling to have an investigation, especially into the conditions of the employment of the workers.

The question of the wage cut is a very serious one. It affects the life of 130,000 workers; it affects not only their economic condition, but it affects their health also. We therefore suggest to the committee that the enquiry that is to be made should be a thorough one. Let us go into all aspects and all the questions involved in the wage cut which the millowners are proposing. If we only take up those matters which the committee or the millowners may regard as directly relevant, I am afraid the enquiry may not be quite thorough and may not give true results. We are anxious that the enquiry should be thorough one. At the same time, I may also say that we need not make much hurry in our proceedings. I do not suggest that you have not given us every facility that we wanted, but at the same time, I want the committee to realise our difficulties, that if the enquiry is to be thorough, we shall have collect information and put it together, which takes some time. Mr. Saklatvala was anxious that we should proceed very fast with our enquiry and yesterday I said somewhat jocularly that he had a large staff. That is true. There is also the question of collecting evidence, which even the staff cannot do. We have to do certain things ourselves. As a matter of fact our experience so far is that it is difficult to cope with the work if we go on at this rate. Perhaps, our experience after some days may show us that the difficulty is not as great as we find it to-day. Moreover, the information for this enquiry must come forth. The Tariff Board complain that the

millowners did not give them sufficient information on certain points. On page 40 and page 117 of their report they make this complaint. They say:—

“The attitude adopted by the Bombay Millowners' Association in this regard calls for some comment. We consider that we were entitled to expect from the body which had applied for protection against unfair competition from Japan full information as to the nature and extent of that competition and that the Millowners' Association would be in a position to place before us a fairly complete range of samples of the Japanese yarn and piecegoods which they regard as in competition with yarn and piecegoods of Indian manufacture together with a record of prices not only of Japanese goods but of the Indian goods with which they are in competition over the period from which, in their view, serious competition dates.”

It shows the unwillingness of the millowners to give information. On page 117 of the report, they make a complaint which is very relevant to this enquiry especially. They say:—

“We endeavoured to frame our costing sheets in as simple a form as possible, but only seven of the upcountry mills, were able to return them filled in, and even in Bombay and Ahmedabad from each of which we asked for costs of production for twelve mills, only eight and six were sent to us filled in and, even in regard to these, numerous difficulties have arisen owing to the adoption by different mills of different principles in filling up some of the items included in them.”

This will show that unless complete information comes forth, the results of the enquiry are likely to be vitiated.

Then, the millowners lay great stress upon competition with Japan, even in labour matters. But when the Japanese Association gave them an invitation that they should visit Japan and see the conditions for themselves, the millowners did not accept that invitation. It is clear that they have shown a little unwillingness to go deep into this matter, so that we may arrive at a correct decision. We have furnished a list of points on which information should be given. The information required is one of detail. Unless we get that information, a large number of the points which we propose to make cannot be proved. The information is with them, not with us. I shall make that clear whenever those points arise.

I propose now to say a few words about the history of the strike. Mr. Saklatvala has given his version of the history, and I propose to summarise the events according to my knowledge and information. Mr. Saklatvala said that the strike took place without any cause. I do not think that he is right. There was sufficient cause for the strike. There was an attempt at wage reduction, direct and indirect, and there were numerous other grievances. It is true that the workers did not formulate their demands on paper and publish in newspapers, nor were they sent to the millowners, but the Union which was working in Bombay had sent during the year numerous complaints to the Millowners, and those complaints could have shown to them, if they had cared to give attention to them, that there was a lot of discontent. The cause of the strike, in my judgment, was the accumulated effect of the grievances from which the workers have been suffering. These grievances were published by some of my

friends in the press, and were also issued in a small pamphlet. If copies of the pamphlet are not with the Secretary, I shall supply them.

MR. KHAREGHAT :—When was it published? After the strike?

MR. JOSHI :—After the strike. This is what we said in the pamphlet : “ There are certain factors the accumulation of which seems to have brought about the present catastrophe on the workers. These factors are reduction in rates and wages—direct reduction of rates and wages.” We have mentioned in the statement in the pamphlet certain mills in which there was a direct reduction. The names are, the Khatau Makanji, the Spring, the Textile, the Madhavji Dharamsi, and the Kasturchand mills. The Kasturchand mill was referred to yesterday, and Mr. Watts admitted that they had proposed to cut the rates. The explanation given at least by one mill was that in 1911 the rates were fixed as experimental rates, and the experiment was not over till 1928. They said “ We now find that the real rates should be such and such, and therefore we changed them in 1928.” The experiment lasted for 17 years! Unfortunately, the workers now feel that it is a real wage cut. We have shown in that pamphlet certain indirect methods by which the wages are cut. One of these indirect methods is that a mill goes in for higher counts, and if the rates are kept the same, as the payment is made on weight, the wage on higher counts becomes less, and the total wage received by the worker becomes less. There may not be a direct wage cut, but there is a wage cut on account of the weight of the production being less. Then, if a mill goes in for higher counts and does not change into better material, there are more breakages, and the workman suffers a loss. This is another indirect method of wage reduction. The same thing happens when a mill introduces silk in the mixing. There are more breakages if sufficient care is not taken if silk is introduced. Indirect reduction also takes place when a millowner begins to speed up old machinery, which is not capable of that speed and this also causes more breakages, and consequently a wage cut.

Another cause suggested by us in that pamphlet is that of unemployment. Mr. Watts admitted yesterday that in his own mill he had reduced the number of workers. If you reduce the number of people and take the same amount of work, it really means that the men who remain in the mill have to do more work.

MR. WATTS :—I did not say that we reduced the number of workers. I said we stopped the looms.

MR. JOSHI :—There are some other mills in which the number of men has been reduced, but the work has not been reduced, and that is also equivalent to a reduction in the rate, because the remaining workers have to do the work of the total number of men who were previously engaged.

Then there is the question of the unemployment of these people. This unemployment may not be complained of by the workers in the newspapers, because they do not write about it unless they find some people who, like ourselves who are considered to be agitators, write their complaints for them in the newspapers. But the fact of the unemployment is there. There is discontent, and that discontent, although not expressed in words and meetings by the workers, many times spreads among the workmen themselves. The workers have got their own method of spreading their views among themselves, and the discontent spreads. This discontent caused by unemployment is not negligible. It is real, and it exists on a very large scale. Nothing was done to meet this discontent caused by the fear of unemployment. Unfortunately, the Government shuts its eyes to unemployment. They do not recognise the existence of unemployment, although it exists in a large degree in cities like Bombay and other industrial centres.

Then there was the discontent caused by the hours of work. In the case of some classes of workers, the hours were increased. The hours of work of the mechanics were increased. The millowners state that they asked the mechanics to work only  $8\frac{1}{2}$  hours, because they had not sufficient work for 10 hours. They say that their contract of service was for 10 hours. Now, is it believable that a large number of workmen should be asked the work only for a smaller number of hours for years together, when their contract was for a larger number of hours? This practice of the mechanics and some other classes of workers working for  $8\frac{1}{2}$  hours has been in existence for a very long time, and if that is so, it is not open to any one to say that the contract was really for 10 hours, and the wages paid were really for 10 hours and that the millowners were generous enough to pay the same wages for the work of  $8\frac{1}{2}$  hours. If really the wages had been for 10 hours, and the millowners paid the same wages for  $8\frac{1}{2}$  hours work, why did the practice of giving overtime wages which prevailed in some mills whenever the workers worked for more than  $8\frac{1}{2}$  hours come into existence? As a matter of fact, when complaints were made, some millowners raised the wage proportionately when the hours of work were raised from  $8\frac{1}{2}$  to 10, but some did not raise wages even proportionately, and naturally there were complaints and discontent.

There were some other causes that created discontent, such as the practice of fines. Another practice is that of dismissals, which in a mill take place without any reason. We shall find, when we go into some of the other matters, that the millowners pay no attention to the difficulty in which the workers are being placed by being discharged. Whenever they do not want certain people, they are dismissed.

Then there are certain other practices, such as the giving of spoiled cloth to the workmen and cutting the price of that cloth from their wages.

Then, the general treatment given to the workers is a source of discontent. Instances of physical ill-treatment are found and brought to the notice of the millowners also. Unfortunately, in India, this practice of the workers being assaulted by their officers or supervisors is common, and I know it from my experience not only of this industry but of other industries also. These are some of the causes which were responsible for a great deal of discontent amongst the workmen and which led to the strike.

Then there was the point of the strike being a lightning strike. Mr. Saklatvala said that there was no notice and it was a lightning strike. I do not know why Mr. Saklatvala should express any surprise at a lightning strike. Did they all bind themselves to give notice to a workman when he was discharged or dismissed. I can show by several instances that in Bombay mills the men are discharged without any notice ; the conditions of service are changed without notice, and I can prove it. If condition of employment can be changed without notice, if the men can be discharged without notice, I do not know why the millowners should expect any notice from the workers when they want to leave work. I therefore feel that this complaint about a lightning strike is not justifiable. I do not defend a strike without notice. Personally, I feel that whenever the workers can, they should give notice. It is a good thing, but certainly the millowners have no right to make a complaint, because they have not bound themselves to give notice to the workers when they discharge them and when they make changes in the conditions of service. Now, as regards this strike itself, in the Spring Mill there was a notice changing the conditions of service given on the 26th of December, that from the first of the next month the conditions of service would change. There was only 4 days' notice. Certainly that notice is not legal notice if the millowners bind themselves to give notice when making any change in the conditions of service. Therefore, the millowners have no right to make any complaint about the strike being a lightning strike.

I would now like to tell you how the strike took place. In January this year there was a strike in the group of mills managed by E. D. Sassoon & Co. That strike somehow ended. Then there was a rumour in the Textile Mill, controlled by N. N. Wadia and Sons that they would make the two frame system a compulsory one. It was on a voluntary basis, but there was a rumour that the system would be made compulsory. Now, when the strike took place in the mills of E. D. Sassoon & Co., I myself felt that the change was so big that unless the millowners gave really fair terms to the workers and also gave all essential conditions for that change, namely, the introduction of two frame and

three loom system, the workers were not going to accept that change, and we felt that as those favourable conditions were not given a general strike may come on some day, because, the discontent was growing. I have already told you that there was a rumour in the Textile mill that the two frame system would be made compulsory there. Even then there was some discontent about the ticket system. In most of the mills in Bombay, the weavers are not given any tickets; being piece-workers, they are allowed to go in without any ticket. In the mills controlled by Sir Ness Wadia, there was this ticket system, and that caused a good deal of discontent. There was also a special grievance that in these two mills they were asked to clean the machinery daily. In other mills in Bombay the machinery is not cleaned daily but occasionally whenever it is necessary. Then there was the question of blanket rates in the Kasturchand mills. In the Kasturchand mills there was also a retrenchment of men. These are really the immediate causes of the strike. All this discontent was finding expression in meetings. People found that small efforts at a strike would not be of any use. This is a matter of trade union or labour tactics. A strike only in one mill does not and will not succeed. If there is discontent on a large scale, there must be a general strike. Then only the grievances have some chance of being redressed. So, the idea of a general strike was taken up, and when the Currimbhoy group shut down there were meetings and the idea of a general strike was preached and it spread. It was at that stage, when the workers in groups of mills had gone on strike, that there was a procession and there was firing by the police; that firing was also responsible for the spread of the strike. I myself remember some workmen who had not joined the strike coming to me and saying "Now that firing has taken place we cannot go to the mills; we must join the strike; there is no other way." So, the strike spread, and after the firing it became a general strike.

After the strike had become general, some effort were made to bring about a settlement and peace. The first effort was by His Excellency the Governor, who came to Bombay on the 28th of April, but nothing came out of the Governor's visit. I do not know why nothing came out of that visit. I had the honour of being invited by H. E. the Governor, and I had a talk with him. In my very first talk, I made it clear to His Excellency that, so far as the workers' side is concerned, it was ready to meet the millowners and any third party in conference, to discuss the question of a settlement. I made it clear that, so far as the workers' side is concerned, we were willing for any enquiry which the Government may institute. I do not know why nothing came out of it. His Excellency said, if both sides were willing, he would intervene. Our side was willing, and the Governor did not intervene. What are we to understand from it? One thing is clear that the millowners were not willing for anybody's intervention. Then, the Hon. Sir Cowasji Jehangir, who was in

charge of the department, came down to Bombay, and I had the honour of seeing him also. I made the same thing clear to him that we were willing to enter into any conference to discuss the question with any third party and the millowners, but nothing came out of his visit. I again ask, who was responsible if there was no attempt at a settlement at that stage? Then I was asked by the Government of Bombay to send some information about the wage cut, and I sent a letter along with some information about the cut in rates and ages in some mills. My letter, along with that information, is printed in the Millowners' Statement. The millowners replied to the Government on that subject on the 16th of June. I want now to give to the committee a proof of the unwillingness of the Millowners' Association to have any intervention of any third party. They say in their letter of 15th June (page 29 of their printed statement) "I am directed to add that this is a matter purely between millowners and their employees and does not call for any action or intervention on the part of Government as suggested by Mr. Joshi in his letter. My Committee trust Government have already replied to this effect to Mr. Joshi's letter." This makes it clear that it was the millowners who were unwilling for any intervention by any third party, whether Government or any other body, and it was not the workers' side which was unwilling for any intervention. If the strike had prolonged, the millowners are responsible for it, and not we. Then, the President of the Bombay Municipality, Dr. Deshmukh, called the representatives of the workers as well as of the millowners to meet his committee. On behalf of the workers we made it quite clear that we were willing to meet in conference with any third party, whether it was the President of the Corporation, or the Government, and the Millowners' Association. That statement of ours has been printed in the report made by the committee appointed by the President of the Corporation nothing came out of it. I again ask, why there was not intervention by a third party; and I state emphatically that if the strike prolonged, the Millowners' Association is responsible for it. In the meanwhile, some correspondence was going on between the millowners and some unions as regards a conference between ourselves. That conference took place on the 9th of June. The millowners did not like the intervention of a third party, but they took nearly two months to enter into a conference with the workers' representatives direct. They did not like the intervention of a third party; not only that, but they were also unwilling to enter into negotiations direct with the workers' representatives. That is shown by the fact the first conference between the representatives of the workers and the millowners took place on the 9th June. I say this delay was made by the millowners on various grounds. They first said that they did not know who was to represent the workers. We stated that the Joint Strike Committee would represent the workers. They would not accept the



credentials of the Joint Strike Committee. They then said that they were quite willing to deal with registered trade unions. Now, I do not understand why registration of trade unions was necessary in order that the millowners should deal with them. In England there is a law for the registration of trade unions, but there are some trade unions there which are not registered. Registration is not compulsory either in India or in England. Some trade unions do not choose to register themselves, but that is no reason why the millowners should not deal with them for the purpose of negotiations. Then the Joint Strike Committee took the necessary steps so that it consisted of representatives of registered trade unions only that showed anxiety on their part to enter into negotiations but it showed anxiety on the part of the millowners to see that the negotiations were postponed. This conference between the millowners and ourselves continued for sometime, but finally it broke down. I do not wish to state here who was responsible for the break down of the conference. We naturally say that the millowners are responsible for it, while they say that we are responsible for it. After sometime, I again wrote to Government saying that if Government would intervene, as the conference between the millowners and ourselves had broken down, there was some chance of a settlement. Unfortunately, at that state, Government, which was practically treated with contempt by the millowners, was not over-anxious to offer mediation, and nothing came out of my letter to them. I do not suggest that Government was indifferent, but I do not suggest that Government was afraid of making any suggestion to the millowners that there should be mediation on behalf of Government. Again, Dr. Deshmukh, the President of Corporation, called people together informally, and there were discussions, but nothing came out of it also. Then the millowners made an attempt to open the mills, believing that the strike was due only to intimidation, and as the strike had lasted long the workers naturally were starving, and they might go back to work. They were disappointed. Mr. Saklatvala said that this was due to intimidation and more intimidation. I deny that charge. The police in Bombay were certainly not sleeping if we were intimidating. As a matter of fact, if you compare the events that took place of Bombay during the strike with those taking place in other countries and other places, you will find that the Bombay strike was a very peaceful one, and there was the least of intimidation in it. Is it possible for 150,000 people to be intimidated by a few volunteers? We used to keep only two volunteers at a mill. These two volunteers could not certainly intimidate the three to four thousand people that wanted to go into the mill; and the police were kept ready for that occasion. Special protection was given by the police; that is what the papers said. If that was so, how could a few volunteers intimidate such a large body of workers? So, it

was not intimidation that prevented the workers walking into the mills ; it was their unwillingness to go back, their determination not to resume work unless they gained something. So, the millowners' attempt at re-opening completely failed. Then the Bombay Legislative Council, I think, passed a resolution that there should be some conciliation committee. At that time, Government was again willing to make an effort at mediation. The reason is quite clear. Government made themselves bold to offer mediation at that stage because the millowners' attempt to open the mills had failed. Before this attempt was made to open the mills, a friend of mine had seen the General Member of the Government and asked him why he should not call another conference. The reply was that my friend should wait for some time. At that time the millowners were making an effort to re-open the mills by force. What the General Member of the Bombay Government meant was that if the millowners did not succeed in re-opening the mills, then they may come round and accept mediation ; otherwise, it was no use making an effort at mediation. After the failure of the attempt by the millowners to re-open the mills, the General Member called a conference on the 16th of August. That conference failed, because the millowners refused on the first day to pay for the interim period according to the wages for 1925. If there were no wage reduction, why should not the millowners have accepted our suggestion that they should pay for the interim period the wages of 1925 ? It was on that issue on the first day the conference broke down. It is true that on the next day we refused to call off the strike immediately, but on the first day if the millowners had agreed to pay for the interim period the wages of 1925, there would have been a settlement on that day. After that there were informal conferences between the representatives of the millowners and our representatives. At one of the conferences, the question of the wage cut was discussed. It is true, as Mr. Saklatvala said, that our representatives at one of those meetings, in order that there should be a settlement, agreed to accept a wage cut of  $2\frac{1}{2}$  per cent., but they made it quite clear that they were willing to accept that cut if there was going to be a settlement on that day.

Here, let me make one point clear. Mr. Saklatvala says that we had accepted the principle of the wage cut. We had not accepted the principle. We accepted a  $2\frac{1}{2}$  per cent. wage cut simply because we wanted to stop the starvation of the workers. It was a question of force. It was not a question of our realising the justification of a wage cut. We never agreed that there was any justification for a  $2\frac{1}{2}$  per cent. wage cut, but as we who were responsible for the conduct of the strike, wanted to put an end to the starvation of the men, we were willing to accept a wage cut of  $2\frac{1}{2}$  per cent. It is wrong on the part of the millowners to say that we had realised the justification of a

wage cut. People consider some conditions not because they consider them just, but because they have to. It was under such circumstances that some of our representatives on that day were willing to accept a cut of 2½ per cent.

Then there came the second conference between the General Member, the millowners and ourselves, and then there was an agreement. This is really the history of the strike.

In this connection, Mr. Saklatvala stated that during the strike we misrepresented the standardisation scheme, I would like Mr. Saklatvala to state, when did the millowners admit openly that there was a wage cut in the standardisation scheme? Did the millowners represent, when they published their standardisation scheme that there was a cut of 11 per cent. in scheme in the weavers' wages? If Mr. Saklatvala says that he did publish it, I want him to quote his authority, and say in what statement the millowners admitted that there was a cut of 11 per cent. In the scheme prepared by them. If there is any misrepresentation of that scheme, it is on the part of the millowners and not on our part. If it is contended that it was a scheme of pure standardisation, we maintain that it was not a pure scheme of standardisation; it was a scheme of standardisation mixed with a scheme for the reduction of wages and a reduction in the number of workers also. So, the charge of misrepresentation of the scheme cannot be levelled against us. If it can be levelled against any party, it must be levelled against the millowners themselves. I do not wish to go any more into the history of the strike and the events in connection with that history.

The millowners, in proposing a wage cut justify it, even to us high an extent as 30 per cent. in the weavers' wages. Mr. Saklatvala said that the position of the industry is such that a wage cut of even 30 per cent. may be justifiable. When we talk of the depression in industry, we must not forget that this is a competitive industry. It is not a sheltered trade or industry. There are bound to be some days of prosperity, and some days of depression. If it had been controlled by Government, then certainly the public would have taken the responsibility of meeting the losses as well as enjoying the profits. It is a private industry in the hands of private people. It is a competitive industry, and they are responsible either for the prosperity or for the depression. When they made profits, they never went to the public offering them some share of those profits nor did they go to the workers and say "We have made profits; please take more wages." Is that the history of the increase of wages in Bombay, that the millowners made a voluntary offer of increase in wages? That is not the history of the increase of wages.

MR. STONES :—The first increase was given voluntarily.

MR. JOSHI :—I am talking of the whole history. If you could show from the whole history that the increases in wages were voluntary, I could understand it. The millowners themselves never increased the wages voluntarily. They never made an offer of increase when there was prosperity, and so if there is depression, they are responsible for it. It is all very well to talk of national industry. If it is national, it must be the property of the nation, and not of a few individuals. If the industry is national, the nation will get the benefit of its prosperity, and certainly the nation will be responsible for its depression. The millowners all over the world, when there was a boom, made profits. This industry has paid well and those who had engaged themselves in it know it quite well. There was a time when people could make money. I have a book which calls the cotton magnates of the world "money spinners." There are families who have made fortunes out of this industry. I do not say the shareholders have made huge fortunes, but the people engaged in that industry have made huge fortunes, although the shareholders have not done so. The money spinners, the cotton magnates of Bombay and other places, in the boom period after the war, have made huge profits. Mr. Saklatvala admitted that the profits from 1917 as given in the Tariff Board report amounted to Rs. 39 crores.

MR. SAKLATVALA :—From 1917 to which year are you referring? It is given from 1917 to 1926.

MR. JOSHI :—From the statement on page 241, I think the total comes to 39 crores.

MR. SAKLATVALA :—You have added the losses as profits. The figures from 1923 are losses. You can total it up to 1922.

MR. JOSHI :—I will give you better figures than those of the Tariff Board. The figures are given by Mr. J. A. Wadia, one of your own group. They are on page 108 of the first labour office report in cottage wages. He gives figures from 1905.

MR. DANGE :—Where the Tariff Board gives figures for 1917, this report also gives figures of net profits for 1917 onwards?

MR. SAKLATVALA :—Are these after deducting depreciation?

MR. DANGE :—Yes.

MR. SAKLATVALA :—With regard to those figures, I am sorry to say that the method adopted by Mr. Wadia was a rough and ready method. He took the profits of only those mills which he could obtain. He has not taken the figures for all the mills, as we have done in our audited statement of accounts.

MR. JOSHI :—I do not agree with Mr. Saklatvala that Mr. Wadia does not know his business. He has deducted for depreciation and other things.

MR. SAKLATVALA :—He has not deducted depreciation.

MR. JOSHI :—He has given figures for it. It comes to Rs. 58 crores.

MR. SAKLATVALA :—What is the good of having figures of that kind?

MR. JOSHI :—Your figures are faked figures.

MR. SAKLATVALA :—The method adopted by Mr. Wadia is not applicable to all mills.

MR. JOSHI :—When the millowners wanted to make out a case for protection and for wage reduction, they began this method of deducting a large amount for depreciation. Mr. Wadia has deducted the amounts for depreciation, and the total given by him comes to Rs. 46 crores 28 lakhs. After that, we took the figures for 1921-22, which is Rs. 12 crores and odd, and the total from 1915 to 1922 comes to Rs. 58 crores. These figures have been taken from a Report by Mr. Findlay Shirras on behalf of the Government of Bombay Labour Office for 1921, published in 1923.

Mr. Saklatvala has made too much of these losses. He said the losses amount to Rs. 8 crores. I say the profits amounted to Rs. 58 crores. I do not object to the millowners giving a reasonable dividend, but even after paying a reasonable dividend, there ought to have been a good deal of saving. Where is that money gone? I admit there is not much money in the reserve fund now.

Where is that money gone? I say that the millowners must be held responsible for wasting the resources placed in their charge as trustees of the national industry during the boom period. If they had reserved the profits after only paying a reasonable dividend, they could have met the present small loss of seven lakhs for many many years. There certainly would not have been any necessity for reducing the wages if these profits had been reserved, but they wasted the profits and now they talk of depression of the industry and make the workers responsible for the loss due to the depression. There is no doubt that the millowners have kept some amount in reserve and they make use of that reserve in order to give dividends to their shareholders, but I maintain that if a reserve fund is necessary for what they call equalising the dividends, I say that the reserve fund also is built up for equalising the wages. If dividends must be equalised by taking away some money from the reserve fund, the wages must be equalised by taking money from the reserve fund and if there is a loss of seven lakhs, the millowners have got a reserve fund of six crores of rupees. Why should there be any need for reducing wages.

THE CHAIRMAN :—Have you got any authority or precedent of any kind which supports your contention.

Mr. JOSHI :—My authority is that as the shareholders want continuous dividends and therefore the millowners keep a reserve fund, the workers also do not want their wages to be reduced if there is not going to be any increase. Naturally, therefore they expect that when the reserve fund is built up out of the boom period, the money out of that reserve fund should be spent in order that the workers' wages should not be reduced. If there is to be an equalising of dividends for the benefit of the shareholders, there should be equalising of wages also. The reserve fund is necessary for two purposes, namely, to keep the dividends steady and also to keep the wages steady, but unfortunately I do not know whether there is any country which is yet not under the domination of the capitalist and so this new system of using the reserve fund for the equalisation of wages may not have come into existence.

There must be an enquiry as to how the capital invested in this industry jumped up suddenly from seven crores to 19 crores. Certainly, this is not new capital invested in the industry.

THE CHAIRMAN :—What figures are you referring to?

Mr. JOSHI :—The figures are given in column 2 on page 211 of the Tariff Board's Report. There is no doubt that there is some inflation of capital there. This increase in capital cannot be explained by the increase in spindles. There is inflation of capital and some of the depression is due to that. Anyway, whatever may have been the condition of the industry before, what is the present state? The present state is that in the latest statement of accounts given to us by the Millowners Association for 1927, they show a loss of Rs. 7,36,000/-. So there is no doubt that there is a marked improvement compared to the previous loss. The previous year's loss was much greater, 195 lakhs, and in 1927 the loss is Rs. 7,36,009/-. There is no doubt that there is now a marked improvement in the condition of the industry. Even this small loss is due to the inflation, if I may be permitted to say so, and not to the depression. The inflation of Capital means the inflation of the depression also, as otherwise there would have been no loss. This depression in industry is not only confined to India, but it is found all over the world, and there is depression in Lancashire which is a well known thing. I do not know that anybody will challenge that there is depression in Lancashire. So also in Japan. The Japanese industry is not prosperous now. The Japanese export trade in Yarn has dwindled down from 212 million pounds to 44 million pounds. These figures are given in a small pamphlet called "Statistical Information Concerning Cotton Spinning in Japan" published by the Cotton Yarn Association, Manchester.

Secondly, there are the profits made by Japanese Cotton Mills which are said to be profits made from their organisation in purchasing cotton. That is given in the Labour Gazette for September, page 51-52. It says "The most striking part of the account in our view is that which states that Japan's chief competitive advantage emanates from the successful buying of raw cotton". And again on the next page, we find: "Before considering the question of the labour conditions, there is one exceedingly interesting fact to notice with regard to profits made by Japanese mills. I was told by the manager of the mill that the actual spinning and weaving business was showing no profit at all, but only just making both ends meet. All the profits are being made on the successful buying of raw cotton."

**THE CHAIRMAN:**—This is a statement by a visitor to Japan who visited just one mill in one place.

**MR. JOSHI:**—He knows the business.

**THE CHAIRMAN:**—He himself says that he is not a technical spinner. He is not a cotton expert. He talks to the manager who tells him that in his mill they are having a hard time and that they are making their profits only by cotton buying. I do not say that that may not be true. All that I am pointing out is what may be called "hearsay" evidence in a court of law which is rather of a limited character.

**MR. STONES:**—We shall prove later on that the loss last year was very much for the same reason.

**MR. JOSHI:**—But not on account of your organisation. He says the profits are due to good judgment in buying raw cotton.

**THE CHAIRMAN:**—That is a point which has been dealt with by the Tariff Board.

**MR. JOSHI:**—We must remember that the Tariff Board says that this depression is the ordinary cyclical depression. They are cycles of depression and boom. This depression is now passing away. It is not special for the Indian industry. The Tariff Board itself has made that clear when it says on page 31, para 15, of their report:—

#### (b) Cyclical Character of Trade.

"In paragraph 9 and 10, we have explained the nature of a boom and a depression in trade and have shown that the boom and the depression in India present all the features which characterise what is known as the trade cycle."

It further states :—

“ India is participating in the world depression as it participated in the world boom and to that extent the world conditions must be regarded as contributing to the present depression in this country.”

There is nothing special as regards the depression in India.

Mr. Saklatvala referred to the exchange policy of Government and was kind enough to make a special reference to me. Before I go to his reference to myself, I will tell you what the Tariff Board says on this subject. On page 76, of its report, we find :—

“ Our conclusion as regards the stabilisation of the rupee at 1s, 6d. is therefore, that coming as it has done at a time of falling prices, it has rendered the problem presented by the disparity between prices and wages in the industry somewhat more pronounced but otherwise has had no appreciable effect, direct or indirect, on its conditions.”

Mr. Saklatvala need not make much of it.

MR. SAKLATVALA :—I had only referred to the process of adjustment not to whether the exchange should have been 1-4d. or 1-6d.

MR. JOSHI :—That is the opinion of the Tariff Board. On page 56, the Tariff Board says as regards exchange :—

“ So far, therefore, as exchange is concerned, Japan now enjoys no special advantage and the wider question of the alleged disadvantages to the cotton industry of a high rupee can best be considered at a subsequent stage.”

I must now give an explanation of what Mr. Saklatvala said about myself. Mr. Saklatvala has admitted that there can be a difference of opinion on this question of exchange I do not claim that I am an expert in the problem of currency but unfortunately under existing circumstances every legislator is asked to vote on any question in the world and he has to make up his mind and vote. Although I was not an expert in the problem of Currency, I had to make up my mind and I did it according to my best light. My view was that the time had not come for binding down the exchange at a particular rate by legislation. So, I could not support the proposal of the millowners and the capitalists in India that our exchange should be bound and fixed by legislation at 1-4d. I voted against the proposal that the rate of exchange should be fixed at 1-4d. by legislation.

MR. SAKLATVALA :—There was no vote taken on whether the exchange was to be fixed or not. The vote was taken on whether the exchange was to be 1-4d. or 1-6d.



MR. JOSHI:—I know a little bit of these proceedings in the Assembly and I voted against the rate of exchange being fixed at 1-4d. by legislation.

THE CHAIRMAN:—That really does not affect our present work.

MR. JOSHI:—My view is that the depression is felt by the millowners in Bombay and perhaps elsewhere on account of their being spoiled by the previous boom. That boom has spoiled many people. People got money and began to spend money. They acquired spend thrift habits and now cannot change those habits. We sometimes cannot change our habits. They feel the effect of the depression because they cannot give up their spendthrift habits acquired on account of the boom. Otherwise they might easily have made economies in every direction and made their industry paying.

Then, Sir, I would like your attention to be drawn to the fact that if the depression had been due to a cause like that of labour costs being higher, all mills would have felt the depression. If other mills did not feel the depression, we must look for the reason in perhaps the better management of those mills and not in the fact that wages in those mills are higher.

Then Mr. Saklatvala gave the instance of the Tata Mill and said that the Tata Mill shareholders are suffering on account of the higher wages. That is not so. Mr. Saklatvala had to refer to the position of the Tata Mills which is unfortunate. The Tata Mill's present position is due absolutely, if I may be permitted to say very frankly, to the gambling spirit of the boom years. The agents had made a transaction which proved to be disastrous to the Mill. Mr. Saklatvala himself will give the facts.

MR. SAKLATVALA:—I will give facts with statements of accounts later on.

MR. JOSHI:—Mr. Saklatvala has not proved that the position of the Tata Mill was mainly due to higher wages paid by that mill.

Then, there are some weaker mills and these weaker mills cannot, in these times of depression, stand and therefore, he says, the wages should be reduced. Now, if some of the mills are weaker, we must find out why they are weaker. If their weakness is due to the high cost of labour, then there may be some justification to reduce the wages, but if it is due to some other causes, then the reduction of wages will not be beneficial. If their weakness is due to inefficient management, and if you reduce wages, you simply continue the inefficiency by allowing them to reduce wages. If the weakness is due to some other causes, those causes must be removed and no reduction of wages should be resorted to, to remove those causes.

I do not wish to say much more about the position of the industry. I find that the present position is not bad. If the position was bad at any time, it has improved and the improvement will continue. Mr. Saklatvala said that the best mills had begun to feel depression. He mentioned the instance of the Swadeshi Mill gradually feeling the the depression. I say the depression is slowly passing away. Their own balance sheet shows that it is passing away.

I now come directly to the question of wage cut. Is the wage cut justified by the present state of the industry? In order to answer that question, we must first ask ourselves: "Are the losses which individual mills are making at present due to high labour costs?" If they are, then certainly we can consider the question of labour costs, but Mr. Saklatvala has not shown that the losses which are made by some mills are due to labour costs being high or due to the wages being high. Some mills are making profits; some are making losses. The losses of such mills are certainly not due to the labour costs being high but they are due to some other causes. You must remove those causes. If you do that, there will be no losses, and if these individual mills do not make losses, the total position of the industry will be sound. It is not that all mills are making losses, only a few will be making losses. If we find that these few mills can prevent their losses by better management and economy, the picture of the position of the industry will be quite different. I therefore think that there must be an enquiry as to why these individual mills are making losses. It is on account of the fact that I have asked for detailed information about all the mills. This is my justification for giving you that list containing the points on which we want information. We want to go thoroughly into the question why certain individual mills make losses. We want to find out the real causes of their losses and the millowners must prove that the labour costs of those mills are higher. Then the remedy of labour reduction may be thought of. I do not say it will be justified but it may be thought of, but if the causes of the losses are different, then certainly there is no justification for thinking that wage reduction is the remedy.

Mr. Saklatvala said that compared to upcountry mills, the wages in Bombay are higher. Before I go to the wages in upcountry mills and wages in Bombay, I want Mr. Saklatvala and you, Sir, to realise that the Tariff Board has made one admission that the cost of production in Bombay and in upcountry mills is practically the same. That admission by the Tariff Board is given on page 121. They say:—

"All that can be said is, therefore, that the cost of production statements show that production both in yarn and cloth in Ahmedabad and in efficient upcountry mills is as high as it is in

Bombay. The two tables, therefore, furnish a sufficient guide to the relative costs of production in Bombay and in efficient upcountry mills as do also the total figures for Bombay and Ahmedabad."

MR. STONES :—Mind you, Mr. Joshi, the wording is "the cost of production statements."

MR. JOSHI :—Well, I give up that point and proceed to others.

There is no doubt that the wages in Bombay may be higher than wages in some of the upcountry mills. It is quite possible, but it is also necessary because the cost of living in Bombay is higher. Even in government service, Government give Bombay allowance to its own employees because the cost of living in Bombay is higher. Nobody is going to say that these workers in Bombay Mills should be paid on the same scale as is paid in upcountry mills. That way you cannot conduct your industry because the result of paying the same wages in Bombay and in a small village would be that you would not get workers in Bombay. You may, if you like increase the wages in upcountry mills. There is good justification for that, but if you say that simply because the wages in some villages are lower than in Bombay, therefore the Bombay wages should also be lowered, then you are taking steps to destroy your industry completely.

MR. SAKLATVALA :—There is no mill in a village but there are mills in big towns like Cawnpore, Delhi, Madras and so on.

MR. JOSHI :—I will make a statement and that statement is this, that if the millowners like, they may take steps to increase the wages in upcountry mills, but the wages in Bombay cannot and should not be reduced because there is a great difference in the cost of living in smaller places as compared with places like Bombay. That fact is recognised by Government also. Suppose to-day the millowners in Bombay reduce wages in Bombay simply because they cannot compete with upcountry mills, those upcountry mills will start competition in reducing their own wages still further, and then again Bombay mills will again reduce their wages and I do not know to what limit the wages could be reduced. I think that the remedy for meeting the competition of upcountry mills is not the reduction of wages in Bombay. It is a mistake. You cannot stop anywhere if you adopt that remedy.

THE CHAIRMAN :—You say there is a proposal that there should be a large wage reduction in Bombay. I could understand your argument being based on that point if there was a proposal that there should be a ten per cent. reduction of all wages in Bombay. The other side says that the reduction only affects a certain number of weavers who will have a small cut in their wages and that the reduction will not go beyond a certain point.

MR. JOSHI :—There is a direct cut in wages of weavers but there is also a cut in wages of spinners who have to turn out more work for the same old wage, which indirectly means there is a cut in their earnings compared to the amount of work they turn out.

THE CHAIRMAN :—You say it means a reduction of wages for spinners as well?

MR. JOSHI :—In the rate for a particular unit of work.

THE CHAIRMAN :—Because they have to work harder?

MR. JOSHI :—Yes. I say that the remedy for meeting the competition of upcountry mills is not the reduction of Wages in Bombay, because that kind of competition will compel you to go down and down until you come to a point where you will not be able to get any workers at all for your industry. My suggestion to the millowners is that if they want to meet the competition of upcountry mills, they should stop the competition between themselves and upcountry mills by some mutual arrangement with them. The millowners in Bombay may take up higher counts and the millowners upcountry may take up coarser counts. In Bombay higher counts will give the workers higher wages. They could also make some arrangement with the upcountry millowners to stop the competition by making some arrangement between themselves whereby they could make particular kinds of cloth in Bombay mills and other kinds in upcountry mills. One thing however is clear, and the Tariff Board has also admitted it. They say that the upcountry mills have got some advantages such as cheap labour but they have some disadvantages also. Bombay has got certain advantages which Bombay has not made use of. The Tariff Board says that Bombay has got certain advantages of climate and there is more efficient labour. There is moisture in Bombay climate. They could have taken advantages of that for taking to higher counts.

MR. STONES :—Mr. Joshi, you referred to the Tariff Board's statement on page 121 where they say that the cost of production statements show that production both in yarn and cloth in Ahmedabad and in efficient upcountry mills is as high as it is in Bombay. That does not seem to refer to increased efficiency of Bombay workers. Does it?

MR. JOSHI :—Increased efficiency is given by the number of workers employed per loom and spindle. Increased efficiency is shown per loom in Bombay. On page 119 of the Tariff Board's Report, you have the following figures :—

BOMBAY.	PER SPINDLE
Total Manufacturing and Overhead charges (Bombay) ...	PER DAY. ... 9.97 Pies.
Up-country Centres ...	... 10.01 „
Number of Operatives per 1,000 Spindles (Bombay) ...	... 24.2 „
Up-country centres ...	... 27.6 „

That means that the Bombay workers are more efficient than the up-country workers. There is no doubt about that, and the Tariff Board has also admitted that Bombay has also got the advantage of climate. Therefore Bombay could certainly go to higher counts and meet the competition of up-country mills, but instead of doing that, Bombay sets up competition of going down in wages.

Mr. Saklatvala also talked of Ahmedabad wages. Unfortunately, Sir, he did not read the whole statement about the wages in Ahmedabad and Bombay; otherwise, he would have found that in Ahmedabad the weaver is paid more than in Bombay. On page 113 of the Tariff Board's Report, we find a comparative table as per Standard Muster on April 1st, 1923, for all the cities, Bombay, Ahmedabad, Cawnpore, Delhi, Nagpur and Madras. The weaver in Bombay gets Rs. 47/12 while in Ahmedabad he gets Rs. 47-15-9.

MR. SAKLATVALA :—On page 112 the Tariff Board say that that is not correct, that it is apparently more but is really much less.

MR. JOSHI :—Yesterday you did not allow me, Mr. Saklatvala, even one word.

MR. SAKLATVALA :—I am sorry.

MR. JOSHI :—In Ahmedabad a weaver gets Rs. 47-15-9 while in Bombay he gets only Rs. 47-12-0.

THE CHAIRMAN :—That is only in one representative mill.

MR. JOSHI :—That is the finding come to by the Tariff Board.

MR. STONES :—In 1923, the Tariff Board says, that in Ahmedabad a workman's average earnings amounted to Rs. 1-3-10 per day (page 112).

MR. JOSHI :—He talked about the cut in Ahmedabad and said it was 16 per cent, but he did not tell you that previously the Ahmedabad wages had gone up by 222 per cent. while in Bombay the increase was only 187. So the cut of 15 or 16 per cent in Ahmedabad certainly does not show that the present wages in Ahmedabad are more than in Bombay or that any cut is justified in Bombay

because Ahmedabad wages have gone up and are higher than wages in Bombay. That is given in Mr. Findly Shirras's Book on page 20. He gives a statement of increase :—

	INCREASE.			INCREASE.		
	NOMINAL WAGES.			REAL WAGES.		
Bombay	...	187	...	...	112	
Ahmedabad	...	222	...	...	133	
Sholapur	...	194	(more than Bombay.)	116	(more than Bombay.)	
Other Centres	..	211	Do.	126	(much more than Bombay.)	
For the Presidency	196	..	...	...	117	

The increase in wages in Bombay which is made so much of by the Millowners Association is below the average. The average is 196 as against 187 for Bombay, and yet Mr. Saklatvala and his Association make so much of that increase. They talk of 100 per cent increase. That increase is much less than the increase in Bombay, Sholapur and other centres and it is less than the average also. Why should they make so much of the increase in wages in Bombay City.

Mr. Saklatvala talked about Lancashire. He said there is a wage cut in Lancashire. I do not know much about wage cut in Lancashire. But I know this that the wages in Lancashire are at least four times as high as the wages in Bombay. I want that matter to be thoroughly gone into. I make a statement, Sir, that Bombay labour is not as costly as Lancashire labour. Certainly Bombay labour is cheaper.

Then, he said there are some other European countries also where there have been wage cuts, but I am prepared to show that even in these times the wages in some of the European Countries are going up and that wages are not being cut down. I will give you some instances of wages going up. Yesterday he spoke of wages in New Bedford being cut down. I will give you instances of countries where wages are going up. Germany as you know is a very important textile centre. This is what is stated in the book "Reports and Replies to Questionnaire" Twelfth International Textile Workers Congress to be held at "Ghent 28th May 2nd June, 1928." These are reports made by the Textile Trade Unions to their International. The German report says: "This was settled by an arbiter's awards granting a 6 per cent increase in wages. A wage dispute in Silesia at the beginning of March 1927 resulted in 35,000 workers being locked out; a 9 per cent increase in wages was gained." So, the first dispute over cuts in Germany in November 1926 resulted in an increase of 6 per cent. In March 1927 the dispute resulted in an increase of 9 per cent. I will now give you the example of Belgium. The Belgium report says: "The wages of piece-workers, however, have been augmented to a certain extent and the employers

dare not meddle with them on account of the solidarity of the workers." Unfortunately, in Bombay, the Millowners tried to break our solidarity and dared to meddle with our rates. In another textile country, Czecho-Slovakia, of great importance, the report refers to 1924 and says :—

"In this way we obtained better wages for the hosiery workers in Northern Bohemia and we succeeded in many other districts in obtaining single payments amounting to one week's wage after the strike had ended.....In 1925, without striking, we obtained for the entire Czech silk industry an increase of wages amounting to 8 per cent.

MR. STONES :—It does not give wayer per loom per weaver.

MR. JOSHI :—I am just showing the tendency. The tendency is for an increase of wages.

MR. STONES :—Yes, but with a preliminary decrease.

MR. JOSHI :—I do not know that. The report further states as regards 1927: "There was a strike in the Flax industry and we obtained an increase of wages of 12 to 16 heller per hour, and besides that a single payment (bonus) amounting to 56 hours' wages. In another important textile country, namely, Poland, the report states as regards 1926: "In June the Union gave notice to terminate the existing agreement in the textile industry, and demanded an increase in wages of 25 per cent. The employers refused, giving as their reason that the state of the industry was poor, and did not allow of an increase in wages. The Government, however considered the workers' demands to be justified, and through its intervention the employers agreed to an increase of 12 per cent. as from July 5th. Another wage movement, in September, resulted in an increase of 5 per cent., beginning on October 11th." The same report as regards Poland in 1927 states: "In February we took advantage of the favourable condition of the industry to denounce the textile agreement and to demand an increase in wages of 25 per cent. In consequence of the uncompromising attitude of the employers, we called a strike in the whole of the textile industry on March 8th. Although over 150,000 workers struck, there were, unfortunately, some who did not. After a ten-day strike, the following increases were obtained?"

That will show that wages are not going down everywhere. Mr. Saklatvala said that the industry was in a very bad plight. He said that retrenchment is the order of the day. I think that at least cutting down of wages is not the order of the day and that there are countries in which wages are going up. Mr. Saklatvala talked of Japan and gave great importance to labour conditions being bad in Japan. I have read

out from the Labour Gazette for September last (pages 51 to 53) some account of Japanese labour conditions. That quotation makes it quite clear that the Japanese labour conditions are not so bad as Mr. Saklatvala has painted them.

THE CHAIRMAN :—Would it not be better to go back to what the Tariff Board says about conditions in Japan.

MR. JOSHI:—The conditions in Japan, as I said, are not so bad as they are painted. I do not suggest that the conditions in Japan are ideal, they do require improvement. In fact the Act in Japan has not been changed yet; there is no limitation put down in the Factory Act regulation the hours of work for adult males, but the thing that is of importance is not what is in the Factory Act but what is happening actually in Japan, what are the hours of work for weaving departments in Japan. The hours of working in the weaving department are not more than 10. That is a fact. It does not matter what the Factory law is in Japan. In England, you may know, Sir, that there is no limit for hours of work for adult workers at all. In England an adult worker according to the Factory Act, may work even for 24 hours, and there is no limitation laid down and yet in England most of the workers work for 8 hours. So what is important is not what the Factory law in Japan is but what is important is for how many hours the Japanese workers work. The Japanese workers in the weaving departments do not work more than 10 hours. They may be working less but not more than 10 hours. There is no advantage to Japan in the weaving department as regards the hours of work. But the same may not be said of mills which have a spinning department. There are some spinning mills in Japan which work more than ten hours. I admit that, but there are many mills in Japan which do not work more than ten hours a day. Mr. Saklatvala pointed out that Japan has got advantage in the double shift which they can have on account of women being allowed to work at night. But night work for women in Japan is going to be stopped next year. The Bombay millowners need not cut down wages in Bombay on account of Japanese women working double shifts because that double shift is to go definitely next year. Japanese spend a good deal of money for welfare work. That is given in this paragraph. The Japanese have also got some disadvantages namely, they can not discharge their workers without notice, for, they have to make long term contracts. I do not suggest that long term contracts are good. They are bad, but at the same time they cost the employers something whenever they want to retrench, as they have to pay wages for the full period of the Contract.

I do not wish, Sir, to suggest for a moment that the Japanese conditions are good, but at the same time I want to suggest that they are not so bad, as to force the Bombay Millowners to cut down their wages to equalise their



conditions with Japanese conditions, and I again make the statement that the Millowners Association did not take up the challenge of the Japanese Spinners Association to go to Japan and compare the conditions.

Mr. Saklatvala also referred to the hours of work in India being reduced from 12 to 10 and he took the credit for the reduction for the Millowners Association. Mr. Saklatvala was misrepresenting facts. The hours of work in Bombay were reduced from 12 to 10 not by the goodwill of the Millowners but they were reduced on account of the strike. That is a fact which Mr. Saklatvala must admit that the hours of work were reduced in Bombay from 12 to 10 as the condition of the settlement of a strike and the Millowners Association need not take any credit for having reduced the hours of work.

There is one more point as regards these wages, *viz.*, the cost of living index. Before we consider the cost of living, I want to say one word as regards the question whether there should be no limit below which wages should not be reduced, when the cost of living goes down. For instance, in Bombay there must be some limit fixed below which the wages must not go because it will not be humanly possible for people to live here in decent comfort. I say that taking into consideration the present standard of living of Bombay workers, the limit for reducing wages is reached and you cannot bring down the wages any further because the present standard of life is very low already. These, who have seen how mill workers live, know very well in what wretched houses the millworkers in Bombay are living. It may be said that the Development chawls are vacant. It is true that they are vacant because they cannot be occupied by the workers on account of high rents and where the rents are not high, the chawls are located at a distance. The fact cannot be denied that in Bombay, either in the Development chawls or in the chawls constructed by the millowners or in chawls rented by private people, more than one family is living in one room in thousands of cases. Do you want that standard to go still further down? Do you know what food they eat. Mr. Findlay Shirras has noted in his own book that the standard of food eaten by Bombay mill workers is lower than the standard of food in jails and not much higher than the Famine Code standard. Do you want that to go down still? Do you want that the workers should eat less nutritious food than you give to prisoners?

MR. KHAREGHAT :—Will Mr. Joshi quote the page of the book he refers to?

MR. JOSHI :—Page 21 of Mr. Shirras's Book on Family Budgets. That food is not lower than the Famine Code but it is less than the diet prescribed in the Bombay Jail Manual.

Then Sir, Mr. Findlay Shirras has stated in his report that the Bombay textile workers are heavily indebted. According to him the general indebtedness amongst the millworkers is about  $2\frac{1}{2}$  months' wages; in the cases of the weavers it is Rs. 90 and in the cases of the spinners it is Rs. 50. But, my own information is that the figures given by Mr. Shirras which were based on a very small number of budgets are under-estimates. My own estimate is that on an average a Bombay textile worker is indebted to the extent of Rs. 100 at least per individual. What is the cause of that indebtedness? It is the low wages on which a worker cannot live. You cannot reduce the wages when the general indebtedness of the Bombay textile worker is Rs. 100 per family or per worker.

As regards the costs of living, Mr. Saklatvala said that the cost of living index is going down. That may be so but before we put great reliance on that cost of living index, I want the Committee to remember that this cost of living index is not a very reliable thing. This is what is said in one of the reports of the Labour Office :—

“I am not wholly satisfied that the Bombay cost of living index number is in itself satisfactory and the Labour Office is now engaged in a task which has been under contemplation for some time namely, the entire re-construction of the index number on a wider and a more legally applicable basis.”

Unfortunately, that re-construction has not yet come. On page 114 of the Tariff Board's report we find the following :—

“Two points have to be borne in mind in considering this table. The first is that the cost of living index number for Bombay has admittedly not been compiled on an altogether satisfactory basis and we were informed that several methods of re-constructing it are under the consideration of the Government of Bombay.”

“The second is that the Report of the Committee on Prices in 1912 shows that there is reason to believe that wages in the cotton mill industry in Bombay, in the period immediately preceding the war, had not adjusted themselves to the general rise in prices throughout the country, so that the increase in wages, has occurred since then, must be discounted to that extent.”

This is really the main point that when you are taking the cost of living index figures you must have a reliable basis but there was no reliable basis as the figures for 1914 were not reliable. The Findlay Shirras Report itself admits that figures for 1914 must be received with caution.

This is what it states :—

“ The 1914 figures must therefore be accepted with considerable caution and treated only as approximations.”

Again the same report says :—

“ With the data before us it will never be possible for us to say that either 1914 or 1921 is a basis for real wage increase numbers, although this does not imply that for other purposes the 1921 enquiry was not of any value.”

Really speaking, the 1921 enquiry based upon figures for 1914 as given by the Millowners Association may be useful for ordinary purposes but it cannot be used for wage reduction. That is what I maintain. Wage reduction is a serious thing. If you want to base your argument for wage reduction upon these figures, then you must have reliable figures for general purposes. For propaganda work you may make use of these figures but certainly not for serious purposes of reduction. The Tariff Board has said that the 1914 basis did not keep pace with rise in prices. If the wages in 1914 were lower than they ought to have been, then your cost of living figures are no good. In order to make use of the cost of living figures, you must first prove that the wages in 1914 were adequate. Unless you prove that, the cost of living figures are of no use.

There is one more point. He said that increases were given, but he did not mention that the increases were given after the cost of living had gone up—a long time after. He referred to the chart given in his statement on page 48. I want the committee to note that chart. You will find there that wages went up long after the cost of living had gone up, and naturally the workers had to be indebted. That explains the indebtedness of the workers. The wages were increased long after the cost of living had gone up, with the result that the workers had to pay a heavy rate of interest. I do not know whether you have any idea as to what rate of interest they pay. The workers in Bombay many times pay 4 annas per rupee per month, that is 300 per cent. ; sometimes they pay 2 annas per rupee per month, that is 150 per cent. Generally they pay 1 anna per rupee per month, that is 75 per cent. Now, as the millowners did not increase the wages when increase was due, the workers have gone into debt, and they have to pay interest at such high rates. I do not know whether I can have the patience of calculating what will be the amount of indebtedness due to delay in increasing wages. Supposing a worker had gone into debt for Rs. 100 or Rs. 1,000, I do not know whether at any time he can get rid of his debt at this rate of interest, and the whole of his indebtedness is due to the fact that the millowners were not willing to increase the wages in time.

MR. DANGE :—It will come to Rs. 10 crores for the weavers only.

MR. JOSHI :—I do not wish to go into those figures ; they are very intricate. One more thing to be remembered is that these increases were given after the workers had made great sacrifices in strikes. That also will have to be counted. The millowners talk of the increase being a little higher, but they do not count the cost of the strike to the workers. The cost of the strike to the workers is very great, as they themselves know. They have issued a handbill to say that the cost comes to such and such a figure. They are paying a little more even though the cost of living has gone down a little, but as compared with that the workers lost wages on account of the strikes, and their wages were not increased when an increase was due, and they lost that money. Mr. Saklatvala need not have used this argument about the cost of living index figures having gone down.

Then he referred to the fact that in their scheme of standardisation there is no cut proposed for the spinners. This fact itself is not quite accurate. I do not suggest they have made a general cut in the spinners' wages, but in the case of some workers there will be a cut even in the spinners' wages. I could have understood it if the millowners had standardised their spinners' wages at the peak rates. They have not done that. In the case of some mills such as the Svadeshi there is a cut in wages. I do not suggest that there is a general cut, but there are some classes of workers in whose wage there is a cut. Then he ought to have told the committee what saving he makes by reducing the number of workers, and how much greater strain there would be on the workers who will have to work in those mills where the number has been reduced. The workers will have to do, in some cases, double the work. In some cases the work has gone up by a certain proportion, and they have not increased the wages by that proportion. Of course, in the case of weavers Mr. Saklatvala admitted that there is a cut. I do not wish to dwell on that point. I have stated in the beginning that this admission came very late. First there was no admission that there was a cut of 11 per cent., then the admission of 11 per cent. reduction came. He admits that there is a cut, but he says the weavers' wages were too high compared with the spinners'. I do not know how we are to judge whether the weavers' wages are too high compared with the spinners'. There is no doubt that there is disparity between the wages paid to spinners and those paid to weavers. Mr. Saklatvala said that this disparity is due to the Bombay mills being spinning mills in the beginning, and when they went in for weaving, they had to induce the workers to join the weaving department, and so they paid them more, and when they gave increases, they gave larger increases to the weavers also. I think that is not the real reason for the disparity. It is true that in England and other countries there is not so much disparity between the wages of spinners and weavers. That is because in those countries the spinning departments have work for higher counts. Naturally, they pay higher wages to

the spinners. In Bombay the disparity is not due to the weavers' wages being higher, but it is really due to the spinners' wages being low. In England they work on higher counts, and naturally the spinner is required to be a skilful man, and there is no disparity between the wages of the spinners and weavers. In India they are content with coarser counts. The Tariff Board has taken the Millowners' Association to task for being content with coarser counts. Naturally, spinning grosser counts does not require so much skill, and so there is a disparity between the wages of the spinners and of the weavers. As the work does not require skill, there is a larger supply of labour in the spinning department; that being so, employers take advantage of it by cutting the wages, and naturally the wages in the spinning department are low. According to my judgment, there is another reason for it. In Bombay the men of the untouchable classes, for some reason or other, are not admitted into the weaving department. Naturally they flock into the spinning department, with the result that the number of workers available for the spinning department is always larger, and therefore the wages are lower. Another reason is that the field of employment for the untouchables is very limited. In the weaving department they are not admitted. There are many avenues which are not open to them. Naturally, they flock to the spinning department, and therefore the spinners' wages are low. The disparity is not due to the weavers' wage being more, but it is due to the fact that the employers in Bombay have taken advantage of circumstances to force down the wages of the spinners.

Then, Mr. Saklatvala said something about retrenchment being the order of the day. He said they must remove supernumerary men. He did not explain what that meant.

MR. SAKLATVALA :—When we discuss the details of the standardisation scheme, I shall go into that.

MR. JOSHI :—I hope we shall have an explanation of that. Then he said that on account of the weavers' wages being higher a cut of 30 per cent. was justified. I do not wish to deal with this cut of 30 per cent. We are not prepared to accept any cut, leave aside a cut of 20 per cent.

I would like now to make a few remarks about the Millowners' Association's statement that this standardisation scheme is only a part of the reconstruction scheme. I am glad that the millowners are thinking of making a plan for the reconstruction of the industry. But my suggestion is that they should not begin this process of reconstruction by cutting down the wages. Let them reconstruct the industry, which we want them to do on sound lines. Certainly, the industry does require reconstruction. The present methods and organisation are rotten. You will have to give up your present methods as well as the present organisation. You must change the order. We want re-construct-

tion, but you cannot begin that work by cutting down wages; that is a bad method. If you want to re-construct, build up your organisation on sound lines. Judging by bapitalistic principles, it is by their organisation that the Japanese compete with you in yarn. They purchase cotton from India, they take it to Japan, they make yarn there; weave it, and bring the cloth here. That is all due to their organisation. The pamphlet from which I quoted, published by the Manchester Spinning Association makes it quite clear that there is no Government subsidy for shipping in Japan for goods coming into India. He referred to the subsidy, but that pamphlet has given information that there is no subsidy to Japanese shipping in its trade with India. That is what is said about the Japanese organisation. I shall now quote from a book called "Lancashire under the hammer." It says "The industry is also highly organised. It is in few hands. It has built up its export trade on mass production lines. Although spinning and weaving are generally separate from bleaching and dyeing, the industry is going through a thorough unification. It maintains in all its departments close and keen interest. It is organised from the buying of raw cotton in India, America and China to the retail shops in which the finished goods are sold." I don't suggest that you should adopt all the Japanese methods. You should re-construct on right lines. If they want to re-construct their industry, let them do it on sound lines. On page 117 of the book "Lancashire under the hammer," this is what the author, Mr. Bowker says:—

" There should be a board of control established in the industry."

There is a very important suggestion made as regards that board of control. He says :—

" At a time when Lancashire's fortunes depend more than ever on the goodwill and co-operation of her operatives, it would be foolish to talk of control in which the operatives have no voice, and if they are to have a voice, it must be a big voice, to get an equal hearing with any other voice."

If you want to re-construct your industry, re-construct it with the help of your workers. Take them into your confidence; discuss with them your schemes of re-construction. Then only will you succeed in your schemes of re-construction.

About the Japanese shipping subsidy, this is what is stated in this pamphlet:—

" There is no Government subsidy to the steamship lines to India. Subsidies are paid by the Government to shipping lines carrying raw cotton from the United States of America and China."

MR. STONES :—You mean it does not say it.

MR. JOSHI :—There is no Government subsidy for the steamship lines to India. What more do you want?

This is what I want to suggest to the millowners. If you want to re-construct your industry, do it on sound lines. If you want re-construction to succeed, take your workers into your confidence, consult their representatives; do not raise the bogeys of unions being registered and not registered, unions having so many members and unions not having so many members, and unions being in the hands of agitators. Consult your workers; take them into confidence, and then your schemes of re-construction will succeed.

With regard to the standardisation scheme, I shall not now say anything more than that it is not at all a scientific scheme. If a scheme for standardisation is to be scientific, they must collect proper data first, and the scheme should be based on that data in consultation with the workers' representatives. This is what the Tariff Board advised them to do. They advised that there should be a standardisation scheme. We also made standardisation, as our demand, but we did not say that standardisation should be by reduction of wages and reduction of workers. We asked for standardisation of wages, conditions of work and employment, and we wanted scientific standardisation, not this standardisation which the millowners have done.

There is one other point with which I wish to deal. You can talk of the cut in wages, if you like to talk of it, after seeing that there is no other method of economy. We have dealt with the other methods of economy in our statement. After all, Mr. Saklatvala wanted Rs. 14 lakhs to be taken away from the weavers, and there may be a saving of some lakhs by reducing the number of workers. The question is, can you not secure those few lakhs by other methods of economy? If not, then you may be justified in cutting down the wage. I am suggesting some methods by which the wage cut could be avoided and economy could be made. My first method is that the capital of the Bombay mills being inflated must be written down. If the capital is written down, then certainly the charges for interest, depreciation, insurance, etc. will also be reduced, and you will get a good deal of saving there. The wages of weavers need not be reduced if the inflated capital is written down. The Tariff Board has dealt with that question, and I need not go into it in detail. But there is no doubt that the saving can be effected.

Then I would suggest to them that they should make some saving in the commissions paid for the sale of cloth. We have shown in our statement that in Ahmedabad they pay much less commission than they do in Bombay. In Bombay some mills pay 1 per cent. some up to 2½ per cent. In Ahmedabad, they engage a man on a fixed salary. Why should there be this difference in the

sale of cloth between Ahmedabad and Bombay? As for their statement of account, their average is about 1 per cent., that is too high a commission if they are selling on a large scale. In that one item there could be a saving of Rs. 14 lakhs, if it is wanted. I suggest that the millowners should change the method of giving commission for the sale of cloth. Where they do not give commission to the broker, they keep their own shops, and those shop expenses are heavy. Then there are commissions in the purchase of cotton, which is not shown in the statement of accounts. I am sure it would come to a very large figure. It is large, and therefore they have not shown it. In the balance sheet, there is no figure of commission paid for the purchase of cotton; it must be a huge figure. There can be a saving if the methods of paying commission are quite good. A saving can be made there. Why do you want mukadams, brokers and samplers of cotton? They give the samplers a commission of 8 annas per bale. This is only a method by which some people are given some money, but certainly there is no necessity for sending so much money on commission for the purchase of cotton. 3

Then there are head office expenses. In Ahmedabad the head offices are situated in the mills. In Bombay they do not wish to sit in the Parel atmosphere. They sit in the Fort, incur expenditure over big offices. If they can have a head office in the mill itself in Ahmedabad, why should they not do it in Bombay? They can save a good deal of money in that way. I do not wish to go into the details, but the sum spent on head office is very large. 4

Then there is the question of stores. They can make a saving in stores. Their method of using stores is very haphazard and wasteful. There was a manager in the Khatau Mankanji Mill, who has written an article on this question. I want to read a small portion of what he says about the purchase of stores and the use of stores. Mr. Bhumgara, the author says : 5

MR. SAKLATVALA :—I should like to know whether he will be called up as a witness.

THE CHAIRMAN :—That can be done, if anybody wants it.

MR. JOSHI :—On page 26 of the pamphlet, he has given figures as to what is the difference in the stores in one mill and another. He has given figures for 7 mills; and you will find from those figures that in one mill the stores in pies per lb. of yarn not including power are 2·1, in another 6·3, and in a third 4·23. Then as regards stores in pies per lb. of cloth not including power, it is 6·76 in one mill and in another mill 10·42. This is the difference of the cost of stores in one mill and another.

THE CHAIRMAN :—It may be a bigger mill.



MR. STONES :—It may be a mill worked under entirely different conditions.

MR. JOSHI :—If you want, you can call him as a witness ; he has made that statement. The author then says : “ These figures show that huge amounts are wasted in this direction by mills Nos. 2 to 7 in comparison with mill No. 1. I shall not go to the tedious length of showing you by actually working out the difference in money in cases of each of the mills, but comparing the first mill with the last we see that this single item of stores is responsible for a heavy loss of Rs. 80,300 a year to the mill concerned. Why? There can be only one answer, and it is this, that we officers are either inefficient or we allow ourselves to be corrupted.”

6 The same thing can be stated about the sale of waste. You can make some saving there. Mr. Saklatvala yesterday stated that their management is efficient. I want to quote the Tariff Board on that point ; they have dealt with it on page 88 of their report. They say :—

“ Both in Bombay and Ahmedabad, the constitution of the Boards of Directors of the mills was the target of much criticism for which there was in our view, considerable justification. It was contended that few, if any, of the Directors took an active interest in the affairs of the mills with which they were connected and that fewer still had any technical qualifications for appointment. Strong support for the first of these contentions is furnished by the evidence of a witness who is a Director of no less than thirteen mills in Bombay, of the Board of Directors of several of which he is chairman and for the second by the fact that, of the 175 Directors of the mills in Bombay, there are only eleven who have received practical training. It is noteworthy that no less than four of these are Directors of one of the most successful mills in Bombay and of that mill only.”

This is the certificate of efficiency given to the management of the mills in Bombay.

There is one more point I want to make at this stage, and it is this. We want to prove that economy can be made, in these directions, and in order to prove that economy can be made, we want detailed information. My justification for asking for detailed information asked for in the statement is that we want to prove these points, and they can be proved, in my judgment, if we get, sufficiently detailed information from the millowners. This is my justification for giving those points on which we wanted information.

There is one point which I thought Mr. Saklatvala ought not to have made and it is this. He said, if the spinner can live on Rs. 29, why should not the weaver do so. I ask Mr. Saklatvala whether it is

a very fair question. Why should we not live on Rs. 29. The spinner lives on Rs. 29, because he cannot help it; nobody is paying him more; if you pay him more, he will spend more. I want to say that this cut in the case of weavers is not necessary, because the saving to be made by the cut is Rs. 14 lakhs in the case of weavers, and it is an indefinite figure in the case of spinners. The economy to be secured by this cut can be secured in other ways. The last thing by which you should try to secure any economy is the workers' wages; they are not an item which should be touched by you, because the workers' health, efficiency and contentedness will give you much more than what you imagine you can get by paying him less. On this question, I wish to read one small quotation from the book by Mr. Bowker. On page 98, he says:—

“ Besides being useless in practice as a means of fighting the oncoming foreigner, lower wages and longer hours alike must always be thoroughly bad internal policy.”

If the millowners in Bombay want to fight the Japanese millowners, the policy of cutting down wages is a thoroughly rotten and bad policy. This is what Mr. Bowker says further:—

“ If cotton men had imagination, they would not at any time be willing, by low wages or distressing hours, further to dissipate one of Lancashire's greatest economic assets—her workers' physical capacity. That capacity is badly run down. Let whose doubts it stand a few evenings outside any mill or shed in a Lancashire cotton town and take stock of the operatives as they leave their work. Then he will understand what industrial revolution barbarity, the foul factories of the seventies and eighties and fair conditions of squalid housing, of ill-prepared and hastily swallowed meals and of the bearing and rearing of children by mill working mothers have meant to the physique of the Lancashire cotton operative. He will then realise that the future does not lie with the further grinding of stunted bodies; that for the fine quality work to which Lancashire must more and more be committed will be necessitated not poorer but finer quality minds and bodies.”

I thank you very much for patiently hearing my long explanation.

The Committee then adjourned till 3 p.m.

MR. SAKLATVALA:—Sir, before I take up Mr. Joshi's memorandum, I first want to do away with a little matter which is perhaps quite not important but more personal to me.

As regards the Tata Mill, I had never said that the whole of the loss was due to high wages. Not at all. What I had said was that, that was a mill which had suffered heavy losses. The heavy losses were due to various causes.

One cause was the trade depression and the trade depression, as shown by the Tariff Board Report, is again due to several factors, world factors and other factors. The city of Bombay is distinctly at a disadvantage as regards labour charges. That was my own interpretation. Mr. Joshi was quite right when he said that it was an "unfortunate transaction." It is very well to be wise after the event, but what had happened in our case was that we bought during the boom time a mill at a very high figure. For that purpose, we had to issue debentures to the extent of one crore of rupees. Those debentures were issued at 7½ per cent., which means that we had to bear an extra interest charge of about eight lakhs of rupees. So far as that was concerned, loss of 8 lakhs was due to that cause, but I submit to you for your perusal our report for the year 1925 which shows that the loss for that particular year was Rs. 12,87,990. At page 13 you will find that the loss for the previous year was Rs. 12,15,000, making a total loss for the two years of 25 lakhs. Therefore part of the loss was due to other causes. All I had intended to say was that our mill was not the only mill that suffered in this manner. There were several other mills in Bombay which made a loss too. I present the report, Sir, for your inspection.

As regards Mr. Joshi's remarks, I find that his remarks more or less overlap. They are not in the same order as given in written statement. As far the general history and other general charges against us are concerned, I will refer to those remarks but otherwise I intended to follow the written statement which would have been easier.

Mr. Joshi made one great point in the beginning saying that we did not put everything before the Tariff Board and therefore in a way that the enquiry should be discounted. He referred to page 40 where they say :—

"The attitude adopted by the Bombay Millowners' Association in this regard calls for some comment."

All that this paragraph in the Tariff Board Report says is that we failed to collect samples of Japanese cloth. We had our reasons. We tried to collect samples. We explained the position to the Tariff Board, but the nomenclature of imported stuff was not the same as the nomenclature for the production of the Bombay or Indian mills. That was our difficulty. Supposing we had given a sample of a sheeting and said "here is our Bombay sheeting and here is Japanese sheeting" and that the Japanese sheeting has been sold at such and such prices while ours is sold at such and such prices. They would have referred to the import figures and said "very little of that stuff is coming in. It does not count," whereas as a matter of fact if the same nomenclature was applied in both cases, it would give quite a different story. For that reason, we did not collect all the samples, but we explained this fact to the Tariff Board. What is the

result? The Tariff Board themselves, with our assistance, collected samples; they toured round in India, went to every bazaar in every district, collected the necessary materials, and after collecting these materials we were blamed for not collecting them in advance. That does not matter but the main thing is that after collecting all these materials, they came to a definite conclusion and that is all that matters and that conclusion is given at the end of page 69. That conclusion is :—

“Our conclusion, therefore, is that unfair Japanese competition is an important cause of the present depression in the cotton textile industry.”

That is what really counts. What others authorities or books say matters little.

Then, Sir, in order to belittle the figures which I had quoted, Mr. Joshi said that on page 117 of the Tariff Board Report the Tariff Board say :—

“We endeavoured to frame our costing sheets in as simple a form as possible, but only seven of the upcountry mills were able to return them filled in and, even in Bombay and Ahmedabad from each of which as asked for costs of production for twelve mills, only eight and six were sent us in a form in which we could use them.”

That was also one of the preliminary difficulties. We were asked to supply certain materials and upcountry mills were also asked to supply certain materials. All those particulars were not supplied in a uniform manner, because first of all everybody did not understand the questionnaire in the same way as the others did and so there were difficulties. They had to go through all this maze of particulars and the final result has been arrived at after shifting all this evidence and taking out what was worthless. They took representative mills in giving their table at page 110. On page 118 the Tariff Board say :—

“The figures we obtained from Bombay and Ahmedabad may be regarded as representative, as special care was taken to select mills of varying degrees of efficiency. The upcountry average is not .....

A responsible Board like the Tariff Board would never give figures and tables or come to definite conclusions on materials such as Mr. Joshi thinks these materials were. In the initial stage, yet, materials were not perfect, but they had collected further material. After that they came to a definite conclusion. Then they came to these tables. They had given a number of mills also in the case of Bombay, seven or eight representative mills, and for upcountry centres six or five representative mills. I am referring to the tables on page 120. All those figures quoted there are authentic and reliable figures; they are not vitiated, as Mr. Joshi said.

MR. JOSHI :—As the Report itself says.

MR. SAKLATVALA :—The report does not say that. The report merely mentions certain facts.....

MR. B. S. KAMAT :—I want to be quite clear. Out of the 70 forms which the Tariff Board sent, only 21 were returned. Do you mean to say that when they framed their tabulated conclusions they had not more than 21 forms before them ?

MR. SAKLATVALA :—Yes. As far as our own mill is concerned, they got more figures. We ourselves supplied them with certain figures from our Ahmedabad, Nagpur Mills but they wanted further figures. When the first statements were submitted, they said that they were not enough, they wanted more for our Nagpur mill ; after the first statements were submitted, we had employed two clerks for nearly two months because they wanted very exhaustive details. All these were considered and then they came to their conclusion.

MR. JOSHI :—Not mentioned in the report.

MR. SAKLATVALA :—They cannot mention everything in the report, but the conclusion is quite clear. Here they write that the figures they obtained from Bombay and Ahmedabad may be regarded as representative, as special care was taken to select mills of varying degrees of efficiency. They would not select mills in a haphazard manner. They had to be satisfied themselves.

Mr. Joshi has referred to the history of the strike. There, as far as I was able to make out, his main allegation was that although Mr. Joshi and his friends made certain allegations in the press, although they were not submitted to us, we ourselves did not respond, we did not consider them at all. That is not a fact at all. Allegations were published in the press after the strike commenced and the strike commenced on the 16th April. Although those allegations were not formally before us, we ourselves, on the 24th of April that is, within a week after the commencement of the strike, circularised all our members. We drew up a questionnaire. We said "Here are certain allegations". We knew that at some stage or other we would have either to prove or disprove them, and so we circularised all our members and I tender herewith a copy of that circular.

MR. JOSHI :—You were against Government intervention.

MR. SAKLATVALA :—No, Sir. We were not against Government intervention.

Then we got a reply from all our members. Those replies were tabulated. If the Committee requires the original replies, I am prepared to lay the original letters from the mills before you, Sir, though I am not prepared to submit

them to the other side because we got all these facts and figures under the promise that we would treat them as confidential. That is the only reason why I am not prepared to give the replies into the hands of the other side, not because I am afraid that Mr. Joshi may be able to find something of advantage to him in those facts and figures. We have given a definite promise to our members and if we do not keep our promise, it is likely that our members will not freely respond in giving us information in future, but I am prepared to submit even to Mr. Joshi's scrutiny a report which the sub-committee made after going through all these individual cases and the sub-committee's conclusion was that the allegations had no foundations. The main allegation was that there was a cut in the weaver's rate, indirect or direct, and so on. The real thing is this. As far as the weaver's rates are concerned, in the beginning it was very difficult to fix up a rate. We had fixed a certain rate. The weaver himself in the natural course of things adopts a sort of an indifferent attitude and does not turn out the production which later on he does. Sometimes we fix the rate and find that the rate is too high but we find that out after about a month is over. In the first month the weaver does not work to his fullest efficiency but later on, when the rate is fixed, we find that where we thought a weaver would draw Rs. 48 he actually draws Rs. 54. Then, during the next month or as soon as this is brought to our notice, we reduce that rate. That is not a practice which is followed now. It had been followed for years past. The thing is that Mr. Joshi is now trying to organise unions and complaints are now received by him. It is for the first time perhaps that he comes to know of such adjustments. He thinks (erroneously though) that they are reductions of wages. When we discuss the charges against each mill, I will prove that in our own mills from the end of 1926 till the end of 1927, we only made a reduction in one sort. It was the Khadi sort. Our rate was 6 pies. We reduced it to  $5\frac{1}{2}$  pies and even after reducing it to  $5\frac{1}{2}$  pies, one weaver on a single loom took away Rs. 30 which means on two looms Rs. 60. But against that I can assure you that there are six or seven varieties where rates were increased. When we found the rates were low, we allowed the weavers full latitude for two or three months but then we felt that the rate was low and when we found that the weavers were working to the best of their ability and capacity we voluntarily raised the rates. That statement will be submitted to you when we come to the details referred to by the other side in their 17 demands. These are mere adjustments. That was our conclusion. I submit herewith the report of the sub-committee.

Then, in the report it will be seen that in the case of some mills adjustments have been made. That does not mean that there was a deliberate cut. As already pointed out by me, Sir, if there had been a real cut, the total wage would certainly have been affected. As a matter of fact the wage bill for 1927 is higher than that for 1926.

MR. DANGE :—Due to higher production or higher rate ?

MR. SAKLATVALA :—The production in 1926 and in 1927 can be seen from Government statistics themselves. Of course, the Government year ends with 31st March. The production for the year ending 31st March in 1927 was for the Bombay city 265, 119, & odd lbs. of cloth ; for the year ending 31st March 1928 it was 265, 936 & 936. So practically it is the same, in spite of the fact that we had slightly finer counts. Therefore, the production was practically the same and the charges are higher. That shows that it could not possibly be due to a wage cut. If the other side wants to do it, they can go through these Government statistics which will show them that what I say is borne out by facts. Let them refer to page 20 of "Department of Commercial Intelligence and Statistics Monthly Statistics of Cotton Spinning and Weaving Mills in India." So the production being the same, if the total wage bill is higher, it cannot be maintained that there has been a wage cut.

Mr. Joshi mentioned that there were certain grievances, that the strike was due to those grievances. In a large organisation grievances will be there. I have never said that there were no grievances. What I did say was that no grievances were formulated before the men went on strike. No complaints were made to the authorities before they downed tools. In that sense, it was a lightning strike. Of course, if all these points were collated together, as our friends did later on, and they formulated certain grievances, that is just possible but what I did state was that all the same, the men had made no complaints before the authorities of the mills concerned. When the strike occurred in our mills, I was present there. The strike occurred I think on the 19th April, three days after the first breaking out of the strike. The men came out. I asked them " why." They said " there is a large crowd outside their mill, that they are shouting and throwing stones, that they are calling them out and that therefore they must go." They said as far as our mills were concerned, they had no grievances as we had never introduced the three-loom system or the two-frame system, or cut their wages, but that they could not help it because the other men would not allow them to work. Our manager said : " alright ; if you are afraid you can go away now but to-morrow if you feel re-assured, come and work, we will keep our mills open." They did not come to work the next morning. We have our own chawls where a few our workmen live. They too said " how can we go in ? There is intimidation". Mr. Joshi has told us that there was no intimidation and he asked what the police were doing and said that the police were quite an effective force. But, Sir, intimidation does not take place during the day time and on public streets or before the mills but it takes place in the chawls, in the places of their residence.

MR. JOSHI :—Persuasion.

MR. SAKLATVALA :—It may be persuasion. That persuasion was there. How far that persuasion led to intimidation I cannot say. It is a matter of opinion. Call it persuasion, I do not object, but that persuasion was there. It however did not take place in front of the police or on public streets but in the chawls or places of residence. It actually frightened them. One jobber said that after some days of strike he had to change his place of residence twice because they once found that he had entered the mill and that they were therefore persecuting him. He said he changed his residence although he had to pay increased rent. So, that persuasion or intimidation was there. The other side cannot get over it now.

MR. KAMAT :—As a whole, was it fear of intimidation or was it also a case of sympathy for a fellow-striker? What is the real psychology.

MR. SAKLATVALA :—It was fear of intimidation. In the mill areas meetings were held and it was preached to them that no one should go to work. That frightened the millhands who were anxious to come into our mills. In our mills some men did come but then stones were thrown, glasses were broken and they went out again.

MR. JOSHI :—It may be that there was intimidation on your part and so the men could not tell you the truth.

MR. SAKLATVALA :—No, not at all.

Mr. Joshi said that some of the mills which had  $8\frac{1}{2}$  hours before started 10 hours system. He has also referred to this in his 17 demands. I will go into details later on. Mr. Joshi has not given the correct reasons. In his statement he says that because there were skilled workmen they were allowed to work a less number of hours. It is not true. What did happen was this. Before the Factory Act, we were working 14 and 13 hours. In those departments where the actual production took place, we had to have electric lights installed, but in minor departments, such as mechanical shops, where it was not necessary to work after sunset we had no electric lights. Sometimes it also happened that in certain processes it was not necessary to work full 14 hours and latitude was allowed to those people not because they were skilled workers or because we wanted to make them a privileged class at all. Then came the Factory Act in 1912 which fixed the hours of adult males at 12 hours. Even at that time, in the cold season the men worked for 12 hours and we had to use electric light, because the days are very short in that season. But what happened was this, in 1930 the hours of work were reduced. Whether they were reduced on Mr. Joshi's demand or whether they were reduced voluntarily by us is not the question before us. The hours were reduced.....

MR. JOSHI :—Last time you made a point of it.



MR. SAKLATVALA:—I will come to that. For the present that is not the point. The hours were reduced. That reduction of hours coincided with the boom period. In 1920 we were making money, we were paying high bonuses to our workmen, we had raised the rates of wages in 1920, and therefore I admit that properly speaking they should not have been allowed to enjoy the same privilege. If a man is not made to work for 12 hours and he is allowed to work 10 hours, that is no reason that he should get the privilege of working  $8\frac{1}{2}$  hours when his fellow-workers work for 10 hours. But, as I said, at that time we did not care to increase their hours, but now that we are reorganising the industry (and Mr. Joshi is very glad that we are doing it) we must do away with all such past anomalies. There is absolutely no reason why some people should be allowed to work 8 hours or  $8\frac{1}{2}$  hours. For instance, the warpers work for  $8\frac{1}{2}$  or 9 hours. The other day I made a remark that the warper drew higher wages, they work for a less number of hours but draw more pay. That certainly is not reasonable. It may be that it is our own fault that that system was allowed to continue. I do not argue that, I will admit it, but the fact is that now all these anomalies have got to be faced and that is the reason why we are asking these men to work for full 10 hours. Later on it may be that India may go to 8 hours work and that is what I suppose Mr. Joshi is trying for. It would be unreasonable to say that because they are working 8 hours, let the others work 6 hours. There is no justification for it and I do not see how Mr. Joshi can make of it such a great grievance.

Then as regards fines, in our written statement on page 26 we say something about them. It reads thus:—

“ **Fines and Unclaimed Wages.**—Fines should be imposed in accordance with rules devised for the purpose and referred to above as our Demand No. 4. Where faulty cloth is handed over to weavers, this will be left in the hands of some responsible officer not lower in rank than Assistant Weaving Master. All fines recovered will be credited to a welfare fund, or utilised in some way for the benefit of workers. As to unclaimed wages, we have no objection to same being made available to operatives at any time on sufficient identification.” The rule is that the unclaimed wages are not to be paid after three years because after three years they become time-barred, legally speaking, but despite that rule we have now asked our members to pay them whenever they are demanded. As regards fines, if they are to be credited to a welfare fund, there is no inducement for anybody to inflict unnecessary fines. This question of fines was gone into thoroughly by the Labour Office. All I want to say is that Mr. Joshi has made much of this grievance. The ticket and other grievances will be dealt with later on. The real reason was given also by Mr. Joshi himself and that is what he called

trade union tactics. He himself used those words. It was one of the trade union tactics to have a general strike.....”

MR. JOSHI :—When there are serious complaints.

MR. SAKLATVALA :—Then only Mr. Joshi believes that grievances can be redressed. Therefore this idea, the spread of this idea of a general strike, was really at the bottom of the discontent. Our friends held meetings after meetings in the mill areas and they preached these trade union tactics to them. At those meetings the millowners and all capitalists were abused to their heart's content and there, I say, discontent was positively manufactured, and now to turn round and say that there was discontent does not seem to me to be quite fair on their part to do so. As I said, in a large industry some grievances of a petty nature will always be there, but that does not mean that those grievances were such that there was a great amount of discontent amongst the men, so much so that they would all go in for a general strike. No, Sir, the general strike was of their own creation and if they wanted it, they were very successful in getting it and they were also very successful in prolonging it.

Mr. Joshi then made a point that whereas they were anxious to come to a settlement and to end the strike, we, the millowners were not equally anxious to do so.

Then Mr. Joshi made the charge that we treated Government intervention with contempt.

MR. JOSHI :—That is your own letter.

MR. SAKLATVALA :—Yes, I will come to it later on. As Mr. Joshi said we met His Excellency the Governor on the 20th. Mr. Joshi says that we did not intend to take Government's intervention. The reason is quite clear. We made it quite plain to his His Excellency that if any grievances or any demands were formally placed before us by the accredited representative of labour now that there is the Trade Union Registration Act in force in India and there are trade unions, we shall meet them if necessary and if we did not agree with them, we would ask for Government intervention. There was no point in asking for Government intervention at an initial stage of the dispute. Mr. Joshi will agree with me that in civilised countries Government intervention is resorted to when the parties do not come to an agreement but not at the initial stage. Knowing that we were desirous of looking into their grievances, why did Mr. Joshi's own union not come forward and say “here is our list of grievances. I represent the Bombay Textile Labour Union which is a registered union with so many members. What have you got to say?” Had he done so and had we turned his proposals down, he would have been justified in saying that we were not anxious to arrive at an amicable settlement.

Mr. Joshi made a point of saying that we were not willing to have Sir Cowasji Jehangir's intervention. You will see, Sir, that we were quite willing to do so. As regards our alleged unwillingness, Mr. Joshi referred to our own letter on page 29 of Appendix F. Para 5. It reads :—

“ I am directed to add that this is a matter purely between Millowners and their employees and does not call for any action or intervention on the part of Government as suggested by Mr. Joshi in his letter. My Committee trust Government have already replied to this effect to Mr. Joshi's letter.”

In para 4 of the same letter (page 28 of Appendix F), we say :—

“ Government are doubtless aware that the representatives of this Association have had two meetings with the representatives of registered trade unions and there will be further meetings in future when full explanation will be given to Mr. Joshi and his friends regarding any complaints they may have to make on behalf of the work-people.”

That was the reason why we did not agree to Government intervention at that stage, but that does not by any stretch of imagination mean that we treated all efforts of Government intervention with contempt.

As Mr. Joshi has himself pointed out, we met, after a deal of correspondence, on the 9th of June and we had several meetings. The main cause of the delay was that we wanted to meet the representative of registered trade unions, and I maintain that we were quite justified. What is the point in having registered trade unions if we are to be pestered by anybody and everybody getting together and saying “ I claim to be a labour leader ” or a number of people joining together and saying that they are labour leaders and therefore we must listen to their grievances? It would be absurd. We were quite justified in saying that “ let there be registered trade unions and certainly we will listen to their tales of woe. ” But they wanted us to acknowledge the Strike Committee. The composition of the Strike Committee will also be found in one of the appendices, at page 19 of our statement we say :—

“ The Strike Committee is composed of 30 members, 10 of whom, as is shown in their letter to our Association dated 4th May, are ‘ outsiders ’ in no sense connected with the millworkers of Bombay ”.

Therefore, that was the only reason why we rejected it. The Appendix C in our written memorandum will make this point more clear.

Mr. Joshi talked of the breakdown of the conference held under the auspices of the Honourable the General Member, but he failed to explain why there was a breakdown. Mr. Joshi makes the point that if we had agreed to the 1925 basis then the strike would have ended. That statement of fact is

perfectly true. The whole thing was this : we had agreed to certain other points as to the constitution of the committee, terms of reference, etc. Then we said "let the strike be called off, and as regards the wages to be paid pending the decision of the committee, we said "let us start on the standardization scheme so that we can have an idea and the committee itself will have some better idea as to what the scheme actually leads to." They said "No, let us have the 1925 basis." The Honourable the General Member himself said "you two parties are interested parties ; no party has a right to dictate to the other. They want the 1925 basis and you want the standardization scheme. I will not allow it. Why should any party dictate to the other. Let that question be settled by the committee." We were agreeable but the other side was not. We said that that was a good solution, let the committee first decide, before it enters into other details, as to the method of payment during the interim period. That was a perfectly reasonable attitude for us to take up.

Then again, the real thing was that on the following day Mr. Joshi came and declared that they were not prepared to call off the strike under any circumstances and it is no good my labouring the point. There is a statement issued by the Director of Information, Appendix M, page 53, on 16th August 1928, regarding the Hidayatullah Conference. At the end of the penultimate paragraph (page 55) Mr. Joshi's contention was that the men had been on strike for nearly four months and he did not consider it reasonable that they should be asked to go back when after a short period they might be compelled to come out again. That was the attitude Mr. Joshi had taken up and that was the cause of the breakdown of the conference.

Then, Mr. Joshi again referred to this  $2\frac{1}{2}$  cut. He said that they did not accept this on principle but to end the strike. As they say in a court of law "assuming this without admitting it," Mr. Joshi has kept absolutely silent as to why this  $2\frac{1}{2}\%$  was raised to  $3\frac{1}{2}$  per cent. at the Government conference.

MR. JOSHI :—For the same cause, as, previously stated, *viz.*, to settle the dispute.

MR. SAKLATVALA :—If the point is that because the strike was to be settled on that particular day on which this  $2\frac{1}{2}$  per cent. was offered and that it was withdrawn from the next day, I do not think it is quite fair on Mr. Joshi's part to say that it was not accepted in principle because they did accept the principle of it.

MR. JOSHI :—Under the stress of force.

MR. SAKLATVALA :—After having taken that position, if they were sincere they would have told the Honourable the General Member "No, we had offered

that 2½ per cent. under the stress of force. It stands no more; we do not want any cut at all." That would have been the correct position for them to take up. They did not take up that position. They increased it to 3½ per cent.

Another charge was that we had never said that we were going to reduce wages, that we took them by surprise when the standardization scheme was published. That is also not true. If you will kindly refer to Appendix B, page 18, of our written statement, you will find.

"A reduction has already been effected in some items which go to form the total cost of production, such as insurance rates, water-tax, stores and overhead charges. It is hoped to obtain similar reductions as regards other charges, and negotiations are going on with the parties concerned with a view to obtain reduction in power charges, municipal assessment and railway freights. It stands to reason that labour under such circumstances cannot expect to be left alone as retrenchment to be at all effective must be made in every direction."

It can only have one meaning. We have made that clear in our history also.

Then Mr. Joshi says how can I justify my statement that a cut of 30 per cent. would be an adequate cut.

Mr. Joshi made a statement that ours is a competitive industry and that there is depression and also that there is a period of booms, that good and bad times follow one another. Certainly ours is a competitive industry. Therefore, we must see that we are not put into a more disadvantageous position than our own competitors. If our competitors pay low wages, what can we do? Mr. Joshi says that it is for the millowners to go and increase wages in upcountry mills. How can we ask our own rivals to increase wages paid to their workmen? It is perfectly impracticable. It is for Mr. Joshi and his friends to go and rouse labour upcountry into demanding more wages.

After referring to this competitive nature, Mr. Joshi talks of this industry being a national industry. I do not quite see the point in it unless it be that since it is not a national industry, it should be actually nationalised.

MR. JOSHI :—That is my meaning.

MR. SAKLATVALA :—That will show this Committee at any rate how the wind blows. I will not say anything further about it.

As regards the figures of profits, I propose to call Messrs. Ferguson's representative as a witness as he will be able to dilate on this matter much better than I can. The figures I maintain are absolutely authentic. They are based on audited statements of each individual concern. Then the corrected balance

sheet was drawn up. They were checked thoroughly item by item by Messrs. Fergusons who took some months to do it. They have done it thoroughly and then to challenge such a statement as that is a very bold step to take. That is all I will say on this.

MR. JOSHI :—That was done in Mr. Jamshedji Wadia's time.

MR. SAKLATVALA :—What Mr. Wadia used to do in those old days was that being connected with thirteen companies (he is the Director mentioned in Mr. Joshi's statement), he had these companies' balance sheets before him. He also got the balance sheets of a few other mills not more than perhaps 30 or 35 in all. He found out an average of those figures. Some of the balance sheets were very good and showed high profits, and then he went on averaging on that basis. He perhaps never intended that he would be quoted as an authority. But in face of our audited figures I say that any other statement is absolutely beside the point. Never mind whose authority it is, but the point made by Mr. Joshi was about depreciation. Here also the Tariff Board has got a special paragraph on page 147. They have gone into this subject very thoroughly. There is a special paragraph No. 75, but I would refer you to page 148 where they say :—

“ We do not consider this step is called for but are strongly of opinion that depreciation, including any amount which may be in arrears, should invariably be regarded as a first charge on profits.”

No business man will admit that depreciation is not to be taken into account. Our assets are depreciating. Our machinery is depreciating, being worked from day to day, and unless the depreciation is provided for, we shall find ourselves in deep waters. Therefore, whatever be the heading under which the reserves are shown, these reserves will be utilised some time or other either for extension or expansion or for renewing machinery. The reserves may look large on paper but considering the present prices of machinery, they are by no means large. We have not been able to take anything to depreciation for the last three or four or five years for the simple reason that we have not made any profits and how can we carry anything to depreciation, under such circumstances but it must be taken account of when our reserves are being considered.

Mr. Joshi particularly referred to the year 1927. The year 1927 is undoubtedly a better year compared to the years 1923, 1924, 1925, 1926 but there is a reason for it. It is not that conditions have changed. It is not that the depression has passed away that 1927 was a better year. 1927 was an abnormal year in the sense that the American cotton crop was a boom crop, 18 million crop, an unprecedented crop. Therefore, prices of cotton tumbled down. We had the advantage of using American cotton even at lower prices than Indian cotton. We got higher production and we had to pay

less. As probably you are aware, the imports into Bombay during that year came to about 3 lakhs of bales whereas previously they amounted to about a few thousands, sometimes 8,000 and sometimes 10,000, never more than 18,000 or 20,000. That year was exceptional. I do not blame Mr. Joshi because he might not have known this fact but this is a fact and in our Mill-owners' Association's Report, where we always give a foreword, we have something to say on this. That foreword will give you the situation for the year and in this report for the year 1927, we have the following in the very beginning :—

“ It is generally anticipated that the cotton mills of Bombay, as a whole will show better results for the year 1927 than during the preceding year, or in other words, the combined losses for 1927, taking depreciation into account, will not be as heavy as in previous years. From the balance sheets of a few concerns already published, it may be assumed that such expectation is certain to be realised. This, however, by no means indicates that there has actually been a healthy trade recovery or that the difficulties which confronted the industry have disappeared or even materially diminished. The profits earned are in most cases merely due to the purchase of abnormally cheap American cotton and the rise in the cotton market after such purchases were made. Had the industry really prospered, stocks of both yarn and cloth would have diminished during the year under review. On the contrary, stocks at the end of the year showed an increase of about 30 per cent. for cloth and 15 per cent. for yarn in spite of the fact that on an average about 10 per cent. of looms and 20 per cent. of spindles had remained idle during the year. Even those mills which have shown fair profits for the year were actually working at a loss during the last two or three months of the year when they had not the advantage of the cheap American cotton, the same having been used up.”

As regards Japanese exchange, I do not want to stress the point, but I want to make one thing clear. What the Tariff Board said was that at the time they were drafting the report the exchange stood at 135. So, they said there was hardly any necessity for granting protection because of the question of exchange. In our statement we had said that the Japanese exchange was at one time 110. “ At present it is 135, and therefore it is not necessary that protection should be granted.” That is what the Tariff Board said and they left the question open. As regards this, as recently as 21st August 1928 we addressed a letter to the Government of India, which would make this point very clear. We pointed out that although the Tariff Board decided at the time when exchange was at 135, it had gone down subsequently. At the time we wrote our letter it was 125 and to-day it is 126. We pointed out that the question requires the serious attention of the Government. The following is the letter :—

MR. JOSHI :—Then what you really want is no stabilisation at all. That is the correct attitude which I take.

MR. SAKLATVALA :—If you will read the whole of it, that does not follow from it. We say Japan does not go to gold parity because her trade is mainly export trade. It suits her to depreciate her exchange, and she goes on depreciating it.

MR. JOSHI :—Therefore, you ought not to have asked for stabilisation.

MR. SAKLATVALA :—Then, as regards the Japanese question, Mr. Sasekura will give some evidence. He has submitted a written statement, and although he is interested, still we can get some facts from him as regards the conditions that prevail in China and Japan.

Then as regards the cost of living figures, Mr. Joshi says that the basis was not quite correct. That may be; in fact that is so. But our statement, after all, is based on that one particular basis. We merely want to show the proportion in which the cost of living has gone down compared with 1914. It may be that the basis of 14 is wrong, but similarly, and exactly to that extent all the other bases are also wrong. All we want to show is that there has been a fall. Whether it was 180 in 1921 and it has come down to 145, or whether it was 200 and it has come down to 160, or whether it was 125 then and it has come down to 80 is immaterial, because there has been no change in the basis itself, and we cannot help it. We have to take the figures which we find from authentic records. If those records are not perfect, that is not our fault. That does not affect this question. The point which Mr. Joshi tried to make out was that if the basis is wrong, but it is wrong for all the years, and all we point out is that the cost of living has gone down.

Then, as regards this chart, Mr. Joshi said that I had misrepresented this. If you will kindly refer to your notes, I am sure you will find that I made it quite clear, in referring to this chart, that during 1918 and 1919 wages were not commensurately advanced with the advance in the cost of living. I made that definite statement. There was no misrepresentation whatsoever. The chart itself is clear that as far as 1919 was concerned, we did not keep pace with the cost of living. The conditions changed during the beginning of 1920. At the end of 1919 we jumped up and caught the peak of the cost of living, and since then we advanced the wages, whereas the cost of living has fallen. I had never misrepresented anything. I had drawn the attention of the committee to the fact that during 1918 and 1919 wages were not advanced commensurately with the advance in the cost of living.

There is just one little point which I should like to touch. Mr. Joshi asked, what does Japan succeed? Japan has to carry cotton from India to



Japan; Japan has to ship back the piecegoods from Japan to India, and if they succeed in spite of that it must be due to your inefficiency. But this is what the Tariff Board (p. 53) say as regards that :—

“ The cost of freight is, however, a small item in the cost of the finished product. The freight for cotton from India to Japan is 4.56 yen per bale subject to a discount of 1.40 yen per bale to Japanese spinners. This works out at 2 pies per pound. The freight on piecegoods from Japan to India is 14.5 yen per ton less a discount of 10 per cent. which works out at 2.1 pies per pound. The total freight on both raw cotton and piecegoods thus amounts to 4.1 pies per pound which, it may be noted, is the railway freight on piecegoods alone per pound from Bombay to Sholapur.”

Now, Bombay is not going to sell its goods in the city of Bombay itself. We have to send the goods at least 200 miles away, and therefore it will be seen that the so-called disadvantage to Japan disappears absolutely.

MR. JOSHI :—But Japan also has to send her goods from Bombay to Sholapur.

MR. SAKLATVALA :—I am not talking of the goods. The freight, so far as it affects Japan, is very little. But the competition starts from Bombay itself. It is the Bombay merchants who buy their goods. If Japan can, because of these low freight charges, sell their goods cheaply, then Japan is by no means at any particular disadvantage.

Then Mr. Joshi made a grievance of the fact that the standardisation scheme was not drawn up in consultation with labour representatives. We know that it was the definite recommendation of the Tariff Board itself. The Tariff Board says that no satisfactory scheme can be drawn up unless it is done in consultation with the representatives of labour. There was no ready made standardisation scheme. We had first to prepare a scheme before we could place it before Labour. We know how difficult it was. The scheme worked by a dozen men. We took the help specially of Lancashire people, our own experts in various mills, because they know the conditions in India and in England. In spite of that, we found it was extremely difficult. I do not see how the other side could have at all co-operated in formulating standardisation scheme. But they say that they are able to form a scheme. But what happened? We gave them our scheme. They said they were going to prepare their own scheme. They took months and months; they came for explanations; they argued it point by point; and finally they submitted their own scheme. And what was it? It was absolutely our own scheme; only the wages were made up by throwing to higher percentages. Now they say “ We could have formed a scheme.” Why did they not do so in the first instance? They were asked to do it; they had ample

scope for it; but after keeping us waiting for a couple of months they came forward with their scheme, but to our disgust we found that it was not any original scheme, but simply our own scheme; where we had said the allowance should be 20 per cent. they said it should be 60 per cent., and so on; that was the only difference.

MR. DANGE :—We consulted you because the Tariff Board had recommended co-operation, but you did not consult us.

MR. SAKLATVALA :—We consulted you. As soon as the scheme was ready, we called you, and asked you what your objection was to it. What more could we do?

Mr. Joshi has made statements, one of which is that he challenges the balance sheets, but we can call upon Messrs. Ferguson & Co. to tender evidence on the point. But there are other statements. For example, he has referred to reduction in other expenses. We maintain that we have effected very many reductions in other items, in order to reduce the cost. I will cite one instance. The commission agents who sell our cloth have had their rates reduced. If the committee is going to admit all these matters as evidence, we should naturally have to lead evidence from the trade concerned. They have, for example, referred to the buying of cotton.

MR. STONES :—If the question of buying cotton upcountry or in Bombay is to be considered, and also all the other items that go to make up the cost, then we must lead a great deal of evidence as regards the commission paid and other charges.

MR. SAKLATVALA :—After I make my statement, you will be in a position to judge how far it is relevant.

THE CHAIRMAN :—Do you consider it is legitimate?

MR. STONES :—It is hopeless to give all that information.

MR. SAKLATVALA :—After hearing me on the points raised in their statements, perhaps Mr. Joshi will see that some of the information that he has asked for is really not called for. At any rate, if I am not able to convince, Mr. Joshi, I may be able to convince you.

THE CHAIRMAN :—Will you be able to give the information?

MR. STONES :—It will take months of toil.

MR. SAKLATVALA :—For instance, the balance sheets and profit and loss accounts for each mill we shall be able to give, but it will be hardly necessary to do so in view of the evidence that may be tendered by the representative

of Messrs. Ferguson & Co. They want information with regard to 85 mills for a number of years. Are they going to do anything within a month or two?

MR. DANGE :—We shall prove that some mills are losing because of defalcations or mismanagement.

MR. SAKLATVALA :—We are prepared to give them this if the Committee decides that it is necessary, after hearing Messrs. Ferguson & Co. They want, for instance, the wages bill for spinning sections with the numbers of the employed. They do not say for what period, and why they want it.

MR. JOSHI :—For a year.

MR. SAKLATVALA :—For a year for each mill will mean a cartload of musters and books.

MR. JOSHI :—We want for a year the wages of spinners and the wages of weavers.

MR. STONES :—There is a difficulty. Where does the spinning section begin and where does it end?

MR. JOSHI :—It is shown in standardisation scheme.

MR. STONES :—If that was given, it would involve supplying information by sections, and certain sections may have to be eliminated. Mr. Joshi claims that the standardisation scheme is not scientific. That is why Mr. Saklatvala is very anxious to go through those points. We can point out that we have received information, reams of it, from every mill in Bombay. It may not be necessary to call for this, with the other material before you. After hearing Mr. Saklatvala, it will be up to you to decide whether the information called for is necessary, and whether it has not been answered by the Tariff Board already, or what form that information should take.

THE CHAIRMAN :—Could you not put in a statement as to what objection you have, if any, to supplying the information?

MR. SAKLATVALA :—They refer to the head office charges and overhead charges. If all these questions have been already gone into by the Tariff Board and if the finding of the Tariff Board is that in Bombay these charges are lower than in upcountry mills, there is no necessity for going into those figures at all.

MR. DANGE :—The millowners claim that they have cut down charges everywhere, that they have done all possible economies and as a last resource they have to touch the wages. We want to prove by the figures which we have called for that they have not done anything of the kind, and they have touched the wages first.

**THE CHAIRMAN** :—Mr. Joshi's argument is that until it is shown that economies where possible have been made the millowners are not justified in attempting to cut down wages. But one important point is whether any enquiry of this kind should be undertaken by this committee. It would involve a very elaborate enquiry, which would take a very long time, if it is to be done properly. The question arises whether it is really contemplated by the terms of reference. Labour representatives put it down as an important fact. We do not want say one way or the other. But, at any rate, there are other factors which have to be considered. We have to go on the general principles on which wages are ordinarily regulated, disputes, and so on. This really is only one of several questions, and to turn this committee into one to decide whether the mills have been properly managed, and are trying to teach the millowners their business, so to say, means a very considerable deviation from the lines that have been contemplated.

**MR. JOSHI** :—How can any one, otherwise, prove that the wage cut is not justified?

**THE CHAIRMAN** :—Unless you are going to accept the principle that economies in mill management must necessarily be devoted to the benefit of the labourers instead of to the benefit of the shareholders or the employer, who would otherwise get a profit by economies, your argument is rather on a weak basis. First of all, it involves the question as to how far profits obtained by better mill management should go into the pockets of the workers instead of into the pockets of the people who employ their time in managing the mills, and so on.

**MR. JOSHI** :—The millowners' argument for the cut is not that the workers are paid lower in other industries. Their argument is that the industry is in a bad condition, and therefore wages must be cut down. That has to be proved.

**THE CHAIRMAN** :—Without saying one way or the other, there is this possible view, that even supposing economies can be made by the mills, yet the trade generally will benefit by reducing the high cost of labour, which is what the Tariff Board recommended. Your contention does not really meet the view of the Tariff Board that that was the legitimate thing to do.

**MR. JOSHI** :—A simple enquiry will be sufficient if once the basis of the wage is fixed up. So long as that basis is not fixed in any part of the world, or at least in Bombay, investigation is necessary every time.

**THE CHAIRMAN** :—There are various factors that have to be considered. The question is, are we justified in turning the committee simply to an enquiry as to how the mills are managed? Unless you really have a lot of evidence as

to be conditions under which each mill is managed, and so on, it would be very difficult to come to a right result.

MR. JOSHI :—Otherwise, how are you going to decide whether the weavers' wages are higher or not? There is no other method.

THE CHAIRMAN :—Evidence can be given as to whether the men employed in weaving have to have more skill for doing it, that they have to have perhaps better training, so as to justify a higher wage. The ordinary rule is that the men employed in tasks of the same amount of difficulty would be paid on the same level. That is ordinary industrial economics. But evidence may be given as to whether there is justification or not for saying that a weaver gets higher wages than a spinner. You find these differences with regard to workers in other walks of life. Various other considerations arise in this enquiry. But to limit it entirely to the one consideration you mention is, I think, open to question.

MR. DANGE :—The question before us should not be how much time and trouble will be required for all these things. The basis of the whole argument is that the industry is losing because of certain factors.

THE CHAIRMAN :—We entirely appreciate the basis. We may talk here, examine the books and try to form an idea—we are not business men ourselves—as to whether they could really economise by doing something that they do not do at present. There is the method of purchase of cotton. We cannot merely say they should pay one-fourth per cent. commission instead of half per cent.

MR. JOSHI :—Their argument is that the industry is bad and therefore they are touching labour.

MR. KAMAT :—We should like to understand your precise attitude. You want some information to see whether the millowners are retrenching in every possible direction. Is it your attitude that they should touch the question of a wage cut after retrenchment in every possible direction, say 101 directions, is finished and not till then; or is it your attitude that if they are retrenching in other directions they should also simultaneously attempt retrenchment in wages?

MR. JOSHI :—Not simultaneously. It should be the last, if at all it is to be done.

THE CHAIRMAN :—Until they say they have made every possible economy in other directions, they must not touch wages.

MR. DANGE :—That is the attitude of the millowners also. They agree that the wages are the last thing to be touched.

MR. SAKLATVALA :—Not last. There are other things over which we have no control.

MR. KHAREGHAT :—If you could show that there is real extravagance, we can go into it.

MR. DANGE :—This information is required to prove that there is positive corruption and mismanagement in the industry, that other things are to blame and not high wages.

MR. SAKLATVALA :—Most of the ground has been gone over by the Tariff Board.

MR. DANGE :—The Tariff Board took evidence in 1925; we are now in 1928.

THE CHAIRMAN :—We had better hear Mr. Saklatvala before we go into the other point.

To-morrow Mr. Saklatvala will deal with the complaints.

---

The committee adjourned till 11-15 a. m. on the 31st October 1928.

---

**STATEMENT SHOWING THE PRODUCTION OF PIECEGOODS IN MILLS  
SITUATED IN BOMBAY CITY AND ISLAND AND ALL-INDIA.**

*(Figures taken from the "Spinning and Weaving Statistic" issued by  
the Director of Commercial Intelligence.)*

(Quantities are given in pounds.)

Year ending 31st March.	All India including Bombay City.	Bombay City.
1925 ... ..	458,839,645	220,391,585
1926 ... ..	465,039,687	*199,659,173
1927 ... ..	538,769,353	265,119,658
1928 ... ..	567,803,862	265,936,936

\* For a period of about 2½ months (15th September to 1st December 1925) all mills in the city and Island of Bombay were on strike.

*Copy of a letter addressed by the Millowners Association to their  
Members immediately after the outbreak of the Strike calling  
for information regarding the men's grievances.*

No. 713/120 of 1928.

URGENT.

THE MILLOWNERS' ASSOCIATION.

*Bombay, 24th April 1928.*

TO ALL MILLS IN THE  
CITY & ISLAND OF BOMBAY.

DEAR SIRS,

Members are aware that in connection with the present strike of millhands, allegations have been made in the Press to the effect that in several mills, wages have been reduced in a variety of ways, and other measures have been adopted whereby the earnings of the operatives have been adversely affected. In order that the Committee of the Association may be in a position to deal properly with the Strike Situation, and to refute the charges brought against millowners, it is necessary that they should have all relevant facts and figures in their possession. I am, therefore, directed to request you kindly to return to this office the enclosed questionnaire duly answered as early as you possible can in any case not later than Friday, the 27th instant.

Kindly treat this matter as most urgent.

Yours faithfully,  
(Sd.) J. P. WADIA,  
*Ag. Secretary.*

It is alleged that certain mills have reduced their wages in various indirect ways such as the following :—

1. (a) A change has been made from coarser to higher counts without increasing the rates proportionately.
- (b) New sorts have been introduced and the rates for these sorts previously manufactured.
- (c) Where weavers used to get their wages on actual weight produced from the looms, they now get their wages on the reduced weight of the cloth after it has undergone subsequent processes.
- (d) If the basic wages of a worker come to Rs. 30-15-9 his 1 anna and 9 pies are cut off immediately but the high prices allowance is calculated not on Rs. 30-14-0, but on Rs. 30 only. Thus the worker loses Rs. 0-15-9 and his 80 per cent. allowance.

Please state if you have reduced the wages of your operatives in any one or more ways mentioned above, or in any other indirect way. If you have done so, please explain fully the measures adopted by you, and your reasons for adopting those measures.

2. Have you made direct reductions in the wages since 1st January 1927? If your reply is in the affirmative, please give full details of the reductions made, and your reasons for making these reductions.

3. Have you adopted any change in the system of work by reducing the number of operatives in any department? If your reply is in the affirmative please give full particulars of the change adopted, and please state how the change has affected the earnings of individual operatives.

4. Have you adopted any other measures to reduce manufacturing costs since 1st January 1927 not included in the above questions? If your reply is in the affirmative please give full details of the measures adopted.

5. Have you made any alterations in the hours of work in any of the departments of your mills? If your reply is in the affirmative, please give full details and state whether the wages have been proportionately increased.

6. Have you any comments of a general nature to make in connection with the present strike?

**REPORT ON REPLIES RECEIVED IN REPLY TO QUESTIONNAIRE No. 713/120  
OF 1928 FROM THE MILLOWNERS' ASSOCIATION ON DIRECT OR INDIRECT  
CUT IN WAGES.**

Replies have been received from all the mills in the City and Island of Bombay with the exception of 7 mills not working who have failed to send in their replies. All replies have been carefully examined, and may be summarised as below :—

1 (a) It is alleged that a change has been made from coarser counts to higher counts without increasing rates proportionately.

This is very emphatically denied by every mill, in fact one mill asserts that as a result of the change, even higher wages are earned.

1 (b) It is alleged that new sorts have been introduced and the rates of these sorts are fixed lower than for similar sorts previously manufactured.

All mills definitely deny this assertion with the following exceptions :  
The Ebrahimbhoy Pabaney Mills assert that on the contrary rates have been increased on certain old sorts now being re-made after being stopped for some period.



The Kohinoor Mills report that in fixing the base wage for art, silk cloths, which were then entirely new to them they found that the rate had been fixed on the original sorts so high as to be prohibitive. These rates were however left, but in arranging for their new qualities on art, silk goods, the experience on original sorts was used and a rate fixed which would permit of workers obtaining as much or even more than they obtained formerly on other sorts. There is no doubt that this has been the experience of nearly all mills in fixing new sorts, but there is no evidence to show that there has been a deliberately lower base adopted.

The Brady Group of Mills report that all new sorts are based on an average weaver being able to earn Rs. 45 per month for 2 looms.

The Simplex Mills also made a special note which we quote in extenso:—

“We have during the past two years, manufactured a few new sorts, principally with art silk. We do not fix the rates to be paid to weavers, so long as a new sort is in the experimental stage, but we pay the weaver on fixed wages basis. Once we pass the experimental stage in a particular cloth, we work out the weavers' rate on the basis of 70 per cent. efficiency taking into consideration the yarn to be used and our observations of the manufacture of the cloth in its experimental stage. Even then we do not stick to these rates but are always ready to revise same (and we have revised them in a dozen cases recently), in cases where we have found that the weavers in practice attain lower efficiency, (i. e., get production below the calculated basis).

1(c) It is alleged that where weavers used to get their wages on actual weight produced from the looms, they now get their wages on the reduced weight of the cloth after it has undergone subsequent processes.

All mills pay on nominal weight with the following exception : Century and Textile Mills pay on finished weight only for blankets. This system was adopted at the Century when blanket weaving was installed and is therefore no hardship to a weaver as rates were then fixed with the knowledge that this was to be the basis. The Textile Mills have made the alteration in the process of standardisation.

The Pralhad and Globe Mills pay on actual weight.

1(d) It is alleged that if the basic wages of a worker come to Rs. 30-15-9, his 1 anna 9 pies are cut off immediately. Then there remain Rs. 30-14-0, but the high prices allowance

is calculated not on Rs. 30-14-0 but on Rs. 30 only. Thus the worker loses Rs. 0-15-9, and its 80 per cent. allowance."

Here there are many variations in the system of payment. The majority of the Mills pay in full but a number of mills adopt various alternatives, most of which can be considered to be equitable. These systems may be summarised as below :—

- (1) Wages are paid in full but the percentage is not calculated on the pies ;
- (2) Wages paid in full, but percentages are paid on the nearest 8 annas up or down ;
- (3) Paid in full, but the allowance calculated to the next lowest rupee;
- (4) A few mills pay in full, but reduce the pies to the nearest anna ;
- (5) Quite a number of mills pay in full but reduce from two, three or four pies as the case may be, to the lowest anna and increase from three, four and five pies to the next highest anna ;
- (6) Still another mill pays wages in full, calculates allowance to the lowest four annas and deducts sums below two annas ;
- (7) Outside of the above system, the following mills have systems which may be considered out of the ordinary.

**Simplex Mills.**—The basic wages are cut down to the next lowest two annas, the amount so cut off being credited to a Doctors Fund. War allowance is calculated on the lower rupee amount.

**Jubile Mills.**—These pay in full, but the spinning are paid on system No. 3.

**Ruby Mills.**—Pay in full but the allowance is calculated one rupee higher on 15 annas and lower but 14 annas is reckoned to the lower rupee.

In reply to the query as to whether mills have reduced wages by any other indirect method, all mills have replied in the negative, the only exception being the E. D. Sassoon group, from whose reply we quote in extenso :—

"We have not reduced the wages of our operatives by direct or indirect methods other than mentioned below. With a view to standardisation of rates throughout our group for this same class of work, a standard list has been prepared as well as ruling muster at the mills. In the event of new operatives being engaged, they are engaged at the rates ruling on the standard list, but old operatives continue on the existing wage, for example, creel boys were formerly paid Rs. 13 in some mills and Rs. 12 in others. Old employees continue to draw Rs. 13 but as they are promoted or leave new operatives are engaged on Rs. 12 so that eventually this will be the ruling rate throughout our group."

2. It is alleged that reductions were made in wages since 1st January 1927.

Replies from the major portion of the mills are that no cuts have been made, but the Kaiser-I-Hind mills assert that a 15 per cent. increase has been given on finer counts. The following mills have made direct cuts :—

**Mathradas Mills.**—Rates changed—universal winding, but spindles increased to allow some wage to be earned.

**Imperial Mills.**—Whipping rates standardised.

**Premier Mills.**—Blanket weavers received notice of reductions to standard basis.

**Kastoorchand.**—Blanket rates as Premier. Universal winders as Mathradas.

**Manockjee Petit Mills.**—Only rates for certain fancy sorts which were higher than other mills, reduced.

**Bomanjee Petit Mills** :—As Manockjee Petit Mills.

**Sir Shapoorjee Broacha.**—Same as Premier.

**Madhowji Dharamsi Mills.**—Same as Manockjee Petit Mills.

**E. D. Sassoon Group.**—Direct reductions have been made in standardising wages in our group. The following rates of pay were reduced at the Elphinstone and David Mills against which much bigger increases were given in the remaining mills in our group. The reductions and increases necessitated by this standardisation are as follows :—

**David Mills.**—Slubbing. Old rate 18·7 pies per hank.

New rate 18 " " "

**Elphinstone Mills.**—,, Old Rate 18·9 " " "

New Rate 18·25 " " "

Slubbing in other mills has been increased as below :—

			OLD RATE.	NEW RATE.	
Jacob Mill	...	...	16·69	18·00	pies per hank.
Alexandra	...	...	18·30	18·75	"
E. D. Sassoon	...	...	17·05	18·75	"
Edward Sassoon	...	...	17·00	18·5	"
Meyer Sassoon	...	...	17·00	18·5	"
Apollo Mill	...	...	16·14	18·5	"

**Intermediate.**—Reductions also took place at the Elphinstone, Apollo and David Mills as below :—

			OLD RATE.	NEW RATE.	
David Mill	...	...	23·28	20·75	pies per hank.
Elphinstone Mill	...	...	21·63	20·75	„
Apollo Mill	...	...	22·5	21·00	„

Increases took place at the Jacob, Alexandra, E. D. Sassoon, Meyer Sassoon and Edward Sassoon Mills as follows :—

			OLD RATE.	NEW RATE.	
Jacob Mill	...	...	16·15	19·25	pies per hank.
Alexandra	...	...	19·15	20·50	„
E. D. Sassoon	...	...	19·15	20·25	„
Edward Sassoon	...	...	20·5	20·75	„
Meyer Sassoon	...	...	20·5	20·75	„

Reductions were made in the whipping rates, due to the installation of Merrow whipping machines in place of the old pattern Perkins Machine. There was however no reduction in the nett wages earned by the operatives.

As an example of 'ca-canny' methods of some of our operatives we cite the following :—

In 1925 all operatives on one of our waste plants were on piecework and the production was not satisfactory. On 3s count spinners rate was 39 pies per 100 lbs.

Engine piecer rate was 24 pies per 100 lbs. Side piecer rate was 22·25 pies per 100 lbs. Strippers, grinders, Lap carriers and other Card men rate was 7·6 pies per 100 lbs. These were reduced as follows:—

Spinners rate to 21 pies per 100 lbs.

Engine Piecer 14 „ „

Side Piecer 12 „ „

Strippers, grinders and other Card men to 4 pies per 100 lbs. and the production immediately jumped up to a figure enabling them to earn the same pay as previously.

In 1927 the production was still lower than on similar plants working on similar counts at other mills and a further reduction in rate was decided upon.

Spinner's rate was reduced to 20 pies.

Engine Piecer's 12·5 „

Side Piecer's. 11 „

Card Men's rates 2·5 „

and the production again improved.

In 1928 the rates of all mule men were brought into line with sister mills.

Spinner's rate reduced to 15 pies.

Engine Piecer's rate 11 „

Side Piecer's rate 10 „

Card men were put on day-work wages on standard rates as agreed upon with other mills and the mill has now a satisfactory production with nett wages the same.

**Bombay Dyeing and Textile.**—Blanket and Whippers' wages Standardised. Railway passes discontinued.

**Spring Mills.**—In one instance, wage reduced to the level of other mills. Railway passes stopped.

**Pralhad Mills.**—Universal winding rates reduced in winding warp yarn in place of weft yarn.

**Kohinoor Mills.**—Yes, but in the mule department only. This was necessitated by the high cost of production, but rather than reduce the strength of the workers, it was decided on the suggestion of the operatives themselves to reduce the rates, so as to maintain the usual strength and yet to bring down the working costs. The details are as given below:—

	S.	S.	S. C.	S.	S. C.	S.	S. C.							
	3	12	12	14½	14½	20	20							
	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New
	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.	Ps.
<b>Mule Spin-</b>														
ner ...	25	22	27	24	33	30	26	24	34	20	55	50	63	58
<b>Mule Engi-</b>														
ne Piecer.	19	17	21	19	25	23	20	18	26	23	43	40	49	46
<b>Mule Side</b>														
Piecer...	18	16	19	17	23	21	19	17	24	21	41	38	47	44

The above represent Pies per 100 lbs.

The new rates were brought into force from 1st March 1927.

Mules now stopped since October 1927.

3. It is alleged that changes have been adopted in the system of work by reducing the number of operatives in any Department.

Here the E. D. Sassoon group, Finlay and Kohinoor have adopted what for want of a better word has been labelled the Rational system, particulars of which have been given elsewhere.

Other alterations have been effected as follows. :—

**Century.**—Finer counts introduced. Preparation stopped. This has also been done at Madhorao Scindia, Mathradas, Ebrahimbhoy Pabaney, Bradbury and Currimbhoy Mills.

**Century.**—Reduction of 197 men out of 6,000 as spare hands.

**Jubilee.**—Spare hands reduced.

**Swadeshi.**—2 Jobbers reduced.

**Petit Group.**—Extra hands reduced.

**Brady Group.**—Extra hands reduced.

**Bombay Dyeing, Textile & Spring.**—Spare hands in Carding and Spinning reduced. Option given to Side Boys to mind 2 sides in place of one. Given 1½ days in place of one for same.

**Pralhada.**—A few Tarawallas (spare hands) reduced.

**Simplex.**—30/35 out of 3,000 hands have been reduced.

4. It is alleged that other measures have been adopted to reduce manufacturing costs since 1st January 1927.

Here the replies given are in the negative with the exception of the Currimbhoy group who point out that they have adopted the spinning of finer counts, the Finlay group who have reduced their overhead charges, and the Brady group report that they have increased efficiency economy in stores and improvement in machinery.

**Simplex Mill.**—Yes, reducing stock-in-process, Insurance and improving selling organisation. Repairs and renewals increased.

**E. D. Sassoon Group.**—They reply that reductions have been effected, but these do not pertain directly to wages of labour.

5. It is alleged that there has been an alteration in the hours of work in Departments of the Mills.

All mills reply in the negative, except the following :—

**Petit Group.**—Have increased the hours of work in the Mechanic Shop from 8½ hours to 8¾ hours to 9 hours without any proportionate increase in pay.

**Finlay Group.**—Report that Bundling, Baling, Sizing, Warping, Beaming, Folding, Dyeing and Calendering increased, but proportionate

increases given. Mechanic shop put on 10 hours day. This was done at the Swan and Finlay Mills in 1920 and at the Gold Mohur Mills in 1924.

**E. D. Sassoon Group.**—As Finlay group from March 1st, but notices given that from May 1st, proportionate increases will be done away with and a 10 hour day maintained.

**Kohinoor.**—They report that the Mechanic Shop, Folding Department and Mixing Room have been increased to 9½ hours. No increase in wages except in the Mixing Room.

**Pralhad** :—They have made no alteration, but same is under contemplation.

6. Are there any comments of a general nature to make in connection with the present Strike ?

Only half the mills have expressed any views and of the remainder the majority reply that intimidation and propoganda by outsiders have caused the Strike.

Interesting replies have been received from the Union, Moon, Textile Mills, E. D. Sassoon Group, which are quoted in extenso :—

**Union.**—Wages too high and cut is called for.

**Moon.**—Two alternatives must be offered—reduction of wages or increase in efficiency, former preferred.

**Textile and Bombay Dyeing.**—Strikers object to discipline and refuse to put tickets at the gate or clean looms which they were doing for the last 5 years, and intimidation by so-called Labour Leaders.

**E. D. Sassoon Group** :—Our own opinion as to the cause of the present strike is purely economic. We consider that the strike is a very definite sign that Mills are making an attempt to carry out the recommendations of the Tariff Board, and adjust themselves to the economic conditions prevailing the World over in the Textile trade. Adjustments to these conditions and the new Exchange rate have given trouble to the Industry for some time past, and it is only now that the painful process of adjustment is causing trouble with labour. Labour is definitely objecting to any alterations in the previous conditions of employment in relation to hours of labour, the rates of pay and retrenchment of surplus staff.

We have put into work at our Manchester Mill, and the recommendations of the Tariff Board that lead to decreased cost of production, but even with this, we are at least ½ anna per lb, below breaking even with our costs and no allowance in this figure is made for depreciation or reasonable return on the capital employed.

Apparently any alteration in the conditions of working in Bombay Mills mean at least a six weeks strike and we consider that the time is now at hand when labour should be told in no uncertain terms that the conditions of future employment are a reduction in the dear food allowance and the adoption of disciplinary measures suggested by the Tariff Board. The reduction in the dear food allowance in our opinion should be made so that the weaving section of the Industry which is higher paid, is cut more than the spinning section, in other words, there should be an evening up of wages during this period.

In view of the fact that this strike has been led up by Communistic Trade Unions, it is very essential that we should win the strike and demonstrate that the Labour Leaders who have advised this course, are hopelessly wrong.

We should also suggest for the consideration of your Committee a possibility of a levy being made on the future wages of operatives in all mills to cover the amount of damage caused in the process of intimidation. With a view to avoiding misconception, we would suggest that the sums so collected should be given to one or more of the hospitals handling cases from our workpeople and that mills that have been damaged, do their own repairs.

The heaviest charge the majority of us will be called upon to meet during any stoppage, will be the minimum charges by the Tata Hydro Electric concerns. When these concerns were in difficulties a few years ago, Mills, at their request, came to their assistance by paying enhanced rates for power and taking up Debentures. In view of the precarious state of the Industry, might we suggest that your Association or a Special Sub-Committee of Tata Hydro Electric energy users, make a representation to the Companies with a view to the remission in whole or part of the minimum charge.

If the Committee think it desirable, a precis may be issued to the Press for public information, showing exactly what has been done by mills to reduce costs on other items than labour".

The Toyo Podar Mills are not members of our Association, but have favoured us with a reply, which we quote in extenso for the information of Members of the Association :—

"The real cause of the present strike may be attributed to the unemployment of a few hands in some groups of certain mills while in other mills the operatives are contented, but only they have been forced into the general strike by outsiders through intimidation and violence. Now Mill-owners and Operatives are equally suffering mentally and physically owing to an undesirable element creeping into our Mill Industry. We think it



will be a question of time before the peaceful workers would come back for working and it is a general wish to reach the stage when the Mill Industry could go on its proper phase of harmonious co-operation of labour and capital. However, we think on the part of the Millowners, strong and strict adequate steps will be necessary at this juncture to prevent a recurrence of this unfortunate practice."

No. 1446/1731 of 1928.

THE MILLOWNERS' ASSOCIATION.

*Bombay, 21st August 1928.*

THE SECRETARY TO THE GOVERNMENT OF INDIA,  
*Department of Commerce,*  
SIMLA.

Sir,

**Subject.**—Effect of the Depreciation of the Japanese Exchange on the Indian Cotton Textile Industry.

---

I am directed to acknowledge receipt of your letter No. 341-T (63) dated 4th July 1928 on the above subject. The fall in the exchange value of the yen, Government point out, effects the Japanese Mills unfavourably as well as favourably owing to the increase in the cost of the raw cotton, and it is further suggested that in the case of Japanese cotton piecegoods imported into India the cost of raw cotton, on the basis of a price of Rs. 400 a candy for Broach cotton, constitutes approximately 50% of the landed cost, inclusive of duty, of the manufactured article, and hence the net advantage accruing to the Japanese manufacturer is only one half of the gross advantage deducible from the fall in exchange.

2. Government's reply, my Committee respectfully submit, would indicate that they do not sufficiently appreciate the real gravity of the issue. It is regrettable to note that Government even endeavour to minimise its importance by emphasising the fact that the net advantage accruing to the Japanese manufacturer is one-half of the gross advantage deducible from the fall in exchange. What Government fail to appreciate is that even this one-half is sufficiently important to divert to Japan trade that would otherwise go to Indian or Manchester Mills. It is a fact well known to any merchant that trade will go to the seller who supplies cheaper not by 5 or 10 per cent., but even by 1 or 2 per cent. as in the wholesale trade this would make all the difference between business at a profit or at a loss. Thus, to take the instance of the various kinds of yarns imported into India of 40s and higher counts, a bale will

be worth Rs. 500 to 700 and 2 per cent. would mean Rs. 10 to Rs. 15 per package. This is too big a difference for a merchant to overlook, and the result must necessarily be that Japanese yarn is bought where Manchester would otherwise have come in. The effect in the case of piecegoods in which Indian Mills are affected more directly is similar. If this was the result of fair competition the Association would have nothing to say, but when it is the effect of Japan's refusing to go to the gold standard, Government should see that India and other gold standard countries should have a fair deal.

3. The correct parity of Exchange between India and Japan on the basis of the present gold value of the rupee should be :—

$$100 \text{ Yen} = \frac{24625}{18} = \text{Rs. } 136.90,$$

whereas exchange to-day is only about Rs. 126½. It is admitted even by Government that the advantage to Japan is one-half the exchange depreciation. As the full depreciation to-day is Rs. 10, one-half of it comes to Rs. 5. In other words :—

Japan is able to sell cheaper than any of its competitors including both Manchester and India to the extent of Rs. 5 per every yen 100 of its yarns and piecegoods, or about Rs. 25 cheaper per every package of yarn or piecegoods.

My Committee would respectfully point out that this a great and an unwarranted handicap, and would suggest that Government should take same action in fairness not only to India, but to all Gold Standard countries trading with India including England, the most important of such countries.

The Association would, therefore, urge that a short Bill be introduced at the earliest possible date providing that :—

- (1) For the purpose of levy of import duties the Rupee values of all Yen invoices should be calculated at the gold value of the Yen (Rs. 137 for every Yen 100).
- (2) An additional exchange duty shall be levied at the rate of the difference between the correct rate of Exchange on Japan and the parity rate, the former to be based on the average of the 3 previous months.

4. My Committee would further point out for the information of Government that Japan's refusal to go back to the gold standard is deliberate, and is intended to help its exports as was openly admitted by Mr. Mitsuchi, the Finance Minister, in a recent speech at Tokyo. If they really wanted to go back to the gold standard, they would have had less difficulty than any other

country, as, during the past four years, their holdings of gold and gold assets (in the hands of Government and of the Bank of Japan) have been more than ample to satisfy the requirements of a Central Bank of Issue in a country that is on the gold standard.

5. My Committee would further urge that Government should no longer ignore this issue as a temporary phase. It has now gone on for years. The advantage Japan gets by allowing its currency to depreciate is to get a foothold in markets, were, but for such advantage, it could not have got in, and to enable it to drive out competitors. Such foothold is than more or less permanent as trade in textile is largely a matter of the established Chaps and trade marks. Once Japan has driven out the Chaps and trade marks of its competitors in particular lines or particular territories and established itself there, it is very difficult to dislodge it without very onerous sacrifices on the part of its competitors. Every day that Government delays in taking action means further opportunities given to Japan to establish itself in markets where, but for such unfair methods, it would never have got a footing.

6. My Committee, therefore, hope that the Government will realise that further delay in taking action would give Japan more opportunities to establish itself in Indian markets which it, otherwise, would be unable to do.

I have the honour to be,

Sir,

Your most obedient servant,

(Sd.) B. K. MANTRI,

*Ag. Secretary.*

### **STRIKE COMPROMISED.**

---

#### **Received Rates Current in 1927.**

---

Government will appoint an Enquiry Committee and after scrutinising the accounts, proofs, etc. with regard to the demand made by the owner and the worker will decide accordingly.

(1) Government should appoint a Committee of three members to enquire into the matter.

(2) This Committee should decide (a) whether the wages and the arrangement proposed by the Millowners is justifiable, (b) whether the 17 demands of the Strike Committee are justifiable and if so, how far they can be accepted, (c) how far the amendments proposed by the owners on the 4th October 1928 in the cuts pertaining to the workers are justifiable.

From the date on which the workers joined to the date of publishing of the present Committee's Report the workers should receive the rates and wages which they were receiving in the month of March 1927, except the Sassoon, Finlay and Kohinoor Mills where the work is being done in the revised form. In these mills the workers should receive the rates and wages which the Weaving Section was receiving in March 1928 and the following mills should give those rates and wages which were given in March 1928 to cloth Department:—

- (a) Manchester Mill.
- (b) Apollo Mill.
- (c) Meyer Sassoon Mill.

In the meantime no question is to be raised as to what men are to be engaged and for what work.

4. The workers should receive their pay at the following date for the month of October since they joined work and further up to the end of November they should receive their pay every fortnight. From 1st December they should not receive their pay before the month. From 1st December they will be paid monthly as usual.

The balance of the salary for the month of October will be paid on the 11th November and that for the month of November will be paid on the 15th December, 1928.

#### PAYMENT TO BE MADE DAILY

	Rates.		
	Rs.	AS.	PS.
(1) Doffer Boys, reachers and Women Workers who receive Wages according to the Wages ...	...	0 12	0
(2) Blow Room, Card Room, Strippers and Card Tenters ...	...	1 0	0
(3) Drawing Tenters, Slubbing and Inter-Roving ...	...	1 4	0
(4) Spinning Side Boys and Tarwallas ...	...	1 0	0
(5) Warehousemen ...	...	1 0	0
(6) Warping, Sizing, Drawer and Sizers in Cloth Department	1	8	0

Those workers who were not included in the above list will get 7/8 ths on the above scale with allowances.

5. If any point arises in the interpretation of the agreement it should be referred to the Enquiry Committee to be appointed by Government.

6. The workers should resume work on Saturday the 6th October 1928.

The agreement in question has been signed by Sir Ghulam Hussein Hidayutallah on behalf of Government, Mr. N. M. Joshi on behalf of the workers, Mr. J. B. Petit on behalf of the Millowners.

The strike which was prolonged over 5 months and a half has thus amicably been settled. Government is going to appoint a Committee and the workers should place before them evidence and defeat the points of the Millowners who propose to cut the wages of the workers.

(Sd.) SYED MUNAWAR.

(Sd.) R. S. NIMBKAR.

*Secretaries,*

JOINT STRIKE COMMITTEE, BOMBAY.

No. I/1860.

*Bombay, the 6th October 1926.*

The Secretary of the Millowners' Association informs me that in a leaflet issued to the mill-workers by the Joint Secretaries of the Strike Committee a statement is made that the wages for October will be paid daily. This is obviously an error because the agreement arrived on Thursday made it quite clear that the wages would be paid weekly but calculated on a daily basis. As it would be unfortunate if there was any misunderstanding in this matter perhaps you will be good enough to see that any correction that is necessary is made as soon as possible.

(Sd). J. F. GENNINGS.

N. M. JOSHI, ESQUIRE, M. L. A.,

Servants of India Society,

Sandhurst Road, Girgaum,

BOMBAY.

---

No. I/1861.

Copy forwarded with compliments to the Secretary, The Millowners' Association, Bombay.

(Sd). J. F. GENNINGS,

*Director of Information.*

**IF YOU WANT TO PUT DOWN THE SYSTEM OF WORKING ON THREE  
LOOMS AND TWO-SIDES, BE PREPARED FOR BOYCOTT.**

---

**Let us find out some Satyagrahis out of whom 500 will be Volunteers  
and others for giving Lectures on 100 places also some procession to  
collect Rs. 25,000 for supplying grains.**

---

**OH, KAMGAR,**

A year ago there was strike in Sassoon group against the working of 3-loom and 2-sides, which had unfortunately ended. Afterwards there was general strike in 84 mills against the cut rate during which period the Sassoon group was working on the basis of 3-loom and 2-sides.

At the time of settlement between the owners, Government Member and Kamgar, Sassoon, Finlay and Kohinoor were not willing to withdraw this system. Moreover Mr. Stones, (Manager of Messrs. E. D. Sassoon Mills) informed them that their workmen are following this system very willingly as they are getting 50 per cent. more wages which can be confirmed by their work for six months after the first strike. Other owners were not willing to follow this system

Thereby there came into existence two parties, one consisting of 69 mills who were willing to remove the cut of 15 per cent. and were against this system and the other consisting of 15 mills who wanted to continue this system ; but they suggested that they will pay their workmen the original wages previously paid on 3-loom and 2-sides.

We were compelled to make this agreement by the workmen owing to their severe sufferings and short of money, etc.

At the time of settlement the following persons were present :—

Messrs. Jhabwalla, Joshi, Dange, Nimbkar, Alwe, Mirajkar, Rajeb Godse, Kasle, Fancy, Asawle and Syed Munagar.

We are still prepared to help you to continue the fight even though the owners of these groups are Europeans and millionaires.

Let us try to get 500 Red Volunteers and some others to give lecture in 100 different places and try to get some help from the workmen working in the other mills.

The proud owners of the following Mills want to continue this system :—

Apollo.	}	who want 3-looms & 2-sides system.
Manchester.		
Meyer Sassoon.		

Gold Mohur.	}	who want 2-sides system.
Finlay.		

Swan.	}	who want 2-sides system.
Kohinoor.		

David Mill.	}	who want 2-sides system.
Edward Sassoon.		
Elphinstone.		
Jacop Sassoon.		
Alexandra.		
E. D. Sassoon.		
Rachel Sassoon.		
T. Red Dye.		

Nine owners are against this agreement and are not willing to follow it.

Do not be misguided by the false misrepresentation, which will be done through the hirelings deputed by the owners.

After six months' fight we were able to get the 15 per cent. cut removed and thereby 1,20,000 men working in those 70 Mills are happy now and still we are prepared to fight for the remaining 20,000 men.

Be prepared for any kind of hardship. Your leaders are ready to suffer for you. To-day at 4 O'clock there is a meeting behind Gokhale Hotel at Poibawadi. Kindly enroll your names who are willing to join the boycott on Mills and to suffer even imprisonment in case it comes to your lot.

Yours, etc.,

S. A. DANGE.

R. S. NIMBKAR.

S. MIRAJKAR.

A. A. ALWE.

G. KASLE.

Are we to continue the struggle re: the new System of two sides and three Looms ?

Then make Preparations to Boycott same.

*Let us recruit two Red Troops of 500 Volunteers to offer Satyagraha and 100 lecturers. And also let us collect funds of Rs. 25,000 for distribution of grain.*

COMRADES,

A year ago, there was strike in Sassoon Mill re: two-sides and three-loom. Unfortunately it was not successful. Afterwards General Strike was declared in 84 Mills in order to stop the cut in wages. At that time, this new system was in force in Sassoon Mills. And it was one of our demand to withdraw this system.

When the negotiations for settlement was going on between the Owners, Government and Labour Leaders, the representatives of the Sassoon, Finlay and Kohinoor refused to withdraw this new system. Mr. Stones, the Manager of Sassoon Group, informed that they are paying  $1\frac{1}{2}$  times the wages where this system is in force and the workmen are satisfied. Apollo Mill and Manchester worked this system for six months after the first strike without any trouble. Except the Owners for these three Groups the others agreed to work on old system and old wages pending the publication of the Report of the Committee to be appointed by Government. So there were two factions in the Millowners. The former, Sassoon, Finlays, representing 15 Mills for new system, agreed to reconsider about the wages; and the latter, representing 69 mills to work on old system as mentioned above. Considering the privations, miseries, etc. you had to undergo on account of strike, we, on your own initiation, agreed to the settlement of the latter. The following of your representatives were present, Messrs. Jhabvala, Joshi, Dange, Nimbkar, Alve, Mirajkar, Rajab, Kasle, Pendse, Asavle and Syed Munawar. But we find, the Sassoon workmen are determined to hold on and we are ready to render them assistance in their struggle. So let us recruit 500 Volunteers and lecturers. The owners of the following Mills who are rich European Capitalists are not willing to withdraw the new system :—

Apollo Mill.	}	Owners, E. D. Sassoon & Co., three-loom and two-sides.
Manchester Mill.		
Meyer Sassoon Mill.		
Gold Mohur Mill.	}	" James Finlay Co., two-sides only.
Finlay Mill.		
Swan Mill.		
Kohinoor Mill.	}	" Killick, Nixon & Co., two-sides only.



David, Edward Sassoon, Elphinstone, Jacob, Alexandra E. D. Sassoon, Rachel Sassoon, Turkey Red Dye Works (two-sides only).

Besides owners of 9 other mills have refused to abide by the decision of the agreement.

In order to have split amongst the workmen and their Leaders, the Owners have kept spies to do propaganda work. Don't listen to them.

After struggling for six months a settlement was reached about 70 Mills and 120,000 men. Now we have to fight for 20,000 men. Be prepared.

There will be meeting to-day at 4 P. M. near Gokhale's Hotel Poibawadi Muster strong, take Satyagraha vow to boycott the Mills ; in case, be ready to go to goal.

Yours, etc.,  
DANGE.  
NIMBKAR.  
MIRAJKAR.  
ALWE.  
KASLE.

---

---

---

*Wednesday, 31st October, 1928.*

---

---

The Committee met at the Secretariat on Wednesday, the 31st October 1928, the Chairman, Sir Charles Fawcett, presiding.

*Present.*

THE CHAIRMAN,  
MR. M. P. KHAREGHAT,  
MR. B. S. KAMAT.

MR. SAKLATVALA :—Sir, we have put in our statement as regards the statement of complaints submitted by the other side.

As regards the statement of accounts, I produce the original signed and sealed by Messrs. Fergusson & Co. The one for 1923 is not here because it was handed over to the McLeod Committee and it is missing. Messrs. Fergusson had also tendered evidence before the Tariff Board and had certain correspondence between the Tariff Board and themselves and that correspondence explained and verified all the figures submitted to the Tariff Board. I tender herewith the original as submitted by Messrs. Fergusson.

Now, I take up the memorandum submitted by Mr. Joshi. I have already dealt with some of the points generally and I will to-day only take up the more important ones. I shall begin with page 3 of the memorandum, where Mr. Joshi deals with weaker mills, the argument being that weaker mills should not be allowed to set the pace in the matter of wages, etc. As regards this argument, my general remark is that Mr. Joshi unfortunately fails to visualise the industry as a whole. In any organisation there are bound to be strong and weak concerns, but we have to consider the industry as a whole. If Mr. Joshi's argument is followed, it would mean that we should wait till even the strong mills go to the wall, the weaker ones have already done so and we should do nothing till even the strong mills begin to show heavy losses. That I am sure will not be accepted by you.

MR. JOSHI :—I have not said that.

THE CHAIRMAN :—Mr. Joshi suggests in fact that you should not take the weak mills as your standard to go upon at the present time.

MR. SAKLATVALA :—In other places also Mr. Joshi has referred to weaker mills. Then, Sir, Mr. Joshi proceeds to say that they should not be allowed to set the pace, etc. Then he comes to mismanagement, misappropriation and corrupt practices commonly believed to be existent in so many mills. Of course, Mr. Joshi is very careful to say that they are "commonly believed" to be existing in so many mills.

MR. JOSHI :—That is what the Tariff Board has said.

MR. SAKLATVALA :—The Tariff Board has not said that.

MR. DANGE :—The Tariff Board has emphatically asserted that.

MR. SAKLATVALA :—Anyway they are not the words used by the Tariff Board. My submission is that these charges were all made before the Tariff Board and they are merely repeated here. Let us see what the Tariff Board has to say on this subject. On page 85, para. 41 begins with Managing Agency system. On page 88, the last para. reads :—

“ Allegations were also freely made that the present condition of the industry could to some extent be attributed to malpractices on the part of managing agents. It was stated that speculative purchases of cotton are frequently made by managing agents and that, if these result in a loss it is passed on to the mill, whereas, if a profit is realised on the transaction, it is retained by the managing agent. It was further alleged that managing agents received commissions on purchases of cotton, machinery, mill-stores, coal and liquid fuel as well as on sales of cotton, yarn and piece-goods and on insurance premiums which are not passed on to the mills, or in other words that stimulus to efficiency is removed by the fact that, whatever the position of the mill, the managing agent is sure of a profit on transactions connected with it. Though allegations of this character were made by several witnesses, it is perhaps not surprising that no substantive evidence was brought forward in support of them. The authority quoted in all cases was merely rumour or statements which have appeared in the press. It is significant that, when questioned *in camera* on the point, the witnesses who made statements of this kind were never able to give the names of more than one or two mills and that these names were almost always the same. We are, therefore, satisfied that no general indictment of the mill industry can be established under this head and that the practice of receiving secret commissions, if it exists at all, is exceptional.”

Then they go on to other matters which I will deal with in due course. On page 90 they are still more definite. They say :—

“ Except, therefore, to the extent to which it can be held that the defects in the managing agency system to which we referred at the outset, namely, undue conservatism and lack of initiative, have contributed to the present depression, we do not consider that the managing agency system, can be regarded as being responsible for existing conditions. It is obviously impossible to come to any other conclusion in view of the fact that while the managing agency system is general throughout the industry, the extent of the depression, as we have pointed out in paragraph 12, varies so greatly in different parts of India.”

Then, Sir, I come to paragraph 8, bottom of page 3 of this statement.

Mr. Joshi states in this para. :—

“ 8. The Tariff Board had suggested some remedial measures in their report. So far as the information of the Strike Committee goes, the Mill Agents have not yet adopted most of the important measures suggested by the Tariff Board.”

Of course, when the cut in the weavers' wages was discussed, Mr. Joshi had pointed out that we had no right to make a cut unless we had made similar reductions in other matters. I myself took up the attitude that we have dealt with all matters :—We have succeeded in reducing our overhead charges and that we left labour to be touched last and I am going to substantiate that statement, but apart from that I maintain that when retrenchment is made, naturally we must retrench where there is the greatest scope for retrenchment. On page 113 of the Tariff Board Report, appears this :—

“The statement of costs of manufacture, submitted by the Bombay Millowners Association in their original representation, shows that the cost of labour formed 37.8 per cent. of the total cost of manufacture in 1914, excluding the cost of the raw material, against 40 per cent. in 1924. If the excise duty is omitted in both cases, the figures are 41 per cent. and 44.4 per cent. respectively. Worked out on the basis of the cost per spindle per day, the percentage of labour to total costs for a mill in Bombay, for which we have obtained returns for both 1914 and 1926, was 35.8 in 1914 against 48.7 in 1926 and per loom per day 40 per cent. against 41.9 per cent. We mention these figures here to show how large a part of the total cost of manufacture is represented by labour costs.”

Therefore, I maintain that we are justified in touching labour although we are doing it as the last resort. Every suggestion and recommendation has been taken up. Our appendix Y in the written statement makes this clear. The Government of India wanted to know what we had done with regard to these recommendations and we have given a reply, para. by para., which will show all the steps which we have taken in this connection. Besides that, the questionnaire to our members which I handed to you yesterday, and the report on this questionnaire will show you what each individual mill has done in this connection. I will briefly state that we are negotiating with the Bombay Municipality for a reduction of assessment, we fought for a reduction of water charges and got them reduced from one rupee to ten annas per 1,000 gallons. Similarly, we succeeded in obtaining a reduction of insurance rates. The insurance companies did not reduce their rates voluntarily but after a good deal of discussion. We have appointed a special committee to go into the question of railway freights in consultation with

one of the experts in this matter. This subject has been entrusted specially to Mr. H. P. Mody, who at present being away from Bombay, we have not proceeded very far in this matter. Then, Sir, we have got a reduction in the cost of fuel. Most of the mills have now gone on to oil fuel because of its cheapness. Oil fuel has been reduced from Rs. 45 to Rs. 37 per ton at the present day. We are also negotiating with the various Tata Power Supply Companies for a reduction in the rates. Although we may not get all that we want, some relief will likely be afforded to us even in this direction.

MR. B. S. KAMAT :—Have you worked out the total savings which might be affected by all the reductions which you have obtained in assessment, water charges, insurance premium and such other items ?

MR. SAKLATVALA :—I am going to produce a witness, Sir Ness Wadia's partner, who will give complete details that may be required. I have selected Sir Ness Wadia because the Tariff Board also paid them the compliment of being accurate in their figures. The other day I submitted a statement to you of musters. That statement was also submitted by Sir Ness Wadia's firm to the Tariff Board. They had other statements also. They went into the accuracy of each and finally they adopted Sir Ness Wadia's statement. I therefore propose to call Sir Ness Wadia's partner who will give particulars of the reductions which had been made as regards each item in the cost and also in regard to the musters. An indication has been given in the Report on the Replies which I submit as to what each mill has done.

THE CHAIRMAN :—What is the date of this report ?

MR. SAKLATVALA :—The replies were sent in by different mills on different dates. The questionnaire was sent to the mills on 24th April last. Replies were received about a month later.

In para. 9 of their statement they say "The wages of the textile workers in Bombay are in no way excessive." I will not dilate on this but I will just quote a few lines of the Tariff Board Report, page 121, paragraph 52 :—

" An examination of the two tables given above shows very clearly in what respects Bombay is at an advantage or disadvantage over the mills in up-country centres. It will be seen that its greatest disadvantage is in regard to wages, a point with which we have already dealt fully in the preceding chapter. This disadvantage is less marked in the comparison with Ahmedabad."

At the end of para. 9 of this statement, Mr. Joshi says that the reduction of wages should be the last resort. As pointed out, it is the last resort and therefore I will not take it up before I touch the other questions.

Mr. Joshi goes on to say " it is for the mill agents to prove that reduction of wages is the only remedy left to them for avoiding a collapse of the industry as a whole." We have never claimed that it is the only remedy but we say it is one of the remedies. The fact is that we have to reduce our cost of production if the industry in Bombay is to exist. That is the point of view we take and retrenchment is therefore necessary.

On the following page 4, there is a reference to Japan in these words " While India lost one market after another, Japan could hold out in the competition on account of the cheaper prices and the superior quality of her goods." That has already been dealt with more or less and there is also the conclusion of the Tariff Board on page 69, which is quite definite :—

" Our conclusion therefore is that unfair Japanese competition is an important cause of the present depression in the cotton textile industry."

THE CHAIRMAN :— I suppose other countries are also suffering from trade depression in the textile industry.

MR. SAKLATVALA :—That is our main point. I will come to that later.

I have already dealt with para. 11, where Mr. Joshi points out the defect or deficiency on the part of the Millowners' Association in not submitting samples and not giving sufficient information.

In para. 12, Mr. Joshi says " In order to explode the myth that the increase in Japanese imports of yarn and piece-goods is due to cheap labour and some artificial advantages enjoyed by the Japanese mills." That has already been dealt with and the conclusion of the Tariff Board is that the labour conditions in Japan are unfair to us and we are suffering from those unfair conditions.

Then Mr. Joshi goes on to quote " Statistical information concerning Cotton Spinning in Japan " published in August 1928, by the Cotton Yarn Association, Manchester, in which it is said :—

" Japan has shortly to face labour conditions and hours of working, which will reduce the advantage she at present possesses and the constantly....."

That means that the advantage is there at least for the present. Even there it is admitted that Japan has got an advantage and the Tariff Board go further and say that it is an unfair advantage.

On page 6, there is the quotation :—

" There is no Government subsidy for the steamship lines to India."

Yesterday, I pointed out that the freight from Japan to India and *vice versa* comes to very little. It cannot possibly come to very little unless the steamship lines were subsidized by the Japanese Government. As a matter of fact the steamship lines are subsidized by the Japanese Government who pay subsidies. Of course they make a statement that they do not pay subsidies for carrying merchandise but that they pay subsidies for the carrying of mails but that subsidy is so much that the steamship company gives rebate to merchants who export goods. This was argued out before the Tariff Board also. It is very difficult to find out the nature of the subsidies exactly.....

MR. T. SASAKURA (Toyo Poddar Mills) :—Mr. Chairman, may I speak on this question ?

THE CHAIRMAN :—Yes.

MR. T. SASAKURA :—Mr. Saklatvala just now spoke about competition from up-country mills as well as about unfair competition from Japan.

As regards the first item of up-country competition, I agree with what he says. There is ample room for improvement in Bombay according to my own experience. In Bombay our mills try very much to improve the efficiency of their workers and it is getting on all right after two years' experience. I think the efficiency of labour up-country is much more than in Bombay. So, we came to the conclusion that up-country mills are much better than Bombay mills in competition. There is no question at all about that.

As regards the second item, there seems to be some misunderstanding.

There seems to be some misunderstanding existing in Bombay, in spite of the explanation several times given by the Japanese Cotton Association. The Chairman has perhaps the statement made by the Japanese Cotton Association.

THE CHAIRMAN :—What point are you dealing with. We wanted you to say something about freight.

MR. SASAKURA :—I want to say that there is no unfair competition from Japan as regards subsidy from Government and longer hours of work, as stated by Mr. Saklatvala. It is not a fact.

THE CHAIRMAN :—You had better say that when you are called upon to give evidence.

MR. SAKLATVALA :—Then on page 7, Mr. Joshi quotes the following remark in the report of the Tariff Board :—



" All that can be said is, therefore, that the cost of production statements show that production both in yarn and cloth in Ahmedabad and in efficient up-country mills is as high as it is in Bombay."

The statement then goes on to say :—

" The Bombay Millowners cannot expect to have all the advantages on their side. Textile Labour in Bombay is more efficient than that obtained up-country is evidenced by the facts that the number of operatives per 1,000 spindles in Bombay is 24.2 while in up-country mills it is 27.6."

With regard to this, I would draw attention to page 136 of the Tariff Board Report, where, in dealing with suggestions for obtaining increased output per operative, they say :—

" We entirely agree that a change of this kind must be general, but unless the Bombay millowners are prepared to take combined action in matters of such vital importance to the industry, we can only repeat that the outlook for the industry in Bombay is very far from hopeful. The problem before the Bombay mill industry is, as we have explained, the maintenance of its labour efficiency relative to that of other centres."

THE CHAIRMAN :—Further on in the middle of the page they say :—

" Our examination of the costs of production, however, shows that the average number of operatives per 1,000 spindles in Bombay is considerably higher than in Ahmedabad and that Ahmedabad has already a clear advantage in this respect."

Does not that go against the figures ?

MR. SAKLATVALA :—Yes, that goes in our favour.

THE CHAIRMAN :—There seems to be some discrepancy.

MR. STONES :—May I draw your attention to the statements on page 119-20 of the Tariff Board report ? According to the figures there, in up-country it is 27.6, while in Bombay it is 24.2, so that the up-country mill, outside Ahmedabad, have more employees for 1,000 spindles and more employees per loom. The Ahmedabad mills would not agree to publish their figures. The Ahmedabad mills have less operatives than Bombay but the up-country mills have more.

THE CHAIRMAN :—Does not the heading " up-country centres " include Ahmedabad ?

MR. STONES :—No. There is a note on page 119 below the statement which says that the total figure for Ahmedabad is 7.68 pies per spindle per day.

THE CHAIRMAN :—The average number of operatives for 1,000 spindles in Bombay is higher than in Ahmedabad but lower than other up-country centres outside ?

MR. STONES :—Yes.

MR. DANGE :—Because the overhead charges are lower, it cannot be made out that the number of operatives are low.

MR. STONES :—The Tariff Board says :

“ Our examination of the costs of production, however, shows that the average number of operatives per 1,000 spindles in Bombay is considerably higher than in Ahmedabad and that Ahmedabad has already a clear advantage in this respect even allowing for the higher counts spun in the latter centre.”

THE CHAIRMAN :—It is a definite statement.

MR. SAKLATVALA :—In paragraph 14 of their statement, they talk about diversification of production and specialising in certain qualities. They have not quite grasped what the Tariff Board had recommended. It is true that the Tariff Board had recommended diversification of production, meaning that we should go in for finer counts.

MR. JOSHI :—Is that the meaning of diversification ?

MR. SAKLATVALA :—Yes. With regard to that on page 155 of the Tariff Board Report, it is stated :—

“ It may be objected that, in making this recommendation, we are proposing that the Bombay mill industry should devote greater attention to the counts of yarn and the varieties of piecegoods in which the competition of Japanese goods is specially keen. The present position is that its natural development is hampered by unfair foreign competition and this strengthens the case for assistance to enable it to meet that competition. Our recommendations must, therefore, be regarded as a whole. The measure of protection we suggest at a later stage, combined with the economies in production and the improvements in organisation which we also recommend, should place it in a stronger position to meet competition in yarn and cloth of counts higher than it is at present producing.”

That means that it is subject not only to our reducing our cost but subject to the grant of protection, that unless we get protection for going in for finer counts we cannot compete. As a matter of fact, that the Bombay mills are going in for finer counts.

THE CHAIRMAN :—Can you say that generally of the mills ?

MR. SAKLATVALA :—The average count of the Bombay mills is higher than it was before.

MR. DANGE :—I wish to point out that it should be noted that all these conclusions are based upon a trade outlook before the Tariff Board for 1925 and the first six months of 1926. Nearly two years have elapsed after that, and if the trade outlook is shown to have been changed completely, then these conclusions are absolutely vitiated by that.

MR. SAKLATVALA :—Then, they quote pages 103 and 104 of the Report, and say that we should have produced finer counts before. If we had done that, we could have been equally accused of creating unnecessary internal competition. They would have said that the Ahmedabad mills were already producing finer counts, and the Bombay mills have gone for finer counts when they know that the charges in Ahmedabad are lower and they cannot compete with Ahmedabad. So, it cuts both ways, and that is why protection for finer counts was specifically recommended. When protection is granted, Bombay can afford to go on finer counts.

MR. JOSHI :—Protection does not make any difference to the competition between Ahmedabad and Bombay. If protection is given, it is given to Bombay and Ahmedabad also.

MR. SAKLATVALA :—It would affect our own industry as far as exports are concerned. We would certainly be getting more money there, and we could afford to undersell Ahmedabad.

MR. DANGE :—That would be dumping.

MR. SAKLATVALA :—Even taking the Tariff Board's words literally, if you turn to page 107 of their Report, you will see that there is a sort of contradiction. They say :

“ The quality of the production naturally varies with the mill but the evidence we received in regard to this went to show that the quality of the Bombay production was, on the whole, regarded in the up-country centres we visited as superior to that of Ahmedabad.”

That means we were producing a quality superior to Ahmedabad.

MR. DANGE :—That is due to superior labour.

MR. SAKLATVALA :—Then we come to the big question, dealt with on page 10 of the statement, namely, over-capitalisation. There is no doubt that some concerns were over-capitalised during the boom period. It is an admitted fact. But over-capitalisation during the boom period is by no means a special feature of the Bombay textile industry. In Lancashire and other places there was over-capitalisation to a far greater extent.

MR. JOSHI :—And therefore the Lancashire industry is being ruined.

MR. SAKLATVALA :—As I have already stated, those were exceptional times, and in other industries and in other countries over-capitalisation also prevailed. A greatly exaggerated view of this is taken in this memorandum. But, after all, the remark made by the Tariff Board on page 83 of their report completely disposes of the whole argument. They say :

“ Closely bound up with the subject of over-capitalisation is that of the distribution of dividends during the boom period. It was contended in evidence before us that these were unduly high and that in this fact is to be found one of the causes of the present depression. We would again emphasise the view put forward in the preceding paragraph. Neither over-capitalisation nor unduly high dividends in a boom period can be said to be the causes of a subsequent depression.”

As you are aware, that over-capitalisation is being remedied, and there is a reduction of capital already going on as regards most concerns which were over-capitalised before.

MR. KHAREGHAT :—Can you say how far the capital is being reduced ?

MR. SAKLATVALA :—I will give you the figures. I shall also give you figures showing that whatever the extent of over-capitalisation as regards particular mills, the industry as a whole, taking present-day valuation, is, if anything, under-capitalised. Therefore, this charge of over-capitalisation really does not affect us to any great extent.

In paragraph 17 of their statement, they ask the Committee of Enquiry to consider whether it is fair that the workers who have to live from hand to mouth and who have absolutely no voice in the administration of the mills should be allowed to suffer. If the wages were so very low that workers had to live from hand to mouth, I think it is quite pertinent to ask how they could go on a six months strike ? If they were living from hand to mouth, could they afford to be without work, when work was waiting for them, for a period of six months ? In 1924, there was a strike for over two months, and in 1925 for over 2½ months.

Then they ask whether the wages should be allowed to be cut down till all the remedies at least as suggested by the Tariff Board are faithfully tried. As we have pointed out, on our part we have done our best. The chief remedy which the Tariff Board had proposed was protection, which has not been granted.

MR. JOSHI :—So, the workers are to be punished ?

MR. KAMAT :—With regard to hand to mouth living, you want to draw an inference that they lived for six months on their savings ?

MR. SAKLATVALA :—It may not be entirely on their savings ; certainly, part of it must be due to past savings, unless the other side is able to explain it.

MR. DANGE :—We shall explain it.

MR. SAKLATVALA :—In paragraph 18 of their statement they deal with other avenues for retrenchment and economy. In a general way, yesterday, Mr. Stones gave you some idea as to these charges. Of course, if we could possibly do away with every middleman, we would do so, but it is not a possibility. Mr. Joshi wants to know why we pay mukadamage. We do so because they do some work. They go to the merchants' godowns, see that their bales are weighed correctly, they send the bales to the mills, and they certainly deserve some remuneration.

The most important point comes at the end of paragraph 18 (a) on pages 11 and 12. They say :—

“ In this connection, it is a noteworthy fact that the managing agents of the mills themselves, in many cases, are the commission agents as well as guarantee brokers. Some of such agents are said to be carrying this additional business under a different name and style to avoid open scandal. The Tariff Board have in their report made a reference to the practice of managing agents acting as commission agents and guarantee brokers as well and have remarked that there is force in the objections raised.....”

What the Tariff Board have stated appears on page 162 of their report. They say :—

“ We have mentioned that, in a *few* instances, the function of commission agents and guarantee brokers is undertaken by the managing agents themselves and that this system is open to the objection that the interests of the mills are better served when the risks arising from defaults by purchasers are spread over a wider field and also that it has in the past, in some cases, facilitated malpractices on the part of managing agents. We consider that there is force in these objections.....”

Again, on page 89 of the Report, they make it still clearer. They say :

“ In one or two cases also, the managing agents act as guarantee brokers to their mills, that is they guarantee the mills against losses on sales whereas, in the great majority of mills, this function is undertaken by an independent individual or firm. In cases where the managing agent acts as guarantee broker, the commission on sales is of course received by him. The objection to this practice is that the interests of the mills are obviously better served when the risks arising from defaults by purchasers are spread over a wider field. We received evidence in Ahmedabad that the adoption of this practice had, in one instance, resulted in the proceeds of sales remaining with the managing agent instead of being passed on to the mill.”

That means that out of the *two* instances one related to Ahmedabad. The statement made on the other page does not refer to the Bombay mills alone, but it refers to the industry as a whole. Here they say there were *two* instances, and one instance occurred in Ahmedabad. In spite of that Mr. Joshi says that in *many* cases it is happening.

Then, on page 12, under the head (c), they talk of Head Office expenses being high. But, as a matter of fact, the table on page 120 of the Tariff Board Report shows that office expenses in the case of Bombay are 8.62, and for up-country centres they are 19.43.

Then, coming to overhead charges and supervision charges, there also, it will be noticed that the salaries of the supervising and technical staff in Bombay come to 24.31, and in up-country centres they are 28.12. Besides that, on page 147 of their Report the Tariff Board make a very definite statement, as follows :—

“ There does not appear to us to be much room for economy under the head of technical and supervising staff. Our examination of the costs of production statements has shown that Bombay is at no disadvantage as compared with Ahmedabad and other up-country centres in this respect, and it will be obvious that, if greater efficiency of labour is to be secured, more rather than less supervision is required.”

That disposes of that argument.

THE CHAIRMAN :—You have not touched on cotton mukadamage and brokerage. They suggest that you should pay less for it.

MR. SAKLATVALA :—Cotton brokerage and mukadamage is by no means fixed by the Millowners' Association. The rules are drawn up by the East India Cotton Association. It is in the hands of the cotton trade to fix

allowances for mukadams, for brokers, sampling allowances, and so on. We had also taken this matter up with them on several occasions. We have always fought for lowering these charges. As regards this point, I might say that all the files, on each individual subject, in the possession of the Millowners' Association will be at the disposal of this committee, so that it will give some idea as to what we have done as regards obtaining a reduction on all these heads.

THE CHAIRMAN :—Could it not be better done by some witness on your side coming and giving evidence on all these different points? It should be somebody who will be ready to give us figures.

MR. SAKLATVALA :—The Director of the East India Cotton Association?

THE CHAIRMAN :—One from your association; you can even say that you have had correspondence and such and such is the result.

MR. SAKLATVALA :—Yes, we will do it.

Then, they refer to stores. There also, I would draw your attention to the table on page 120 of the Tariff Board's Report, from which it will be seen that the stores charges in Bombay mills are 55·58, and in up-country mills 76·69. Even making allowance for the 10 per cent. freight which the up-country mills have to pay, the Bombay charges are not higher. If there was abuse to such a great extent, certainly our charges would go high. I do not deny that this is an item where there is every probability of abuses occurring. But the main items of stores are in the hands of the agents. They directly contract for all the main items such as heavy chemicals, dyes, tallows, liquid oil, etc. The stores department has very little to do except in correspondence. Many mills order out their stores direct from England. The stores department is not concerned at all, except in handling the stuff. It is just possible that there may be petty abuses which of course occur everywhere. We are doing our best to stop that, but it cannot be made a charge against us that this abuse is so great that it shows our inefficiency, and it cannot be said that because such petty abuses exist therefore we are not justified in making a cut in the weavers' wage.

In continuation of the same thing, they go on to say that some of the Managing Agents are reputed to be concerned and personally interested in the supply of stores.

31st October 1928.

12-20

On page 15, under the heading "Sale of Waste," Mr. Joshi's statement says :—

“ It is also rumoured that some unscrupulous officers”

We have already seen that as regards the charge of inefficiency also they said it is commonly believed. So, after all what they say is all hearsay which I submit would not be allowed in a court of law as evidence. They are merely repeating hearsay and therefore it is not worth the paper it is written on. I will go further and say that they deliberately put in this memorandum words for the purpose of mud-slinging and nothing else. I must certainly say that no responsible parties would advance such charges in such a vague manner without producing a vestige of evidence, without giving even a ground for reasonable belief that such abuses exist. They make much of what was said by one of the managers in one of our mills, Mr. Bhumgara, manager of Khatau Makanji mills. Since he has been quoted by the other side, I shall feel obliged to you if you ask them to produce Mr. Bhumgara as their witness so that we can cross-examine him. At any rate Mr. Bhumgara must be called as a witness.

MR. JOSHI :—He is in England just now.

MR. SAKLATVALA :—Alright. Then we will call the present manager of the Khatau Makanji mills who will throw some light on the matter. As regards stores, yesterday it was pointed out that in one mill it was Rs. 85,000 more than in another mill without saying anything about the capacity of the mill, whether all these mills, which were compared one with the other, were all of the same capacity or had the same number of looms, whether all the stores were consumed in the weaving departments alone or in the spinning sections as well, without saying anything about the mill stores consumed in the dyeing and bleaching departments where stores are consumed principally, without saying anything about these, they simply say in one mill it is Rs. 85,000 loss. Certainly, in another mill it will not be Rs. 85,000 but it may be eight lakhs.

Then, Sir, under para. 19 of their statement, they make a definite statement that the Bombay mills have to pay higher prices for cotton on account of their defective methods of purchase. The defective method is not described, but I would submit, Sir, that this point was also gone into fully by gentleman who were experts, I am referring to the Tariff Board which board was assisted by an expert. Under this heading, on page 32 of the Tariff Board Report there is a slight reference, as under :—

“ We hold that the fluctuations in the price of the raw material in recent years must be regarded as one of the most important causes of the condition in which the industry finds itself to-day.”

It was not our defective system of purchasing but it was the fluctuations and the fluctuations are certainly beyond our control.



Again on page 123 of the Tariff Board Report we find :—

“ On the whole, we are of the opinion that the balance of advantage in regard to the supplies of raw material is against Bombay.”

If Bombay has to pay more for its cotton, it is for other reasons than its “ defective system.”

Again on page 127, under the heading RAW MATERIAL, they say that the trouble of Bombay is due to the system of hedge contracts. That also is in the hands of the East India Cotton Association. We have been fighting with them over this matter for years past. We contend that, as in America, there should be really one hedge contract.

MR. KHAREGAT :—What is a hedge contract ?

MR. STONES :—Suppose I make a sale of cloth to-day for delivery next January. Then I want to assure that I am covered against the raw material which is not in the market. Therefore I purchase a hedge. It means that the cotton is not ready for sale just at the moment but the man sells to the East India Cotton Association a contract to deliver him cotton forward. Suppose I am carrying stocks of cloth. I can sell a hedge to protect myself against a rise or a fall in price. We have three contracts in the year. We have the Broach contract, the Oomra contract and the Bengal contract. All these three operate for various months. In the United States of America they have one contract for middling American and we get a more regular response to market fluctuations than we do here in having three contracts. We buy cotton but we cannot buy cotton actually ; we buy from a broker 100 bales of cotton and he is bound to deliver it at the proper time. It may go down or it may go up. We have to secure our position. It is really an insurance against taking risks of market.

MR. SAKLATVALA :—Then, Sir, we go on to paragraph 20 where the heading is against “ Inefficient Management.” The Tariff Board consider that the smaller mills find it a more expensive system.

MR. STONES :—Most of the mills in Bombay to-day, particularly big mills, take advantage of buying in the cheapest possible market. Small mills cannot afford to maintain agents up-country. We for example have our own buying agents in Bengal, in the U. P. They are quoting higher prices for ready cotton than prices being quoted in Bombay. We therefore stopped buying up-country and are buying in Bombay.

THE CHAIRMAN :—Why should it be cheaper in Bombay ?

MR. STONES :—It works this way, Sir. Suppose I find that the prices up-country are higher than in Bombay. I send orders to my agent up-country

not to buy. Other mills who have agents also up-country do the same, with the result that the prices come down.

**THE CHAIRMAN** :—I think a suggestion has been made in the Strike Committee's statement that there should be more purchases upcountry by Bombay mills. They say that the payment of higher prices is due to defective methods of purchase.

**MR. STONES** :—The small mills cannot go to the expense of maintaining agents up-country. Similarly, small mills require only small amounts of cotton as compared with big mills.

**THE CHAIRMAN** :—The Millowners Association, I understand, agree with the view taken by the Tariff Board on page 127 of their report that while it is an advantage to the bigger mills to have upcountry agencies, it would not be so in the case of the smaller mills.

**MR. STONES** :—But then they have the other advantage that they can do with small lots of cotton at a time.

**MR. SAKLATVALA** :—We go on to paragraph 20 which refers to Inefficient Management. Mr. Joshi quotes from the "Philosophy of Management" by Oliver Sheldon. As a piece of philosophy it cannot be taken objection to, but it does not refer to periods of boom or anything like that. Under ordinary conditions, certainly it applies, but I will quote another authority which has been accepted by the Tariff Board. That authority refers particularly to periods of boom and periods of depression and explains fully how it is all brought about. Page 15, para. 9 of the Tariff Board Report, **THE NATURE OF A BOOM AND DEPRESSION** :—

"No better description of the nature of a trade cycle could be given than that which has recently appeared in a valuable pamphlet entitled 'The Facts of Industry : The Case for Publicity' published in England last year and which we, therefore, make no apology for reproducing in extenso."

It begins by saying :—

"The originating cause of a boom, either in a particular trade or in industry generally, may be quite small"

and he explains there how a boom is brought about and how it is followed by a period of depression.

Then on page 16 he explains how depression sets in :—

“ A long depression sets in, which lasts until the accumulated stocks have been liquidated, often at ruinous loss.”

That has happened to us

“ until costs and wages have been forced down ; until the capital of many industrial concerns has been written down to wipe out their losses and to make it correspond with their real earning power in more normal times.”

On page 18 of the Tariff Board Report they apply this to our own industry. In the penultimate paragraph on page 18 they say :

“ As for the ‘ forcing down ’ of costs and wages, it is undoubtedly the case that the millowners have endeavoured to reduce their costs as much as possible. There has been no change in wages in the Bombay industry during the period under review, except that the yearly bonus of one month’s wages which had been paid during the boom years was discontinued at the beginning of 1924, causing the unsuccessful strike in January of that year. An attempt to reduce wages by 11½ per cent. in September, 1925, was followed by the strike of 2½ months’ duration to which reference has already been made and which was terminated by the millowners agreeing, on the removal of the excise duty, to retain wages at their old level. Wages were reduced by 15½ per cent. in Ahmedabad in June 1923, in spite of a strike of some ten weeks’ duration.”

A very important point is brought out by our friends, *viz.*

“ The mills are controlled by Boards of Directors. The Committee of Enquiry have to consider whether all these directors are competent to discharge their duties”

and then our friends quote the Tariff Board Report. I submit that our friends do not exactly realise what the duties of the directors are. The directors are there not for the purpose of carrying on the day to day administration or interfering in technical matters but they are there to lay down policies, to give advantage to their concerns of the wide and varied experience they may have got of other industries or similar industrial concerns, to bring to bear their experience at a particular meeting of a particular concern and to help the concerns to that extent. The routine work of course must be left to technical men. Whenever there is a meeting of the Board of Directors, where technical matters are to be discussed, they naturally call their managers and ask them questions and satisfy themselves as to the requirements of the case in question. These directors, I submit, must be selected not for their technical knowledge but, as I said, for their business acumen. Not to

go further, I will point out an instance. Take for instance the Tata Iron & Steel Co. No one can deny that the Board of Directors is a very strong board of Directors. Apart from the members of the Agents' Firm, there are men like Sir Purshottamdas Thakurdas, Sir Pheroze Sethna, Mr. F. E. Dinshaw, Sir Cowasji Jehangir, Sir Ibrahim Rahimtoola, Mr. Narottam Morarji and others. Of course, none of them may be familiar with all the processes of manufacturing steel, but that does not prove that as Directors they are not efficient. To convince Mr. Joshi I might also say I am at least supposed to be a technical man. I have worked inside mills for nearly 15 years. I am a Director of all the mills controlled by Tata Sons. I can certainly assert most emphatically and quite truthfully that because I am a technical man I certainly do not make quite as good a Director as my colleagues. For instance, our own revered chief, Sir Dorab Tata, or my cousin Mr. N. B. Saklatvala or a man like Sir Pheroze Sethna or one like Sir Lallubhai Samaldas, or Mr. B. F. Madon, any of these gentlemen possesses far greater experience and ability than myself. So, it is not at all necessary for Directors to have any technical qualifications. I know that the Tariff Board has more or less taken that view, because one of the Directors, Mr. Jamshedji A. Wadia made certain remarks. The trouble with business people is that, unlike politicians, they frankly come forward and give frank opinions, point out their own defects and so, Mr. Jamshedji Wadia, when he made that statement, knew that he was running down his own colleagues but that did not stop him from expressing a frank opinion. It stands to his credit that he expressed his opinion frankly but I submit that when this opinion is carefully considered, it cannot stand the test of examination. They go on at the end to say:—

“The Bombay Mills cannot hope to compete successfully with mills in foreign countries where the importance of scientific management is better cognised.”

Then they go on to say:

“The millowners proceed on the assumption that their methods of management and administration are perfect and that it is only the cost of labour that comes in the way of making the mills profitable.”

We have never made any such claim. We admit defects such as will be found in every human institution and specially in the management of an industry of the magnitude of the cotton textile industry in Bombay. There must be certain defects. The Tariff Board has pointed out certain defects, but these defects are certainly not such as to justify what has been stated in this memorandum. Mr. Joshi's memorandum further says:—

“No thought is given to time study, motion study, fatigue study, industrial psychology and vocational selection and guidance.”

I do not know how they can come to this conclusion. How do they know that we have never made a study of these questions. Here I would ask Mr. Stones to say a few words on this subject.

MR. STONES :—We have actual figures taken out. Apprentices were set by machines in relays studying out the causes of stoppages, breakages, the amount of work done by each man, and later when you come to go through the question of whether we are studying these points carefully and when you discuss the system of two frames or three looms, you will find that all these points are being studied.

MR. B. S. KAMAT :—Taking a detached view, do you say that the efficiency of management in the Bombay industries, as a whole, (I am not talking of a particular group), compares favourably with the mill management in Lancashire or in Japan?

MR. SAKLATVALA :—I say that it compares very favourably and we have got a very high Lancashire authority for it, not a tourist who comes on a visit but a man acquainted with all the details. You remember, Sir, that some time ago Mr. Tom Shaw, who himself is a practical man being a weaver, led an international deputation. They had come to study this very question. They wanted to know how far we were inefficient or efficient. They wanted to study the labour question from a detached point of view and they have made certain remarks which are given in our statement, appendix Y, page 65 of our printed statement. Para. 2 runs thus :—

“ In the paragraphs referred to, the Tariff Board deal with questions concerning labour employed in cotton mills and make certain suggestions, the adoption of which, in their opinion, will tend to increase the efficiency of workmen. Before proceeding to deal with these paragraphs, my Committee desire to point out that the reckless allegations with regard to wages, labour conditions and the attitude of the employers towards their workmen, could not be substantiated and were in many instances, proved to differ very widely indeed from the real facts as may be judged from a study of the complete report, and have received even more complete refutation in the conclusions reached by the Delegation of International Federation of Textile Workers, which under the leadership of the Rt. Hon. Tom Shaw, M.P., recently visited the cotton mills of this country. Mr. Shaw's general impression of working conditions in Indian cotton mills is summarised in the following extract from his report :—

“ Taking the factories from the point of view of height of the rooms, space and ventilation, they are at least equal to the factories of Europe. The machinery is, with very few exceptions, of the

latest and most up-to-date type, and, whilst there was abundant evidence that—taken generally—European conditions were not being reached, we saw many concerns, where, in every respect, the conditions were fully equal to the best European mills. The classes of goods made, too, were a revelation. I venture to say that none of the delegates thought that technical development had gone so far as it has done in India. Many of the manufacturing processes were fully equal to European standards and, in some cases, the variety of yarns spun and cloths woven, dyed and finished showed a range and variety which is probably not equalled by any individual European concern.”

“ Again, Messrs. Hindle and Brothers, two members of the Delegation, in a separate report, say :—

‘ Taken as a whole, the mills in India compare favourably as regards building construction, modern machinery, and up-to-date labour saving devices with the mills in Lancashire.’ ”

Sir, on this question I will also point out another fact. The Tariff Board Report went fully into this question and they recommended protection. Now, Sir, it is a fundamental principle laid down by the Fiscal Commission that no industry could be granted protection unless it is proved to the satisfaction of the Tariff Board that the industry is conducted in an efficient and economical manner. The very fact that the Tariff Board recommended protection shows that they were satisfied, after a very exhaustive enquiry, that we were not so inefficient as Mr. Joshi tries to make us out.

Then follows a summary. I will not dilate much further on it.

LAST PARA. 21 :—They talk about the removal of the import duty on machinery and stores. They say that we have already got enough relief.

As regards the duty on machinery, it is no relief to old concerns and we cannot make more profit because there is no duty on machinery. It is only the new concerns which will be benefited to that extent. That does not give us any relief.

THE CHAIRMAN :—You have got relief to the extent of about 60 per cent.

MR. SAKLATVALA :—That is mostly on account of duty on machinery.

Then I go on to para. 23 wherein Mr. Joshi quotes Mr. Ford as follows :—

“ If you expect a man to give his time and energy fix his wages so that he will have no financial worries. It pays, our profits, after paying good wages and bonus, which bonus used to run round ten millions a

year before we changed the system, show that paying good wages is the most profitable way of doing business."

Sir, I maintain that we also did the same thing till the slump set in. For five years, as the Chart which appears in our written statement shows, after 1920 we were paying much higher wages than the cost of living justified. We also gave them bonus for 5 years, about 45 lakhs roughly per year, or in all over two crores. It is all very well for our friend Mr. Joshi to quote Mr. Ford, but he forgets that Mr. Ford deals with highly trained and highly organised American labour. They pay high wages but they get efficient work. If Mr. Joshi can bring about those conditions here, we would certainly pay as high wages or even higher wages. If he is not prepared to do that, it is no good quoting Mr. Ford.

MR. JOSHI :—Why did you quote Mr. Tom Shaw ?

MR. SAKLATVALA :—He belongs to our own industry. He came and saw our industrial conditions and then made his observations.

As already stated by me, neither the boom nor the depression in the industry can be particularly attributed to its organisation. It would be as foolish on our part to claim that we were extra-efficient because we made high profits during the boom period as it is on their part to state that because we are making losses during a period of depression (in a world-wide depression, as Mr. Joshi admits) that we are therefore inefficient. Mr. Joshi has in fact given away his whole case when he admitted that the depression is world-wide, that depression exists in Japan and all other countries, and still he says that the depression in Bombay is due to our inefficiency. No, Sir. It is, as I say, as foolish for us to claim that that we are extra-efficient as for them to maintain that we are not efficient because during the time of a prolonged depression we are making losses. The Tariff Board Report has made this point quite clear and so I will not say anything further on it.

I have only one point more to refer to, and that is that Labour Leaders have thought fit to repeat the allegations which they had already made and which they had failed to prove before the Tariff Board. The allegations are made simply with a view to carry on propaganda. I will say this that the Tariff Board Report makes it clear that there was no inefficiency on our part and I will certainly maintain that it is to the credit of the industry that after such an exhaustive enquiry by an independent Board appointed by Government, nothing tangible was found against those who are managing the industry.

I will just refer to a few other miscellaneous points which Mr. Joshi made also in his oral statement. He talked about housing conditions, education, indebtedness, etc. Of course these conditions do obtain. They may be bad, but why should the millowners be blamed for it? If anybody is to blame, it is the whole society. It is not the function of the Millowners Association to see that housing conditions and education should be better than they are.

Mr. Joshi also referred to the Depressed Classes. We cannot play the role of social reformers. If the depressed classes exist and they have come to work in our mills and if they are satisfied with low wages which they believe are fair, there is no particular reason why we should give them more wages.

A remark was made also about office rent. Some of the mills, of course, may pay more rent than others, but the Tariff Board Report says that the office charges are not higher than they should be. In some cases, we reduce charges like this. Messrs. Tata Sons are managing agents of several concerns. They started an Associated Building Company in which every concern holds a share and pays rent. If the rent is higher, the Associated Building Co. makes a profit and the various concerns get a share of that profit by way of dividends. My submission is this that they have asked for various details. These details are not at all necessary. These details were produced before the Tariff Board, an enquiry was held. It is not so far back as Mr. Dange tried to make out, and the conclusions are there. The function of the present Committee I submit with due respect, is to go into the terms of reference and not point out a much wider field and find out which particular mill is efficient and which particular mill is not efficient. Therefore, Sir, I do not think all these details are called for.

THE CHAIRMAN :—Has Mr. Joshi to say anything in reply to any new points that may have been made by Mr. Saklatvala.

MR. JOSHI :—Sir, the first point made by Mr. Saklatvala was that they have done everything which could be done before touching the wages of their workmen. I have got together a few things from the Tariff Board Report and I would like to make a few remarks on each of them and would like the Millowners Association to tell us what they have done. If they give written replies, that will be much better.

The first point is about over-capitalisation. Mr. Saklatvala said that over-capitalisation does not bring about depression. I do not know what is the meaning of it.

MR. SAKLATVALA :—That is what the Tariff Board say, not I.



MR. JOSHI :—You cannot deny that over-capitalisation does cause a loss if you are paying more interest, more insurance charges and depreciation. Certainly you are making a loss on account of over-capitalisation. It is useless to deny it. If the Tariff Board says that over-capitalisation does not enter at all into the profit and loss statement, they do not know what they say. That is all I can say. I would like the Millowners Association to state what they have done to write down capital.

Next, the Tariff Board suggested also that the millowners should be more in contact with their markets. Mr. Saklatvala did not touch that point although this is mentioned in our statement.

Thirdly, Managing Agents would be well advised to employ brokers who do not operate on their own account and who are not themselves in actual possession of cotton. What has been done in this respect ?

Fourthly, Labour efficiency. Have they done anything more than what they were doing at the time of the Tariff Board enquiry as regards technical education ?

5. Improvement in the standard of efficiency of jobbers. Have they started schools for jobbers ?

6. Labour should be recruited directly by the officer in charge of the department of the mill which requires it or by a responsible assistant and not by the jobber. Have they done anything in regard to this ?

7. The practice of compelling weavers to take over cloth spoilt by defective workmanship at its full value should be abolished. What have they done about this ?

8. Fines levied should be used for the benefit of the operatives as a body. Has anything been done here ?

9. The preparation and distribution of technical handbooks. I do not know that anything has been done about this.

10. The Bombay Millowners Association should consider the possibility of undertaking fire insurance for its members. What about this ? Has anything been done so far ?

11. The proper training of technical and supervising staff should be insisted on in all cases. Let us know what are the qualifications of the present supervising staff, of each weaving master, and say whether the weaving master has got any technical education, and let us know also about the Directors. Mr. Saklatvala told us this morning that a Director need not possess good technical skill or knowledge. That is the bane of the whole

industrial world to-day. The industries have passed into the hands of financiers from the hands of industrialists, and therefore we are in the present difficulties. The industries are passing into the hands of bankers.

12. Mill stocks should in all cases be checked at audit. Have they done anything about this ?

13. The practice of employing an auditor, who is related to the managing agents, is open to objection and should be discontinued. There must have been some instances of this brought to the notice of the Tariff Board as otherwise they would not have made this recommendation.

THE CHAIRMAN :—We are not concerned with the question whether every recommendation of the Tariff Board has been carried out. We are concerned with the question of the cut in wages.

MR. JOSHI :—My point is that the millowners have not done much which would have enabled them to avoid having resort to a cut in wages.

MR. SAKLATVALA :—All these things are dealt with in our appendix Y which Mr. Joshi will do well to study before he makes any statements here.

14. The Bombay Millowners' Association should constitute sub-committees to deal with questions relating to export and home markets, finance, labour, registration of labels and numbers, supply of raw material, etc. The Tariff Board found that wrong numbers were put on piece-goods and yarn in order to deceive customers. On account of that the millowners have suffered.

MR. STONES :—Although this matter does not come within the terms of reference of this Committee, I may say, Sir, that we are prepared to place our files at your disposal so that you may know that this matter has been handled by us and that we have not been blind to the question of numbers, the question of preparation of pamphlets, etc., etc.

15. The practice of investing surplus funds of mills with firms of shroffs is undesirable and should be discontinued as should that of lending the funds of one concern to another under the same managing agency.

16. Great expansion of bleached, coloured, dyed and printed goods. The practice of selling yarn with a double number should be stopped. A large factory for combined printing, bleaching and dyeing. Trade correspondents in the principal consuming centres. Managing agents should not act as guarantee brokers for the mills they control. These are all part of the recommendations made by the Tariff Board. Has anything been done towards putting them into effect ?

**MR. SAKLATVALA :—**The Tariff Board could not have gone into the whole list of millowners and found out what are the exact relations of the millowners with their muccadums and cotton brokers and their cloth brokers.

**MR. JOSHI :—**We request this Committee to do that and find out things for themselves.

The Finance of the cotton industry should be investigated and there should be an enquiry into the possibility of introducing the warehouse system, the development of export trade, further expansion of coloured and dyed goods, combination of mills interested in the export trade to arrange details as to manufactures of certain lines, allocation of quantities among the members, prevention of imitation of marks, and improvement of statistical information. As regards the improvement of statistical information, it is the Millowners' Association who killed the Statistics Bill brought forward by the Bombay Government.

As regards the recommendations of the Tariff Board, Mr. Saklatvala said that we failed to visualise the industry as a whole and that we simply took instances of a few mills. We did both things. We want the position of the individual mills to be looked into specially, as in our opinion it is the few individual mills which are making losses which make it appear that the industry is depressed. We want to find out the causes of the losses of individual mills. We certainly shall be able to show that it is possible to remove the depression or the losses in the industry by other remedies than cuts in wages.

Then Mr. Saklatvala said that we want to wait until the stronger mills go to the wall. It is not so. We only say that the remedy that they are pursuing is the remedy which will perpetuate the weakness of the weaker mills. If they really want to remove the weakness of the weaker mills, it is better to remove the original causes but if they simply cut down wages in the weaker mills, you give encouragement to the stronger mills also to be inefficient. If stronger mills can make profits without good management and efficiency, naturally they will become more inefficient because they will think that they can make profits all the same.

About the question of bribery, Mr. Saklatvala invoked the aid of the remarks of the Tariff Board, but I may point out to him that the same Tariff Board has stated that these rumours could not have been so common unless there was some substance in them. As regards proving these charges of bribery, if the Committee goes into that matter, I think I shall be able to prove something in that line. I have here a book "Bombay Industries : The Cotton Mills" written not by a Labour man but by a firm (Mr. Rutnagar's)

which depends to a great extent upon the patronage of the millowners themselves. Mr. Rutnagar has written that book and could not hide certain facts. This is what he says on page 52 of that book :—

“ It cannot, however, be said that the industry is yet free from the evils of the Agency system. Instances of malpractices which have been cited above would still be found in certain of the Bombay mills whose agents think more of their own gain than the rights of the shareholders and the welfare of the work-people. The powers of the Agents have been misused even in recent times and costly and up-to-date machinery has brought early ruin to investors on account of the collapse that was bound to follow in the wake of greed and corruption.”

This book has been written by a man who, if at all under the influence of any people, is under the influence of the Millowners to some extent. About this corruption, I do propose to bring here as witnesses some managers if the millowners will not victimise them, but if I am not sure about victimisation, I shall certainly bring forward some managers who have retired, and I would like the Committee to hear their evidence, which will not be hearsay evidence but evidence of people who have worked as managers and as responsible officers in mills. I will certainly be able to bring here a man who has worked in a mill, who will give this Committee a clue as to how these malpractices should be detected. He will be able to show you how to proceed to find out malpractices and if the Committee then insist upon the millowners producing their account books and compare prices of those articles in the market with the prices written down in their account books, it is possible that the Committee may be persuaded to take the view which we have taken. Although we may not be able to prove the charges of corruption in a court of law, we shall certainly be able to convince the Committee, if the Committee goes into the prices of certain articles as put down in the account books of the millowners and the prices of the articles current in the market in those days, that there is some evidence by which they will be convinced that the millowners, if not corrupt, are not very careful about the money of the shareholders.

Mr. Saklatvala said that the water tax was reduced because of the millowners' efforts. I think that was done before the Tariff Board was appointed.

MR. SAKLATVALA :—No, No.

MR. JOSHI :—Mr. Saklatvala then talked about economy effected in the buying of liquid fuel where they got rates reduced. Our charge is that oil fuel is not being used economically.

Mr. Saklatvala then referred to head office expenses. He said head office expenses are not really very big. We shall certainly go into the head office expenses. The establishment charges given for the year 1927 come to 72 lakhs for about 75 mills. Your head office expense comes to about Rs. 1,00,000 per year per mill. \*Let us know whether this office expenditure is necessary for a mill. Let us go into that question of a lakh of rupees per mill. He may say that that is not too large. Although, he says, the spinner may be content to live on Rs. 29 a month, he himself cannot be content to live on Rs. 29, but must have Rs. 5,000 a month or a sum of Rs. 60,000 a year. He is managing four mills and each mill must pay Rs. 15,000 a year.

MR. SAKLATVALA :—The mills pay me nothing.

MR. JOSHI :—If your mills do not pay you, still your head office charges amount to one lakh of rupees which shows that there are others who are paid so high.

MR. SAKLATVALA :—The agents get their remuneration based on profits.

MR. JOSHI :—That is in addition. I have not yet gone into it. I will take it up later.

Then he said that the mukadamage was fixed by the Cotton Association. But these two Associations, the Millowners' Association and the Cotton Association are cousin organisations. One brother is in the Cotton Association, another is in the Millowners' Association. I do not want to make any distinction between the two associations. My point is that the charge for mukadamage and commission for purchase of cotton is high. It does not matter whether it is fixed by the East India Cotton Association or any other body. Sir Purshotamdas was mentioned as being a suitable man to be one of the directors of the mills, and he is the head of the Cotton Association. So, you know what kind of brotherhood it is.

MR. STONES :—Are you going to abolish all brotherhood ?

MR. JOSHI :—No. If the brotherhood extends to the whole of humanity, I approve of it, but this is a brotherhood of the capitalists.

Then he asked a question as to how the workers could continue the strike for six months. The secret lies in the poverty of the men. That is nature's compensation. The poorer man has his difficulties, but his poverty is his strength. He has to live on a very small amount of money ; he does not eat much, and at the time of difficulty he gets over it much more easily than our friends opposite. During the strike the worker eats grain worth 2 annas a day and he lives. Certainly, Mr. Saklatvala cannot do that. I

do not suggest that in order that these people should be able to go through the strike for six months they should be paid bad wages. They must be paid well and their standard of life raised. I do not mind if, on account of higher wages, their strength is a little reduced. To-day their strength lies in their poverty. When you treat a man badly, the bad treatment itself gives him some strength. I will give you an example which I gave openly in the Assembly. The Bombay millowners make payments very late. They make monthly payments, when they should be weekly. They keep 15 days' pay in hand, so that the man is paid after a month and a half. I was once asked by a Labour man outside India how we ran our strikes without money. I told him how nature's compensation works. I told him our millowners, in order to keep their hold on the millhands make their payments monthly and pay that month's wages a fortnight later. It will be noticed that our people usually go on strike soon after pay day. They have a month's wages in hand, and after that they get at least 15 days' pay. Naturally, we have got a strike fund built up by the millowners themselves. Of course, they are trying to get rid of it by making certain rules, but we are not going to allow that to be done, and this Committee also will not allow it to be done by the millowners.

I do not wish to deal with his point regarding shipping subsidy to Japan. The statement is clear that there is no Government subsidy. He talked of rebates and other things. There are rebates in the shipping trade all over the world ; the practice is not confined to Japan alone.

He then talked of unfair competition of Japan. I am not in favour of the unfair competition of Japan, and if he will agree, I am quite willing to approach the Government to pass a law by which Japanese imports shall be stopped altogether till the Japanese Labour conditions are improved. That suggestion was made to the Tariff Board by ourselves and not by the Millowners' Association.

Then he said that Mr. Wadia was very frank. Mr. Wadia was not as diplomatic as my friend Mr. Saklatvala.

Then he said that they are not against trade union organisations, and they wanted to deal with such organisations. I shall deal with that point by giving one small quotation from the Millowners' Report for 1926, which shows their attitude towards trade unions. They say " The Bombay Textile Labour Union appear to have been rather officious before and after the labour dispute and had voluminous correspondence with the mill agents and subsequently they took the matter up with the association." When the millowners referred to letters written by my union as officious, I had my

self-respect, and I was not willing to deal with the Association thereafter for some time.

I do not wish to go into the details of all these questions. The whole question will be discussed threadbare later, and whenever occasions arise, I will give my point of view on these questions.

MR. DANGE:—I want to deal with one point that has not been elaborated upon in our statement. The millowners brought out the excuse for a wage cut only after the strike had progressed up to a certain stage. The millowners did not want a reduction in wages before the strike. After the Tariff Board had made their recommendations, they had taken to other methods of saving their alleged losses. Somehow or other, after the strike they got the idea of pressing for a reduction of wages.

Secondly, the strike was provoked by certain millowners amongst themselves agreeing to cut-throat competition, and the strike was the ruinous result of that.

The reduction of wages and the standardisation scheme and other schemes that are being put forward by the Millowners' Association are not perhaps relished by all the millowners as a whole. Within themselves there is a conspiracy among some of the syndicates, and the syndicates themselves want to swallow up the weaker mills, and standardisation and wage cut is one of the methods that they want to use. All the justification they have made for a wage cut will simply fall to the ground if this conspiracy can be proved. I want to lead evidence in this respect, and I should also give notice just now to the men concerned, and I shall quote Mr. Stones and Sir Victor Sassoon in this respect. Just after the first exodus from the Currimbhoy Mills took place, Mr. Stones expressed himself at a certain place, and the expressions he used there proved that some mills were doing certain things in imitation of the Sassoon's, and the Sassoon's finding that the other mills would get a march over them, or some such thing, had to order something to be done by their operatives which caused the whole strike. That statement was made by Mr. Stones. He is a responsible man, and his group was responsible for the whole strike. In fact it was the Sassoon group which started giving effect to the two frame and 3 loom system. The first instalment came in August 1927. When the first instalment was introduced, a strike took place, and Sassoon's agreed to make the thing voluntary.

MR. STONES:—Question. Never.

MR. DANGE:—In any way, I can produce newspaper reports in which this account has appeared, that they agreed to make it voluntary.

SIR VICTOR SASSOON :—It never was so.

MR. DANGE :—After that they must have made it voluntary. I will produce newspaper records, and they have not contradicted the newspaper records. They had not made certain surveys ; they had not introduced the conditions necessary for the introduction of efficiency measures, and therefore it was natural that they wanted to introduce it bit by bit, and that is exactly what is meant by saying that they made it voluntary. That means, where the conditions were ready and the workers were convinced that the employers had made the conditions ready, they might be persuaded to accept the new system. Afterwards it was found that there were certain millowners who were in competition amongst themselves with regard to efficiency measures. Mr. Stones was convinced that those millowners had not the slightest excuse to take up to this new system, that they were not prepared for it, that they had not made the necessary surveys for the introduction of the new systems, and finding that they were stealing a march this group gave orders in all its mills to adopt the new system as a whole, whether they had made the surveys or not. That was deliberately putting the workers into a bad position, by giving them bad machines, unsuitable situations and conditions, and to force them to work the new systems. This was the situation that was created in February by the Sassoon group, and I contend that there are syndicates who want to swallow up the weaker mills. We have referred to this in our statement, that the weaker mills are having their own standardisation schemes, that they are not prepared for it by the conditions of their machinery, that they are purposely being drawn into this wage cut, so that strikes may ensue, so that they may become weaker still and be swallowed by the bigger groups. I want to question Sir Victor Sassoon. That is my ground to say that the wage cut is merely an excuse. The millowners raised this point of a wage cut only after a certain stage of the strike. First they put on the standardisation scheme and wanted to find out whether the millowners and workers would fall into the trap by saying that it was an absolutely standard scheme of wages, and that they wanted to remove the variation of wages for the same class of work in different mills.

MR. SAKLATVALA :—We will discuss the scheme afterwards.

MR. DANGE :—Conditions of wages vary from mill to mill. In one mill the doffer boys are paid Rs. 10, in others Rs. 12. The millowners, by a standardised scheme want to say that all such work shall be paid at Rs. 10 or Rs. 12, that there shall not be a variation. That is what they meant by standardisation. Afterwards, we proved that it was not standardisation, but a mere wage cut both in the spinning and weaving departments. When we proved that it was a scheme for a wage cut, they came out with a statement that a reduction in wages was wanted, and they began to justify a reduction



of 20 to 30 per cent. After they failed in their attempt to entrap the workers and some of the millowners into the standardisation scheme by saying that it was intended to destroy the varying conditions in different mills, then they came out with the justification for the wage cut, and they are pressing for it. But the whole method behind is nothing but a conspiracy of high financiers to gulp up the weaker mills. If their balance sheets are examined, it will be seen that the losses which were Rs. 2,90,00,000 in 1925, and which were Rs. 1,25,00,000 in 1926 have dwindled down simply to a sum of Rs. 7 lakhs in 1927, and still they say that the industry is in a precarious condition and a wage cut is necessary.

**THE CHAIRMAN :—**You refer to their motives for the scheme. That may be, but we cannot go into everybody's motives. They may bring charges against you ; we cannot deal with them. They have put forward a scheme, whatever its merit. We have to consider whether it is fair and reasonable. We really have no time to go into what Mr. Stone said at some place. It will be interesting, but it is no part of our enquiry.

**MR. DANGE :—**The point is whether the standardisation scheme is fair and reasonable. It is unfair because the motives themselves are absolutely unfair.

**THE CHAIRMAN :—**I am afraid we are going beyond the scope of the enquiry.

**MR. DANGE :—**When the question of justification of a wage cut comes up, and when the grounds for the wage cut are being given, the motives and the financial considerations will have to be examined.

**MR. KHAREGHAT :—**You refer to the effect, and not the motive. That is what you mean ?

**MR. DANGE :—**The justification for a wage cut includes insurance and office charges, and all these things. These financial dealings are part of them. Therefore, I shall examine them not only on their secret motives but on the financial dealings that they have done, which are leading to a loss.

**THE CHAIRMAN :—**We shall now take up the complaints.

With regard to the information which is asked to be supplied by the Millowners' Association, you can put it down definitely in writing by to-morrow, what information you are prepared to give, what information can be reasonably given in a short time, and what information you object to.

As regards information about the total number of registered trade unions, as it does not seem to affect the question we have to decide, I hope it will not be pressed.

MR. STONES :—We do not press for it.

THE CHAIRMAN :—The first point we have to consider is whether these complaints fall within any of the terms of reference, that is to say, it has to be something which involves an interpretation of the agreement. Do you say, Mr. Joshi, that they involve the question as to the interpretation of the agreement ?

MR. JOSHI :—Ultimately, it is a question of the interpretation of the agreement.

THE CHAIRMAN :—You cannot expect us to be a sort of appellate body in regard to grievances in different mills ; that is not the object of our being appointed.

MR. JOSHI :—If once the understanding under which the strike was called off is properly interpreted, and principles are laid down, I feel, though I am not quite sure, that the millowners will stick to that interpretation and understanding. But as there is some difference of opinion on that question, the interpretation of the understanding between the two must be made clear.

THE CHAIRMAN :—Will you explain the main point on which you say the agreement has been broken ?

MR. JOSHI :—The point of the first complaint from the Shapurji Broacha Mills is that they are trying to work the two frame system which, in our judgment, is against the spirit of the agreement. The agreement was that the conditions of 1927 should be continued. For the two frame system, there was an exception made of certain groups of mills, that is, the E. D. Sassoon group, the Finlay group and the Kohinoor mills. Other mills were to go on the old system. The Shapurji Broacha mills were not included in the mills which were excluded. So we feel that this is a breach of the agreement. It is true that the words 'Rates and wages' only are expressed, but the meaning of that condition is that the other conditions also, which were not mentioned, must be observed. Rates and wages are affected by the two frame system. We cannot therefore say that even the two frame system could be introduced without committing a breach of the agreement.

THE CHAIRMAN :—What is the present state of affairs in the mill ? Are they still working the two-frame system ?

MR. JOSHI :—Yes.

MR. STONES :—The terms of settlement were that certain mills were to pay March 1928 wages and certain others March 1927 wages. Much of the difficulty in all these cases in dispute turns on the question as to what

" the question of musters shall not arise " means. In the case of the Shapurji Broacha mills it was a misunderstanding by the mills and has been stopped. Before the strike, they were working two sides. The people arranging the settlement were not aware of it, and therefore did not enter their name on the list of exceptions. They started where they left off on the two sides, and had an idea that by agreement with the labour unions they would be able to continue it. They saw the members of the labour union and wrote to the Association saying that the labour association were agreeable, after discussion, that they should be made an exception. I saw Mr. Dange, and he said that was not so. I conveyed a message to the mill, and they are now running one side only, pending the decision of the committee. We would prefer to call Mr. Gennings, an independent gentleman who was present at the meeting to decide what is the meaning of this clause " question of musters shall not arise."

MR. JOSHI :—We have no objection to Mr. Gennings being examined, but it is for the committee to decide what the interpretation is.

THE CHAIRMAN :—What it means is a little difficult to say from those five or six words. We want to have light thrown upon it.

MR. JOSHI :—We have no objection to Mr. Gennings being examined.

---

(Adjourned for lunch till 3 p.m.)

---

(After Lunch.)

MR. J. F. GENNINGS, DIRECTOR OF INFORMATION AND  
LABOUR EXAMINED.

THE CHAIRMAN :—Mr. Gennings, can you help us to elucidate what was meant by " The question of musters shall not arise." I understand you were present during the discussion when that agreement was arrived at.

MR. GENNINGS :—This particular sub-clause was put in at the end of the day. As I understood it, what was meant was that whereas the millowners were required to pay, until this Committee reported, the rates and wages existing in March 1927 or March 1928 according to the mills, they were under no obligation to employ the same number of men who may have been employed on these dates, namely, in March 1927 or March 1928.

THE CHAIRMAN :—That is to say, you make it clear that there was no obligation on the part of the millowners to employ the same number of men that they had employed in March 1927 or March 1928.

MR. GENNINGS :—Yes.

**THE CHAIRMAN:**—Can you tell us on what you base that interpretation?

**MR. GENNINGS:**—I base it on the general trend of the discussion, but I think I should add, in case there is any doubt in the matter, that this understanding did not mean that any mill, which had not introduced the two frame or the three loom system, was at liberty to introduce it between then and the reporting of this Committee.

**MR. JOSHI:**—Mr. Gennings said that the agreement does not mean that the millowners would be under an obligation to employ the same number of men as were employed in March 1927 or March 1928. He meant really that if the millowners chose to keep some frames not working or some looms not working, they were entitled to do so. Am I right, Mr. Gennings?

**MR. GENNINGS:**—No, not altogether. What I understood was, quite apart from the question of the working of three loom or the two frame system, that there had been material changes in the numbers of men employed in other departments since March 1927, and that, in order that there should be no difficulty in that matter, it was agreed that the question of musters should not arise. That is to say, the question of the number of men to be taken back into employment when the mills resumed should not be a matter at issue. The millowners had to pay certain rates and certain wages but they did not have to employ a certain number of men.

**MR. JOSHI:**—My question was intended to know from you whether you do not think that the amount of work which each man was doing should be the same as in March 1927.

**MR. GENNINGS:**—No, no.

**MR. JOSHI:**—You really think that the agreement would be observed in spirit if a millowner, instead of introducing the two frame system, gave the spinner a larger number of spindles to manage. If he kept one frame and a larger number of spindles, then you would not think that the agreement would be violated.

**MR. GENNINGS:**—I should say that the spirit of the agreement was that if in March 1928 that work was being done, it should continue to be done but that no extra work should be given between the period of the calling off of the strike and the reporting of the Committee. It would really mean what was existing in March 1928 when the strike began.

**MR. JOSHI:**—What you suggest is that the period of 1927 was intended to be put down for wages only?

**MR. GENNINGS:**—Yes.

MR. JOSHI :—And for work, the conditions of March 1928 were to be kept ?

MR. GENNINGS :—Yes, those that existed at the time of the strike.

MR. JOSHI :—That is really an interpretation which cannot come out of the words because if there had been any intention that the amount of work was to be what prevailed in 1928 it would have been definitely mentioned. The real complaint arises on account of more work being given to a workman when introducing the two frame system ?

MR. GENNINGS :—If any individual workman is now doing more work than he was doing or is now being called upon to do more work than he was doing when he went on strike, I should consider that as not carrying out the spirit of the agreement.

MR. JOSHI :—Why do you take 1928 as regards the amount of work ?

MR. GENNINGS :—For this reason. I think it was alleged by the Strike Committee that since 1927 to the actual outbreak of the strike there had been reductions in rates paid to weavers and also in wages paid to time operatives and therefore it was agreed upon that March 1927 was the date from which the reductions should count. Therefore we went back to March 1927 as a reasonable period, but although that period is taken for wages to be paid in the interim period, it was definitely agreed that the number of men employed, that is to say, the question of musters should not arise. That is to say, nothing should be laid down as to how many men were employed in the way in which it has been laid down as to what wages should be paid.

MR. DANGE :—Is it not that March 1928 as the basis of wages and conditions was mentioned in the agreement as well as in the discussion also with special reference and with an application to one or two groups only ?

MR. GENNINGS :—Certainly, so far as wages were concerned.

MR. DANGE :—Even March 1927 was applicable for all groups of mills which were included in that category.

MR. GENNINGS :—So far as rates and wages are concerned.

MR. DANGE :—March 1928 is mentioned which mentions rates and wages also ?

MR. GENNINGS :—Yes, that is because those mills which are mentioned here would not be able to pay the rates of March 1927, because they had introduced the two frame system in the spinning department and the three loom system in their mills since that date and they could not have March 1927 rate.

MR. DANGE :—With regard to musters of 1928, the question would arise only in the case of that particular group which is paying March 1928 rates and wages ?

MR. GENNINGS :—That is really what it comes to. That is to say, those mills which had not introduced two frame and three loom system should not be permitted to introduce these systems in the intervening period because the question of musters might not arise, it being understood that all the mills or groups of mills that had introduced those systems were specifically mentioned in para. 3.

MR. DANGE :—What I can understand from you is this, that so far as March 1928 conditions regarding musters and the amount of wages and rates are concerned, that is definitely limited to a certain group of mills and for all other parties March 1927 rates were to hold good.

MR. GENNINGS :—March 1927 is not applicable to musters having regard to the general spirit of the agreement. The general spirit of the agreement was that the two frame and three loom question was to be settled (and was settled) by specific reference to specific mills, and it was also quite understood that any mill which is not mentioned here should not, between now and the reporting of this Committee, introduce the two frame and the three loom system, but owing to there having been, since March 1927, alterations in the numbers of men employed, in processes which do not come under the two frame and the three-loom system, the question of musters should not be brought up.

MR. DANGE :—Is it not possible that by some other method also the number of men may have been reduced ? For example, a certain mill was running 100 looms in March 1927 and because it had not got orders, it was running only 90 looms, in March 1928. So, these musters in March 1927 will have 50 weavers while in March they will have 45 weavers only. In this case, this “ question of musters shall not arise ” means this that we shall not insist that if the mill has not got orders it will not be forced to employ 50 weavers even if it has to run 90 looms. Would it not mean that way ?

MR. GENNINGS :—No. I mean that it is obvious, that is an economic question. It is obvious that a mill could not re-open and work the same number of machines and it would not be possible to do it.

MR. DANGE :—That economic question, which was obvious, is made more obvious by putting in this clause.

MR. GENNINGS :—I do not agree with the limitation which you put upon it.

MR. DANGE :—Is it not that in March 1927 the industry employed 145,000 men and supposing that now it is employing 140,000 because less machines are running or because the trade is bad, we shall not insist that although conditions are bad you must employ all the previous number of men ?

MR. GENNINGS :—I am afraid I do not understand how it can have that limited application.

THE CHAIRMAN :—Was that question discussed at any time ?

MR. GENNINGS :—No, Sir. The general position of the industry was being discussed and in the course of that discussion, some of these points were mentioned, but the question of the number of hands employed in the industry at the time of the strike, as compared with the previous year, I do not think, was at any time discussed.

MR. DANGE :—There is also another implication in that, namely, that when there was a settlement of strike there was a talk of getting all the old hands back and that they should not be victimised. Was it or was it not so ?

MR. GENNINGS :—It was an informal talk.

MR. DANGE :—When the old hands are to be reinstated, old hands would mean hands who were working before the strike and also in 1927. There was no limit to the age implied in the words “ old hands.”

MR. GENNINGS :—No, no. On the other hand, I am afraid there was no implication that all hands should be taken back.

MR. DANGE :—There was a formal agreement and an understanding that all old hands—the number may be different—should be taken back ?

MR. GENNINGS :—That was a general idea. That is what really arises out of what I said previously that that number of people who were employed before the strike would be employed after the strike.

MR. DANGE :—Supposing we insist on the musters of March 1927 being put into force and if supposing we find certain 10 hands who were on the muster in March 1927 were dismissed in October 1927 ; if this provision had not been there, we could have insisted on those 10 hands being taken up because they were on the musters of a particular mill ?

MR. GENNINGS :—Those 10 hands would have to be on the musters at the time of the strike.

MR. DANGE :—Supposing then that at the time of the strike if this provision had not been there, we could insist upon particular individuals of particular musters being taken back ?

THE CHAIRMAN :—That is a matter of argument.

MR. JOSHI :—Suppose we accept your interpretation, Mr. Gennings, I am afraid we shall land ourselves in a more absurd position. Suppose a spinner was minding 100 spindles and was paid Rs. 25 in 1927 and suppose that in 1928 the spindles were increased to 125 and the spinner was paid Rs. 30 a month, what you would say is that the wages of 1927 were to be paid on the work of 1928. So, we are landing ourselves into this position that the mill-owner can pay Rs. 25 and insist upon the worker minding 125 spindles. Thus, you make his position worse.

MR. GENNINGS :—You remember that it was just that kind of question which made the millowners object in the first instance to pay March 1927 rates of wages and why they would have preferred to pay on the March 1928 basis because there was bound to be, as I understood, the argument of variations. If a man is given a few more spindles, he is given some more money, but there again, like in all such settlements, one has to have regard to the spirit of the agreement, and the obvious thing there would be that the man would get a fair rate, because he is doing precisely the same amount of work he was doing before, but then there were difficulties which I think were forced upon the millowners and that is why they were so anxious to get the wages existing in March 1928 rather than going back a whole year in the intervening period.

MR. JOSHI :—You admit that if we give the wages of 1927 and the other conditions of 1928 are introduced, then there will be injustice ?

MR. GENNINGS :—I prefer to put it this way, that if the men are called upon, in this intervening period, to do more work for the same wages than they were doing at the time the strike broke out, then the spirit of this agreement has not been observed.

THE CHAIRMAN :—The work varied between March 1927 and March 1928 ?

MR. GENNINGS :—It would be April 1928.

THE CHAIRMAN :—Mr. Joshi's point, I think, is that the man may be doing less work in 1928 than he was doing in 1927 and drawing less pay.

MR. GENNINGS :—If that is capable of adjustment there will be adjustment. In the case Mr. Joshi quoted, he quoted the case of a man who was looking after 100 spindles in 1927 and getting Rs. 25. Then he said the same



man is looking after 125 spindles and getting Rs. 30. I say he should get Rs. 30, the same rate as he was getting in 1928, because he is doing more work than he was doing in 1927 and is entitled to get more.

MR. DANGE :—Does the change in the muster roll affect his wages or not ?

MR. GENNINGS :—That I cannot say. It is impossible to say without seeing the scheme.

MR. DANGE :—Supposing there are 100 doffer boys working in a spinning department with 100 frames and if they are reduced to 50, the work of 50 being thrown on the 100 frames, is the wage for the same amount of work affected or not ? When he works for rates of March 1927 and you give him the amount of work in 1928, or you change the muster roll according to the liking of the employer, does it not change his rate of wages also ?

MR. GENNINGS :—If a man is doing more work now than he was doing in March 1927 and he was doing that work in April 1928, then he would be paid the rate he was paid in April 1928.

MR. DANGE :—There is no special reason to mention March 1928 only in regard to the amount of work and wages of March 1927 only in regard to rates. There cannot be any specific reason in it.

THE CHAIRMAN :—That is an argument.

MR. ASVALE :—At the time of this agreement in the conference between the Government, the Joint Strike Committee and the Millowners Association, was it not settled that the rates and wages should be paid to the workers who have worked before the Strike commenced and in the intervening period only the payment as regards the rates and wages payable in March ? Was it not settled that way and the difference should be paid on the day of pay over and above the intervening interim payment for March 1927 ?

MR. GENNINGS :—I do not quite follow your question.

MR. ASVALE :—Was it not settled that the interim payment to workers should be made according to the rates of wages of 31st March 1927 ?

MR. GENNINGS :—Yes.

MR. ASVALE :—Also was it not settled that whenever there is a change in the work or the sorts where rates were raised in some of the mills, that the workers should be paid according to the work done before the strike commenced ?

MR. STONES :—The system of payment was this, Sir. There were to be advances of a definite wage, the balance to be paid to the worker was to be paid in the middle of the following month, that is to say, if the men earned more than the amount advanced to them, then the balance of the wages were to be paid on the basis of 1927.

MR. ASVALE :—Not on the basis of 1927. For example, in the Simplex Mill the wages were increased after 1927 and a man who was working up to the commencement of the strike was receiving, though the sort was changed or not, more wages than in 1927.

MR. JOSHI :—About the spirit of the agreement. Suppose a mill employs some new men after the strike and refuses to employ its old men who have returned now from their villages. Do you think that violates the spirit of the agreement ?

THE CHAIRMAN :—That is rather going beyond the interpretation of the agreement.

MR. JOSHI :—If the millowners engage new people and refuse employment to old men.

MR. GENNINGS :—That question was not discussed.

MR. DANGE :—Did you not just now admit that there was a formal agreement that old hands should be employed ?

MR. GENNINGS :—Yes, certainly. In all agreements for settlement of strikes, they almost invariably have a clause that there should be no victimisation, that is to say, that all hands should be re-engaged.

MR. DANGE :—That would be the only operative clause ?

MR. GENNINGS :—I should not think so. It may possibly happen that having regard to the general conditions obtaining in the country men may not return for six months and I do not think that it would be said that those men should be re-employed and the men who were taken up and had become permanent employees should be turned out.

MR. JOSHI :—Do you agree that we had talked about victimisation, and though it was not put down in the agreement, the general understanding was that there would be no victimisation. The representatives of millowners then said that they did not victimise and do not want to victimise. Don't you think that that was the understanding that there should be no victimisation even if new men are engaged. If new men are engaged and old men refused re-employment, don't you think that it would mean victimisation ?

MR. GENNINGS :—As I understand, victimisation in an industrial dispute means that a man is refused employment because he took part in that dispute.

MR. JOSHI :—Do you think that any employer has ever admitted that he does not employ a man simply because he took part in a strike ?

MR. GENNINGS :—Certainly, there have been strikes in England where victimisation has been admitted.

MR. JOSHI :—Employers do not generally admit that a man was refused employment because of victimisation ?

MR. GENNINGS :—I quite agree that it is rather a difficult question and anybody can decide whether a man was refused employment because he went on strike or because of some other reason.

THE CHAIRMAN :—Thank you, Mr. Gennings.

MR. JOSHI :—As regards the ticket system, a statement was published in the press about it as observed by Mr. Batliwalla. In that statement which Mr. Saklatvala read on behalf of the Millowners Association, it is stated that all the conditions of 1927 were to be observed.

MR. DANGE :—I cannot give the date of the circular, but it was published in the *Chronicle*. After the calling off of the strike we made certain complaints against the millowners, and I had issued a statement to the Press. To that the Acting Secretary of the Millowners' Association replied.

MR. SAKLATVALA :—It is dated 9th October 1928.

MR. DANGE :—In that statement, when I had raised the question of the ticket system in the Textile Mills being introduced, I had contended that the system was a subject of dispute, and therefore all matters which are the subject of dispute should be referred to the decision of the committee and therefore suspended by common agreement and understanding, and so the ticket system in the Textile Mills should also be suspended. The Millowners' Association replied " True, all conditions of March 1927 should be in force, but this system has to continue because it prevailed before March 1927." In giving that explanation, the attitude of the Millowners' Association is clear when they say that all conditions of March 1927 have to remain in force, but they refuted our argument for the discontinuance of the system, only on the ground that it prevailed before March 1927.

MR. SAKLATVALA :—If it prevailed before March 1927, it prevailed in March 1927 also.

As regards the Textile Mills, the committee do not understand the real complaint of Mr. Dange. The system of handing in tickets and cleaning the machinery once daily had been in force for a number of years prior to 1927. The mills were told to restart under the same conditions. No complaint can therefore be made. The committee has to observe that these points are being placed before them for enquiry, consideration and report, and pending such settlement all the conditions prevailing in March 1927 must remain in force.

MR. JOSHI :—If all conditions are to remain in force, the condition as regards the amount of work to be done by the men must also remain.

MR. SAKLATVALA :—By all conditions we mean all conditions unless they were specifically mentioned in the agreement as exceptions. As regards the musters, we have specifically mentioned that the question of musters should not be raised. That was specifically made an exception in the agreement itself. Otherwise, we certainly say all other conditions apply.

MR. JOSHI :—We will first of all take the complaint against the TOYO PODDAR MILLS. Our complaint is that they are introducing the three-loom system.

THE CHAIRMAN :—First of all, were these mills a party to the agreement?

MR. JOSHI :—Not as represented by the Millowners' Association, but we take it that when the strike was settled it was settled for all the mills on the same conditions.

MR. SAKLATVALA :—We cannot possibly bind non-members.

MR. DANGE :—There was that implication. When the millowners attempted to re-open the mills by police force, they granted protection to these mills also, which were not in their association. They were in the list issued by the association, of groups which were to open by instalments.

MR. JOSHI :—Moreover, as this mill has agreed to be represented before this committee, they are certainly within the scope of the work of this committee. They cannot now escape. I take it they have come here in accordance with the agreement, and the committee is appointed in accordance with that agreement.

---

ORAL EVIDENCE OF MR. SASAKURA OF THE TOYO PODDAR MILLS.

---

THE CHAIRMAN :—You are bound by this agreement which was arrived at?.....Certainly. We whole-heartedly agree with the conditions laid

down by the Millowners' Association, and in practice also there will be no breach of agreement.

You agree that the terms arrived at apply to your mill ?

Yes. I shall be very pleased if any case for particular complaint is pointed out.

MR. JOSHI :—My complaint is that this mill was not amongst those mills which were allowed to work the three-loom system. Only three mills were allowed to do so, the Apollo, the Meyer Sassoon and the Manchester. So, this mill cannot work the three-loom system.

THE CHAIRMAN :—It may possibly be, as it was not among the mills represented, its name did not crop up at all. It was already working under the same conditions as the Finlay Mills on the three-loom system before the strike.

MR. JOSHI :—I do not think they were working the three-loom system before.

MR. SASAKURA :—Then how can you make such allegations ?

THE CHAIRMAN :—We want to know one fact. Before the strike, were you working the three-loom system ?

MR. SASAKURA :—I was intending to do it. But only to abide by the agreement of these gentlemen, I re-opened the mill to work on the two-loom system. Even now I want to introduce the three-loom system, but I cannot do it under this agreement.

MR. JOSHI :—I am glad the Toyo Poddar Mill is willing to continue the two-loom system.

MR. SASAKURA :—I have not started it, but I intend to start it ; must start it sooner or later.

MR. JOSHI :—Do you mean to start it after the enquiry ? . . . . . From the moment these gentlemen's agreement terminates, I start it.

THE CHAIRMAN :—You cannot prevent him. Every employer has got the right to do what he likes. He is perfectly entitled to do it, but of course his workmen may refuse to work for him.

MR. JOSHI :—When he does it, we shall again complain.

Then, something should be said about the new instrument which he has introduced into one department,—the knotter.

MR. SASAKURA :—This was introduced before the strike, in October 1927, and they have worked it. You say we are not sticking to the March 1927 basis, but we have no basis of 1927 to stick to. We are paying the

March 1928 basis. This agreement is impracticable for us. Really speaking, I must have a different agreement. Then we can perhaps insist on the same system as the Sassoon group. But I am acting the gentleman in not saying anything against the agreement.

MR. DANGE :—You want to pay your workers according to the wages of March 1928, because you were not working in March 1927.

MR. SASAKURA :—March 1928 is more favourable for the workers.

MR. DANGE :—Are the present wages that the winding women get in your mill the same as in March 1928 ?

MR. SASAKURA :—They are getting more. I have given a statement to the Millowners' Association ; we are giving more to poor people.

MR. DANGE :—I do not want the wages in any other department. Do these women in the winding department who are asked to use knotters getting more than what they were getting in March 1928 ?

MR. SASAKURA :—They are getting more than they were getting before.

MR. DANGE :—Are they getting what they were getting in March 1928 ?

MR. SASAKURA :—The winders are paid on piece-work ; I cannot say exactly. On the average they were getting 15 annas a day ; we are now paying them by piece-work according to the same old rate, and they are getting one rupee. After the introduction of the new implement, the people are getting one anna more.

THE CHAIRMAN :—He says if you look at his books you find they are getting more wages.

MR. DANGE :—The question is whether the women who are using the knotter in the winding department are getting the same wage as in March 1928 or less.

THE CHAIRMAN :—He says it is one anna more.

MR. DANGE :—Can he show us the musters of the earnings of these women ?

MR. SASAKURA :—Yes, I can.

MR. DANGE :—Is it, or is not a fact that you have asked these women to take 12 annas a day as fixed wages ?

MR. SASAKURA :—It is a fact.

MR. DANGE :—So, your contention that they are working on a piece-work basis is not true ?

MR. SASAKURA :—We have arranged that the wage will be 12 annas a day till they become accustomed to the use of the knotters ; knotters must be used. After they can use the knotter properly, they are paid on the old rates of piece-work. After about 10 days' use of the knotter, they get much more on piece-work.

MR. DANGE :—Do you pay the winding women using the knotter 12 annas fixed wages ?

MR. SASAKURA :—If they do not want to work on the piece-work basis, then we do so.

MR. DANGE :—In the case of a woman who uses a knotter and who is paid 12 annas a day fixed wages, if the knotter were taken away and she was put on the same basis as March 1928, would she earn more than 12 annas or less ?

MR. SASAKURA :—We take only those that agree to use the knotter.

MR. JOSHI :—The other complaint against this mill is that it refuses to give employment to old workers, and has drafted a form of agreement which the men are compelled to sign before they are employed, binding the workers to accept the rates and wages that would be fixed by the Enquiry Committee. It also makes the employee agree that if he is considered to be not sufficiently good, he will leave service without any notice.

MR. SASAKURA :—In the first place, you are making a serious mistake, because you have never been to the mill, and you have never seen anything properly. As a matter of fact, I refuse to take new hands. Of course, we may take a few new hands in the spinning department, but in the weaving department we are taking old hands who have been trained in the mills for a year or so, as they are good workers. The agreement is therefore a dead letter. It is only when they commit any serious mistake or violate the rules and regulations of the mills that they will be dismissed. Otherwise, they are always given a month's notice.

THE CHAIRMAN :—He says this form is used leniently.

MR. DANGE :—You are not opposed to the agreement ? . . . . . No.

You are not at least going to make a breach of the agreement ? . . . . .  
No.

According to the agreement, it is agreed between the employers and the employed that there shall not be a binding either from this side or that side that they must observe the decision of the committee. When you take an

agreement from the worker that he shall abide by the wages to be fixed by the Enquiry Committee, is that not in contravention of the agreement ?

THE CHAIRMAN :—There is no such agreement in the form. The worker says that he agrees to be paid the standardisation wages laid down by the Enquiry Committee in future.

MR. DANGE :—He takes an agreement from the worker that he at present employs to take the wages fixed by the Enquiry Committee in future, but the mill does not agree to anything.

MR. SASAKURA :—Just now I told you that I will abide by the agreement.

MR. JOSHI :—You have dismissed a lot of old workers and engaged new workers ? . . . . . How many ?

I could get you at least 50 ? . . . . . Did I dismiss them without one month's notice ? That is our choice,—to give a month's notice or pay.

But you broke the agreement ? . . . . . No, we fulfilled the agreement. We took them in and then dismissed them.

MR. DANGE :—It is not a question of dismissal before the strike. After the re-starting of your mill, have you dismissed these hands ? . . . . . I do not know. Some may have been dismissed. Mr. Joshi said that there was no intimidation. But really speaking we have been injured by undesirable persons coming into our compound and causing a lot of damage. On account of this, we have to finish our repairs, and until that is done, we cannot give work to all the hands. Sometimes, I refuse to engage them, as there is no work for them. There are a lot of reasons for our action.

You are talking about repairs being carried on. I am asking you about men who were engaged by you after the mills commenced work when the strike was called off, and then they were again dismissed. What about that ? . . . . . The repairs are not all completed.

---

ORAL EXAMINATION OF MR. ANDERSON,

PARTNER IN THE FIRM OF MANAGING AGENTS OF THE CENTURY  
MILL.

---

MR. ANDERSON :—I have to say that these rules have been in existence since 1912. When we engage new men, these rules are read out to them in batches, and their thumb impression is taken in a register. This has been



done for the last 16 years, and there has been no change at all. I think the question has arisen because, when we ran out of the old supply of the printed rules, we reprinted them. They are dated 15th September, which is the date on which they were reprinted. That is the only reason I can see for any misunderstanding. There has been no change of any kind whatever.

MR. DANGE :—Will you let me know what your rule No. 24 was in 1912 ?

THE CHAIRMAN :—Before we go into that, we cannot expect the mills to go and alter their rules prior to the consideration of the proposed standing orders and rules by the committee.

MR. DANGE :—That is what I am contending. I want to prove that they have changed the rules.

MR. ANDERSON :—We have made no change. They are identical.

(A copy of the old rules and a copy as reprinted was then handed in. On examination, it was found that there was no difference between the old and new rule 24).

MR. JOSHI :—The next complaint I should like to take up is the one regarding the NEW CITY OF BOMBAY MILL.

MR. STONES :—The facts are that oilers used to attend to the oiling of 86 ring frames. Two oilers stand up and they are able to attend to about 40 ring frames each. As only half the number of ring frames were being worked, only one man was engaged. The other will be engaged when all the ring frames are working.

MR. DANGE :—There were two oilers for 86 frames in 1927 ?

MR. STONES :—Yes.

MR. DANGE :—And they did not employ the second oiler because they were running only half the frames ?

MR. STONES :—Yes.

MR. DANGE :—Now, as they are going to work all the ring frames, the other man will be engaged ?

MR. STONES :—Yes.

MR. DANGE :—Does it not then mean that they are giving to the oiler the same amount of work that they were giving in March 1927 ?

MR. STONES :—Roughly, yes.

MR. DANGE :—I should like that point to be noted, that the same amount of work as in March 1927 will be given.

(The next complaint considered was the one with regard to the Dinshaw Petit Mills).

MR. LOWJI MORRIS, GENERAL ASSISTANT TO THE  
GENERAL MANAGER, CALLED AND EXAMINED.

THE CHAIRMAN :—A complaint has been made about your mill ?.....  
Yes.

You have sent away many mechanics and other workers ?.....  
..... Yes, because we had to curtail our work.

Why ?..... Because we got no orders.

Will they be re-instated later on ?..... No sooner full work begins,  
they will be re-engaged.

You cannot expect the mills to take on more hands than they have got  
work for.

MR. DANGE :—You were working 19 preparations before the strike ?  
..... Yes, according to the orders that we received. It was not exactly  
19, it may be 18.

Can you give me an idea as to how many workers were engaged on one  
preparation ?..... 45 to 50 hands.

These 45 to 50 hands were working on one preparation before the  
strike ?..... Yes.

This system continued in your mills for about two years, and the same  
proportion of men were working ?..... Yes.

You are now working on the same proportion of hands per preparation  
as in 1927 ?..... For the present we are working only 15 preparations.

That is not the point. You say 45 to 50 hands per preparation was  
your proportion in 1927 ?..... Yes.

And you are now engaging hands only on that proportion ?..... Yes.

MR. JOSHI :—Have you not engaged new men and refused employment  
to old hands ?..... I do not think we have done that. As long as the old  
hands come down to us, we engage them.

If it is brought to your notice that you have engaged new men refusing employment to the old men, you will correct it ? . . . . . We had to engage some new hands in re-starting the mill.

But you must have some period for these people to return ? . . . . . Yes, we allowed that, and as long as the old hands are coming, we are engaging them.

You are agreeable to engaging old men when they return within a reasonable period ? . . . . . Yes.

MR. DANGE :—And you will also engage them in the same proportion per preparation as you were having in 1927 ? . . . . . Yes.

If any representations are made by the unions to you, you are not disagreeable to deal with them ? . . . . . That is for the Agents to decide, not for me.

---

The complaint next taken up was with regard to the Madhavji Mills.

Mr. KEMP, on behalf of the mill, made the following statement :—

The work of whipping blankets was formerly always entrusted to a contractor. We found that a new contractor could do the work at smaller rates. When the union represented to us that injustice was being done to the old men, we got the old contractor back on the old rates.

MR. STONES explained that in this particular case the contractor was contracted out of the mill.

MR. JOSHI :—Even the contractor must observe the agreement ?

MR. DANGE :—In fact all the workers are on contract.

MR. STONES :—No, no.

MR. JOSHI :—The contractors must observe certain conditions of the agreement. They cannot be absolved.

MR. STONES :—I contracted with my muccadums to carry my bales to the mill and they give sub-contracts to the work-people.

MR. DANGE :—But you carry those work-people on your muster rolls ?

MR. STONES :—Yes.

MR. DANGE :—Are contractors ever shown on muster rolls ? Are they servants to be carried on on muster rolls ?

MR. STONES :—That is the system we have.

MR. DANGE :—A muster roll is maintained for workers engaged as servants, not for men who work as contractors.

MR. ASAVALE :—When there is a contract, how can you enter them on your muster rolls? A contractor is a contractor.

THE CHAIRMAN :—There is not really much in it.

MR. STONES :—Another very important item in connection with this particular mill is this. The weaving department of this mill is one of the mills that cut wages of weavers and it was acknowledged that they were paying higher rates than the other mills in the vicinity. They had a strike subsequent to 1927 but prior to the General strike. By an agreement with the local labour union, new rates were settled.

THE CHAIRMAN :—When was that?

MR. STONES :—In February this year. Prior to the strike these rates were agreed to the local union and signed by them as to the rates in force at that particular mill. The question now comes forward as to whether the rates as agreed on between the local union and the mills are to be worked to or whether the rates of 1927 are to be adhered to.

THE CHAIRMAN :—This is a point raised by you?

MR. STONES :—By the mill, but I am stating the case for them.

MR. JOSHI :—If all the mills are paying March 1927 wages, they must also pay the same rates.

MR. KEMP :—A few months before the general strike took place, we had a strike of three or four weeks.

MR. JOSHI :—These 1927 conditions were laid down in order that the workers should not suffer on account of the cuts which you had made.

MR. KEMP :—There are high wages here. Our rates are high and are acknowledged to be very high.

MR. JOSHI :—You must give the rates of 1927 till the enquiry is finished and the report is made.

MR. STONES :—This is one of the points that we thought should be placed before you for decision. If you like we will discuss it privately with the other side.

THE CHAIRMAN :—Yes, discuss it privately with them.

MR. JOSHI, MANAGER, MANEKJI PETIT MILLS.

MR. STONES :—The mill agents write that none of their workmen have been asked to work at reduced rates or to work ten hours.

The Manager (Mr. Joshi) said “ on the contrary we are paying the men 12 annas a day according to the circular of the millowner ” and thereby they are getting more. They are on fixed wages with 70 per cent. allowance, and so they get about Rs. 18-12 more.

MR. N. M. JOSHI :—Was any complaint sent to you about the head jobber ?

MR. STONES :—We have no notice of that, Mr. Joshi.

MR. DANGE :—Why did you insist that all should work ten hours ?

MR. STONES :—This mill only started work in 1922.

MR. DANGE :—It was the subject of dispute referred to this Committee and this condition was suspended.

MR. STONES :—No, Sir. The conditions of 1927 were the conditions that the contract was settled on. Then the musters came in about which the special clause was inserted in the agreement.

MR. ASVALE :—What was the condition before the strike ?

MR. STONES :—Obviously the same.

(MR. SUTTON OF KOHINOOR MILLS).

MR. JOSHI :—You have altered the conditions. Have you stopped working ten hours in folding and other departments ?

MR. SUTTON :—We started up under the conditions of March 1928 according to clause 3 of the agreement. Mr. Dange called on me two or three weeks ago and he was also in agreement with me.

(MR. A. ADAJARIA, MANAGER, SIMPLEX MILLS.)

MR. STONES said the mill authorities had written to say that the men were working or supposed to work from 8 a.m. to 5-30 but that in point of fact they were stopping work at 5-10 to go to wash and dress.

MR. JOSHI :—He has changed the conditions.

MR. STONES :—That is a matter of discipline.

MR. ADAJARIA :—On the whole it means a matter of about ten minutes and not much to complain about.

MR. GHATE :—That does not justify your putting up a notice that all should leave work at 5-45.

MR. ASVALE :—Have you not discontinued that system ?

MR. ADAJARIA :—I have given them a warning that they should not leave their work before 5-30 p.m.

MR. DANGE :—You have got in your weaving department a certain allotment of looms ?

MR. STONES :—No notice of that.

MR. STONES :—The only other item is about the Pralhad Mill. The authorities say that the men were getting a little more than before and that they were contemplating a change but that in the meantime they got the Association's letter and that therefore they have no desire to change the *status quo*.

All these are not legitimate complaints to be made to this Committee, Sir, but we produce all these answers simply as a counter against the charges made by the other side.

*The Committee then adjourned to 11 a.m. on Thursday, the 1st November, 1928.*

## THE MILLOWNERS' ASSOCIATION.

### HISTORY OF THE PROGRESS OF THE STANDARDISATION SCHEME.

6th January, 1928 : A special Sub-Committee consisting of the Chairman, Deputy Chairman, Sir Ness Wadia, C. N. Wadia, S. D. Saklatvala, F. Stones and T. Watts was appointed to investigate and report as to the measures which might reasonably be taken towards the standardisation of muster rolls and wages rates.

\* Mr. J. Taylor and the Hon. Sir Munmohandas Ramji were added to the Sub-Committee later on.

16th April, 1928 : Fortnightly meeting of the Committee. The Chairman made a statement regarding the work done by the Standardisation of Wages Sub-Committee so far. He pointed out that the particulars received from members had been tabulated and classified which indicated the great necessity for standardisation.

3rd May, 1928 : First Report of the Standardisation of Wages Sub-Committee in respect of the Spinning Section was submitted.

- 24th May, 1928 :** After discussing the general strike situation, the Committee decided that a circular letter should be sent to all members requesting them to send their constructive criticisms on the proposals formulated by the Standardisation Sub-Committee so that the Sub-Committee might make the necessary modifications in the details and submit their finally revised scheme to the Committee.
- 30th May, 1928 :** Revised report of the Standardisation Scheme of the Sub-Committee was submitted.
- 5th June, 1928 :** Special meeting of the Committee. A general discussion then took place regarding the Standardisation Scheme prepared by the Standardisation Sub-Committee and conflicting views were expressed by different members. It was eventually decided that the Committee at the next meeting should proceed to consider the details of the scheme in regard to the Spinning Section, and that members, if they desired, might bring their technical experts with them to assist them in discussing the details of the scheme.
- 7th June, 1928 :** Special meeting of the Committee. The details of the standardisation scheme in respect of the Spinning Section were next considered and certain alterations were made in the scheme prepared by the Sub-Committee.
- 9th June, 1928 :** Consideration was next given to the details of the Standardisation scheme in respect of the different departments comprising the weaving section. The details were accepted with certain modifications in respect of all departments except weaving. It was also resolved that the Standardisation Sub-Committee should prepare a list showing the scale proposed for various widths of looms and for various sorts of cloth for weavers working on two looms, the basis to be Rs. 42 for plain cloth 36" wide.
- 12th June, 1928 :** Special meeting of the Committee. Mr. Stones having explained the position regarding the Standardisation Scheme, it was decided that a copy of the scheme in respect of the spinning section, duly amended in accordance with the decisions reached by the

Committee at the meeting held on the 7th June 1928, be sent to the members of the Committee for their consideration.

21st June, 1928 : Special meeting of the Committee. Consideration was given to the revised Standardisation Scheme in respect of the weaving section and the scheme was adopted with certain alterations and modifications.

23rd June, 1928 : Urgent General Meeting of the members of the Bombay Millowners' Association. On the motion of the Chairman, seconded by the Deputy Chairman, the following resolution was passed unanimously :—

“ That the scheme of standardisation in respect of muster rolls and wages as formulated by the Committee of the Bombay Millowners' Association for adoption by members having their mills situated in the City of Bombay including Coorla, be and is hereby approved and accepted.”

---



## THE MILLOWNERS' ASSOCIATION.

## STATEMENT RE. LOOM SPEEDS.

*(Exhibit, 1st November, 1928.)*

Width of Looms.	Speed as calculated in St. Scheme.	Wadia's Diary 1926.	Tata Mills.	Finlay Mills.	Textile Mercury Year Book 1928.
28	220	226	..	232	..
32	220	221	231	226	..
36	210	210	225	215	..
40	200	201	220	215	200
44/46	195	196	206	206	..
48/52	185	184	194	193	184
56	175	176	190	184	..
60	170	170	180	177	..
64	165	163	170	177	..
68	160	158	167	177	160
72	150	158	162	..	..
76/80	135	147	..	..	140
90	120	142	120	..	..
100	110	138	..	..	..

*Exhibits for which no copies have been taken.*

1. Submitted by Millowners' Association : Statement of goods Woven and Average Earnings per Loom per Week, ending the year 1913 published by the Amalgamated Weavers' Association.
2. Submitted by Millowners' Association : Cotton Year Book, 1928.
3. Submitted by Millowners' Association : Messrs. Nowrosjee Wadia and Sons' Pocket Book 1928.



---

---

*Thursday, 1st November 1928.*

---

---

Thursday, the 1st November 1928.

The Committee met at 11-15 A. M. in the Secretariat, Bombay.

Present :—

THE CHAIRMAN.

MR. KHAREGHAT.

MR. KAMAT.

---

MR. SAKLATVALA :—Yesterday, we were asked to submit a written memorandum, in reply to the memorandum from the other side, asking for certain information, as to what information we are willing to give. I beg to hand in the memorandum.

Before we begin to-day's work, there is a little matter about the complaints. Yesterday, it was decided that, as far as possible, all complaints should be settled between the two parties. But there is one little point on which we could not arrive at an agreement, in spite of our best efforts, and we have to ask for the Committee's decision on that point.

THE CHAIRMAN :—Is that with regard to one mill?

MR. STONES :—Yes. The Madhavji Dharamsi Mill came to an agreement with the labour union prior to the 1928 strike, by which the wages were reduced. They now wish to know whether they are to pay in accordance with the agreement entered into with the labour union in February this year, or whether they are to pay the March 1927 wages.

MR. JOSHI :—As regards what Mr. Stones has said, we put down 1927 in the agreement, because we knew that there were cuts in wages in certain mills in the intervening period. Whenever there is any cut in wages, if it is said that that cut was accepted by the men, then certainly there was no reason why 1927 should have been mentioned in the agreement at all. 1927 was mentioned in the agreement, because the men should not be deprived of the benefit of the higher wage of 1927. We knew that there were cuts in wages in some mills in the intervening period. In this case, there had been a cut, and it is contended that the men had accepted it.

THE CHAIRMAN :—You say that is not sufficient?

MR. JOSHI :—Certainly not.

THE CHAIRMAN :—Mr. Stones mentioned there was an agreement made with the union.

MR. JOSHI :—It is true, but when we have to fight, we have to accept a compromise, but that must not be made an excuse for depriving us of the higher wages of 1927. If we begin to do that, it will always mean that you put a premium upon not coming to any compromise. If the man is always to lose on account of having agreed to a compromise, then those people who for the sake of peace make a compromise will be considered to be fools. It will be much better in that case that the unions should not come to any compromise at all, but go on fighting out their grievances throughout.

THE CHAIRMAN :—What is the difference? Is it very much?

MR. STONES :—Roughly Rs. 8,000 per month in the weaving shed.

MR. JOSHI :—It is not large for the total wage bill.

MR. STONES :—If we had known about it at the meeting, we would have made a special case of it, as we made it in the case of other mills. It was overlooked at the time, and it is for the Committee to decide whether the decision arrived at on 4th October should be deciding factor, or whether the arrangement arrived at after negotiation with the union is the deciding factor in this particular mill. It is perfectly true that this mill was not put on the list of exceptions. Had we known, we would have made an exception of it.

MR. DANGE :—I want to know whether it is a matter of interpretation of the agreement, or deciding the dispute between the two parties.

THE CHAIRMAN :—It is a matter of interpretation, I suppose.

MR. STONES :—We are asking what wage should be paid during the interim period the committee is sitting. It is a dispute under the terms of settlement, and this committee is empowered to decide it.

THE CHAIRMAN :—It is merely a question of rates of wages?

MR. STONES :—It is a question of rates and wages, and not of the amount of work.

THE CHAIRMAN :—In our opinion, the question before us must be decided by the actual wording of the agreement of 4th October 1928. Paragraph 3 (a) of the *communiqué* about the conference of that date says that, with certain exceptions, the rates of wages in March 1927 should be paid. The case that is put before us about the agreement that was arrived at for a change of rates of wages in the weaving department of the Madhavji Dharamsi Mill is not specified as an exceptional case, and we consider that, in the absence of such an exception being made, we must hold that the mill is bound to pay the rates and wages of March 1927, although there is considerable force in the contention that, as the labour union had agreed to the change of rates in February or March

1928, it is at any rate equitable that those rates should be continued. But we are concerned merely with the question of arriving at an interpretation of the agreement, and, as I have said, in our opinion, we must follow the actual wording used.

MR. DANGE :—With regard to the same mill, yesterday we had raised the point about the whipping department, and we should like to have a decision about that matter. The mill wants to pay the whippers according to the change that is alleged to have been made.

MR. STONES :—In this particular mill, the question was raised yesterday with reference to the whipping being done by a contractor, and the arrangement in this case was arrived with the contractor for that particular work. This is a different thing from a settlement with the trade union. This is a sub-contractor doing the work.

MR. DANGE :—I contend it is not a matter between the contractor and the mill, and it has to be proved that it is a contract, and that it is not the ordinary case of workers being put on the muster rolls of the mills as employees of the mill.

MR. KHAREGHAT :—Mr. Kemp told us yesterday that the old contractor had been reinstated.

MR. DANGE :—It is not a question between the contractor and the mill, it is a case between the employees and the mill. If it is required that we should produce evidence to show that it is not a question of the contractor and the mill-owner, but a question of the employees and the owner of the mill, we should like to produce workers before you to prove it.

THE CHAIRMAN :—Is that a question of the interpretation of the agreement? That is all we are concerned with.

MR. JOSHI :—The millowners claim that they could reduce the rate, because they are not dealing direct with the workers. I maintain that the agreement which we had come to with the millowners is equally binding upon the contractor whom they employ for the work of the mill.

MR. STONES :—I may give the analogy of the mukadams. The mukadam is a contractor to us, and does certain work and employs certain men, to whom he pays wages. Are we bound to maintain the contract with the mukadam who employs workers to work for us and our mill work? Are we not at liberty to reduce the mukadam's rates; in the same way are we not at liberty to reduce the brokers' rates? If not, the Association would be debarred until this committee finished its sittings, from reducing the rates of anybody associated with the mill industry; even the railway company could not reduce rates, because, after all, in a sense they are contractors.

MR. JOSHI :—The case mentioned by Mr. Stones is not on the same level. These men work in the department of the mill.

MR. STONES :—So also the mukadam's men. They stock the bales in the mill.

MR. JOSHI :—That is quite different work.

MR. STONES :—They stack the cotton in the mill ; in our agreement we say that they will be paid so much.

MR. DANGE :—They do not fall into the category of operatives as is generally understood. If the cartman brings cotton bales from the railway sheds to the mills, he is not an operative in the sense that the whipper is.

MR. STONES :—In the standardised wages for the spinning section, on the 1st page for "Mixing and Godown" we have put in Nowganies Rs. 18 plus 70 per cent. At the request of Labour, on the 1st page, Mixing and Blow Room, we did not provide for bale stackage, because it was done by mukadams, but in two or three cases it was pointed out to us that by arrangement they employed their own bale stackers and did not use mukadam's bale stackers for this particular class of work. Therefore we have put in bale stackers Rs. 20 plus 70 per cent. Where mukadam's men are not employed, where the mill have been using their bale stackers, we provided for them by putting in a rate. The bale stackers and the mukadams do work in the mills.

MR. JOSHI :—In all Labour legislation, where there are some conditions laid down for particular classes of workers, contractor's labour is always included. I may cite the instance of the Workmen's Compensation law. That law provides that the owners of factories will give compensation. When the law says "owners of factories" and if contract labour is employed by the owner, the contractor is liable; the contractor cannot escape the liability. There are two points—whether there is a real contract or not, and if there is a contract, is not the contractor bound by this agreement.

THE CHAIRMAN :—What is your object? This contractor is willing to accept the rates.

MR. DANGE :—It is downright misrepresentation to say that they have accepted the rate. I am willing to produce the correspondence, that the men are being advised to go back to work pending the dispute about rates. If facts are to be proved, we are ready for that.

MR. STONES :—I can only go on the evidence before us that it was a contract arranged with the contractor.

MR. DANGE :—We are willing to give further evidence.

THE CHAIRMAN :—Cannot the contractor concerned be called ?

MR. STONES :—He can be called.

MR. KAMAT :—The workers are willing to work ?

MR. JOSHI :—The men have agreed. If that argument is allowed to be used, then it becomes our duty to keep on the strike till the question is settled. We did not want to put the workers to a loss by keeping the men out. It is for that reason that the men are persuaded to work till the committee's decision is given, and if that is interpreted as our having given our consent, then we are setting a premium upon our maintaining the dispute till the committee's decision is given.

MR. STONES :—This does not apply to the ordinary running of the mill. Out of 150,000 employees in Bombay, there are probably not more than 500 at the outside, and I am giving a very wide figure, who are employed on contract rates. The only people I know of in the mills who are employed on contract rates are the whippers, and in some mills the men in the baling department. The man will take up a contract for baling up cloth at a definite rate per bale, and he makes his own arrangements with the men whom he employs.

THE CHAIRMAN :—They appear on the muster roll ?

MR. STONES :—In some cases the contractor and the men appear on the muster roll as a means of checking attendance. In other cases, the wages are paid direct to the contractor ; in this particular case I do not know.

MR. JOSHI :—Our technical adviser, Mr. Baptist, may be allowed to say something.

MR. BAPTIST :—There are some departments in the mills which are carried on with the help of contractors, the baling department, the bundling department, and so on. In those departments there are certain kinds of work that have to be done by teams. A fixed rate is given to them at so much per bundle or bale, and so on. One man takes the responsibility to look after the whole team, and he is said to be the contractor, and he divides that amount of money amongst the other operatives. They are all operatives ; they are not like outside contractors, in the same way as the railways. They work in the mills. These men are on the muster. The contractor is supposed to engage a certain number of men. The responsibility is on one man, and he has to distribute the work amongst the other men.

MR. KAMAT :—What you call a contractor is nothing but the headman of a gang ?..... Yes.



**MR. SAKLATVALA :—**You say that the contractor is nominally a contractor?.....Yes.

How do you make that out? - .....They take the responsibility for the work on themselves, and they pay different rates for different kinds of work.

That is not the question. You say he is nominally a contractor. Do you mean by that that the mill does not actually enter into a written contract? .....You may enter into a written contract.

Does the mill enter into a written contract with that man or not?.....Not always.

At least in some cases?.....Yes, they may.

Where there is a written contract with the contractor, would you still maintain that the contractor is only nominally a contractor?.....Nominally in this sense, that he has to get the work done by the different men, and he distributes the amount. If you reduce the rates of the contractor, naturally, in turn he will reduce the wages of the operatives and thereby the operatives will suffer.

When there is a contract with the railway, the railway does the same. We pay them a certain amount. We enter into a written contract when we send the goods. We pay them a certain amount. It is for them to distribute the money among the men. They do so. How do you make out that there is any difference between this contract and the other contract?.....This contract is made merely for the sake of convenience.

A contract with the railway is for the sake of convenience?.....You cannot say all mills make contracts for all these jobs. There are some that do this departmentally, whilst in the case of railways you could not do that.

**MR. KAMAT :—**Are the names separately entered in the muster?.....Yes, in the particular department; bundling, or baling, or whipping departments.

Their wages are calculated separately?.....A lump sum is given to the contractor, and he distributes it among the men according to the nature of the work done. For instance, labelling work, for which only a boy is required, may be paid at Rs. 9. If you reduce the rates of the contractor, naturally, it will go to the operatives.

**THE CHAIRMAN :—**Mr. Saklatvala, in the case of the Oldham mills I have a report which was published by Lord Askwith. He quotes the case in the cotton spinning department of certain machines which are run in pairs, each pair being operated by a spinner, assisted by two boys, in some cases girls, who are called piercers." These subordinate operatives are paid by the spinner and not by his employer. In that case, would you call the spinner a contractor?

**MR. SAKLATVALA** :—No, because there is no written contract between the spinner and the mill. The spinner is made responsible for the working of the mills. In the Toyo Poddar Mills they have something of the same arrangement in their spinning department. They call it the team system. They do not pay to the different doffers or jobbers. They simply make one man responsible for the payment of wages in the department. They only pay that man on the production of 100 lbs. of yarn. There is no definite written contract in that case. That is only managing the internal department in one particular section, I admit that. Here there is a definite written contract to do certain work.

**THE CHAIRMAN** :—What difference does it make in principle if you put down terms in writing ?

**MR. SAKLATVALA** :—When we make a written contract with one man after the period of the contract we are not bound to renew it. We ask for tenders from others. If that man's tender is the lowest, we give him the contract again. If another contractor comes along and offers us lower rates, we give it to the other man. In the other case it is not so. It is our own man who is working in the mills from year to year. Only for convenience of making payment and with a view to get higher production, we make this arrangement.

**MR. KAMAT** :—Why do you allow the names of the men to be placed on the muster, when it is the contractor's responsibility.

**MR. SAKLATVALA** :—Otherwise, there would be no check. The contractor will say, when he divides the money, that so many men were there and so many were not there, and as a check on his own musters we put the men on our musters. We also must know exactly how many men are working. Otherwise our work suffers. Instead of 10 men if only 6 are present, we at once send for the contractor and tell him that our work is suffering as there are only 6 men, and he must see to it that the total number is there, and if the old hands are not there, new ones must be engaged.

**MR. DANGE** :—When the contract is for the amount of work, you can only write to the contractor and say the required amount of work has not been done. There is no business for the mill to say so many hands are not present. Moreover, the mere statement from the other side that this is done on contract is no proof of it. In fact, I should like to get the particular mill manager to prove that this particular case is one of contract, and it does not come within the agreement.

**THE CHAIRMAN** :—Are the names of all the assistants on the mill muster, or only those of the actual contractors ?

**MR. KEMP** :—The names of all are on the musters.

**THE CHAIRMAN** :—The names of the assistants also ?

**MR. KEMP** :—Yes, they are all there ; there pay is on the muster.

**THE CHAIRMAN** :—We decide in your favour again, Mr. Dange. We think that, in this case, as it is admitted that the names of the contractor and his assistants are on the mill musters, they must be treated as operatives, though there may be a formal contract in writing as to rates for work of the whipper. So far as this dispute rests on the interpretation of the agreement of 4th October, we accordingly hold that, in spite of any acceptance of lower rates than those of March 1927 by the whipper, the mill is bound to pay the March 1927 rates pending our report.

#### **Standardisation Scheme.**

**MR. SAKATVALA** :—Coming to the main subject of to-day's discussion, the Standardisation Scheme, on page 9 of our written statement, we have given the general grounds on which we justify the scheme, and maintain that it is fair and reasonable. As stated in our written statement, in order to judge whether the scheme is fair and reasonable, certain matters will have to be considered. The most important is the reasons for, and the circumstances under which, this scheme is prepared. Then alone could we get an idea whether the scheme is fair and reasonable or not. As regards the reasons, the main reason of course is that it has been recommended by the Tariff Board. I would refer you to page 140 of the Tariff Board Report. Paragraph 65 of the report on that page says:—

“ We cannot regard as satisfactory the present system, under which the wages in the Bombay mill industry vary from mill to mill, even when the managing agents are the same, and would recommend, for the consideration of the Millowners' Association, the adoption of a system of standardised wages for the same class of work as between mill and mill. We realise that the adoption of such a system presents very great difficulties in Indian conditions, owing to the illiteracy and imperfect organisation of labour and that its introduction might probably cause discontent among those operatives whose wages might be prejudicially affected. None the less, we think that the standardisation of wages throughout the Bombay industry would tend to strengthen its position. A suitable scheme could, of course, only be satisfactorily drawn up in consultation with representatives of labour. It is obviously preferable that it should be adopted by all mills but if a large proportion of the mills were willing to accept it, it would not be long before the others followed suit.”

It makes very clear a few points. One is that the standardisation scheme should be taken in hand by the Millowners' Association ; secondly, that it should be done in consultation with labour representatives. They

had foreseen the difficulties in our way. They knew that it may even lead to strikes, and they say it is bound to lead to discontent amongst the operatives. They had even anticipated dissension amongst our own selves, that perhaps all of us may not agree; but they say, even when labour is discontented, even when there is disunion amongst our own people, in spite of it, for the sake of the industry, standardisation has got to come in. I maintain that these points are quite clear from this paragraph. Of course, the immediate reason for taking up this standardisation scheme was the recommendation of the Tariff Board but, as we have already mentioned in our written statement (page 9) "The advantage of standardisation was already perceived as far back as 1891 when the late Hon'ble N. N. Wadia had prepared a draft scheme. The attempt was however, not successful. Several attempts were made subsequently but for one reason or another the old system was allowed to continue. The standardisation scheme therefore is by no means a new fangled idea or mere "hoax" as represented by Labour leaders. I might mention that it was not carried out in the past mainly because there was always the fear of upsetting labour. But the standardisation scheme has its own advantages. The advantages are that, first of all, it would do away with the disparity between mill and mill, that it would do away with competition between mill and mill. But the greatest advantage of a standardised scheme is that under it both the mills as well as the operatives would try to increase their efficiency. That is the reason why standardised schemes have been adopted in all countries, and standardisation in Lancashire has led to improvement in the working conditions and also improvement in the efficiency of labour.

Then, as I have already stated, this scheme was taken up as part of the reorganisation scheme which is under the consideration of the Millowners' Association ever since the issue of the Tariff Board Report. On page 65 of our statement, in appendix B, you will observe that we were definitely asked by the Government of Bombay on 4th October 1927—the Government of Bombay asked us because they were requested by the Government of India to get particulars from us—as to what action had been taken in regard to the various suggestions made by the Tariff Board, and we have dealt with this matter para by para. What pertains to this particular question appears on page 68 of a Statement in the 1st para, where we say :—

"A special Sub-Committee has for some time been considering the suggestion of the Tariff Board that the piecework system of payment should be introduced for spinners in the interests of efficiency. This question is closely allied with that of standardisation of wages, rates and muster rolls throughout the Bombay Mill Industry, and before definite conclusions and recommendations can be made, the results of the experi-

mental work which for some time has been going on in several mills will need to be carefully examined. The Government of India will realise that this problem is bristling with difficulties and anomalies, and though the final conclusions may eventually agree with those of the Tariff Board, there is little reason to doubt that any hasty departure from the present system would meet with considerable opposition from the work-people. As stated above, the Association's final decisions in the matter cannot be expected for some time."

This letter was written at the beginning of this year, I want to show that a scheme for standardisation was taken in hand before the strike. Later on, I will deal very briefly with the various meetings we held, and so on, and there I will prove that already, on the 6th of January 1928, a special sub-committee consisting of a chairman, a deputy-chairman, Sir Ness Wadia, Mr. C. N. Wadia, Mr. Stones, Mr. T. Watts, and myself, was appointed to deal with this question. Soon after the appointment of the committee, we had to gather particulars from every mill. Before all the particulars could be gathered, Sir Ness Wadia and Mr. C. N. Wadia left for England. Later on, as work increased, we had to add Mr. Taylor and Sir Manmohandas Ranjee to this committee. This shows the constitution of the original committee.

Then we come to the principles on which the scheme is based. Those principles can best be testified by two reports made by this sub-committee to the main committee. They are given in Appendices R and S.

(Appendix R was then read out.)

This was on the 5th of May. The interval was spent in obtaining figures from all mills. We had to get complete figures before we could arrive at any standardisation scheme. The second report, which was made at the end of May 30th, says:—

(Appendix S was then read out.)

My point in reading this is that we do not maintain and we cannot possibly maintain that the scheme is absolutely above reproach, that it is on ideal or a perfect scheme. What you are called upon to decide is not whether it is perfect. Objections might be raised by both sides. Some of our own millowners do not like it. They think it would be a very easy thing simply to reduce the dear food allowance in the spinning department and the weaving department, and leave this aside as it involves trouble. I submit that the question you are asked to decide is whether our scheme is fair and reasonable.

With regard to efficiency, I may just give you the instance of our own mills.

The Tata's being new mills, have a higher efficiency. The Swadeshi is an old concern, and although we have tried to keep it up to date the efficiency is not so high. The labour efficiency of the Swadeshi mill is not as high as in Bombay, as the mill is in Kurla, and we cannot get the same class of men.

After the standardisation scheme was put up, we naturally had to look about. In our mills the main trouble was due to using shorter pirns. The policy in all our mills is that we have 5 inch lift spinning frames, which gives a very short pirn, and we get good results in spinning, but in weaving it is a disadvantage, because the bobbin runs off the shuttle in a shorter period, and therefore in weaving we suffer a little. In order to get better results, we have decided to put in a few universal pirn winders. It means extra cost and an extra process, but in order to improve our own efficiency we have decided on it. We are also trying to improve our humidification system. I am just giving this instance to show that the mills will have to improve their efficiency. It is therefore up to labour to improve also their efficiency, and we believe they will do it.

You may have noticed that the first report was signed by Mr. T. Watts, myself, Messrs. Batliwala, Fred Stones and J. Taylor. The Second report has been signed by Mr. Stones and myself. That does not mean that the whole of the scheme, as our friends are trying to make out, was made out by two people. They give us credit which we by no means deserve. Two of us could never have drawn up the scheme. In our second report, we mention the names of the gentlemen who had worked with us. They are Messrs. T. Watts, Batliwala, Gardner, Green, Harker, Hunt, Parker, J. Smith, James Taylor, J. Tinker and Warrington. All these gentlemen are experts in their own line. We have had to take their help, and this is the result, as given finally in our scheme.

THE CHAIRMAN :—That is the original scheme ?

MR. SAKLATVALA :—Yes.

THE CHAIRMAN :—Is it the one in the green books ?

MR. SAKLATVALA :—Before even the green book, there was another scheme. The report just read out refers to this scheme, a *copy* of which I hand in. It is not exactly the same as present one. This is the second report. This was a revised scheme already ; it is an intermediate scheme.

THE CHAIRMAN :—Does it differ very much from the present scheme ?

MR. SAKLATVALA :—It differs very much in the weaving section. Page 36 gives the basic rates for the weaving section, and this basic rate has been adopted in our present system also. If you will turn to subsequent pages, you will see that there we had attempted to form tables for all varieties. Subsequently, we dropped this, and we went on a system of allowances. This remains

as the base, and as regards other varieties which differ from the plain sorts we say in certain cases certain allowances have to be given over and above the basic rates. That is the difference between this and the new scheme. These two reports which I have just read out make it, I hope even to the other side, quite clear that the whole scheme is based on very fair principles. We have tried to be as fair as possible. We have gathered all particulars which, later on, I will submit to you, and we have by no means neglected the labour point of view. I may point it out to you that we cannot possibly neglect the labour point of view for this reason that amongst ourselves also there is rivalry. Every mill wants to have the best labourers, and objections from our members came not because we were giving too much in any case, but because we were giving too little in particular cases. They said "You are giving too little; we are paying more." Our argument was "You are paying more, but we cannot ask all mills to pay the same rates as you." Therefore, the labour point of view was completely threshed out, and in each case we have tried to weight exactly the nature of the work which the man is called upon to do. For this purpose, special experiments were also conducted. Even during the strike, the Colaba Mill was working. We wanted to get a fair rate for a certain class of machinery-universal pirn winders. They are just being employed in Bombay mills, but we wanted further tests to be carried on. After our scheme was prepared, we carried out the tests without informing the work-people. We allowed them to go on in the usual way. We saw what the production was, and we based our pay for that section on that basis. So that, I maintain that the principles on which the whole scheme is based are reasonable and fair.

**THE CHAIRMAN :—**Does it follow the Lancashire system?

**MR. SAKLATVALA :—**In the main, it does follow the Lancashire system. We have allowed higher allowances than given in Lancashire. For instance, in Lancashire, they allow a certain percentage between counts twenties and thirties. We have allowed this in the frame department, on a higher percentage.

**THE CHAIRMAN :—**That is in favour of labour?

**MR. SAKLATVALA :—**Yes, in favour of labour. Of course, I do not want to say that it is merely with a view to make a gift to labour, but we know that our labour is not so efficient, and therefore we had to make certain allowances. We have tried to be as generous there as possible.

**MR. SAKLATVALA :—**Later on, when we discuss item by item, we will go into it fully.

**THE CHAIRMAN :—**That follows the same principles?

**MR. SAKLATVALA :—**When we discussed our scheme we did not make any allowance for dhoties. The contention of our members was that after all

dhoties do not differ much from an ordinary plain cloth. A dhoti has certainly got a border at two ends, but what is that border? I am not referring to fancy borders but to plain straightlines. We have to use very superior class of yarn and therefore there is no justification for giriug anything extra to a weaver in the case of dhoties. Our only argument is that if that is so, why do they give an allowance in Lancashire. If the dhoties are finer and more elaborate they do make an allowance and therefore we said we must make a distinction between plain cloth and plain border dhoties and we have given certain allowances and this is only one instance.

**THE CHAIRMAN** :—Do they differ very much?

**MR. STONES** :—They differ variously but generally we follow the Lancashire system.

**MR. SAKLATVALA** :—We have adapted Lancashire lists to our conditions and I may explain that the main cause why it took such long time was that some of our members were not acquainted with the Lancashire system and as for myself, it took me more than a month to read up and find out what the Lancashire system was, and that is why we have taken the help of the Lancashire men because they are familiar with both conditions and they know exactly where our conditions differ and therefore we take their advice and suggestions.

We turn to page 10 where we show the method of preparation specially in the weaving and mainly concerning efficiency and speeds which can only be exhaustively explained in a detailed discussion. Any scheme can be fair, reasonable and just if sufficient care, sufficient attention, is devoted to its preparation and if it is not prepared in a haphazard fashion but after the fullest possible consideration. I am going to prove that we have devoted to this question as much attention as we possibly could. Our difficulties were very great because on the one hand we were faced with the strike situation which itself was not an easy job and at the same time we had to proceed with our scheme.

As regards the method of preparation, I have already mentioned that the scheme was prepared from materials obtained from all mills. Every particular was asked for and obtained and the scheme was prepared from this voluminous material (which I submit to you,) by practical men for a practical purpose and the greatest possible care and attention which could be brought to bear on this subject was devoted to it. Here also the particulars were obtained from each mill confidentially. Even as regards our own members, it was agreed that the particulars should not be handled by anyone except by Mr. Stones and myself and we are the only two people who know as to the exact conditions prevailing in the different mills. Although these particulars are of a

Ex.  
Confidential  
Document handed over to each member of the Committee.



confidential nature, I am prepared to pass all these papers as received from the mills to you, Sirs, as a Committee to enable you to judge as to the materials from which the scheme is prepared. Of course I am not prepared to make public. As regards weaving, we have not had time to make copies and the only copy we have, we will pass on to you. The main bone of contention in this will be the efficiency and speeds of machines. People naturally want to know how we could devise a scheme applicable to all mills where conditions may differ, speeds may differ and efficiencies may differ. Our answer is that in England also speeds differ, machinery differs, material differs. There are mills in existence in Lancashire which are a century old but they are brought up to date. Even so, they cannot radically alter the buildings, and therefore the conditions differ, but that does not mean that a fair scheme cannot be devised because conditions differ. As regards machinery in general, the Tariff Board has also made a general remark that it is not so much the age of the machinery as the manner in which the machines are kept. On page 90 of the Tariff Board Report there is a paragraph regarding inefficient machinery. About the middle of the paragraph they say :—

“ We noticed, in the course of our inspections, a good deal of old machinery in use in the spinning departments of some mills we visited but it must be remembered that the manner in which machinery, is looked after is even more important than its age.”

I might state that in our Swadeshi Mills there are looms 40 years old but still they are efficient although they cannot give the same production as when new, but still considering their age, they are giving good production. The most important question therefore would be as regards efficiency. I will first deal with the question of efficiency and then with that of speeds.

**THE CHAIRMAN :—**Does your scheme involve increased efficiency or not ?

**MR. SAKLATVALA :—**I want to make it clear that we have taken a standard which is a very reasonable one. We have not taken it on the high side. We have not based our scheme on a high standard of efficiency. We have considered what the general efficiency is and we have taken a reasonable standard too and that is why I am going to show.....

**THE CHAIRMAN :—**But still, it is a higher standard than has been carried on before.

**MR. SAKLATVALA :—**No, Sir. In some mills the efficiency is still higher.

**MR. KHAREGHAT :—**Have you taken an average ?

**MR. SAKLATVALA :—**Not exactly. As regards efficiency, we must first of all make it clear in our minds as to what the term "efficiency" implies. The word "efficiency" after all implies that it must be a reasonable standard, not too low, not too high. It connotes something that is very practicable and that is feasible but not necessarily that it is achieved by all. It is a standard and it must be a reasonable standard. Therefore, the only question is whether the efficiency we have calculated is reasonable or not. In that book of examples which I have submitted to you, Sir, you will see that we start with 80 per cent. efficiency in case of looms from 28" wide up to 56" wide. As looms are wider the speeds are less and they are run on slower speeds which means a little less efficiency. So you will see that we put down 79, 78, 76, 74, 72, & 70 etc. This is as regards plain cloth. Then as we go on to better class of cloth, we have taken the efficiency lower, for instance in Khadi, in the next column, efficiency begins on narrow loom which runs at a high speed, with only 78 because in Khadi we use a very coarse weft and it gets exhausted very soon and there are more changes of shuttle in Khadi cloth than in any other ordinary cloth. It varies with different varieties. All I can impress upon you is that we have taken 80% (that is the highest standard laid down here) for narrow looms and for the plainest of plain cloth. There is no silk or coloured yarn, no borders no elaborate weaving or anything of the kind but a plain loom. It is not what we call a dobbie loom or twill motion.

**THE CHAIRMAN :—**What is 100 per cent?

**MR. SAKLATVALA :—**If the loom is working for fully ten hours without any stoppage, it would turn out a certain length of cloth. Of course, it is not humanly possible to keep the loom running all the ten hours. Necessary time must be allowed for changing of shuttle. There may also be an accident occasionally, the warp may break, occasionally something may happen and the weaver also requires some time. You do not expect a weaver to be at his post all the ten hours, although we maintain that he wastes a little more time than he ought to. At any rate, he must be allowed some time also and it comes to this that during 10 hours work we must get at least 8 hours work. The other two hours are necessarily employed in change of shuttles etc. In some particular case, a loom might go on where the warp is good and we will get much higher efficiency. In other cases something may happen to the warp, it may not be properly sized—that would not be the fault of the weaver being a process before weaving, and it may be that there are breakages in which case in that particular loom the efficiency will come down from 80 to 70.

**MR. KHAREGHAT :—**It depends on the length of cloth that is woven and so your 100 per cent. refers to the full length that can be turned out in 10 hours.

MR. SAKLATVALA :—Yes, Sir. In this connection, in order to enable you to judge whether the 80 per cent. (which is the highest) is fair or reasonable or not, I wish to put in this Textile Recorder which is a Lancashire journal very well known in the textile world and the Lancashire people know all about our conditions because they supply us with looms, they know at which speeds they are running their looms, what efficiency they get, what efficiency we get here, they are in direct touch with us and here at page 42\* there is an article headed "Cotton spinning in India." Spinning includes weaving. It is dated July 14th 1928. Here they give some very interesting figures. They deal very fully with Indian conditions, give you figures as regards wages and so on but I am not going into all those details. On page 43, in the middle column just above the table, they say "The efficiency in Bombay is 80 per cent. on Lancashire looms and the speed is nearly 1 1/2 times greater than Northrop looms." According to them the general efficiency in Bombay is 80 per cent.

Ex.  
Not typed the  
copy with the  
Secretary.

Typed copy at-  
tached at the end  
of the day's evi-  
dence.

THE CHAIRMAN :—As compared with 100 per cent. of Lancashire?

MR. SAKLATVALA :—No, Sir, but as compared with our 100 per cent.

THE CHAIRMAN :—As compared to what is possible.

MR. SAKLATVALA :—That shows that this is a reasonable standard which we have adopted and this 80 per cent. is not our average. We have taken 80 per cent. only in the plain cloths and for looms up to 56 inches wide. We have not exactly worked out our average but it would be something like 76 per cent. You will see later on it goes much lower. In Japan for the same class of goods (they also use the same Lancashire looms which we use) their efficiency is at least 85. In Mr. Sasakura's evidence we saw that he told us that it was as high as 95 per cent. Personally, I may frankly say that perhaps that is too high a figure and that he wants to show that the Japanese can do much better than our workmen. But at any rate the efficiency is certainly 85 in both Japan and China. I again refer you to the same Textile Recorder another issue dated September 15th 1928 wherein are given conditions in Japan, I would refer you to page 42 and page 43. On page 43 they give a costing of a Japanese cloth. This cloth has very coarse weft fourteens and fifteens, which means coarse weft and the same shuttle changes and the efficiency is lower. In spite of that they give the efficiency at 85. Perhaps Mr. Sasakura may not be altogether right but still he may not be very far away from their standard, because after all if they are efficient to do as much as 85, then certainly the standard which we have taken is a fairly reasonable standard looking to Indian conditions.

Typed copy at-  
tached to the  
day's evidence.

We take up the speeds in column 1. We have taken 220 for 28", 220 for 35", 210 for 36", and 200 for 40" etc. Messrs. Wadia show some of these speeds in a pocket book which they issue and in which they give information

about Indian conditions and general information about spinning and weaving. On page 95 they give some interesting information. They are Agents for Platt's looms also and they know exactly as to what speeds the looms should be run ; they know Indian conditions ; they have got their own mills ; they know exactly the speeds the looms should be run at. I put this in because Messrs. Wadia have shown these the speeds which are suitable to Indian conditions. If I put in English speeds somebody might say " what is the use of putting in English speeds?". This is one authority that I am quoting. I have not been able to collect figures of speeds but later on when we go into detail I will give you more complete information as to speeds of my own mills and Finlay Mills. The Textile Mercury, 1928, also gives speeds for certain classes. As regards this question of speeds and efficiency, we are perfectly willing that this Committee should visit any of the mills or if they like the Committee can depute anybody and he can take actual tests which will easily show whether the speeds and efficiency figures which we have taken are reasonable or not.

Ex.  
Messrs. N. N.  
Wadia & Co's  
diary not typed.

Ex.  
Submitted typed  
copies not taken,

I will now refer you to the Book of Examples but for another purpose. From page 12 you will find that we give a certain table. We mention the varieties of cloth. We go on to show weavers, earnings, basic earnings for 26 days, gross earnings for 26 days, which means that if we get the efficiency that we claim to be reasonable, then the weaver will not only get what we say should be his wage but he will get a little more. We show the plus and the minus throughout.

THE CHAIRMAN:—How is the basic earning calculated?

MR. SAKLATVALA:—The basic earning calculated on our standard scheme. My point in referring you to this particular table was this, that even after taking a reasonable standard of speed and taking a reasonable standard of efficiency, we have still made another safeguard in favour of labour. This Book of Examples is intended to show that if we get this efficiency and if our looms are run at this speed, then the weavers will get more. After all is said and done, I can realise that in all mills in the beginning perhaps a little lower standard of efficiency may obtain. Therefore, in our actual calculations we have left a sufficient margin any where from 5 to 30 per cent, so that if some mills are inefficient, still the weaver will at least get the wages which we say he ought to get. When I come later on to give you the whole history, I will tell you exactly how we have arrived at the wages of the weavers. So there is some margin in our calculations so that the basis which we have given allows a weaver to earn the wage which he should earn even if his particular mill is a little less efficient.

THE CHAIRMAN :—You mean that is shown in the gross earnings.

MR. SAKLATVALA :—Yes, Sir.

THE CHAIRMAN :—And that is higher than what would be under the other scheme.

MR. SAKLATVALA :—If all the conditions obtain, he will get more than what we say he ought to get.

MR. KHAREGHAT :—Even if the machines were inefficient and so produced less, the weaver would earn the same amount?

MR. SAKLATVALA :—The weaver will get that amount which is shown in our table and which we say he ought to get even if the efficiency is little less. There may be one or two mills which are absolutely out. We cannot go on that basis. In such cases we have told our members that they should let us know what the conditions are, why their efficiency is so low and if we find that it is a hopeless case, then we will either exempt that particular mill altogether or we will make certain that labour does not suffer, but there may be one or two cases like that but the average and ordinary machines ought to give that efficiency.

I will show you now how the scheme was prepared. I have already told you that we started on 6th January and I mentioned the names of the members of the committee. On the 16th April 1928 there was a fortnightly meeting of the committee, at which the chairman (of that committee) made a statement regarding the work done by the Standardization of Wages Sub-Committee so far. He pointed out that the particulars received from members had been tabulated and classified which indicated the great necessity for standardization. There was a meeting on the 28th May 1928, at which the first report of the Standardization of Wages Sub-Committee in respect of the spinning section was submitted. On 24th May 1928, after discussing the general strike situation, the committee decided that a circular letter should be sent to all members requesting them to send their constructive criticisms on proposals formulated by the Standardization Sub-Committee so that the sub-committee might make the necessary modifications in the details and submit their finally revised scheme to the committee. On the 30th May, the revised report of the Standardization Scheme Sub-Committee was submitted (which I have given you). On the 5th June 1928 there was special meeting of the committee. A general discussion then took place regarding the standardization scheme prepared by the Standardization Sub-Committee and conflicting views were expressed by different members on different particulars. It was eventually decided that the committee at its next meeting should proceed to consider the details of the scheme in regard to the spinning section and that members, if they desired, might bring their technical experts with them to assist them in discussing the details of the scheme. On the 7th June there was a special meeting, Details

of the standardization scheme in respect of the spinning section were next considered and certain alterations were made in the scheme prepared by the sub-committee. I may mention that most of the members had their technical advisers, not one but some even had three, spinning master, weaving master and the manager. On the 9th June 1928 consideration was next given to the details of the standardization scheme in respect of the different departments comprising the weaving section. The details were accepted with certain modifications in respect of all departments except the weaving. The main portion is the weaving itself. It was also resolved that the Standardization Sub-Committee should prepare a list showing the scales proposed for the various widths of looms and various wefts of cloths, and as regards weavers working on two looms the basis was to be Rs. 42 for plain cloth 36" wide (36" wide cloth would be woven on a 40" loom and therefore for two looms it would be double). You will find that on 40" looms we say that a weaver working on plain cloth should earn on two looms Rs. 42. On the 12th June 1928 there was a meeting of the sub-committee. Mr. Stones explained the position regarding the standardization scheme. It was decided that a copy of the scheme in respect of the spinning section, duly amended in accordance with the decision reached by the committee at the meeting held on the 7th June should be shown to the members of the committee for their consideration. On the 21st June there was a meeting of the sub-committee. Consideration was given to the revised standardization scheme in respect of the weaving section and the scheme was adopted with certain alterations and modifications, so that it is not, as my friend tries to make out, hearsay evidence on which it was drawn up by two members but it was drawn up by a sub-committee in the first instance; then it was thoroughly gone into by each member and by their technical experts, it was discussed at various meetings of the committee, alterations were made and then the scheme was finally formulated. On the 23rd June there was an urgent general meeting of all members, at which on the motion of the Chairman, seconded by the Deputy Chairman, the following resolution was passed unanimously :—

That the scheme of standardization of muster rolls and wages, as formulated by the committee of the Bombay Millowners' Association for adoption of members having their mills situated in the City of Bombay including Kurla should be and is hereby approved and accepted.

Therefore, I submit that a scheme which took such a long time in preparation, which was considered so fully by the sub-committee in the first instance, then by the main committee, and finally by all members; a scheme which was thoroughly examined by experts of each and every mill, each and every mill was asked to make criticisms, a scheme which is the result of such close and prolonged delibera-

tion, a scheme which is the result of such labour, such care, can most certainly not be called an unfair and an unreasonable scheme. We would not waste all our time, all our energy, simply because the final result may be something which would not be acceptable either to Labour or to our own members. I do submit, Sirs, that our scheme is certainly fair and is certainly reasonable. I have done.

MR. JOSHI :—Our main point of view on the scheme will be explained by Mr. Dange, but before he begins, I want to make one or two general observations. This standardization has been put down as one of our demands, No. 13, but we have deliberately stated there that what we want is not merely the standardization of wages but the standardization of the conditions of employment, the standardization of work and the standardization of wages. This demand was included as one of our demands on my initiative, and I am making this clear because now we find that although we made standardization one of the demands, the scheme of standardization and the nature and the method of it by which it has been brought before the public has really frightened our workers, and therefore it is necessary for me to state that when we included this as one of our demands, we wanted standardization of all the conditions of employment including wages. When I put this down and when I suggested it to our Joint Strike Committee, they were fully aware that a scheme of standardization could not easily be made acceptable to the workers unless the scheme is really a very good scheme. Knowing full well the difficulties, I made this suggestion to our Joint Strike Committee because my experience of the last two years as an officer of a trade union was that various employers in the city began to change the conditions of service on the ground that other employers had other conditions of service, and in this way an employer cut down the rates saying that the rates in other mills were low. He similarly changed the conditions in other matters also and on account of my experience of the last two years, I felt that the only remedy for stopping this trouble was standardization. Even before the demand was formally made a statement was published in the newspapers over the signature of myself and my two colleagues Messrs. Ginwalla and Bakhle in the press and we wrote this in our statement which was before the demand was put down :—

“The fourth step to be taken to remedy the industrial unrest is to bring about standardization of the conditions of service in the mills.....”

I have not said “standardization of wages” but “standardization of the conditions of service.” Then the statement goes on :—

“Unless this is done as early as possible, the industrial unrest is bound to increase. We suggest the appointment of a mixed committee of the employers and workers to prepare a scheme which should be brought into

effect after it is agreed upon by the respective organisations and after the scheme is explained fully to the workers."

Submitted attached at the end of the day's evidence with two other statements.

This paragraph which I read now is at page 12 of that small pamphlet.\* This demand was not put forward by me in a light-hearted mood. I knew that that demand involved sacrifices on the part of workers and I was quite sure also, remembering the position of my organisation, that the sacrifices will be greater by the members of my organisation, the union of which I was an officer, because in our union there are members from at least one of the mills where the rates are higher than in other mills. So we knew that if there was to be a sacrifice, it would fall upon the members of my own union more than on the members of other unions perhaps, but we were prepared to take this risk because we felt that the interests of the workers as a whole in the city must have precedence over the interests of the members of one union. I fully realised this difficulty but we made up our mind to face it because we thought that the interests of the workers as a whole were certainly superior to the interests of the workers of one organisation. But let me make one thing clear that when we put forward 'standardization' as one of our demands, we had absolutely no idea that the standardization would include a cut in the average wage or reduction of the average number of people employed. These two ideas were absolutely not in our minds when we put forward this demand for standardization. They have crept into the scheme later on and it is these two ideas which have made it difficult for us now to make a scheme for standardization acceptable to the workers. Not that in a pure scheme for standardization there may not be some sacrifice but we felt that it is quite possible to appeal to the workers who were getting a little more to persuade them to accept that sacrifice if we could show to them that an equal number of workers would benefit by a standardized scheme. We thought by appealing to the people's spirit of fellow-feeling and brotherhood, we could persuade some of them if it was necessary to accept a smaller wage if we could tell them that an equal number of people would get at least a benefit commensurate with the sacrifice made by some. But if we could not tell the workers that some other workers belonging to the same city, belonging to their class, are going to benefit, I do not think that any workers will accept a scheme of standardisation.

THE CHAIRMAN:—You will have to tell them that some of them will have to go.

MR. JOSHI :—We would have to tell them that, on the whole the class does not suffer; that though some individuals suffer, there will be many who will gain by standardisation. It is on that ground we thought that, although with some difficulty, we could make some scheme for standardisation acceptable.



But as the scheme has come out, the nature of the scheme as well as the manner in which it has been put forward, I do not think there is the least hope of a scheme of this kind being made acceptable. I take objection to the manner, because the scheme was prepared by the millowners alone. The Tariff Board made it quite clear that the scheme must be prepared in consultation with the representatives of the mill-workers.

MR. KAMAT:—Supposing there are 150,000 men in the industry now, you would not be willing to persuade your men to have even a single man less under any scheme of efficiency?

MR. JOSHI:—I do not say that. If a few men have to suffer loss, they will do so, if they know that a larger number of people are going to gain. We can ask a smaller number of people to make a sacrifice in the interest of the larger number. So, when I also wrote to the newspapers about standardisation, I made it quite clear that the scheme must be prepared by both sides sitting together. This is what I wrote: "We suggest the appointment of a mixed committee of the employers and workers to prepare a scheme, which should be brought into effect after it is agreed upon by the respective organisations." The scheme ought to have been agreed upon by the respective organisations, and I added something more, namely "and after it is explained fully to the workers," we knew how difficult it was to get a scheme of this kind accepted by the workers. This appeared in the newspapers on the 27th April. This is what I wanted to make clear about the scheme of standardisation; it is the manner in which it has been brought before the public, the method in which it has been prepared and the nature of the scheme.

About the scheme itself, its merits and demerits, my friend Mr. Dange will address the committee.

MR. DANGE:—When addressing you on the standardisation scheme, I propose to read the whole of our written statement, and as points arise from that to refute the statement made by the other side, and also to cite some authorities.

"1. The Millowners' Association have published a scheme of wages rates and muster rolls, which they call a scheme of standardised rates, wages and men. This scheme of the owners had been in the embryo for some time past."

Here we have got the exact date from the statement of Millowners Association, that they began working on the scheme in January 1928. I think the period which they have taken for the framing of the scheme should be marked,

“and out of the huge number of the staff employed by the 84 mills, the Association had left the work of producing the scheme to a small sub-committee, *i. e.*, two Millowners, Messrs. Stones and Saklatvala. After the strike had started the Millowners insisted that the workers could be reinstated only on their standardised scheme, which they said was still in preparation. After three months of lingering on, a scheme was published for the acceptance of workers.”

I wish it to be noted that it was never published for discussion; no suggestions were invited from the workers' side. The notice stated that it was merely for the acceptance of the workers:—

“2. When the Millowners brought forth this scheme, they had pleaded that they were carrying out one of the recommendations of the Tariff Board in para 65. On looking carefully into that para and some other relevant ones, it would be found that the present scheme of the owners in no way meets the essential requirements of the Board's recommendations. In para 65 the Board say that any scheme to be satisfactory must be drawn up in consultation with workers' representatives.”

Whatever the Tariff Board's idea may have been, it has to be marked that the principle idea appears to be that any scheme of standardisation cannot be evolved by the owners alone, because of some other reasons than were perhaps appreciated by the Tariff Board. The Tariff Board was not considering the standardisation of wages as an absolutely essential matter for the reorganisation of the industry. It can be seen from the very small amount of space given to this problem by the Tariff Board. They have simply referred to it in one or two places, and they have probably given 20 lines to the whole matter. They simply brushed it aside by saying it should be evolved in consultation with the workers, the idea probably being the avoidance of a strike, in case it was done by the owners only. What meaning I attach to the words “the co-operation of workers is a necessity for any evolution of a standardised scheme,” and why it is necessary, I should like to prove later on by citing an authority:—

“What we have had from the Millowner is a notice at the gate of each mill that some standard rules and rates were ready and available to jobbers for inspection inside the gate and that the workers must accept this scheme, on which alone they could be engaged. Thus the pre-requisite condition for a standard scheme was fulfilled by the Association in the above manner.

“This point is of specific importance because the Millowners' Association, by its inherent constitution is incapable of evolving any standard scheme of wages and musters. We have very significantly mentioned above the names of those who formed the sub-committee to prepare the scheme.

The reason for this is the nature of preparatory work that is absolutely necessary to be done, before any standard scheme could be prepared and we contend that the Association by its inherent contradictions cannot do this preparatory work which incapacity cuts away the very foundation of its standardisation." ..

I should like to point out here that copies of the scheme were not circulated amongst the workers. Circulation was started after the dead-lock had completely taken place, and that too after something like 4 months of the strike.

I shall explain why the Association cannot do the preparatory work, by referring to two statements made by Mr. Saklatvala. I do not know whether he made them consciously or unconsciously, but he has contradicted himself just now. He says he has submitted to you the efficiency figures and other figures that he got from each mill. They say that the committee carefully went into all the efficiency figures and standards of work of each mill, and now, in the written statement at least I find that individual musters of rates in mills were only inspected by the sub-committee of the Association. Most of the millowners are in competition with one another, and they would not like to have their secrets made open to a committee of the Association on which sit two formidable competitors. Therefore, I say the inherent constitution of the Association itself prevents the Association from going into the statistics of each mill without the co-operation of the workers, because the employer sabotises the sub-committee by not giving the efficiency figures per loom or machine, and the individual employer might sabotage the work of the sub-committee by not giving out the secrets of mixing, and mixing is an important factor. The co-operation of the workers is necessary in order to divulge the frauds that might be committed there. That is what I mean to drive at by this statement :—

“ It is a recognised fact and also an essence of the present system, that each mill works in competition with its neighbour and has to adopt measures, as would make its product sell and its coffers swell. The very fundamental of the working of each mill being so, each mill, each company has methods of its own, which it is unwilling to be let known. Therefore it is not unnatural, that if all the necessary things that are required for arriving at a standard scheme were to be such as would lay open the in and outs of a mill, they would be stub-bornly refused and especially so to a committee of the Association composed of two formidable competitors in the industry. The Association by its very constitution therefore is incapable of producing a true standard scheme, unless the complete and thorough co-operation of workers with some compelling force, to open the locked up information and processes, is allowed to have its full utility. Because all standard schemes to be scientific and true and any sense of the term, have

to be preceded by a number of things, the most important of these being (1) a census of the machines that are used in the industry and (2) a census of the average efficiency, that an average worker and machine prevalent in the industry can give. Unless this is done it is not possible to determine a standard rate for standard work. If those to whom the determination of the rate is left, are not in a position to know the general standard of the machinery used in the whole industry for a variety of processes, as also the capacity of the machinery, after the age-long use and repairs through which it has gone, their ideas and expectations regarding the amount of production and the amount of labour to be put in will not tally with the reality and the standard rate for standard work will correspond with some imaginary situation wherein machines and men for whom efficiency and rates are calculated are mere fiction. And our contention is that the competitive relations between each member of the Association and the Sub-committee particularly prevented the carrying out of the above census in a manner as would bring out correctly the present capacity of men and machines and their present wages."

This has to be delated upon in two sections. One is that the question of efficiency relates to the fixing of wages of men who are on piece-work, because piece-work and efficiency are tied together; therefore the efficiency standard of the whole industry has to be first gone into. In this process the co-operation of the worker is an absolute essential, and it is observed in other countries also when piece-work rates are determined. In this connection, I should like to quote from a book. A deputation of the Australian Labour Unions went to America to investigate the labour conditions there. It was accompanied by a reporter of a syndicate of newspapers. That gentleman, after returning from America published a book "An Australian looks at America. Are wages really higher." The Author's name is Hugh Grant Adam, and it is published by George, Allen & Unwin, Ltd., London. I should like to read out from this book how piece-work rates are determined in America, as described by this author. He says :—

"If, at the outset, a fair basis is arrived at, the piece-work system is equally advantageous to the worker and to the employer. In America, the basis is not always fair. But that is because the two parties to the agreement do not meet on an equal footing. The power to determine rates is so entirely in the hands of the employers, that it would be a miracle indeed if greed and injustice did not appear somewhere."

In the next para he deals with the method generally in force for the fixing of the piece-work rates. He says :—

"The company engages either temporarily or permanently a staff of time study engineers. For each earner in the manufacture of the product,

these men work out the number of units the average worker should be able to turn out in one hour. The company then determines from a study of the local market price of labour a minimum wage for this class of work and fixes a price to be paid per unit. That price will enable the fast and industrious worker to earn from 20 to 30 per cent. more than the minimum wage. This enables the average worker, who is neither fast nor industrious, to earn something near the minimum rate, although most employers admit that they are not inclined to keep employees who persistently fail to earn more than the minimum.

“It is almost unnecessary to say that in America this method of determining rates for piece-work does not meet with the approval of organised labour. I should be very surprised indeed if it would meet with the approval of organised labour in Australia either, seeing that it gives the employer the sole voice in determining the basic rate. The time study engineers are entirely under the employer's direction, and so it is inevitable they should consider his interests first.”

If the piece-work rates and efficiency figures are found out by this sub-committee of the Association, and if they are determined even by time study I say they have not at all been found out by a study of the machines and men, on by checking them; they are taking some average efficiency figures. Even if that were to be done by the employers, the conclusions will be vitiated by the mere fact that the engineers and the apprentices (Mr. Stones mentioned yesterday that they have apprentices sitting by the machines and making a study of the processes) being employed by the employers are under their control, and naturally they are bound to show results which favour the employers rather than the workers. The author continues :—

“The only protection for the worker is a general understanding that when a worker complains that the number of units cannot be produced in the specified time, the management must demonstrate to him that he can.”

And that is what is being suggested by the other side. If we allege that the units per hour as mentioned by the standardised scheme of the owners cannot be produced by the weaver or piece-worker, they will say “Let a deputation go to one of the mills; let them invite a gentleman from the technical institute or some other institute: let them sit by the machines and find out whether it can be done or not.” To that, the next sentence of the author is a fitting reply. He says :—

“As the demonstrator would not be an average worker but an expert selected by the time study staff, this cannot be regarded from the workers' point of view as very satisfactory protection.”

Even if a gentleman from the technical institute, or a gentleman engaged by the Association as technical adviser were to sit on the machines to prove on that particular machine that the unit that is determined for the piece-worker and the rate is quite fair, it would suffer from this fault that it would not prove the general state of the industry, or the general state of the machines or the general power of the workers. To continue the reading of our written statement :—

“ That the millowners' scheme suffers from this fault of determining rates on fictitious conditions can be seen right from the beginning of the Blow Room to the end of the cloth warehouse. Rates of a low paid mill, are put down to correspond with the amount of work expected from a good mill on good efficiency of work and by above the average worker, or average rates are put down far above the average work that was prevalent up till now. Therefore, if rates and amount of work to be done by the operative are put at a point which does not prevail in a majority of the mills, the scheme of such rates and conditions no longer remains a standard scheme. The Millowners have confounded standardisation with equalization in some cases and have on the whole prepared a scheme for reduction of wages either by directly lowering the rate, or increasing the work to be done, or by hiding the real expected rate that the worker would get by putting a normal nominal rate for such efficiency as he or the machine can never get.”

The third point requires a bit of explanation. The rates are cut down by three methods : either the rate is directly cut down in the case of fixed wage workers ; or the rate is kept the same and the amount of work is increased. For instance, they do not refer so much to the spinning section in the standardised scheme that they have evolved. But when I come to the details of that particular section, I would like to go over all the details. Just now, I will mention only one point. I would refer you to page 8 of the “Amended Standardised Rates of Wages,” spinning section. Take, for instance the tarwallas. From that I can illustrate the three methods of reducing the wages. It is shown that the tarwalla's rate is Rs. 15-8-0 plus 70 per cent. weft. This is a direct reduction. If the average rate of wages earned by the tarwallas in the industry are taken, they will be more than this.

MR. KHAREGHAT :—What, do you say, in this average rate ?

MR. DANGE :—It would vary between Rs. 15-8-0 and Rs. 16.

MR. KHAREGHAT :—Plus 70 per cent.

MR. DANGE :—We shall go to the details later on.

The next point is that even if the rate is the same, his average earning for the same amount of work is reduced. Running on 20 to 30 counts, a tarwalla at present is allotted 600 to 800 spindles on an average, and he gets Rs. 15-8-0 as a wage. If he is now asked to mind 1,000 spindles then he is asked to mind more spindles for the same amount of wage. These are the two methods. The third method is by hiding the real expected rate that the worker would get by putting a normal nominal rate for efficiency which the machine can never get. This third method can be illustrated from the weaving section of the scheme. In the book of examples of August 1928, they have stated that they are basing the rate in such a way that a weaver on two looms of 28" width would get Rs. 38. This earning of Rs. 38 is hedged in by so many factors. In column 2 there is the speed factor ; in column 4 there is the efficiency factor. The weaver would get Rs. 38 only on two conditions, that loom must run at 220 speed and that he must give 80 per cent. efficiency. If the loom cannot run at 220 speed, then the efficiency would not be 80 per cent. If the plain cloth weaver were to produce, according to this 80 per cent. efficiency and 220 speed, say 10 yards a day, then if the speed were less, the yardage would be less, and according to the pie rate his earnings would fall. If the efficiency is 70 per cent., then he would not get 10 yards but 8 yards, and his earnings would be less. So the method of reducing the rate is either by putting an efficiency so high that the worker cannot get it, or putting a speed so high that the machine cannot get it. These are the three methods of cuts in wages.

“ But, when the Tariff Board recommended standardisation, or when the Millowners described their scheme to the public they meant that by the scheme they wanted to do away with the variation, that prevailed in rates from mill to mill for the same class of work. But the scheme of standard rates that they produced does not do away the variations for the same class of work, but proposes rates and corresponding amount of work which does not and did not obtain in the industry.”

For example, in the same book, the rates for, say, plain cloth are Rs. 38 and so on (page 2). The rate for other styles of cloth is put down at Rs. 40. In this I have to illustrate one more point by saying that the variation between mill and mill would mean this, that if, say on page 2, the style of cloth is “buti” dhoties, and if the weaver is shown as getting Rs. 40, the variation would be brought down to such a level that he would get Rs. 40, Rs. 39 or Rs. 42, but it would not be Rs. 50 in one mill, Rs. 60 in another, or Rs. 30 in still another. That would mean destroying the variation from mill to mill for the same class of work. That they are doing is not only that, but destroying the variation between different classes. They say, if the plain cloth weaver gets Rs. 38 there is no reason why the doobby weaver should get Rs. 40 or Rs. 50 ; he

must get something near Rs. 38. Without paying any attention to the amount of skill required for different kinds of weaving, they want to reduce all weavers almost to the same level.

**THE CHAIRMAN** :—There are different rates for different cloth.

**MR. DANGE** :—If you find out the variation that exists at present, you will find out how much percentage of the variation has been cut down, and therefore we would later on justify our point of view that the reduction in wages would be 20 to 30 per cent., and not  $7\frac{1}{2}$  per cent. or 5 per cent. as is alleged by them.

“ It would have been and would still be more accurate to describe the scheme as a scheme for hiding from the public the big cut in wages that it represents and the impossible situation in which it lands the workers. That the millowners themselves were aware of their incapacity by reason of their inner contradictions can be seen by the despondent tone of their letter to the Government of India regarding the Tariff Board recommendations.”

**THE CHAIRMAN** :—We will now adjourn for lunch.

---

#### After Lunch.

**THE CHAIRMAN** :—Before we proceed, I just want to say that I have got an important engagement at Poona on Monday which means that I must be there at 5 O'clock and therefore the Committee will not sit on that day. As regards Saturday, we shall decide to-morrow.

**MR. DANGE** :— Later, the Millowners' Association wrote to the Government of India regarding the Tariff Board's recommendations. This is what we say in our statement, page 4:—

“ Writing as late as January 1928, on the eve the General Strike whose oncoming shadows they were fully aware of, they write to Government regarding Standardisation thus :—

“ Several serious attempts have been made during the past 25 years to standardise wages but without success. The vastness and the difficulties of the problems will be recognised by the Government of India. Some of the difficulties have been hinted at in an earlier portion of this letter, which deals with para 61 of the Tariff Board Report. In addition to these there are difficulties caused by the differences of machinery, mill construction and mill equipment and diversity in qualities and types of goods produced.”



Mr. Saklatvala has quoted and has put in a diary of Messrs. Wadias regarding speeds. It will be found that Messrs. Wadias give the speed records for a certain type of machinery and if a census of machinery is taken from all the mills, then a uniformity in machinery will not be found. If the standard scheme were to give a speed record uniform for all the mills, it will not tally in any measure with the conditions that are prevalent at present. Another difference of machinery is the age of the machinery. You will find from the Tariff Board Report, page 90, already quoted by Mr. Saklatvala, that they say:—

We noticed, in the course of our inspections, a good deal of old machinery in use in the spinning departments of some mills we visited.

On another page you will find that the millowners are trying to spin higher counts from an older machinery which is not suitable for the purpose, on page 138, they say :—

We cannot too strongly emphasize that no increase in outturn from operatives can reasonably be expected, unless they are provided with proper raw material. There undoubtedly exists a tendency in Indian mills to spin higher counts of yarn from cotton than the quality of the cotton warrants. This reduces production, is injurious to quality and, what is of the greatest importance in the present connection, increases the work of the operative both in the spinning and weaving departments owing to the large number of breakages he has to piece together. There is also a tendency to speed up machinery in order to secure increased production without any alteration in the character of the mixing.”

If a simple diary of Messrs. Wadias is put in to show that the speed records that they have given in their scheme tally with that diary or with any other journal which may be put before the Committee, it would be simply irrelevant for this reason that the make of the machinery and the age of the machinery must tally with the ideal expected in a diary or a journal.

Another point is the mill construction and mill equipment and diversity in qualities of the type of goods produced. Here Mr. Saklatvala said that he was following absolutely the Lancashire lists. It will have to be investigated on what basis the Lancashire lists are formulated. Now, the number of products that are turned out of Lancashire mills and the number of goods that are produced from the Bombay mills will have to be compared. Most of the Lancashire mills are on a horizontal plan while the Bombay mills are based on the vertical plan of production. I wish to explain this in detail a bit. Vertical production would make the standard muster roll in the spinning section very difficult and also in weaving, because if one mill were to produce four counts 8s and 10s and 30s, 40s and 60s and weave varieties in one and the same mill,

rising from top to bottom, then the number of spinners, will differ and those on counts will vary from day to day as the counts will vary, and if muster rolls are fixed up once for all in this proportion from day to day, there cannot be any variation in the muster rolls at all. Similarly, in the weaving department, each mill produces something like 500 and 600 varieties of cloth while in Lancashire I understand, though I have not seen it personally, from the information given to me that the products being standardized and the number being very few, their standard list is based on quite different basis. This point has been suggested and laboured upon by Mr. Stones also in one of his Lectures which I should like to put in later on.

MR. STONES :—I have already put it in.

MR. DANGE :—The comparison between Lancashire list and the Bombay list cannot therefore be reliable, being based on different basis. If the foundations are not the same, then the comparison is absolutely vitiated by that. This point that is made out by Mr. Saklatvala that he is following the Lancashire list goes against him in this way that since the industry in Lancashire and the industry in Bombay are not based on the same basis of production or system of production, if they follow each other, they will not be correct and that will not correspond with reality as obtain in each place. Our statement then goes on :—

“ These words of the millowners will support our contention that no scheme that is not preceded by a thorough census of the above factors can ever be a scheme for standard wages and that the millowners never intended to evolve a real scientific standard scheme.

The millowners say that they found that the number of operatives for 1,000 spindles for 20s counts varied from mill to mill so much that the lowest was 12·6 per 1,000 spindles and highest was 21·99, and they started to standardise their number in their scheme. If their scheme is to be adopted, they hope to destroy this variation, which they feel is absolutely unscientific. But they do not seem to have cared to remember just the contents of the para we quoted. If a mill were to have old spindles it would require more oilers and more fitters to make adjustments. There a sider and Tarwalla will have to look to less number of spindles than they can do if the frames were brand new. Because the breakages and waste would be more. Naturally the Millowners sub-committee are bound to find 21·99 men for 20s counts in an old mill and 12·16 (!) in a quite new mill.”

So, unless a number is allotted to a certain type of machinery, to simply put down a figure would not be of much help. Similarly, I would not like to give the name of a mill, but there is an example of a mill, where if these stan-

standard lists are worked you will find that the construction of that mill will be a great obstruction in fixing the number. For example, According to the lists, a certain number of spindles ought to have a certain number of operatives, but if for example a certain spindle number is situated in one shed and a certain in another, the number of supervisors would increase, while here they are calculated to be all in one shed. One jobber is supposed to look after 1,000 spindles. If the spindles are divided up and situated in two different sheds in the same mill, there would have to be two jobbers instead of one. Therefore fixing down on spindleage will be faulty. Then, the statement goes on :—

“ Another fact is the quality of the cotton. If bad cotton and bad mixings, say, such as are suitable for 10s or 12s were used for 20s counts, the number of piecers, etc. per 1,000 spindles is bound to be more. That the millowners try to spin higher counts from bad and unsuitable cotton is a fact admitted and condemned by the Tariff Board (para 61) and also that the average spindleage is much more older.”

In this connection the mixing by millowners has been commented upon by the Tariff Board. The millowners have said much about Japanese competition, but here is a factor which the Tariff Board has referred to as under on page 154 :—

“ The greater strength and uniformity of Japanese yarn and the superior quality and appearance of Japanese cloth as compared with Indian cloth with which we were greatly struck in the course of our enquiries and which, in combination with the price at which they are sold, renders them more attractive to the Indian consumer must be attributed to the better mixings of cotton used in Japan which are due to the greater use of American cotton in that country.”

Messrs. Wadias diary has been quoted by the other side as an authority. That diary not only gives certain speeds but also certain proportions of mixings and I do not know whether the millowners propose to follow a standard system of mixing which is not at all mentioned in the standardization scheme. There is no guarantee that the mixings will suit the fabric or the machinery for which they are intended. Then the statement proceeds :—

“ Another fact that is bound to cause variations is mill construction. In mills, where the lay-out is all in one shed for particular frames, the number of feeding operatives like bobbin carriers, coolies, etc. will be more, the number of jobbers will be more than in a mill where the same number of spindles are situated in different sheds and enclosures. So an attempt of the owners to frame a standard scheme with a standard number of

operatives per 1,000 spindles simply because they find wide variation in the number betrays the fact, that they never cared to investigate the conditions of the mills or they were incapable of doing so or having done it and even knowing that what they were evolving was not a true standard scheme, they have purposely stuck to it with some other motives, than a genuine desire to standardise."

THE CHAIRMAN :—Would not the same remarks apply Lancashire mills?

MR. DANGE :—Yes, sir, they would. I now go on with the statement :—

"In this behalf it will be relevant to point out here that when the mill-owners put forth their scheme they put their fingers on Demand No. 13 of the workers, and any opposition to their scheme by the workers they explain as going back on that demand. But if our demand is carefully looked into, it will be found that we did not ask for standardisation of rates and wages only but conditions of work and employment also. The millowners would standardise rates and wages and number of men, but what about the grabbing desire to make profits by asking the workers to spin higher counts from bad mixings and look to more spindles in a rotten mill on the ground that others are doing it somewhere else with some other material and machinery? Thus when we oppose in toto standardisation, we do it because the very foundation of standardization is not there. The vastness of the problem, the several anomalies on the owners' side, mill-construction, machinery, etc. are all there. So long as they are not standardised, there can be no standardisation of men and wages."

I think this point has been dealt with by Mr. Joshi in his speech. I then proceed with my statement :—

"Therefore, since the scheme of the owners standardises muster rolls according to the number of machines, it is unscientific because the age of machinery, the materials used and conditions and situation of the mill are not taken into consideration. Their idea to eliminate the variations in muster rolls by simply fixing a certain ratio of men to spindles has not the essential scientific foundation and therefore it is unworkable."

"The same remark applies to their standardization of rates in Weaving Section. Apart from the fact that the Weaving Scheme on which the present rates are based are purely ideal and not actual. Certain rates are fixed for certain amount of work, *i. e.*, efficiency. Thus a silk weaver's wages are promised to come to 82 but the earning is fenced by so many conditions."

If we take the basis of earnings given by the millowners in the Book of Examples, page 3, they have given a basis of two looms on which they expect

that a weaver should get so much. They say that a loom with a width of 100" running at a speed of 110 should give a weaver Rs. 82 with an efficiency of 62 (*Vide* the last but one column). We would like to know from the millowners whether they find in any mill weavers working 100" looms, two at a time, dobbie looms with silk warp and silk weft. That fact would have to be investigated by the Committee and when investigated, it would justify our saying that the basis of earning is simply an ideal and does not tally with the actual at all. Then I go on to read the statement :—

"The weavers must be able to run two dobbie looms, not plain ones, 100" wide running at 110 speed and must get 62 efficiency. In this the only factor in the control of the weaver is his powers to look to two looms on dobbie work. But, the factors out of his control are the age of the looms, the mixing of the silk, the supply of materials in time and in due place.

In the Swadeshi Mills, Mr. Saklatvala told us that there are looms 40 years old. I do not know whether they are standard looms or new looms suggested by Messrs. Wadias. In this connection I will quote an instance of Tata Mills to see what efficiency they got a year back in their mixing because the mixing was bad and what efficiency they are getting now because they have now better mixing in silk. If they were to produce evidence from their books and muster rolls, we would know what efficiency they were getting because of bad mixing.

The supply of materials, etc. will have to be investigated by the Committee in detail because supposing a shuttle breaks, there is nothing in the standard rules or scheme to show that the man must get the material at his own place or post. The present system in the mills is that he has to go to the smithy shop that is situated somewhere in the mill to get the thing repaired by the machanic there and bring it back and in this manner most of the weavers lose in efficiency and the production not being complete, they lose in earnings also. If this is challenged by the millowners, if they promise not to victimise, I shall produce at least one weaver from each mill to show that this system is common in all the mills. Now, to go on :—

"The standard wants to give 62 efficiency without any guarantee that the other conditions were fulfilled or are reasonably possible. This is only a point in example. The whole scheme in all its parts suffers from fixing rates and amount of work in conditions, which do not prevail generally in the industry. The millowners have recognised this in their letter to Government on the Tariff Board Report and yet they think they can insist on standardising musters and increasing efficiency at a stretch.

Thus in the case of piece-workers, their earnings will fall directly in cases where the rate shown is put up against an amount of efficiency that is not obtainable in the industry. In the case of time-workers, they will be speeded up to such an extent that they will be required in some cases to spend nearly a 100 per cent. more of their physical power to earn the same or even less wage than what they were getting formerly.

Here it may be pointed out that the phrase "raising the efficiency of the workers" is a very defective phrase. In ordinary meaning it at once gives the impression of an attempt to make a good man out of a bad one, a good worker out of a bad one. But, as we have shown above, raising the efficiency is tantamount to extracting more energy out of the worker for the same wage which is given to him to replace his wear and tear. The effect of all attempts to raise efficiency is more wear and tear of the physical and mental powers of the worker with less return of the necessary requisites to replenish his lost powers, which necessities are given to him in the form of his earnings."

This will be found especially if time study is made of loom speeds to see how much increased movement—how many more movements—the worker has to make. To proceed :—

"A still more disastrous effect of the scheme is the 100 per cent. loss it is going to cause to those who are displaced. The standardization of muster rolls, if done on the millowners' scheme, displaces about 10,000 to 12,000 workers in the industry, without any compensating factor being created by any other agency to absorb them."

Here it may be pointed out and contended by millowners that in November or December the reduction will not amount to 10,000 to 12,000, and it may perhaps be true because they have already standardized the muster rolls in their mills even though the standardization was not to be put into effect. The displacement of workers has been arbitrarily done by the millowners, which was one of the causes of the dispute and the displacement has already taken place, but we are comparing the figure of 10,000 to 22,000 with what they were in 1927 or 1926 and what they would be if they were to be standardised on this scheme.

MR. KHAREGHAT :—How many would be displaced ?

MR. DANGE :—About 2,000, Sir, if not 3,000.

"Thus the millowners by this measure will gain in two ways. One will be the saving in wages of the displaced number, while they will all along extract their equivalent production by the speeded up worker, who

is retained and asked to do the displaced men's work. The second will be a huge reserve force of the unemployed, skilled and unskilled, always available as a pressure for a continuous attempt to worsen the conditions of the employed workers. This mass of unemployed strengthens the hands of the employers and their bureaucracy to exploit the employed workers still more mercilessly."

The fact has already been noted. The system of spares was being adopted by certain mills, because the unemployed force was less—it was a small mass. As soon as the economy factor worked in such a way that the displacements added to the unemployed mass, the pressure of the unemployed was so huge that, in the case of absenteeism, the millowners found a huge mass at their doors. So, they discontinued the system of employing spares. What they call supernumerary men is perhaps these spares. These have been done away with, because they have succeeded in creating a mass of unemployed textile workers by displacement, and this they want to add to by the present scheme.

"The discontinuance of the system of *Badli* used by the workers to keep their jobs marked for them in their absence, the refusal of the employers to tolerate even reasonable absence their refusal to give leave and sundry other things are all strengthened by the knowledge that at their doors always awaits a mass to take the place of any one whom they might like to displace at any moment.

"In the standard scheme, those who were working formerly  $8\frac{1}{2}$  hours a day are asked to work ten hours and their wages have been kept at the same level that they were paid when working  $8\frac{1}{2}$  hours. The millowners contention that this class was paid for 10 hours while work was taken from them for  $9\frac{1}{2}$  hours is hollow on its very face because had it been so, they would not have paid over-time wages for these men, whenever they worked for more than  $8\frac{1}{2}$  hours."

In the standard scheme, when they would be paying the same wage that paid formerly but taking work for 10 hours instead of for  $8\frac{1}{2}$  as formerly, it means cutting down the wage by 22 per cent.

MR. KHAREGHAT:—Does it apply to all workers?

MR. DANGE:—It applies to certain classes of workers.

MR. KHAREGHAT:—Which class?

MR. DANGE:—The folding department and the mechanics.

"This new system in the first place increases hours of work which on the contrary ought to be reduced, and in the second place cuts the earnings

of this class by 21·25 per cent. We need not labour the points that the weavers' wages as shown in the scheme represent a cut, as now it has been admitted by the millowners : The only contention will be about the per cent. cut, it actually represents. In this matter neither the owners nor the workers can definitely lay down the figures simply because the scheme represents only expected earnings if the weaving section of the industry were to be worked as is insisted therein. But, we think that immediately the scheme is set in force it will reduce earnings more than 20 per cent. and in some cases 30 per cent. even."

We have already laid down some basis points of our contention, and we shall have to go into details. Mr. Saklatvala has said that the ordinary efficiency that the worker ought to get is 80 per cent. He says this is a far and reasonable efficiency. If this is to be proved, then we shall have to find out, on an average in all the mills, what efficiency they are getting. If the efficiency is, say, 20 per cent. less for those classes of workers where it has been put down at some figure in this scheme, it represents a cut to that extent in wages. They will have to show us that the average efficiency that can reasonably be obtained in 80 per cent. according to their claims. It is not a matter for us to consider whether the Japanese efficiency is 95 or 90 per cent. or anything else, because efficiency depends on so many factors, such as mixing of cotton, machinery, and other factors. If we have to bring out the efficiency of Japanese workers, then we will have to go into Japanese machinery and other conditions also. What I contend is that we must find out whether the proposed efficiency of the millowners does tally with the powers at present available from the Indian worker in the Bombay mills. That will be the only point which we will have to decide.

Then, Mr. Saklatvala has handed in some magazine and figures which they have obtained from the mills. Unless we get an inspection of these figures, we cannot say whether the conclusions based on those figures are fair or at all reasonable, because we do not know what the efficiency that they at present obtain is on the machines that they are using, and even whether they have obtained correct figures on correct lines. We must get an inspection of these records if copies cannot be supplied to us.

**THE CHAIRMAN :—**You want to inspect the actual articles ?

**MR. DANGE :—**Yes, articles and also the efficiency figures they have obtained.

**MR. SAKLATVALA :—**I tried my best to get copies of the magazines at the book-sellers, but I could hand in only 2.

**MR. DANGE :—**That is about the magazines. In the table we supplied to you regarding information that we required on points of efficiency that is



obtained in various departments we submitted a number of questions, and the millowners have supplied to you a number of papers.

**THE CHAIRMAN** :—That is a matter which can be gone into to-morrow.

**MR. DANGE** :—As regards the articles in the magazines, the only general point that I can make out is this, that the Millowners' Association themselves could not get correct figures from all the mills, and they had to depend on some representative mills, because there is some opposition from the millowners to give their correct figures, their ins and outs to the Millowners' Association; when there is so much secrecy and confidence observed with regard to these figures, I wonder how Mr. Saklatvala could contend that the statements made in "The Textile Recorder" are true, because Lancashire supply the machinery and Lancashire men are bound to know what the efficiency in the Bombay mills is. That is what Mr. Saklatvala has said, that these articles give what we get as efficiency in the Bombay mills, and they must be considered as a great authority because they know our conditions. If the Millowners' Association cannot get all the figures and confidential records of the mills who are their members, I wonder how a newspaper from Lancashire can get all the figures of efficiency from Bombay mills and generalise on that point.

Then the Millowners' Association have submitted a statement of the speeds in the Finlay and Tata Mills. With regard to this, if the millowners say that they are basing their efficiency earnings on these speeds, then it will have to be proved that similar speeds are available for all the machines in all the mills. If the machines are not being worked on the speeds, and if the wages are fixed on the standard scheme, then the wages will be still less than what they are shown to be in this scheme, because if the higher speed shown is not worked, then efficiency is bound to be less, and the rate being fixed on that particular point, earnings are bound to be low. This is a point into which we shall have to go in detail.

I have dealt with the basic points. If anything particular is to be dilated upon later on, we shall have to go into the details of time working and clocking methods, as has been suggested by Mr. Stones already. I do not want to press it further.

**MR. SAKLATVALA** :—I will briefly reply to all the points. I will first deal with Mr. Joshi's remarks.

Mr. Joshi's main complaint is that we did not pay heed to their demands and we did something which he did not desire. I will refer to appendix D. Their demand No. 10 was that the conditions of employment, work and payment should be standardised. As soon as this demand was published in the

papers on the 11th of May, we gave our answer that the Committee of the Association agree that the conditions of employment, work and payment should be standardised ; that this matter has been already receiving their attention, and a scheme has been prepared. Mr. Joshi's main grievance is that we did not do what he practically asked us to do. He seems to assume that we took up this standardisation scheme, because it was one of the demands. It is nothing of the kind ; I have made it quite plain why we undertook it.

MR. JOSHI :—I did not make that complaint.

MR. SAKLATVALA :—That is my impression of it.

MR. JOSHI :—You are making a misstatement.

MR. SAKLATVALA :—Mr. Joshi was angry that we did not do what he asked us to do. That was what I distinctly heard him to say, and I say we did not take up this scheme because it was demanded by Mr. Joshi. We took it up because the Tariff Board asked us to take it up, and I have explained the whole of the circumstances under which the standardisation scheme was formulated.

Then Mr. Joshi referred to the appointment of a mixed committee. As I have already explained, we genuinely and honestly believed that their co-operation would not be effective until, first of all, a scheme was prepared. We had nothing to go by. We could not call them and say "We want to do something, and we want your co-operation." We must have a scheme. I have showed you this morning how difficult it was to formulate the scheme, and if we had at that stage their co-operation, I am afraid the scheme would not have seen the light of day.

Then Mr. Joshi said, if the standardisation scheme was only a real, genuine standardisation scheme, he could have very well gone to the workers and asked a smaller number to make a sacrifice for the sake of the larger numbers. This is exactly what we are asking them to do. If the industry is partly ruined, or even greatly diminished, then there is bound to be more unemployment. I would ask Mr. Joshi what he would prefer : whether only 15,000 weavers were employed in the industry getting on an average Rs. 48 to 49 per weaver, roughly, 30,000 were employed in the industry, with an average wage of Rs. 44, Rs. 45 or even Rs. 43. Mr. Joshi does not still realise the real situation in which the industry finds itself.

I will now pass on to Mr. Dange. Mr. Dange, as usual, goes further than Mr. Joshi. He has also made the same complaint, that we did not take the co-operation of the representatives of Labour. But, at the same time, he

says that the Millowners' Association, as a body, are not the right party to formulate a scheme, that labour alone would have compelled members of the Association to open out their secrets.

MR. DANGE :—I have not said that.

MR. SAKLATVALA :—You have said that in your written statement. I will read out. It says :—

“ The Association by its very constitution therefore is incapable of producing a true standard scheme, unless the complete and thorough co-operation of workers with some compelling force, to open the locked up information and processes, is allowed to have its full utility.”

That means, if they had co-operated with us, then our members would have freely supplied all the secret processes, and all that. It is clear that it is meant that if we had their co-operation from the very beginning, we would have got more information and that members would have unlocked the secrets of their processes and so on. To say that, is asking this committee too much to believe. If members, according to them, are chary of giving us information, would they have given all the information when other outsiders were co-operating with us? That is of course for the committee to decide.

Then Mr. Dange talked about census of machines, and so on. I admit that such a census should have been taken if the scheme had to be prepared with the help of outside people, because they would not know the existing conditions. But when the scheme was prepared jointly by all members, and each member knows his own conditions, machinery, and so on, such a census was not necessary.

Then Mr. Dange accuses us of creating an imaginary situation. I have already explained how the situation has been brought about, and what care has been bestowed upon the preparation of the scheme. I need not dilate again on it.

Then, he treated us to a long extract from a book by an Australian reporter. The gist of the argument was that, when schemes are devised on mere time study, no notice is taken of average workers, but only the best workers are considered. That is quite true, and I agree with him. But is our scheme based on such a factor only? Not at all. How we propose to take the averages has been made clear on page 2 of our amended standardised rates of wages, weaving section. At the bottom of the page we have said “In arriving at the average wage the lowest one-fourth wage-earners should be eliminated, this to cover learners and inefficient and the average of remaining three-fourths to be ascertained.” We say that the average should be such and such, and when that average is to be determined, after a practical test out of the scheme, this is the

basis on which the averages will be determined. We will not take the average of all the workers. Some are bound to be efficient; some new and inefficient, and others learners. Therefore, we will say we will remove one one-fourth for inefficients and learners, take the remaining three-fourths and then average it out.

MR. DANGE :—That is for winding only.

MR. SAKLATVALA —No. It is for all. That is followed in Lancashire, and we will follow it. When we take of averages, this will be the method followed.

MR. DANGE :—That is about wages and not about efficiency.

MR. SAKLATVALA :—If the inefficients are weeded out by this process, the question of efficiency does not arise. We will take only the fairly efficient men.

Then Mr. Dange said that in our Table, where we have given the wages of the men, it is all hedged in with conditions. It is nothing of the kind. We only show what, on an average, a weaver is expected to get, if our scheme is to be put into force. We are giving the speeds, we are giving the efficiency, and we say that on that basis the weaver will be getting this much. Of course, it follows naturally that if these conditions do not obtain, the weaver will not get so much. The only point to be determined is whether the conditions which we have laid down there are fair and reasonable or not. When we go on to details, we will satisfy you that these conditions are such as can be easily obtained. On the top of this, I may point out that in our Book of Examples we have left a large and sufficient margin, and even where these conditions do not obtain the wages which are given in our Table will be earned by the weavers.

Then Mr. Dange accuses us of confusing standardisation with equalisation. This is rather our complaint against them. They simply say that standardisation means making out an average. No. When dealing with our own statement, I pointed out to you that this scheme is a pioneer scheme, a new scheme. It is not that a scientific scheme already exists and then we are standardising. We have to make an absolutely new scheme. The old standard is a rotten standard, as Mr. Dange himself admits, and we have to improve that standard; we have to arrive at a new standard, and that cannot be arrived at by merely averaging or equalising.

Then, he quotes from our letter to the Government of India, which said :—

“Several serious attempts have been made during the past 25 years to standardise wages but without success. \* \* \* \* \*

In addition to these there are difficulties caused by the differences of machinery, mill machinery, mill construction and mill equipment and diversity in qualities and types of goods produced."

The very fact that we mentioned all these factors in our letter to Government shows that we were alive to all these factors, that we knew that these factors had to be considered, and what we told Government was that it was a very difficult task which would take time. Government wanted to know what we had done in the case of each of the recommendations, and we told them that there were great difficulties in the way of formulating a scheme. These difficulties were enumerated, and this shows that we were alive to all the factors. Naturally, when we do formulate our scheme, we must take all these factors into consideration. When we go into the details, I shall be able to satisfy you that we have taken them into consideration.

Then he referred to the Tariff Board's remarks regarding inferior cotton used in Indian mills—it does not particularly refer to Bombay mills, it is a state of things prevailing in upcountry mills also—and that Indian mills tried to obtain higher counts from the mixing than is justifiable, or something of the kind. With regard to this, I would invite your attention to page 69 of our written statement, Appendix Y.

In the letter to Government, page 69, of our written statement, we deal with this matter as under :—

"In my Committee's opinion, there is little justification for the Tariff Board's view that there exists a tendency in Indian Mills to spin higher counts of yarn from cotton than the quality of cotton warrants, and that there is also a tendency to speed up machinery in order to secure increased production without any alteration in the character of mixing.

What led Mr. Noyce and his colleagues to this conclusion was the knowledge gained during their enquiry that in certain mills a lower quality of cotton was being used on a higher machinery speed than in others for the same counts of yarn. But Mr. Noyce failed to give due weight, in arriving at this conclusion, to the fact that the type of cotton used and the speed of the machines depend to some extent on the purpose on which it is to be produced. In so far as Bombay is concerned, inquiries show that the practices referred to by Mr. Noyce and his colleagues are not by any means common."

That can easily be tested out by the Committee.

As regards the Lancashire lists, I never said that we have absolutely followed (Mr. Dange used the word "absolutely") the standard list. We have

studied the English lists and adopted some of the principles and as I said, in some cases we had to adapt our scheme to the conditions as obtain here. I also have told you that the purpose of taking on Lancashire men mostly in the preparation of the scheme was this that they were familiar with the conditions both at Home and here and those lists have not been absolutely followed.

Mr. Dange referred to-day to more work being given under our scheme. That of course will be discussed and details will be made clear. In the report of the Standardization Sub-Committee, you will find that we have made a definite statement that nowhere is the standard fixed which does not actually obtain in some of the mills. After experiments we found out that it is possible for Indian workers to do just a little more work than they are doing at present.

Mr. Dange said that we have based our scheme in such a manner that we have fixed definite standards for 1,000 spindles such as one jobber, etc., etc. It is not a fact. We have allowed all latitude. We say 6 to 9, 9 to 10 or 20 to 25, etc. because of the varying conditions in different mills.

Mr. Dange made a remark that the weaver has to go to fetch from the stores articles, etc. I am really surprised at this statement. The practice is that we employ special men and even where special men are not employed, it is the duty of jobbers to fetch these articles. It may be that the jobber asks the weaver in some cases but the jobber ordinarily would not do it because his earnings depend on the production that the weaver turns out. Line jobbers are paid according to the production turned out by the weavers, 8 annas per 100 lbs., and therefore ordinarily the jobber himself would see that the weaver does not waste his time in getting articles from the stores or to go the blacksmith's shop or mechanic's shop or to get his repairs done there.

Mr. Dange again touched on the point of unemployment. He said if we put our amended scheme into force about 2,000 men would be disengaged. It is true that in the spinning section 2,000 or even 2,500 men might be disengaged, but I have already told you that it is not the actual workers who will be affected so much as the casual workers. There is a good deal of casual labour and at least a portion of it will have to be sent away.

As to the 10 hours argument, I have explained the reasons how this started etc. and when we discuss the Demands, I will have an opportunity to dilate on this point.....As far as weaving is concerned, it is only in the folding department and when fixing their wages under our standardised scheme, we have taken them into consideration. The thing is that in many cases they were obtaining wages for 10 hours work while they were really working for a shorter period.

Then, as regards this 80 per cent. efficiency and the Textile Recorder, etc. and the Japanese efficiency, I again repeat that this 80 per cent. efficiency is made much of 80 per cent. obtains only in narrow looms and absolutely on plain cloth. As we go on to better varieties, the efficiency is lower. In a general way they talk about 80 per cent. as if we have taken 80 per cent. efficiency as our average. That is not so.

As regards the Textile Recorder, when I said that they show 85 per cent. for Japan, it is not the general efficiency or a general statement that efficiency is given when a costing of a particular kind of cloth is given and that kind of cloth is a coarse cloth 14s and 15s and there the efficiency for that particular cloth is mentioned at 85 and therefore I say that if for such a coarse cloth their efficiency is 85, then ordinarily they are bound to get even higher efficiency. That was the only point I made.

**THE CHAIRMAN:**—One point I should like to have made clear is that the Joint Strike Committee produced their own standardization scheme. Has that been entirely dropped now?

**MR. JOSHI:**—We shall take it up along with the millowners' scheme. Whenever their figures are discussed, we will put forward our figures.

**THE CHAIRMAN:**—You mean to say that it is a wrong scheme?

**MR. JOSHI:**—It does not differ widely in its basis.

**MR. STONES:**—There is not much difference, Sir, between our scheme and Mr. Joshi's.

**MR. JOSHI:**—The millowners' list gives certain figures of earnings as against ours but I say the comparison ought to be made between our list and the weaver's earnings to-day.

**THE CHAIRMAN:**—I understand the amended standardised rates were based on consultation between some of the millowners and some of the representatives of labour.

**MR. JOSHI:**—They were not based on consultation with us. That is our complaint, and naturally, unless we have all the figures, we admit we cannot prepare a scientific scheme. We had to prepare an alternative scheme if a scheme has to be scientifically prepared, then certainly there must be co-operation on both sides. If efficiency is to be found out, we cannot do it because unless they admit us into mills and gives us facilities, we cannot find out the efficiency.

**MR. SAKLATVALA:**—There was full consultation, Sir. The fact is that we discussed this green book (our original scheme) with them for days, and days

and the terms of reference give the amended scheme. I have explained to you that in our original scheme we have intended that the cut should be somewhere—about 11 per cent. Then as a basis of ending the strike, when we were discussing the ends and means of putting an end to the strike we said we were prepared to make a compromise, that we would give them a figure which was the minimum which we could accept. Even after discussion and after taking their scheme—what they call their own scheme—into consideration, both schemes were taken up side by side and discussed and not discussed for an hour or so but discussed for days and days and hours and hours.

THE CHAIRMAN :—With whom ?

MR. SAKLATVALA:—With the representatives of the Strike Committee, Messrs. Bradley, Dange, Asawle, and a Mahomedan gentleman, about or eight of them. They had appointed a committee specially for this purpose of discussing the whole scheme with us and we had been discussing the scheme for a very long time. Mr. Joshi was not here and perhaps is not aware of the facts, and the terms of reference deliberately give this amended scheme only as a reference.

About the  $7\frac{1}{2}$  per cent cut, I have already made it clear that it is very difficult to base a scheme which is not worked out exactly on a particular average.

MR. BRADLEY:—May I point out, Sir, that these figures in the amended list were only arrived at as a compromise just to end the strike at that particular stage. We did not agree them at all but they were arrived at as a compromise just to end of the strike on that particular date and therefore they do not stand to-day.

MR. DANGE:—With regard to that, I have to say, Sir, that when they took our scheme and when we sat for discussion, we did not deny the fact of discussion but then they said that where we had put down 10, after our sitting with them for two hours, they would move up to 12. If that meant consultation, then certainly there was consultation. Consultation took no more tangible shape. It does not mean simply fixing up percentages arbitrarily, in fact the same objections that we have raised against their scheme would apply to our own scheme also at this stage.

THE CHAIRMAN:—Supposing the strike had been settled and these figures had been accepted what then ?

MR. JOSHI :—In that case we had provided that there should be a joint committee consisting of two representatives of the millowners and two of our own with a chairman so that if any dispute arose, that dispute was to be considered by the joint committee.



**THE CHAIRMAN:**—That of course was an arrangement which was obviously desirable. The system in England is that if any dispute arises, the secretaries first try to settle it and, if necessary, a joint committee is there to carry on negotiations.

**MR. JOSHI:**—What we could have accepted under stress of a five months, strike, we would not accept when that strike is now temporarily over and we are discussing the problem before this Committee. That makes a difference in the position.

**THE CHAIRMAN:**—It is a fact to be taken into consideration that you were prepared to accept a certain figure under stress in order to end the strike.

The Committee then adjourned to 11-15 a. m. on Friday, the 2nd November 1928.

---

## EX. I.

---

### POINTS ON WHICH INFORMATION IS REQUIRED BY REPRESENTATIVE OF LABOUR.

---

#### Written Statement of the Millowners' Association on this Subject.

The information called for is dealt with to a great extent in the matter already placed before the Committee.

**No. 1.**—The inquiry concerns the industry as a whole, and audited combined balance sheets have already been submitted.

**No. 2.**—The compilation of these statistics present great difficulties in classification and will take up a long time. These figures will be of very little use to the Committee even if supplied. If, however, at a later stage the Committee think it desirable to obtain some information on these lines we shall procure same.

**No. 3.**—We do not consider these in any way relevant to the inquiry.

**No. 4.**—It is impossible for the Association to collect the whole of this information in view of the varying terms on which cloth and yarn are sold.

**No. 5.**—These factors in the majority of cases are outside our control as they are expenses borne by the Commission Agents.

**No. 6.**—The charges mentioned are paid under the rules of the East India Cotton Association and on the scale fixed by them. The matter will be dealt with in evidence.

Nos. 7, 8, 9 & 10.—These matters have already been the subject of prolonged inquiry by the Tariff Board and have already been fully discussed and we think it unnecessary to supply the details wanted in view of the labour and time involved.

Nos. 11, 12 & 13.—We do not know what useful purpose can be served in supplying the whole of the details required, nor are they relevant to the inquiry. In this connection, we might however point out that a complete statement giving costs of production over a period of years will be placed before the Committee by Mr. D. F. Batliwala in course of his evidence.

No. 14.—These figures can be dealt with when discussing these sections of the standardisation Scheme.

No. 15.—These vary with the different qualities of mixings and are in no way relevant to the inquiry.

No. 16.—Most mills look upon this as a trade secret and will not divulge the information.

No. 17 & 18.—These matters we consider as altogether irrelevant to the enquiry.

---

## EX. II.

---

*Article from "The Textile Recorder" July 14th 1928.*

---

### COTTON SPINNING IN INDIA.

---

In order to give English cotton spinners suitable statistic which will enable them to compare the position of the Indian cotton mills with their own, the Cotton Yarn Association has compiled a report which gives some exceedingly useful information about India's cotton spinning and weaving industry. Most of the statistics given in the report are based upon evidence published by the Government of Bombay, the Indian Tariff Board, and the Bombay Mill-owners' Association, but the date has been very much condensed in order to bring out essential facts with greater clarity. The report in part is as follows :—

Generally speaking, the cotton mills in India are faced with a situation similar to that which exists in Lancashire to-day. There is a surplus capacity; they have lost their principal market, *i. e.*, China, first to Japan, and now to China itself. Worse, however, than that, they have intense Japanese and Chinese competition in their own home market.

The history of the Indian mills show that they grew originally by capturing from England the large bulk of yarn export to China. (See Table II). They grew rapidly, depending upon that market even more than did this country. During the last twenty years they have lost this market almost entirely to the Japanese. Recognising this, the spinning mills, almost without exception, purchased weaving and finishing plant (see Table I) so that they might turn their production in the form of cloth into their home market. This was in effect the second blow India gave to the cotton spinners of Lancashire.

The influence of that bulk yarn trade of China did not end here, for Japan is now following in the path of England and India. Japan's spinning industry grew rapidly by reason of their capturing the yarn trade of China from India in the way which India had captured it from England. Japan is now finding that China is year by year producing the yarn which is needed, and the Japanese have followed India in developing their weaving industry. Inasmuch as India is one of the most important, if not the most important, of the consuming centres of piece goods in the world, Japan has entered into competition with India in India's home market.

Japanese competition is necessarily severe because the Japanese spinners are definitely more efficient than the Indians, and can offer at lower prices. They have been aided in their competition by the variations in the rupee and yen exchanges, which have operated against the Indian spinner.

The outlook for the Indian spinning mills is not good. The results for 1927 are not yet complete, but the previous four years all show heavy losses year by year. It should be noted that the loss of the export trade with China is not the whole of their difficulty. China is now exporting yarns to India at a rapidly increasing rate, and the Indian spinners are turning to hopes of wage reductions and protective tariffs as a means of retaining even their home trade. The competitive struggle grows more intense, and it will be more necessary year by year that Lancashire should take the most active and up-to-date measures to meet the needs of the Indian market, upon which she is dependent for the bulk staple trade.

1. **Cost of Erection.**—For mills spinning average 20's counts, the cost of erection, in Bombay in 1914 was £ 3-6-8 per ring spindle. In 1926, the cost was £ 7-15-0 per ring spindle, while upcountry mills were 10 per cent. more.

A specimen combined mill containing 30,000 ring spindles, 1,000 looms and finishing machinery for 20's average counts, shows the cost of the land to be £67,500, buildings £115,100, and machinery £226,000, a total of £408,600.

The machinery item includes spinning and weaving machinery, engines, boilers, economisers, pumps, hydraulic pressing plant, hydrant fire service, sprinklers, humidifiers, electric light and accessories. The cost of a plain loom is computed at £25, and a Northrop loom £85.

2. Labour employed in Spinning.—India is obliged to engage three persons in place of one employed in the Lancashire mills. One combined mill containing 52,408 ring spindles and 1,020 looms employs 2,014 men, 497 women, 423 children, and 142 superior staff, a total of 3,076.

Another mill, containing 20,000 mule and ring spindles on 14's counts, employs:—27 cotton and blowing room, 28 card room (cards), 122 card room (frames), 56 mule room, 146 ring room, 38 reeling, and 10 baling, a total of 427.

The following distribution appears to be average for 10,000 ring spindles on average counts 20's:—

Cotton and Blowing room ...	...	14	...	15
Cards ...	...	13	...	14
Frames...	...	122	...	124
Rings (340 Spindles)...	...	150	...	160
		<u>299</u>	...	<u>313</u>

or 30 to 31 operatives per 1,000 spindles.

There is a difference in the number of operatives employed in Bombay and upcountry mills due to the system of a "labour reserve." This reserve of labour may amount to 10 per cent., whose services are constantly retained.

Labour employed in Weaving.—Labour employed on 100 Northrop automatic looms includes 17 weavers, 8 magazine fillers, 4 weavers' helpers, 4 oilers and 3 others, a total of 36.

On 1,025 Northrop automatic looms the labour employed includes 163 weavers on six looms, 11 weavers on four looms, 1 weaver on three looms, 43 jobbers, 42 weavers' helpers, 84 fillers, and 43 oilers, making a total of 387, and in addition, sweepers, fitters, clerks, weft room helpers and sundries. There would be about 12 "clerks" for these looms.

In a weaving shed of 758 plain looms, the labour employed is shown as follows:—82 winding department, 42 pirn winding, 25 warping, 35 sizing, 32 drawing, and 524 weaving, a total of 740 or 98 per 100 looms.

In a weaving shed of 230 plain looms:—52 are employed on winding, 24 on warping and beaming, 6 on sizing, 195 on weaving, and 6 on calendering, making a total of 283.

## WAGES PAID.

Blowing Room and Mixing Room	...	1/1 to 1/5 per day of 10 hours.
Carding Department	...	1/1 to 1/9 " " "
Drawing Frames	...	1/3 to 1/7 " " "
Slubbing Frames	...	12/- per week.
Intermediate Frames	...	11/3 "
Roving Frames	...	7/8 "
Ring Spinners	...	10/10 "
Winders	...	9/5 "
Warpers	...	17/- "
Sizers	...	1/5- 1/9 to per day 2nd Class.
"	...	2/- 2/5 " " 1st "
Drawers	...	13/1 per week.
Reachers	...	9/5 "
Warehouse	...	1/3- to 1/9 per day.
Weavers	...	15/9 per week.

**Hours of Labour.**—The spinning section works 10 hours per day in a single shift, and the approximate working week is 60 hours. The average amount of absenteeism in Bombay is stated to be 10 per cent. to 12 per cent. in spinning and 4 per cent. to 5 per cent. in weaving.

**Wages.**—Wages in Bombay are estimated to be 12½ per cent. higher than in Ahmedabad. In most cases weavers are paid by piece rates, and spinners by time rates. The supervision staff remuneration is about 12 per cent. of the wages bill.

**Comparative Position of Wages in 1923 (April 1st) over 1910 (April 1st).**

**Taking as Standard 1910 (100) and excluding Annual Bonus.**

		1910.	1923.
Blow Room Tenters	...	100	242
Card Room Tenters	...	100	303
Speed Frame Tenters	...	100	210
Ring Frame Side-Boys	...	100	229
Winders	...	100	170
Weavers	...	100	217

**Cotton used and Counts Spun.**—For ordinary grey shirtings, Broach is used. On coarse counts very little cotton is used except Indian grown, and the general percentage of waste loss in spinning is 20 per cent. The average strength of 20's ring yarn is 65—70 lbs. per lea, and the average waste in weaving, 5 per cent. The average amount of size in Indian cloths is 15 per cent. Tests or turns per inch on 30's yarn spun from Indian cotton give 27 turns, and on 30's yarn spun from Uganda cotton, 21 turns. The highest counts spun out of Indian cotton are 40's. For spinning 30's-40's, 1" to 1½" cotton is used, and counts in the ordinary grey shirtings are :—18's warp, 20's weft.

**Expenses.**—Depreciation is variable, but general recommendation for a 10 hours' day was :—2½ per cent. on buildings ; 5 per cent. on spinning and weaving machinery ; 7½ per cent. on finishing machinery and electrical equipment, and 50 per cent. additional for two shifts.

#### Financial Results—Combined Balance Sheet.

Year.	No. of Mills.	Capital including Reserve.	Debentures.	Fixed Assets.	Depreciations.	Wages.	Trading Result.	Dividends paid.
1922...	77	£ 20,270,000	£ 1,470,000	£ 19,700,000	£ 920,000	£ 5,100,000	£ -2,580,000	£ 1,960,000
1923...	82	20,000,000	2,290,000	19,680,000	1,210,000	4,265,000	-870,000	625,000
1924...	79	20,525,000	2,085,000	21,040,000	1,222,000	4,080,000	-1,515,000	405,000

Interest on loans (1926) for financially strong mills was 5 per cent. to 6 per cent. and for other mills 1 per cent. to 2 per cent. over bank rate.

Workmen's compensation insurance was 4d. per cent. on the total wages paid.

Town duty on cotton was 1s. 6d. per bale in Bombay. The water-tax was 1s. 6d. per 1,000 gallons in Bombay. Bengal coal costs Ahmedabad mills 30s. per ton (1926), whilst coal from the Central Provinces cost Ahmedabad mills 21s. per ton (1926). Oil fuel was 67s. 6d. per ton, and electricity cost 0·815 pence per unit in Bombay.

## STORES.—

## Actual Prices paid for Stores (1926).

	£	s.	d.
Spindle Oil per gallon	0	3	0½
Shafting Oil per gallon	0	3	6½
Loom Oil per gallon	0	3	1½
Roving Bobbins per gross	2	0	9
Slubbing Bobbins per gross	3	5	0
Shuttles per dozen	2	6	3
China, Clay per ton	5	2	6
Fariña per ton	17	15	0
Magnesium Chloride per ton	5	16	6
Strapping 1" per lb.	0	7	0
„ 2" per foot	0	1	7
„ 3½" per foot	0	4	6

Carriage on cotton from Bombay to Osaka (Japan), 5s. 10d. per bale ; stores costs England to Bombay were 50s. to 55s per ton.

Brokerage and commission on piecegoods was  $\frac{1}{4}$  per cent., but for greys sold by the pound  $\frac{1}{8}$  per cent., and coloured and fancies  $\frac{3}{4}$  per cent. Goods sold by the piece,  $3\frac{1}{2}$  per cent. if given for payment in 3 days. On imported and Indian piecegoods, it is customary to give a "sahi" of a rupee per bale to the dealer. Local yarn brokerage is  $\frac{1}{4}$  per cent., and discount  $\frac{1}{8}$  per cent. Imported single yarns-brokerage is  $\frac{1}{4}$  per cent., and discount  $1\frac{3}{8}$  per cent. Imported doubled yarn-brokerage is  $\frac{1}{4}$  per cent., and discount  $\frac{1}{8}$  per cent. These rates have not changed since 1913. Additional brokers between the merchant and the mill receive  $\frac{1}{4}$  per cent., and cloth commissions of  $\frac{1}{8}$  per cent. to  $1\frac{1}{2}$  per cent. exist.

**Spinning and Manufacturing Costs.**—Some idea of the increase on pre-war spinning and manufacturing costs will be formed from the following figures, which show the increases on 1914 costs. Spinning stores in 1924, 45 per cent. increase ; wages for labour, 111 per cent.; power, 87 per cent. municipal taxation, 150 per cent.; insurance 250 per cent.; salary 115 per cent.; interest charges, 116 per cent.; electricity, 32 per cent.; coal, 87 per

cent.; stores, 45 per cent.; commission on cloth, 86 per cent.; excise duty, 142 per cent.; dyeing charges, 86 per cent.; income-tax and super-tax, 300 per cent.; the average increase is approximately 100 per cent.

Since 1914 general tax assessments have been increased by 87½ per cent., and the rate of tax raised from 97 per cent. to 11½ per cent.

Water-tax has increased from 8d. to 1s. 6d. per 1,000 gallons.

#### SPINNING COSTS.—

Average of representative well-established Mills in Ahmedabad.  
Costing of 1 lb. of Yarn, 24½'s Average Counts.

COST ITEMS	PENCE		PER CENT.
	PER LB.		
Spinning Wages ...	0·98	}	48·7
Card and Frame Wages ...	0·40		
Engine Wages ...	0·28		
Coal ...	0·40		11·9
Stores ...	0·41		12·2
Depreciation ...	0·39		11·5
Interest Charges ...	0·28		8·2
Commission ...	0·04		1·3
Ground Rents ...	0·08		2·3
Water Charges ...	0·06		1·6
Miscellaneous ...	0·08		2·3
	<u>3·40</u>		<u>100·0</u>

Cost of Production of 1 lb. of Grey Yarn (20's) in 1925 (Excluding Wages).

#### DELHI MILLS.—

COST ITEMS	PENCE
Cost of Cotton required to manufacture 1 lb. of Grey yarn ...	13·12
<b>Manufacturing Charges.</b>	
Cost of Fuel and Power ...	0·38
Cost of Stores consumed ...	0·52
Repairs and Upkeep of Machinery ...	0·44
Superior Supervision ...	0·19



## Overhead Charges.

Rates, Taxes, Licences and Fees	...	...	...	...	0.02
Insurance	...	...	...	...	0.06
Welfare	...	...	...	...	0.01
Provident Fund	...	...	...	...	0.07
Sundry Expenses not otherwise specified	...	...	...	...	0.13
Charges for Winding 20's Warp	...	...	...	$\frac{1}{2}$ d. per lb.	
"    "    Warping 20's	...	...	...	$\frac{1}{2}$ d. "	
Cost of Pinning 20's Weft	...	...	...	$\frac{1}{2}$ d. "	

**Double Shift.**—A saving of 5 per cent. on total cost, including Wages, is obtained by working two shifts.

**Production.**—The weft ring frame usually has 200 spindles and the warp 340 spindles. The average production on 20's warp is 6.35 oz. to 6.5 oz. per spindle per day. On ring spindles using 30's warp, 3.15 oz. to 3.20 oz. per spindle per day; and on ring spindles using 42's warp, 2.50 oz. to 2.75 oz. per spindle per day. On 20's there are seven doffings of 3 minutes to  $3\frac{1}{2}$  minutes each per day. Spinning efficiency is over 90 per cent. for both the 10 hour day or 12 hour day. Weaving efficiency is 70 per cent. for 12 hours. 75 per cent. to 80 per cent. for 10 hours.

Production of cloth in 10 hours on a hand loom fitted with a fly shuttle sley and a weaver's beam, 45" wide, is shown in the following table:—

		PRODUCTION.
20's Warp and Weft	52 Picks per Inch	15 Yards.
40's " "	60 " "	9 "
60's " "	80 " "	7 "
80's " "	92 " "	4 "

The difference in production of the spinning and weaving departments after the inauguration of the Factory Act, 1922, is considerable. Before the introduction of the Factory Act, spinning production after 12 hours' working was 5,405 lbs. and weaving production 9.015 lbs. After the Act was in work, production after 10 hours' working from spinning was 4,749 lbs. and weaving 7,659 lbs., showing a loss in production of 12 per cent. and 15 per cent. respectively. The efficiency in Bombay is 80 per cent. on Lancashire looms, and the speed is nearly  $1\frac{1}{2}$  times greater than Northrop looms.

## MANUFACTURING COSTS.

## Comparison of Percentages in the Manufacturing Costs of Cloth.

	PENCE.	PER-		PENCE.	PER-	
		CENTAGE	1914.		CENTAGE	1924.
Coal ...	·45	11·5	·89	10·6		
Stores ...	·83	20·4	1·28	15·2		
Labour ...	1·57	39·0	3·52	41·8		
Office and Supervision ...	·13	3·3	·30	3·6		
Fire Insurance ...	·04	1·1	·15	1·8		
Municipal and other Taxes.	·05	1·3	·14	1·7		
Interest ...	·22	5·4	·50	5·9		
Commission on Cloth ...	·21	5·1	·40	4·9		
Excise Duty ...	·32	8·0	·83	9·9		
Dyeing Charges ...	·20	4·9	·39	4·6		
	<u>4·02</u>	<u>100·0</u>	<u>8·40</u>	<u>100·0</u>		

## Allocation of Costs on Standard Shirting (9 lbs. 40 Yards).

## 20's Warp and Weft.

COST ITEMS.	COTTON AT		COTTON AT	
	PENCE.	PERCENTAGE.	PENCE.	PERCENTAGE.
Cotton ...	51·14	37·3	123·55	54·7
Waste, Spinning ...	7·65	5·6	18·53	8·2
Waste, Weaving ...	4·46	5·3	8·63	3·8
Insurance, Spare Parts, etc.	3·39	2·5	3·39	5·1
Stores ...	8·37	6·1	8·37	3·7
Other Expenses ...	12·61	9·2	12·61	5·6
Power ...	6·55	4·8	6·55	2·9
Mill Management ...	5·87	4·3	5·87	2·6
Wages ...	34·86	25·4	34·80	15·4
Commission ...	2·15	1·5	3·61	1·6
	<u>136·99</u>	<u>100·0</u>	<u>225·91</u>	<u>100·0</u>

**Approximate Cost of Manufacturing Cloth (Coloured Series) on Indian Hand-looms (1926).**

DETAILS OF CHARGES.	FOR 10 LBS.	FOR 10 LBS.	FOR 10 LBS.
	OF YARN (20's).	OF YARN (30's).	OF YARN (40's).
	PENCE.	PENCE.	PENCE.
Dyeing (Fast) ..	63·	99·	108·
Warping and Sizing ...	20·25	27·	45·
Weaving ...	54·	108·	135·
Pirn Winding ...	6·19	12·37	16·87
Taking Threads through ...	4·50	6·75	8·44
Healds and Reeds ...	8·44	8·44	8·44
Interest on Capital ...	10·12	11·25	12·37
Supervision ....	13·50	13·50	13·50
Interest on Investment in Tools.	6·75	6·75	6·75
	<u>186·75</u>	<u>293·06</u>	<u>354·37</u>
For 1 lb. ...	18·67	29·31	35·44

General Statistics relating to Cotton and Cotton Industry of India (chiefly from "report of the Indian Tariff Board") and brought up-to-date.

**Table I.—Progress of Indian Power Mills in 10-Year periods since 1865.**

Cotton Year ending.	No. of Mills.	No. of Spindles.	No. of Looms.	Average No. of Daily Workers.
1865 ...	10	249,984	3,378	6,557
1875 ...	27	752,643	7,781	13,551
1885 ...	87	2,145,646	16,537	67,186
1895 ...	148	3,809,929	35,338	138,669
1905 ...	197	5,163,486	50,139	195,277
1915 ...	272	6,848,744	108,009	265,346
1925 ...	337	8,510,633	154,202	367,877
1926 ...	334	8,510,000	159,464	373,508

**Table II.—Summary of Indian Trade in Cotton Yarn.**  
( Million Pounds. )

Year ending, March 31st.	Production. (1)	Imports. (2)	Exports. (3)	Balance (2 less 3).
1913 ...	688	50	205	- 155
1923 ...	706	59	58	+ 1
1924 ...	617	55	40	+ 15
1925 ...	719	56	38	+ 18
1926 ...	686	52	33	+ 19
1927 ...	867	49	27	+ 22

**Table III.—Summary of Indian Trade in Cotton Cloth.**  
( Million Yards. )

Year.	Production. (1)	Imports. (2)	Exports. (3)	Imports less, Exports.
1913 ...	1,220	3,023	154	+ 2,869
1923 ...	1,725	1,593	232	+ 1,361
1924 ...	1,702	1,486	226	+ 1,260
1925 ...	1,970	1,823	236	+ 1,587
1926 ...	1,954	1,564	200	+ 1,364
1927 ...	2,259	1,788	197	+ 1,591

**Indian Imports, Production, Exports and Estimated Consumption of Cotton Yarn.**

Since the year 1910, returns of imports up to the fiscal year ending March 31 in each year, show that there was no really consistent figure. The figures quoted are in thousands of pounds, Imports in 1910 were 40,300, during the last two years of the war they dropped considerably, and were lower in 1920 than in any other year ; for 1927 the figure quoted was 49,413. Mill production has gradually increased over the same period. In 1910 production figure was 628,000, fluctuating slightly, but showing a fairly steady increase to 807,116 for 1927. Exports plus re-exports have decreased steadily during the whole period, showing a drop from 228,500 to 42,000. Yarn available.

**Indian Imports, Production and Consumption of Mill-made Cotton Cloth.**  
(In Millions of Yards.)

Fiscal Year ending March 31st.	IMPORTS.*			Production of Indian Mills.	Exports of Indian- made Goods	Re Exports of Foreign Goods.	Consump- tion of Mill- made Goods
	Total.	From Uni- ted King- dom.	From Japan				
1910 ...	2,193	2,141	...	964	94	52	3,011
1911 ...	2,308	2,252	...	1,043	100	68	3,183
1912 ..	2,438	2,379	1	1,136	81	76	3,417
1913 ...	3,023	2,942	6	1,220	87	67	4,089
1914 ...	3,197	3,104	9	1,164	89	62	4,210
1915 ...	2,446	2,378	16	1,136	67	35	3,480
1916 ...	2,148	2,049	39	1,442	113	41	3,436
1917 ...	1,934	1,786	100	1,578	264	97	3,151
1918 ...	1,558	1,430	95	1,614	189	85	2,896
1919 ...	1,122	867	238	1,451	149	114	2,310
1920 ...	1,081	976	76	1,640	197	89	2,435
1921 ...	1,510	1,292	170	1,581	146	61	2,884
1922 ...	1,090	955	90	1,732	161	74	2,587
1923 ...	1,553	1,453	108	1,725	157	75	3,086
1924 ...	1,486	1,319	123	1,702	165	61	2,962
1925 ...	1,823	1,614	155	1,970	182	54	3,557
1926 ...	1,564	1,287	217	1,954	165	35	3,318
1927 ...	1,788	1,457	244	2,259	...	...	...
1928 ...	1,937	1,530	323	2,171	...	...	...
				(11Months)			

\* Including Fents.

for consumption is about twice the quantity, showing 814,529 for 1927, against 440,000 for 1910. The estimated consumption of the mills also shows a remarkable increase, having risen from 203,000 to 538,904 whereas the balance remaining in the country and classified as hand-loom weavers' supply, does not show any marked alteration, standing at 275,525 for 1927. The Indian Government estimates the number of hand-looms of 2,500,000. A note of special interest in

regard to the imports of yarn from China in 1928, shows that already the increase on the previous year is enormous, there being up to the present 12,866,000 lbs. for the early part of the present year, against only 945,000 lbs. for 1927.

Copies of this report may be obtained, price 6d. from the Cotton Yarn Association, Ltd., Blackfriars House, Manchester.

---

*Article from "The Textile Recorder," September 15, 1928.*

### **COTTON SPINNING ORGANISATION IN JAPAN.\***

These statistics relating to cotton spinning in Japan have been compiled by the Cotton Yarn Association, and have been chosen to give the details considered most useful to cotton spinners in England. It is hoped that the figures given will enable members to compare the position of the Japanese mills with their own working, and with the corresponding position in India already given in a previous pamphlet.

The Japanese cotton industry is the greatest existing or potential competitor to any nation engaged in the export trade in cotton goods. Her main advantages are her proximity to the greatest consuming centres of cotton yarn and piecegoods, her cheap and efficient power supplies, and her co-ordination of the buying of the raw material and the distribution of the finished product.

The growth of the spinning industry dates from 1889/1890 when Mr. R. D. Tata exported to Japan 32 bales of Indian cotton, and taught the Japanese how to open the hard pressed bales, which from that time onwards were destined to replace the loose Chinese cotton. The rate of growth has from that time onwards been continuous and steady, and, contrary to many ideas, this rate was as fast before 1914 as it has been since. It is possible, however, that the rate would have been slower after 1914 if the war had not given the advantage of sheltered markets, and rendered easy the access to them without competition. It is to the credit of the Japanese that they seized their opportunity and developed in a most efficient manner the trade which was opened up for them.

As was mentioned in the report on India, Japan's early trade was yarn export to China, which she captured from the Indian spinners. This reached its peak in 1915, and has since steadily declined, so that whereas in 1915, Japan exported 212 million lb. to China (including Hongkong), yet in 1927 Japan's total exports to that whole world were less than 44 millions (see Table V. Japan was following in the steps of Lancashire and India.

---

\* Earthquake.

Table I.—General Statistics relating to the Cotton Industry of Japan.

Year.	No. of Mills.	Average No. of Operatives Working per Day (Spg. Mills) only.	Total Spindles (1,000).	Total Looms.	Cotton Consumed Million lbs.	Yarn Produced Million lbs.	Total Production of Piecegoods Million Yds.
1903...	...	73,631	1,381	5,043	390	321	77
1908...	125	74,203	1,796	11,146	423	351	147
1913...	152	107,745	2,414	24,224	712	607	417
1918...	177	121,859	3,228	40,391	853	724	657
1923*..	241	159,970	4,198	61,421	1,020	869	1,001
1924...	247	153,322	4,870	64,225	969	829	1,031
1925..	243	173,603	5,292	68,160	1,123	989	1,179
1926...	247	174,140	5,573	74,193	1,239	1,044	1,277
1927...	247	Not Available.	6,116	77,000	1,280	1,102	1,294

Japan has dealt very energetically with this decline in several ways :—

Looms have been erected at an increasing rate to absorb the production of the spindles.

Finer counts have been developed, in which trade there was less competition.

Japanese spinning firms have obtained an ever-increasing interest in the spinning mills in China, so that they are still obtaining the bulk yarn trade, although the yarn being spun in China itself does not enter into the export figures.

Japan has shortly to face labour conditions and hours of working, which will reduce the advantage she at present possesses, and the constantly increasing standard of living required by the workers will no doubt be a factor which will not easily be recovered. The energy and resource, however, which she has shown in entering new markets and exploring new channels is the greatest problem to which any competitor must give attention. Her bulk cotton buying and yarn and cloth selling, her close touch with the cotton fields, and possession of her own gins, the "samping" exchange, whereby all her yarns are graded and sold in relation to standards, the standardizing and mass production of piece-

\* Abstract from a Report published by the Cotton Yarn Association, Ltd., Blackfriars House, Manchester. = 6d.

goods, and the fostering of mutual trade with cotton-growing countries by advantages to shipping lines are all directions which can be followed to advantage by this country, and, indeed, should be followed without delay. Without them Lancashire is carrying unnecessary handicaps, but handicaps which, granted the initiative, can be removed almost at will.

**Cost of Erection.**—The pre-war cost of erection for a spinning mill was £5-£6 per ring spindle. In 1919-1921 the figure was approximately £12. This is apart from weaving, the cost of erection of a weaving plant being estimated in 1919 at approximately £120 per loom. The present day cost is approximately £10 per ring spindle. Taking the total cost of erecting a mill for spinning 20s., as £10, the expenditure would be allocated approximately as follows :—

Land	...	...	...	10·7 Shillings.
Buildings Mill proper	...	...	...	32·9 „
Warehouse and Offices	...	...	...	6·6 „
Dormitories	...	...	...	28·2 „
Machinery	...	...	...	121·6 „
				200=£. 10

A 10,000 ring spindle mill in Japan requires 6-8 acres of ground, owing to the buildings being of one storey, and the provision of dormitories for the workers. The average capitalisation of the spindles in Japan is 67s. 3d. per ring spindle, compared with 34s. 5d. in 1914.

#### Labour employed in Spinning.—

In 1913 there were about 56 operatives per 1,000 Spindle.

„ 1914	„	„	48	„	„	1,000	„
„ 1924	„	„	37	„	„	1,000	„

These are based on double shift working.

In 1926, the number of hands employed was :—

39,414 Male.
134,726 Female.
174,140

giving 36·2 work-people per 1,000 spindles (double shift).

**Labour employed in Weaving.**—In 1925 the average number of operatives employed per 100 looms was 62·2, compared with about 98 operatives required for 100 looms in India. In the most up-to-date sheds the labour employed is



much less as is shewn by an example of a modern well-managed weaving shed of 1,000 plain calico looms where the number of operatives is 48 per 100, looms exclusive of overlooking. This is approximately half of the number required in the average Indian weaving shed.

**Hours of Labour.**—In the spinning section the practice of working double shifts may be said to be universal, the duration of each shift being restricted to a maximum of 10 hours by the Factory Act of 1926. In most cases no work is done on Sundays, as the practice of observing this day as a general holiday has increased very noticeably during the past years.

As regards weaving, there are quite a number of mills including most of those operated by the large companies, where only one shift is worked, though the smaller and less important concerns practically invariably work double shifts.

**Wages.**—In the method of calculating wages there does not seem to be any fixed or universal rule, the system varying in accordance with the mill. It may be stated generally, however, that the rates paid to male employees are a fixed daily wage, while in the great majority of cases female employees are paid according to the amount of work done.

Wages in Japanese cotton mills had been advancing prior to the war; the increase during the 10 years between 1904 and 1914 amounted to about 50 per cent. It is since 1917, however that most of the advance has taken place. The average daily wages paid during the first half of 1920, as published by the Japanese Cotton Spinners' Association, show increases of 281 per cent. over those paid during the first half of 1914.

The following table shows the comparison of the average daily wages actually paid for the various years using 1914 (100) as index :—

1904	...	...	...	64
1914	...	...	---	100
1917	...	...	...	121
1918 First half	...	...	...	134
1918 Second half	...	...	...	161
1919 First half...	...	...	...	202
1919 Second half	...	...	...	323
1920 First half	...	...	...	381
1920 Second half	...	...	...	348
1921	...	...	...	344
1922	...	...	...	372
1923	...	...	...	355
1924	...	...	...	362
1925	...	...	...	366

**Bonuses.**—In addition to the ordinary rates of pay, practically all companies have systems of bonuses. The following is an example of one system in operation at Osaka :—An employee who does not absent himself or herself for a month receives a bonus of one day's pay ; after six months' service, approximately 2s. extra per month is paid, after 12 months' service, 3s.; after two years, 4s.; after three years, 5s.; and after five years, 6s.; There is also a bi-annual bonus made whereby the operatives receive varying amounts up to a maximum of about one month's pay in the case of male labour and a fortnight's pay in the case of women. Prior to the second half of 1919 the wages figures of the Japanese Cotton Spinners' Association do not include the bi-annual bonuses or maintenance expenses in the average daily wage, while those since 1919 represent more nearly the actual wages being paid, whether in money, maintenance or special allowances.

**Recruiting of Labour.**—A further cost due to labour is that of recruiting the operative. This cost varies from 60s. to 5s. per head, according to the distance they are brought, though as a general estimate 8 per cent. may be added to the amount paid in wages to cover this additional cost of keeping up the labour force owing to the fact that the average time a girl stays in the mill is so short that large sums must be expended to keep the staffs up to the required strength.

**Welfare.**—A charge of about 4d. per day for housing and welfare is made on the operatives, this being deducted from the wages paid. As this amount is not sufficient to meet the total cost, a contribution of approximately the same amount is made by the company.

**Raw Cotton : Purchase and Shipment.**—A regular monthly service of steamers to East African ports, largely with the idea of facilitating the transport of raw cotton from and the export of Japanese cotton goods to that part of the world, receives a subsidy of £40,000 per annum. The Imports of East African cotton to Japan were last year 30,000 bales approximately.

Table III.—Total Japanese Cotton Consumption, converted into 500 lb. Bales.

Year.	Indian.	American.	Chinese.	Egyptian.	Annam and Saigon	Korean.	Sundries.	Total.
1903..	440,116	133,682	163,933	8,271	14,412	...	12,234	772,648
1908..	461,402	191,349	152,757	9,363	14,308	...	8,332	837,511
1913...	839,370	404,881	93,533	16,624	15,095	...	8,286	1,407,789
1916...	906,145	560,750	116,702	14,702	6,374	114,959	13,883	1,783,515
1923..	1,330,807	592,515	51,835	22,039	5,036	117,473	15,846	2,135,551
1924...	1,119,000	564,390	118,147	51,902	2,925	40,871	40,015*	1,937,250
1925...	1,270,474	760,092	94,773	51,899	5,446	39,127	46,042*	2,256,850
1926...	1,318,778	972,929	40,037	60,366	2,022	25,016	58,705*	2,472,854
1927..	1,094,401	1,115,275	31,432	61,785	5,870	19,382	31,249	2,359,394

\* Sundries includes following totals of East African Cotton :—

1924=19,877 Bales.

1925=16,964 "

1926=26,058 "

Eighty per cent. of the whole import of cotton into Japan is handled by three firms. The business of these three firms consists of importing cotton and selling both at home and abroad the manufactured article, their paid-up capital being over £6,000,000. These companies possess their own gins in the United States, East Africa and in India. They also own spinning and weaving mills.

A special agreement exists between the Spinners' Association and certain steamship companies whereby rebates of 33 per cent.—40 per cent. are paid to the association as deductions for the Indian cotton shipped from Bombay and Karachi to the Association's members. There is no Government subsidy for the steamship lines to India. Subsidies are paid by the Government to shipping lines carrying raw cotton from the U.S.A. and China, amounting in 1926—27 to £150,000.

The Japanese buy their cotton from the farmers in all the cotton districts, and are continually purchasing crop lots all the year round. They are reported to take mixed lots very readily, and, after a preliminary grading, ship the cotton immediately under their own arrangements direct to Japan. Competition between Japanese buyers for raw cotton is said to be almost non-existent, and in no sense do they bid against each other. Where they are forced to employ local agents, the same procedure is adopted as far as possible.

**Machinery and its Efficiency.**—The bulk of the machinery in use is of British manufacture, though in some cases American plant was installed during the war when British-made spindles could not readily be obtained. In order to distribute the fixed overhead charges in the form of high interest and depreciation every effort is made to obtain the maximum output from the expensive plant. Almost since their inception the spinning mills have been run day and night employing two 10-hours shifts for an average of 27 days a month. The standard revolution of the spinning spindles per minute are approximately 8,000, varying from 6,000 in the case of coarse count to 10,000 for fine counts.

From July 1, 1929, a reduction in the working hours per day comes into operation, with the result that Japan's present advantage, owing to longer hours, will be lessened. In the weaving section most establishments have adopted the one long shift system (formerly 14 hours, and now limited by law to 10) instead of continuous working, as it was found that night-works produced both less output and a less perfect product. The number of picks per minute averages between 180 and 200, depending on the style of the cloth and the age of the Machinery. The average reed space is 42" or 44". The makers of the looms are various, quite a number of Japanese construction.

**Production.**—Statistics of the Japanese Cotton Spinners' Association in 1924 show that for 4,290,000 ring spindles producing an average count of 23.2, the production per day of 18.42 hours (2 shifts) averaged 10.17 oz. per spindle. On the English basis of working this would be approximately 26.3 oz. per 48-hour working week, as compared with 20 oz. in this country.

**Weaving Productions:**—It is difficult to obtain accurate loom productions, but the following may be considered a fair average:—

Shirting, 44" to 30½" 32 to 44 yards per day (10 hours).

Sheetings, 70 to 72 yards per day (10 hours).

Drills, 75 to 76 yards per day.

Percentage distribution of manufacturing cost of a bale sheeting yarns, average counts 14.75s.

<b>Labour Costs.—</b>	PER CENT.	PER CENT.
Direct Wages ... ..	25·4	
Cheap Board and Bonuses ... ..	10·8	
Labour Premium (recruiting)... ..	2·0	
Clerks in Mill ... ..	2·1	40·3
<b>Works Expenses.</b>		
Coal and electric power ... ..	13·2	
Oils and machinery supplies ... ..	3·2	
Repairs to machinery and buildings ... ..	4·4	
Transport and freight ... ..	3·1	
Packing ... ..	13·7	
Sundry expenses... ..	·8	38·4
	<hr/>	
<b>Fixed Charges and Administrative Expenses.—</b>		
Taxes	12·8	
Interest	·1	
Salaries	·4	
Commission to Yarn Broker	3·7	
Fire Insurance	·6	
Warehouse	3·5	
Sundry Expenses	·2	21·3
	<hr/>	<hr/>
		100·00

The following table sets out the production, data, etc., for spinning "20s warp yarns," and weaving "3 yard sheeting" in Japan, and is based upon average conditions:—

#### SPINNING.

Cotton used.	20% American. 80% Asiatic.
Type and size of Frame	British, 192 Spindles per side.
Ring Spindles per Competent Spinner	240 (about 1½ side).
Speed of front Roller per Minute	7", 175 r. p. m.
Percentage Theoretical production	90%.
Output per Spindle, 10 hour Day	0·429 lb.
Output per Spinner, 10 hour Day	103·96 lb.

#### WEAVING.

Width and length of Cloth	36" x 40 Yards.
Construction	44 x 44.
Yarns used (count)	14s. and 15s.

Type of Loom	Plain. English or Japanese.
Number of Loom per Competent Weaver	2 to 3.
Picks per Minute	180.
Percentage Theoretical Production	85%.
Output of Cloth per Loom per 10 hour Day	58 yards.
Output per Weaver per 10 hour Day	145 „

**Marketing Organisation and Prices.**—Spinning and weaving companies in Japan do not as a general rule market their own product. They usually deal through exporters, the three principal of whom are three large raw cotton importers.

For purposes of export, yarn and plain cloths are usually packed in Hessian cloth, the home market yarn being packed in matting only. The home consumption yarn is made up into 200 lb. bales, the hands being cross reeled, the yarn for export being made up into 400 lb. bales, the hanks mainly being plain reeled.

Transactions on the Osaka Sampin Exchange are limited to 16s. weft and 20s. twist, and a standard is fixed quarterly by the management. Other marks are graded as being superior, equal or inferior in quality to the standard a fixed sum in addition to the current quotation being payable in the case of superior yarns, and a fixed sum being deducted in the case of those inferior in quality.

Shipments are generally made on C.I.F. terms, the usual practice being to draw bills for the amount due, at 90 days for Indian shipments, 60 days for China and the Dutch East Indies, the usual rate of interest on such bills being 6 per cent.

It has been previously mentioned that the method of selling the yarns on the Osaka Exchange is to fix to standard yarns each quarter, one for twist and one for weft.

Recently the two standards were the 20s. "Kingyo" (Goldfish) brand made by the Toyo Boseki Company (twist standard) and the 16s. weft "Ogi" (fan) brand made by the Fukushima Boseki Co. (weft standard). Samples of these standards are now in the hands of the Cotton Yarn Association, who have carried out tests as under :—

**20 Ring Twist (Goldfish).**

Single Thread Test 7.52 oz. (average).

Turns per inch 18.80 (average) twist-way.

**16s. Ring Weft (Fan).**

Single Thread Test 10.23 oz. (average).

Turns per inch 16.15 (average) weft-way.

Table IV.—Japan Exports.

Japanese trade accounts do not summarise the piece-goods export completely by yardage. The following table shows the piece-goods exports actually enumerated in yards, and what percentage their total bore to the total value of cotton manufactures exported.

## Piecegoods Exports Recorded Thousand Yards.

Exported to.	Average 1910-1913.	1924.	1925.	1926.
China ... ..	129,444	463,253	606,839	674,459
Hongkong ... ..	7,257	53,294	55,649	67,947
British India ... ..	3,554	143,359	204,876	235,183
Straits Settlement ... ..	1,653	15,435	34,309	29,653
Dutch East Indies ... ..	1,731	89,076	114,541	117,205
Philippine Islands ... ..	3,603	17,701	28,655	24,336
Other Countries ... ..	8,745	177,953	167,480	199,665
Total Recorded ... ..	155,990	960,071	1,212,949	1,348,448
% of Total Value ... ..	75.5	90.9	91.1	91.1

Table V.—Japanese Exports.

## PRINCIPAL MARKETS FOR COTTON YARN. IN THOUSANDS OF LBS.

Year.	China.	Hongkong.	British India.	Other Countries.	Total.
1903..	111,707	7,096	2	4,072	122,877
1908...	53,705	2,604	16	10,810	67,135
1913...	155,716	13,612	1,303	16,861	187,491
1918...	92,560	25,040	31,760	19,240	168,600
1923...	48,640	16,040	23,560	11,080	99,320
1924...	38,600	24,560	32,320	12,680	108,160
1925...	53,120	23,480	34,380	12,840	124,320
1926...	30,342	11,622	28,685	10,922	81,571
1927...	12,694	5,234	21,152	5,586	44,666

Note the loss of the trade with China, which, in 1915, was more than four times as great as the total exports to the whole world in 1927.

**EXHIBIT 4 A.**

---

**STATEMENT**

BY

MESSRS. N. M. JOSHI, M.L.A., F. J. GINWALA, M.L.C.,  
and R. R. BAKHLE

ON THE

**DEAD-LOCK IN THE BOMBAY MILL INDUSTRY.**

***( Printed as a Pamphlet Separately. )***

---

**EXHIBIT 4 B.**

**THE BOMBAY MILL WORKERS' GENERAL STRIKE, 1928**

BY

**THE JOINT MILL STRIKE COMMITTEE.**

***( Printed as a Pamphlet Separately. )***

---

**EXHIBIT 4 C.**

**THE SPINNERS' STRIKE IN BOMBAY 1928.**

***( Printed as a Pamphlet Separately. )***



---

*Friday, 2nd November 1928.*

---

Friday, the 2nd November, 1928.

The Committee re-assembled at 11-15 A.M. at the Secretariat, Bombay.

Present :—

THE CHAIRMAN.

MR. KHAREGHAT.

MR. KAMAT.

---

Oral Evidence of

MR. DHUNJIBHOY FRAMJI BATLIWALA,

Partner in the firm of Messrs. Nowroji, Wadia & Sons,

Mill Agents : Agents, Machinery Importers, Machinery Makers, etc.

---

THE CHAIRMAN :—You have had considerable experience of mill management?.....About 33 years in this line.

In what departments have you been mainly looking into?.....Right from the bottom ; every department.

MR. SAKLATVALA :—Have you been the manager of other mills also? .....Yes, I was Superintendent of the Currimbhoy group of mills.

MR. SAKLATVALA :—The question was whether we have reduced other charges or not since the Tariff Board reported, and I had mentioned that we had made reductions in other charges also since 1925 ; Mr. Dhunjibhoy will prove that these charges have been reduced. He has got a statement.

Ex. :

(Witness handed in a statement of charges in each section.)

THE CHAIRMAN :—How did you prepare the statement?..... We prepared the statement in our office. To the best of my knowledge it is correct. It will be seen that in every case, coal, stores, office establishment, fire insurance, municipal-taxes, income-tax, and interest charges, our charges have gone down from 1923 to 1927.

What mills are these?.....This is a statement of the Textile Mills.

MR. SAKLATVALA :—Your labour charges show a slight reduction. Have you been cutting wages?.....No. We have reduced the men, and we have shut out one process.

Which process?.....The roving process.

Have you done away with it altogether?.....No. In 1920 we were working 70 Machines, out of which 25 have been stopped entirely.

You have made no changes in the rates of wages. The earnings of the operatives remain the same?.....Yes. Ever since 1923 it remains the same.

MR. KAMAT :—You state that these economies were made between 1923 and 1927. They could not be in pursuance of the advice of the Tariff Board which sat in 1926?... No.

MR. SAKLATVALA :—Of course, Mr. Batliwala has got figures from 1911. The main question is whether we have reduced charges from 1925 or not, and the correct procedure would have been to compare the charges for 1925 with those for 1927, but the statement will make it clear. There are figures for 1924 and 1925, but the question is whether we have reduced it since.

MR. KAMAT :—How much of this economy, which you claim to have done, is due automatically to the market rates falling, say, for stores, and how much is it due to your deliberate conscious effort for economy?.....Deliberate economy has been effected in insurance. The market rate for stores has gone down, and less money is spent. I cannot say, for my mills, that I have reduced the consumption of stores. If I consumed 100 in 1925 I am still consuming 100. We have fought for reduction in municipal-taxes and insurance charges, and they have been reduced.

MR. SAKLATVALA :— Our contention is that it was due to our efforts that the duty on stores was removed, and hence the reduction ; the duty varied from 5 to 15 per cent.

THE CHAIRMAN :—What about coal? What is responsible for the reduction?.....We are burning oil ; formerly we were using coal. When we started burning oil, we used to pay Rs. 53 per ton of oil. Now the cost has come down to Rs. 39.

What about your commission on cloth? How is that reduced?..... Because cloth fetched less price than before, and we have also reduced the commission. Formerly, if it was  $3\frac{1}{2}$  per cent., we have now reduced it.

What about interest?.....Possibly, we have drawn less money from the banks, and we do not call in any outside money now-a-days.

MR. SAKLATVALA :—About interest charges, you say you have not used the same amount of money. Why have you not used the same amount of money? Is it due economy?.....Because cotton prices have come down so much that we require less money.

THE CHAIRMAN :—You do not want so much for buying cotton?..... We are taking cotton of the first picking, in the beginning of the cotton season, and if cotton prices are lower then we do not require so much money for buying cotton.

MR. JOSHI :— These figures are for one mill?..... Yes.

Do you think the figures for all the other mills will be the same?.....  
I cannot answer for all the other mills. I am talking of my mills.

Is your mill one of those mills in Bombay which are considered to be weak?.....I cannot say that my mills are considered to be weak mills.

You cannot say that the conditions in your mill are typical of the conditions in the other mills?.....I cannot answer for the other mills.

Is your mill making a profit, or is it making a loss? .....It is making a profit.

Did you inflate your capital, or keep it where it was?.....We paid to the shareholders in 1922 one bonus share, that is, our capital was increased from Rs. 31 lakhs to Rs. 62 lakhs.

Your mill has got a large reserve fund; how much is it?.....You can see that from the balance sheet. I think we have covered our block. If the block is Rs. 3 crores, then we have got reserves of Rs. 3 crores.

As regards coal, you have made no reduction in the quantity of the fuel used?.....No. It is the reduction in the price that has brought down the cost?

You do not take the credit to yourself for the reduction of the price?.....  
To a great extent, no; to a small extent, yes.

Did you ever try to see if the consumption of coal in your mill could be brought down by economy?.....Yes. That depends on different conditions.

Did you make any effort to see whether the consumption could be brought down?.....We are always after it, and we have succeeded to a certain extent.

Knowing the conditions in Bombay as you do, as you were connected with other mills, do you not think there is still some room for economy in the quantities of fuel used in the Bombay mills?.....I cannot say. The conditions may be different in other mills.

You have succeeded in making some economies in it?.....We are always after it.

Do you think, if an effort is made, you may still succeed in getting rid of the waste, and make some economies?.....You cannot come to zero point.

I did not say you should come to the zero point. This is an item in which waste can be eliminated by reasonable caution and the spirit of economy?.....That is what I told you already, that we are after it. Every time we find that consumption has gone up, we try to find out the cause and reduce it.

Will you describe to the committee by what method you find out whether economy is effected or not? Have you got any regular method by which you judge of the economy?.....We can tell by our experience that a certain quantity of oil must be consumed for certain power used, and if it is more, then we want to know the reason why. For instance, on a very cold day, consumption shoots up by two or three points, because we have to put in steam the whole day in the departments, and that is one of the reasons why consumption goes up.

Do you compare your present consumption with your previous consumption, or did you compare your consumption with that of other mills?.....I do not compare it with that of other mills.

You have not compared your consumption of fuel with the consumption of fuel in Japan or Lancashire?.....No, we have not.

As regards stores, how did you make economy? Is it in quantity, or in price also?.... In quantity also we are always after it. We have set down that so much stores should be used per month in a department, and, without my sanction even the Manager cannot give more stores in that department. If he has to give more, he must come to me.

Can you tell us to what extent this reduction is due to the cheapening of the articles, and to what extent it is due to economy, or the consumption being less?.....I do not think we have changed our consumption much during the last three or four years, because I have set down that so much consumption should be made in a particular department. Most of this is due to the cheapness of article, and the duty being taken off.

You have not compared the cost of your stores with the cost of stores in Japan or Lancashire?.....No.

Do you not think it would be a useful comparison, in order that our industry should be able to compete with the industry of Japan?.....Yes, if you could get proper figures from Japan.

The Millowners have not made any effort to send a deputation to Japan to find out the cost of manufacture?.....I cannot answer that question.

As regards the cost of labour, you have made some economy by reducing the number of men?.....Yes.

Not by reducing wages?.....Not by reducing the wages, but by stopping certain machines by omitting the roving process.

Your figures include spinning and weaving both?.....Yes.

Do you have any yarn which is not turned into cloth in your mill?.....  
Yes. We sell our yarn to the dyers. We do not sell very much of our yarn outside.

To that extent your figures of manufacturing cost may have to be altered a little bit?.....Why?

If you do not turn all yarn into cloth, it may inflate the cost. The cost of spinning may be less.

MR. DANGE :—When you find out the costing sheet per lb. of cloth, do you take the spinning expenses of that much yarn only, or do you include the whole of the spinning charges of all the yarn in the mill?.....Whatever the reeling charges are, we deduct from that yarn and then debit it to the weaving charge.

MR. JOSHI :—The cost given here includes the cost of spinning the yarn which is turned into cloth as well as the yarn which is sold?.....The reeling charge is deducted from the spinning charge for whatever yarn we sell

MR. DANGE :—You debit all other charges?.....Yes, everything.

To that extent, you include the power spent?.....Every thing deducted, coal, stores, labour, etc., for the yarn that is not used for weaving.

MR. JOSHI :—You have reduced your labour costs by reducing the number of men. To what extent did you reduce the number of men?.....I cannot say that.

Did you ever compare your wages with the wages of any other mills in Bombay?.....No.

It did not occur to you that it would be a useful thing to do?.....  
When I consider that my wage bill is less than that of other mills, there is no reason for comparing it. If the wages in other mills were less than mine, then I could go into the figures.

Did you compare your wages with the standard lists which have been prepared by the Millowners' Association?.....Yes.

MR. SAKLATVALA :—That does not arise from this.

MR. JOSHI :—I want to find out the truth.

THE CHAIRMAN :—The witness can give any information which he wants.

MR. JOSHI :—How do your wages compare with the standard laid down in the standardisation scheme?.....On the spinning side, it is practically the

same ; on the weaving side, it will be a cut in our mills of 10 to 12 per cent., because we were giving, as you know, much higher wages.

As regards office and supervision charges, you show some reduction, Did you ever try to make further economies ?.....I do not think our figures are high. We have reduced our expenses, and this is the minimum we can work with.

Will you tell me why an office in the Fort is necessary ?.....Because it is the business centre, where all the cotton brokers, the yarn brokers and cloth merchants come.

As regards cloth, do you not sell it through a guaranteed broker ?..... We sell through our commission agents.

They are fixed. They need not go to your Office ?..... Sometimes they do come to see us for business purposes.

Do you not think they might just as well go to Parel ?.....If you force them, they will go. What can they do ?

Your office in the Fort is an absolute necessity, because you have got other business ?.....I think it is absolutely necessary that my office must be in the business centre. Supposing, we have to do business, I consider it is necessary for my office to be located in the business centre.

If you are only managing a mill, and if you have got no other business such as selling machinery, why should you have your office in the Fort ?..... Because it is the business centre, where cotton brokers come every 5 to 10 minutes.

You have got one cotton mukadam ?.....Others also come.

Not for the sake of business ?.....For canvassing business.

You have one man for sale of cloth and purchase of cotton. It is only these two people who do business with you, not the others ?.....We do business with other people also.

What is the use of having your guarantee brokers and commission agents ?.....Because they guarantee the money. If a merchant takes away the goods and does not pay for it, the guaranteed broker is held responsible.

Exactly. He is the responsible party. You are not really connected with a large number of merchants, because you work through one man ?.....We have got several merchants, 20 or 25 merchants.

MR. KHAREGHAT :—You sell to different merchants ?.. ...Yes.

MR. JOSHI :—If their business is serious, they would certainly go to your mills, as they do in Ahmedabad. Did you ever enquire how the Ahmedabad mills work with their offices in the mills, and they make a saving?.....No, I have not.

Will you tell us what are your head office charges. What is your head office staff?.....The manager is in the mill.

How many Superintendents have you got?.....No Superintendent.

What are your office charges? Will you explain?.....The clerical staff and secretaries.

Does it come to 2·35 pies per lb. of cloth?.....It is office and sundries.

In the balance sheet that is provided to us, under "Establishment charges" there are some sub-headings, "office," "salaries," etc. Can you give us an idea as to what are your office charges?.....How can I give? I have not got any figures here.

We wanted to judge whether your figure of 2·35 pies per lb. of cloth could be reduced?.....I do not think it can be reduced.

You could not throw any light on the point?.....No.

What is your Agents' allowance for this mill?.....Ten per cent. on the profits of the company.

Excluding depreciation?.....Including depreciation. We deduct depreciation afterwards.

We were told that, for the sake of profits, it is always better to take depreciation first?.....I do not know.

That is what we consider to be the right method of keeping accounts of manufacturing companies, that the depreciation must be deducted and then the profit must be ascertained. This is what Messrs. Ferguson & Co. have done. They have shown that the mills in Bombay are losing after deducting depreciation. For the sake of your commission, you do not deduct depreciation first but you take the gross profits?.....We take the gross profits.

Have you got two things separate, namely, agents' commission and agents' allowance?.....We have got agents' allowance, and we deduct it from the commission. Supposing we make Rs. 30,000 for the agents' allowance, and we make Rs. 1 lakh profit on commission, then we draw only Rs. 70,000 to make up the 1 lakh. The agents' allowance is the minimum we draw in a year, supposing we make no profit. But supposing our commission is higher, we draw the difference.



Suppose your profits are Rs. 10 lakhs, and your commission comes to Rs. 1 lakh?..... We deduct the amount we draw as allowance and take the remaining sum to make up the 1 lakh.

Office salaries are included in your agents' commission? Yes.

No charge for head office falls upon your general accounts if your commission reaches one lakh of rupees? If my remuneration is 30,000, then I draw only 70,000 to make up the one lakh.

Your office charges are different from the agents' remuneration?... ..Yes.

And the agents' remuneration is 10 per cent. of the profits?.....Yes.

Therefore, I do not understand why in this balance sheet presented to us by the Millowners' Association there should be two items, agents' allowance and agents' commission.

THE CHAIRMAN :—Messrs. Fergusson & Co. will be able to explain it.

MR. SAKLATVALA :—That depends on the Articles of Association.

MR. JOSHI :—As regards office expenses, you do not think they can be reduced? ...No.

By whom are the buildings in which your office is situated owned?.....Messrs. Forbes, Forbes, Campbell & Co.

You pay rent?.....Yes.

How much rent do you pay?.....I object to answer that question.

If you do not want to give the information, we do not ask for it. We leave the inferences to be drawn from it.

Regarding fire insurance, that is reduced because of reduction of capital?.....It is due to reduction of capital; also the prices of machinery have come down; and the insurance charges also were reduced.

THE CHAIRMAN :—You got them to reduce the charges?.....The Millowners' Association asked the insurance companies to reduce the rate they were charging.

MR. SAKLATVALA :—I will bring that as evidence.

MR. JOSHI :—You are also agents for an insurance company?.....Yes, the Queen Insurance Co.

Your mills are insured in that company?.....Yes.

You also get separate commission as insurance agents?.....Yes. I may say that we give back to the mills that commission; we do not pocket it.

You say that the interest charges are reduced because the prices of cotton have gone down?.....That is one of the reasons.

What rate of interest does your mill have to pay?.....To other people we are paying 4 to 5 per cent. ; it is not higher than 5 per cent.

Do you have to take money from the bank?.....Sometimes we have to borrow money from the bank.

As regards commission on cloth, have you got one guarantee broker or do you sell direct?..... We have got a guaranteed broker, through whom we sell cloth.

The charges come to 2·31 pies per lb. of cloth. What are your terms with the guarantee broker?.....I am not going to divulge that. That is our secret.

We have no means of judging whether your expenses in that direction can be cut down or not?.....You can see that they have been reduced from 3·96 in 1923 to 2·31 in 1927.

We want to find out whether it can go down still further?.....That depends on the value of the cloth. If the value of the cloth is higher, more commission is paid.

Did you ever try the Ahmedabad method of selling cloth, where they do not have highly paid cotton brokers, but have their own salesmen?.....We tried it, but we failed.

MR. R. S. ASAVALE:—In what year did you try it?.....Somewhere about 1923 or 1924.

MR. JOSHI:—Did you have any shop of your own besides that?.....That is the very thing you are asking me. We opened a shop, but we had to close it, as it failed.

Why is there such a great change in your agents' commission between 1926 and 1927? Why was it less in 1926, and why is it more in 1927?..... Because we made more profit.

Why did your income-tax and super-tax increase?.....For the same reason ; profits higher.

When you are making profits why did you try to reduce your labour cost?.....We must try to do it. Why should we not attempt to reduce the labour cost? We have not done it by reducing wages, but by reducing the staff and by reducing the processes of working.

When you are making profits, you keep your labour contented by paying a little bit more, or by giving them a little less work to do.....That would not be in the spirit of the Tariff Board report.

The Tariff Board did not say you must worsen the conditions?... ..You must economise. Otherwise, how can you economise?

Do you not think that on the whole you will have economy if your labour is contented?.....We cannot keep extra men.

Did you have any strikes during 1927?.....No.

Before the general strike, there were some troubles?.....Yes.

You had strikes in 1928, and a strike means a loss to the workers as well as to you. If you have suffered a loss on account of having reduced your labour cost in 1927, it is quite possible that your labour cost will go up in 1928?.....It may be for one year, but what about 1929?

Who knows? By this method of reducing labour cost, you may find that you may get a smaller labour cost one year, but there will be increased labour cost in others?.....Due to strikes?

Due to discontent?.....That is strikes.

This policy may not prove to be a wise one on the whole?.....I do not know that.

MR. BAPTIST :—Your cost of fuel comes down from 6·63 in 1925 to 5·51 in 1927. What were you using in 1925? Coal or oil?.....Oil.

This difference is due merely to the fact that the prices of oil came down, and there has been no economy?.....A great deal is due to the prices having come down.

That is the only factor responsible for the decrease?.....Mostly.

You find oil more economical to use?.....We find oil very economical.

Cheaper than electricity?.....Yes.

The majority of the Mills in Bombay have gone on to electricity?.....Yes.

And they have got a fixed rate on contract?.....Yes.

And they cannot bring that down?..... They cannot.

You have reduced the manufacturing cost. Fuel is one of the items that goes to reduce the cost. Some people use coal, others use oil, a third party uses electricity.

MR. SAKLATVALA :—It is not electricity for the boilers.

MR. BAPTIST :—I am talking of power.... I may point out that in 1925, on account of using oil at higher prices, we were paying more for it than if we had used electricity, but to-day oil prices have come down so much that we are running cheaper than using electricity. If oil prices go up, I would have to pay higher.

You say you have not reduced the consumption of stores ?.. ...Not much.

And the cost has come down merely because of the fact that the prices have come down all round ?.....Not only that, but the duty has been removed.

Regarding office supervision charges, could you give the total amount that is spent in the office ?.....I cannot divulge my figures.

If you removed to Parel, there might be a difference in the charges ?.....There might be, but in other ways I will have to pay through the nose.

Regarding commission on cloth, you state that there has been a slight reduction ?.....Yes.

And that reduction is due not because economy is made, but because the prices of cloth have come down ?.....We have also reduced the percentage that the agents were charging to a lower figure.

There was a strike in 1925 ?.....At the end of 1925 there was a general strike.

That was because wages were tried to be reduced by 10 per cent ?.....Yes.

It came to an end when Government removed the excise duty ?.....Yes.

The removal of the excise gave you a fair advantage ?.....Yes, but correspondingly the prices of cloth had gone down.

It is a question of wages. You tried to reduce the rates at that time, and Government came to your relief by removing the excise duty ?.. ...Yes.

And that helped you to tide over the matter ?.....No, I do not think so.

MR. ASAVALE :—For that reason the excise duty was removed. Government did that, in order that the millowners may not reduce the wages of the workers ? . ...At that time, we said that if Government would remove the excise duty, we would stop cutting wages.

For how many days ?.....Since then how many years have passed ? Three years.

MR. JOSHI :—For a very long period ?.....Yes.

MR. BAPTIST :—What did you get by the removal of the excise duty in point of percentage with reference to wages?.....I do not follow the question.

MR. BAPTIST :—On the one hand you have cut wages  $11\frac{1}{2}$  per cent. and on the other you have got removed the whole duty by Government. How did that compare with the cut?.....I have not worked that out.

MR. BAPTIST :—You said that you have given an extra share to every shareholder?..... Yes.

MR. BAPTIST :—When was it?.....1922, I think.

MR. BAPTIST :—To-day the value of the share has risen about 3 to 4 times?..... Yes.

MR. BAPTIST :—That means that your share which was originally one is to-day 6 or 7?..... Yes.

MR. BAPTIST :—Do you think it justifiable that when your shareholder can get seven times the previous return that your workmen should have a cut in his wages?..... What were the prices in 1922 of those shares?

MR. BAPTIST :—The question is that for his original investment the shareholder is getting seven times his value.

THE CHAIRMAN :—That is a matter for the Committee to form its opinion on.

MR. DANGE :—Mr. Batliwala, can you tell me whether there was any change in the land values of your office say between 1924 and 1925? Were you required to pay more rent for your office between 1924 and 1925?.....I do not think we have increased the rent since then.

MR. DANGE :—To what is it due that your office supervision in 1924 has risen from 3.41 to 5.95?..... Due to the strike. The office establishment and everything else such as rent is the same in the strike period and besides we produced less cloth and less yarn and so the prices went up. That was a strike year.

MR. DANGE :—For how many months did the strike last?..... Eleven weeks.

MR. DANGE :—Two months' strike was responsible for putting up the office charges to the extent of 2.54?..... It is 3 months. Besides we did not get full production for six weeks or so.

MR. DANGE :—That was in the last year?..... No. We started on 1st December. In December we did not get full production.

MR. DANGE :—What is the percentage of your dyed cloth to the non-dyed ordinary cloth? You must have calculated that?.....I cannot answer that question because that is our secret.

MR. DANGE :—But when you calculate the whole cost of manufacture and if your dyed cloth forms only 20 per cent., should the whole dyeing charge be thrown on the industry and be calculated per point? Does the whole cost of manufacture per point in the total include the dyeing charges?.....Yes, it does but the dyeing charges are shown separate for the year.

MR. DANGE :—True, but when you want to give us an idea about the cost of manufacture per lb. of cloth as a general cost, would you include the dyeing charge as an important item?.....Where should it go otherwise?

MR. DANGE :—It does not go but that is why we want to know what is the percentage of the dyed cloth to the non-dyed cloth.....I cannot answer that because, as I already said, it is our secret.

THE CHAIRMAN :—Can you give a rough idea?.....No, Sir, that is our secret, I am sorry I cannot give that.

MR. DANGE :—To what is the increase due of your labour charge which went up from 39.69 to 40.30 from 1924 to 1925?.....That is a strike period when we got less production, efficiency was lower.

MR. DANGE :—The wages have risen because of the strike?.....Yes. If you get less production, the cost goes up.

MR. DANGE :—Less production was only for a month?.....No, it was for six weeks. Part of it was in January 1926.

MR. SAKLATVALA :—Mr. Batliwala, in answer to Mr. Joshi's question you said that your mill always made a profit. Is it a manufacturing profit or is a part of it due to your large reserves also?.....Due to large reserves also. We must get our interest on our reserves.

MR. SAKLATVALA :—Your reserves amount to three crores?.....Partly in machinery and partly in Government paper.

MR. SAKLATVALA :—And all that is also included in your profit?.....Certainly.

As regards the question of coal, why did you go to oil fuel in preference to coal?.....We found that oil fuel would be more economical.

MR. SAKLATVALA :—As regards stores, you said that the diminution in the charges was due partly to reduction in rates and partly to less consumption?.....Very little to less consumption.

MR. SAKLATVALA :—In 1925 you show stores as 13·99 or say 14 pies. Take a year before if you like. But now in 1927 it is 11·32. Have you any idea as to why the rates of stores have been reduced?.....There has been reduction in the duty of 5 per cent. and in some cases 15 per cent.

MR. SAKLATVALA :—On an average of 10 per cent. Can you say how much of it—exact percentage—accounts for the difference in prices of stores? .....I cannot.

MR. SAKLATVALA :—As regards offices being in the Fort, do you think that if you had your offices in the Mill area you could not transact your business properly because of the banks being situated in the Fort?.....Yes.

MR. SAKLATVALA :—Are not all store suppliers and other offices which have to deal with mills also situated in the Fort?.....They are.

MR. SAKLATVALA :—That is what you meant that the Fort is a business centre?.....Yes.

MR. JOSHI :—From whom do you take your stores? Is it from one Company?.....No. We ourselves represent several firms in England who supply us with stores.

MR. JOSHI :—Do you purchase directly through the Mill Company or through Messrs. N. N. Wadia & Co.?.....Through N. N. Wadia & Co.

MR. JOSHI :—N. N. Wadia & Co. sell stores to the mills which are managed by N. N. Wadia & Co.?.....Yes.

MR. JOSHI :—Who takes the commission for the stores?.....We refund the commission to the mill concerned.

MR. JOSHI :—Every pie of it?.....Yes.

MR. JOSHI :—Who is your purchaser of cotton? From whom do you purchase cotton?.....Wren & Co.

MR. JOSHI :—Not through N. N. Wadia & Co.?.....We do upcountry purchases through them and the local purchases through Wren & Co.

MR. JOSHI :—There also you give all the commission to the mills?..... There we do not get any commission but have to give commission. When we buy locally for our mills, through Wren & Co., we give commission to them.

MR. B. S. KAMAT :—Looking to your total, you are trying to show that the total cost of manufacture, including Agent's commission, income-tax etc., as compared between 1925 and 1927, works out to 91 pies per pound in 1925 as against 67·83 pies. That appears to be rather a sudden drop for a period of

two years. Are you quite sure that your figures are correct?.....Yes, my figures are correct, but the drop is due to the year 1925 being a strike year when the fixed charges were the same but the excise duty was taken out and then in 1925 we did not pay any income-tax or super-tax because we made no profit. In fact we showed a small loss.

MR. KAMAT :—Is there anything else that accounts for it? The Tariff Board has taken one or two items which you seem to have omitted, such as repairs and upkeep of machinery. They show 11 pies for seven mills in Bombay.....We wipe them out in stores generally.

MR. KAMAT :—Repairs to buildings?.....We wipe them off in stores.

MR. KAMAT :—That is not included in the cost of manufacture?.....That is included in the cost of manufacture?.....That is included in it.

MR. KAMAT :—To that extent is your statement not accurate?.....How do you mean?

MR. KAMAT :—If that has to be taken in the cost of manufacture and if you have not taken it here, to that extent your statement is inaccurate?.....Yes, because whatever we spend on repairs to machinery and other things, we wipe it off.

THE CHAIRMAN :—What do you mean by “wipe it off”?.....Whatever stores etc. we use for repairs, we wipe their cost off as we spend the money.

MR. KAMAT :—Can you show separately how far the reduction which you claim to have done would be a permanent feature of production? For instance, the commission on the sale of cloth. We want to know whether they would be a permanent feature?.....How can I answer that? It all depends on the value of the cloth, therefore the commission varies.

MR. KAMAT :—The rate which you have to give at present will remain at that figure permanently?.....To-morrow it may go down or it may go up.

MR. KAMAT :—You are paying commission on a very small basis?.....It was  $3\frac{1}{2}$  before, now it has gone down below that.

MR. KAMAT :—Is it your arrangement that that rate of commission should continue for some years?.....At present it is so because we have a five years' agreement.

MR. KAMAT :—Similarly, as the agents are taking less commission during these times of depression, is that also likely to remain the same permanent feature?.....According to the articles of association, it will vary.



MR. KAMAT :—Will not the Agents forego their commission in these times ?.....Some of them do.

MR. KAMAT :—Is it not likely that this will remain the same permanent feature if the depression continues ?.....It may be like that.

MR. KAMAT :—Taking these two things into consideration, can you put in an amended statement showing how much of the reduction is due purely to your efforts, that is to say not due to the reduction in the market rates, and how much would remain a permanent feature of the reduction for some years in the light of the condition of that trade ?.....You want figures for 1925 and succeeding years ?

MR. KAMAT :—What we want is a total amount to be worked out by you showing how much you reduce directly owing to the less rate you are paying on the sale of cloth to commission agents, how much you reduce directly by the agents foregoing their share of the commission, and directly how much you save on the commission on stores, etc. ?.....As regards consumption of stores, I mentioned some time ago that we are consuming practically the same amount of stores as those in 1923 or 1924 or 1925 because I have sent down some figures to the manager of each of our mills on which he has to work, and so he cannot consume more than that and if he does consume more, he has to give the reason why and so on.

MR. KAMAT :—That applies to stores. But so far as less commission paid to your cloth agents..... ? That we can work out.

MR. KAMAT :—Have you to your credit any direct saving effected by yourself ?

MR. SAKLATVALA :—The statement I put in showing the average, how wages had increased in each department and the disparity between spinners' and weavers' wages, was prepared by Mr. Batliwala relating to his own mills.

THE CHAIRMAN :—Is that information quite correct ?.....I have got documentary evidence for that by our standard musters.

MR. DANGE :—The statement relates to April 1923. We have nothing to ask about that. There is nothing in our demands or disputes about 1923.

THE CHAIRMAN :—What was your object in putting that in ?

MR. SAKLATVALA :—To show how wages had increased in each department from 1914 to 1923. That question was relevant inasmuch as the cost of living figures were produced by us also and we wanted to show that the wages had increased more than the cost of living justified and specially in the case of weaving and also that whereas originally the weaver was getting only about eight or nine rupees more than the piecer in the ring department, he is now getting about twenty to twenty one rupees. That was the object.

MR. DANGE :—In that case, I have to ask one or two questions. Do you, Mr. Batliwala, think that your wages are being paid by all other mills?.....How can I answer that question?

MR. DANGE :—But you can say “Yes” or “No.”.....I do not know what the other mills are paying.

MR. DANGE :—Anyway, the general level of the wages is governed by what is prevalent in the industry?.....Yes.

MR. DANGE :—Do you pay any special bonuses that are not being paid by other mills?.....No.

MR. JOSHI :—You used to pay?.....But the other mills were also paying the same bonuses.

MR. DANGE :—You know that other mills were paying bonuses of the amount that you were paying, but you do not know what wages they were paying?.....I do not know what wages they were paying.

MR. DANGE :—You know only about the payment of some bonus?...Yes.

MR. DANGE :—Do you think that these wages can be taken as representative of other mills also?.....I cannot answer that question as regards other mills. I will answer for my own.

MR. DANGE :—Do you think that this statement can be put in as a representative statement for all mills or for the industry as a whole?.....No.

MR. JOSHI :—We are not interested in the statistics of one mill only.

---

THE CHAIRMAN :—Now let us take up the “statement on points on which information should be supplied by the Millowners.”

Point No. 1.—Balance sheets and profit and loss accounts of each mill. For what year is this information needed?

MR. JOSHI :—For 1925, 1926 and 1927.

MR. SAKLATVALA :—The balance sheets of each individual mill have not been produced before the Committee. We have produced what is really necessary to give the other side some reliable data to go upon. The balance sheets are all published documents. If they want to go into the balance sheets, it is not only a question of mere totalling up because all mills do not show the same items under the same heads, but it is a matter which can only be properly dealt with by very competent auditors, and, if our friends are prepared to submit all these balance sheets to competent auditors and then try and find out whether the figures we have given are correct or not, there will be some justification otherwise there is no justification at all. That I submit

will take an unnecessarily long time. You have got audited statements already. If our friends had produced any ground for reasonable doubt and if they can show any specific instances where the Tariff Board had made any adverse remarks about the balance sheets, I could understand it. Yesterday, Sir, I gave you a copy of the correspondence that had passed between our auditors, Messrs. Fergusson's and the Tariff Board. They were also called upon to give oral evidence. Certain arguments did take place and those figures were afterwards fully approved by the Board and printed in the Tariff Board Report. I do not see how this can be made a question for having reasonable doubt. I say we are ready to produce them if they produce reasonable grounds for doubt. They merely say "we doubt the accuracy of these figures." They would be unnecessarily prolonging the enquiry and I therefore submit that that does not strictly fall within the terms of reference at all. I do not see how it is going to help this Committee who have to see whether our standardization scheme is fair or unfair. Should they sit and go into these figures in order to see whether their demands are reasonable or not or whether our standardisation scheme is in order or not?

MR. JOSHI—These figures are absolutely necessary. The main argument of Mr. Saklatvala and the Millowners' Association for introducing a reduction of wages in the scheme for standardization is that the industry cannot afford to pay, that some mills are making losses and therefore there must be a reduction in the labour cost. How are we going to judge whether the losses made by certain mills are due to their labour cost? What we want to do is to compare the balance sheet of one mill with another. That will enable us to find out whether the labour costs of a mill which is making a loss are higher than the labour costs of a mill which is making a profit and if the loss is certainly not due to labour costs, then certainly there is not much ground for the millowners to suggest a wage cut. That is really what we want to do. If they will not allow us to compare the balance sheets of one mill with another's, then we cannot make out any case and I think they themselves cannot make out any case for reduction of wages. If they give up their claim for reduction in wage, then certainly we do not want to go into these figures at all. If the scheme is for pure standardization, then we shall not go into this matter at all. We do not want to go into this matter if they give up their claim for a reduction in the wages.

MR. SAKLATVALA :—If that is the purpose for which the balance sheets are called for, I submit that that purpose will not be served at all because you cannot take a balance sheet of one mill and say this mill has such and such labour charges and another mill has such and such labour charges, because you cannot compare labour figures without seeing what the capacity of the

mill's production is, what the number of hands employed is and a thousand and one other things have to be gone into before you can come to any conclusion. That I submit will turn this Committee into a sort of a rambling commission and does not come within the terms of reference at all.

MR. DANGE :—In that case I would like to know how the claim for a justification of cut comes within the terms of reference. The terms of reference only consider the standardization scheme. They do not take into account justification for a wage cut.

THE CHAIRMAN :—That is quite true, Mr. Dange. We have got to see whether the standardization scheme is fair and reasonable, but.....

MR. DANGE :—A standardisation scheme can be for standardisation of wages all round, but it cannot be for cutting of wages in the industry.

THE CHAIRMAN :—It may involve cutting but we have got to consider whether that cut is reasonable or fair.

MR. JOSHI :—That does not imply a wage cut.

THE CHAIRMAN :—Surely that is a part of the question which is relevant to the main question.

MR. JOSHI :—If you decide that the wage cut is properly relevant to this inquiry, then we claim that an inquiry into the cost of production is relevant. Then Mr. Saklatvala cannot say that it does not fall within the terms of reference. The Tariff Board examined the balance sheets of several mills and they found that the examination of the balance sheets of the Bombay mills furnished convincing evidence that these mills which did not increase their capital during the boom were in the strongest position. So, there are various points involved in the consideration of losses and therefore it is necessary to call for the production of balance sheets.

THE CHAIRMAN :—Now, we go on to the second point, Wages of Each Mill ; (a) Wages bill for spinning sections with the number of the employed ; (b) Wages bill for weaving sections with number employed ; (c) Wages miscellaneous with the number of the employed. Does Mr. Joshi want these particulars for each of the 80 mills in Bombay ?

MR. JOSHI :—Yes, Sir.

THE CHAIRMAN :—For what period ?

MR. JOSHI :—The same period.

MR. SAKLATVALA :—For three years 1925, 1926 and 1927.

MR. JOSHI :—When you give us balance sheets, those figures will have to be shown separately in the balance sheets.

MR. SAKLATVALA :—It will take six months to prepare these figures for three years.

MR. JOSHI :—If the mills do not keep separate records for their spinning and weaving departments carefully, they are mills which are not properly managed, I think.

MR. SAKLATVALA :—I do not say that records are not kept, but there are 85 mills and there will be 85 records for each month. Multiply that by 12 and you get over a thousand records for each year and over 3,000 records for three years. You have got to tabulate them. As I have already said, first of all, all mills do not follow the same system and therefore if any useful purpose is to be served, we will have first to tabulate the information in a form which is intelligible to everybody. That I say will take at least six months.

MR. JOSHI :—I think Mr. Saklatvala is making a bogey. A textile mill is divided into two sections, the spinning and the weaving. We do not want the wages month by month. We want the details for the year. If a mill which is properly managed does not total up the wages and keep records of this total of wages for the year, I do not know why the Agents and Managers are there. Mr. Saklatvala says that we shall have to take out wages bills month by month. Doesn't he total up his wages bill at the end of the year with the rates shown against each? Certainly, he must be totalling up his wage bill.

MR. SAKLATVALA :—Yes, Sir, but that includes each and every department of the mills. When we are asked to classify the mills into various departments of spinning and weaving and miscellaneous departments, that means quite a different thing.

THE CHAIRMAN :—Does not a mill ordinarily give it in its final accounts so as to show the total amount for spinning and weaving.

MR. SAKLATVALA :—No, Sir. There is only one wages account for spinning, weaving, dyeing and miscellaneous departments. We are not concerned to know what the wages are for a particular department. We can get that only from the monthly musters.

THE CHAIRMAN :—Don't the mills have total figures for the weaving and spinning departments separately?

MR. SAKLATVALA :—No, Sir.

MR. STONES :—One mill may have a spinning and a weaving department while another may have only a spinning department.

**THE CHAIRMAN :—**They do have some separation of the weaving and spinning sections ?

**MR. STONES :—**Yes, Sir. In a weaving shed, there may be four weaving masters and in another weaving shed there may be 2,000 looms and three or four or six or eight masters, making up a total wage bill of the weaving department. These are all tabulated. As Mr. Joshi rightly says, there are different sections showing what the weavers have earned. These sections are added together. But, Sir, a weaving department has a winding department, a warping department and other processes relating to weaving. There is no doubt that all these could be compiled, they are capable of compilation but we will have to delve right through and that would take certainly a very long time.

**MR. KAMAT :—**Don't you submit to your Directors' Meeting every month a consolidated statement showing summaries of wages, coal purchases, cotton purchases, etc. ?

**MR. STONES :—**That system varies with every mill. What is submitted to the Directors usually is an analysis of the cost of production but the big item of interest to the Directors is the amount of cotton purchased and the actual cost of production. That is of more interest to the Directors than the total wages paid in each separate section.

**MR. DANGE :—**Don't you submit cost per pound of yarn to the Directors ?

**MR. STONES :—**In certain mills they do it.

**MR. DANGE :—**There is bound to be a difference between spinning and weaving on this item of cost per pound ?

**MR. STONES :—**Yes, naturally.

**MR. SAKLATVALA :—**We first of all never have monthly meetings of our Directors. We have hardly three or four meetings in a year. The most important items of interest are, as Mr. Stones has said, the purchase of cotton, yarn and cloth bought and sold. All this important information is being circulated to them every month. We do not give them figures of what the labour charges have been.

**MR. JOSHI :—**If they are not getting labour charges for their spinning departments and if they do not know what the labour costs on yarn are, I think it is time that the millowners should take the trouble of doing it.

**MR. STONES :—**We submit to the Directors the cost of manufacture which includes labour.

**MR. JOSHI :—**I will tell you why we want figures. It is for this reason. We want to find out whether there is a real wage cut already made. That can be found out only by getting the wage bill for the spinning department, the wage

bill for the weaving department, and the production of the spinning department and of the weaving department. Merely giving us total figures of a wage bill will not show whether the wages have gone down or gone up. Unless we know the production, the number of men and the total wage bill of each section, there is absolutely no chance of knowing whether the wages have gone down or gone up. Mr. Saklatvala himself made a statement that the balance sheets do not show that there is a wage cut. How can Mr. Saklatvala make that statement and prove it unless he tells what is the total wage bill for the spinning department, what is the total production of the spinning department. The total production is not enough, however, but we must know the production of the counts because the wages differ according to the counts. How can he make that statement and how can he prove to this committee that there is no wage reduction simply because the total wage bill is more or it stands at such and such a figure? If the production has gone up and the wage bill is the same where it was and even if it has gone up, there will be reduction in the rate. Therefore, merely giving a detailed wage bill is not enough if the production has gone up. We claim that production has gone up. Unless they give us these details that we ask for, I do not see what is the use of the enquiry being made, because nothing will be known, you will never be able to tell whether the wage is fair or not as you will have no facts to base your opinion upon. Your opinion will then be based upon the view which you may take and upon the view which I may take of the labour situation, but we are not, after all, called upon to express our general views about labour but we are called upon to determine the wage rate based upon certain facts, and if these figures are not available, I ask the Members of the Committee, how can they say that a particular wage rate can be fixed unless we have the production of the departments according to the counts?

MR. SAKLATVALA :—That fact can be easily arrived at without going into all this labour. As you know, we have been supplying figures and such particulars as are asked for by Mr. Joshi to the Labour Office and to collect and tabulate those statements would take an enormously long time especially if we were to take those for the years 1923 and onwards. All that we are concerned with is the average which a particular man or operative in a particular department gets. Whether the total is the same in all mills or whether it varies from mill to mill or whatever it is hardly concerns the question. The figures for 1926 are there for each class of operative. You have got a general idea of the total number of operatives mentioned and the average number of days they have worked. I think that general information should be quite ample for the purpose of an enquiry. You cannot possibly go into all these questions in more detail.

MR. JOSHI :—There are only two attitudes which the Millowners can take ; they can ask for a wage cut basing their justification for a wage cut upon

the state of the industry. That is one thing. It is understandable and we are prepared to deal with it. The other attitude which they can take is that the wages which they are paying at present to the workers in Bombay are quite sufficient for them to live in a decent manner. These are the two things which will enable us to determine whether the charges are fair or not. Either they may take the state of the industry or they may take the standard of life of the worker.

**THE CHAIRMAN** :—I think we understand your point, Mr. Joshi.

**MR. STONES** :—May I point out, Sir, that we have not stated that there is a cut in the industry. We say there is a cut in the weaving section of the industry. The Labour Office have compiled figures which are before you as to the rates of wages in the spinning section of the industry. Those can be checked for actual wage with the rates we offer in our standardization scheme. There is a dispute first as to the rate and secondly as to the amount of work being done. Then we can check it up by evidence as to the amount of work to be done for which purpose you may appoint a textile expert to assist you in determining what the actual job is.

**MR. KHAREGHAT** :—Have you got figures for July 1926 to show rates of wages? Can we not find out the work done by each operative during that particular month?

**MR. STONES** :—That can be compiled in a particular sense, in the sense that the production of those mills during that month was so much; it will not however show what we are out to do, *vis.*, to find out the work of individual workmen. This is the standard wage applied to all individual men. Say that a man is paid Rs. 28 for a certain amount of work. Is it a fair rate compared with the work which is being done. The millowners say that in spinning this rate compares favourably with the amount that was paid in 1923 and 1926. Is it a fair and a reasonable rate? That is the point.

**MR. KHAREGHAT** :—For that purpose could you not have the work done in that particular month?

**MR. STONES** :—That would only show gross amount of work done, not the details of work done in each department.

**MR. KHAREGHAT** :—But you have got the figures of production?

**MR. STONES** :—It would only entangle us in a maze of calculations.

**MR. SAKLATVALA** :—If it is all wanted, we can give you information of 19 mills which can be taken for a particular month. That will take a reasonably long time.



MR. DANGE :—On this point, I wish to say, Sir, that the information given by Mr. Stones is incorrect. Mr. Stones says that there cannot be a comparative standard showing what amount of work was being done in 1923 for the amount of wages put in there. It can be shown on an average. Suppose you take carding. If the wage is 24, you can find out on an average how many carding machines a carder was minding. This has not been put down in the statistics compiled by the Board and this is what they are doing in the standard list. In the standard list, against a wage figure, they are putting down a number of machines. There cannot be any comparative standard to show what they were giving, what number of machines there were in 1926.

THE CHAIRMAN :—There will be this comparison as far as possible with the amount of work done in the same month in July 1926.

MR. DANGE :—On an average.

MR. SAKLATVALA :—We can give you production of each department of these 19 mills for that particular month.

MR. JOSHI :—What we really want to prove is that the losses of the mills which are making losses are not due to labour costs.

THE CHAIRMAN :—That is a general point. Now, we come to Point No. 3.—Figures for production of yarn according to counts and value realised by sale and figures for production of cloth according to counts in weight and value realised by sale.

MR. JOSHI :—These figures are necessary; otherwise, we cannot judge of the wages at all.

MR. SAKLATVALA :—They have no bearing on wages. I submit they are absolutely irrelevant.

MR. JOSHI :—I cannot understand how any man can judge whether the wages have gone down or not unless he knows about production.

MR. SAKLATVALA :—What value of production is realised I do not see how that can affect wages; whether it is sold at ten annas or twelve annas, what was a fair value, whether it was sold at the market price or whether we sold it at a profit or loss; all that is absolutely irrelevant.

MR. JOSHI :—Then, don't enter into the state of the industry at all.

MR. SAKLATVALA :—The state of the industry can be proved from the balance sheets. That is quite enough.

THE CHAIRMAN :—There is some information given on this point in the Tariff Board Report.

MR. JOSHI :—That is for 1925.

THE CHAIRMAN :—But still it gives a general idea.

MR. JOSHI :—The millowners say that the profits are due to cotton only. We do not take that on trust.

MR. SAKLATVALA :—Are you going to find out from the balance sheets whether profits are due to cotton or not?

MR. JOSHI :—That is our business. I am not going to tell you how I am going to do that.

MR. KAMAT :—You see, Mr. Joshi, either for you or for the Committee to go into 85 statements either of wages or of production or of sale of cloth would be extending the work of the Committee rather too far. Could you agree to a proposal to narrow down the whole enquiry to, say, statements of four representative mills to be chosen by you (you might chose the weakest) and four representative mills to be chosen by the millowners so that we can examine eight representative statements for all charges of cost of production or other details which Mr. Joshi wants.

MR. JOSHI :—We do not know to-day which mills are making losses. Even that statement is not available to us. We cannot find out which mills are making losses.

MR. SAKLATVALA :—In the printed statements they themselves have analysed the position for the year 1927 and they have got a statement to show what the profit or loss is.

MR. JOSHI :—I challenge that statement of Mr. Saklatvla's.

MR. SAKLATVALA :—You know which mills are making losses.

THE CHAIRMAN :—Surely you can show some mills where they are making losses or profits Mr. Joshi.

MR. DANGÉ :—If some mills lose two crores and if 80 mills lose nothing, the whole aspect of the industry is changed.

MR. SAKLATVALA :—You have got a technical adviser.

MR. KAMAT :—You know by general reputation which mills are weak.

MR. JOSHI :—Unfortunately we got some figures from newspapers—not all figures—even those figures are not for all the mills, and unless we go to the Registrar and get copies made of all reports, we cannot do it.

MR. SAKLATVALA :—One of Mr. Joshi's colleagues, Mr. Jhabwalla, had published balance sheets and had made his own deductions and we had to make a reply also on 13th September 1928. They know something about it. Of course we had to refute that statement.

MR. JOSHI :—We want figures about it. There is no question about it.

THE CHAIRMAN :—You stick to it, Mr. Joshi, that you want all this information for all the 85 mills ?

MR. JOSHI :—About the three years mentioned, we absolutely want them. We do not think any enquiry will do any good if the figures required by us for those years are not given.

THE CHAIRMAN :—Now about point No. 4. Commission.

MR. JOSHI :—I told you, Sir, that the object of this point is to find out whether the economy which they want to make by a cut in wages cannot be secured in this item alone. It is a very big item. As regards the details, if the Committee thinks that all the details need not be given, we do not mind these being lumped up.

THE CHAIRMAN :—One statement for the whole number of mills.

MR. JOSHI :—No. Instead of giving information in (a), (b), (c), (d) & (e), they can give information about each mill. They need not divide the information.

THE CHAIRMAN :—You mean lump sum figures for commission.

MR. JOSHI :—Yes.

THE CHAIRMAN :—How will that help you? You cannot analyse them under the different heads.

MR. JOSHI :—That is true. Unless we analyse we shall not be able to get it; still if this information is divided into so many columns, it will be too much. Still, we can compare the figures for commission for one mill with another. That is what we want to do.

MR. DANGE :—That has always been done by the auditors and it is always done.

MR. STONES :—No. The Tariff Board distinctly state that there are two methods adopted and they therefore are unable to give any decision as to which is the best system.

MR. JOSHI :—We shall be able to give it, though.

MR. STONES :—The rate of commission paid varies with each mill as it depends exclusively on the terms of contract made with that particular mill. Again, the expenses of godowns are sometimes borne by the commission agents and sometimes by the mills. In the former case, we should have to demand from the commission agents an account of what expenses they had to incur on godowns. We arrange with our muccadums. Here, again we have various varieties of arrangements according to the requirements of the people concerned.

In our own mills the muccadumage is paid for delivering yarn to each mill. We do a large bulk of business not only in India but we have customers in Africa, Egypt, and recently we sold to the Nepal Government which means delivery upcountry. The muccadumage on that we have got to pay. All this information will have to be delved into in order to find out who has borne that muccadumage.

MR. JOSHI :—These practices may vary from mill to mill, but from the balance sheets you will find that for the commission on sales of cloth or yarn, the auditors have given a total figure of 29 lakhs. Certainly, this total item is made up from the figures given for individual mills. If you cannot give all the details, we may be satisfied if you give us one figure for each mill. Otherwise, your auditors could not have found out 29 lakhs unless they had worked out the figures for each mill and had totalled up figures for each mill. In all their balance sheets, they have given that figure.

MR. STONES :—That would mean inspecting each individual item, and even after that what we can show is very doubtful. One mill sends its cloth upcountry to its own shops. They may have realised a higher percentage due to the fact that they have borne the overhead charges themselves. Some mills sell ex-mills, some mills sell in their own shops. The charge is paid in commission to the mill in the sales ex-mills, whereas in the case of the mill selling in a shop upcountry, the expenses of transport, etc. come into the running expenses of the mill. So that, there will be one mill with very little commission and another mill with a great deal of commission. That does not mean that it is inefficient.

MR. DANGE :—Selling price includes commission, and if the commission could be reduced, then that particular mill could not justify a wage cut.

MR. JOSHI :—If a particular mill shows commission to a larger extent then it will have to charge a higher price for the cloth, which may make sale difficult and cause loss.

MR. STONES :—No. You have got to go through every type of cloth that is made in the mill. One mill may be selling two-thirds in cloth and one-third in yarn. There may be another mill selling one-third cloth and two-thirds yarn. You would have to write down what the yarn counts is, and every detail of it, and in the same way the details of cloth woven, before you can compare mill to mill. All you can compare is the rate of commission on the variety of cloth.

MR. SAKLATVALA :—There may be two mills in which the rate of commission is the same; still in one case the total amount is much higher, because it produces different classes of goods. One mill may have a larger dyeing and

bleaching house and produce a larger quantity of dyed and bleached goods, on which the commission is higher, because the rate is higher, and all these particulars will have to be gone into if these figures are to be of any value.

### 5. Shop Expenses.

MR. JOSHI :—There again, we maintain that the figures will be useful. If they cannot give us the figures divided into so many items, we shall be content if they give us the total expenses.

THE CHAIRMAN :—How would we be able to judge anything from the total figures?

MR. JOSHI :—We shall be able to judge whether their expenses are higher or not. After all, there must be some limit to the expenditure to be incurred for charges for sale of cloth. They cannot say that they will go on incurring whatever expenses they like, and then ask the workers to accept a cut in wages.

THE CHAIRMAN :—In the majority of cases, these charges are born by the commission agents.

MR. JOSHI :—Sometimes they are; sometimes they are not.

MR. SAKLATVALA :—In the majority of cases they are.

MR. DANGE :—Then give us figures for the minority.

MR. JOSHI :—If a mill is running its own shop, there will be no charge for commission. If it is not running its own shop, there will be a charge for commission. Every mill will not show both kinds of expenses. Some will have shops, some will not.

THE CHAIRMAN :—Some of the mills do not like disclosing these details.

MR. JOSHI :—Therefore, I give up my claim to have details.

THE CHAIRMAN :—Would it give much trouble to get the totals of these?

MR. SAKLATVALA :—We well have to obtain them from the commission agents.

MR. STONES :—The total commission and brokerage paid in each particular mill: that is what they want, I take it.

MR. JOSHI :—The more light thrown, the better.

### 6. Purchase of Cotton.

THE CHAIRMAN :—That takes us into a very extensive enquiry.

MR. JOSHI :—The trouble is that in India we have not yet got rock bottom figures for all industrial organisations, as well as for labour. When we

start these enquiries initially, they may become extensive, but the enquiries which follow may not be so extensive. We have no basis to go upon.

MR. SAKLATVALA :—This very remark shows what sort of enquiry Mr. Joshi wants.

THE CHAIRMAN :— These charges, the millowners say, are fixed by the Cotton Association.

MR. JOSHI :—That is true. If they are found to be higher, they ought to be reduced. They must say that the Cotton Association levy a heavy charge.

MR. SAKLATVALA :—The Cotton Association is composed of 5 or 6 different panels. We form one panel. We try our best always to be successful, but there are other panels against us. There is the mukadamage panel; they are 15, and we are 15. If we propose that the mukadamage should be cut all the 15 will naturally oppose us, and they will have some friends amongst the brokers and merchants to oppose us. It is not in our hands. Besides, who is going to fix a standard? What is Mr. Joshi's standard? He says he wants to find out whether we are paying more or less. But there must be a fixed standard. Then he can say that they deserve only three-fourths per cent., and because we are paying  $1\frac{1}{2}$  per cent., we are wrong. Fix a standard, and then go into the details.

MR. JOSHI :—You yourself said "Why should not the weaver live within what the spinner is getting?" I can say "Why should the mukadams get so much? Why should they not live on Rs. 1,000 per month? If the commission is larger, then the committee can say that it is larger. You may not be able to reduce it even if it is a very big figure in the items of your manufacturing cost. Everybody should make money out of the industry, and only the labourer should suffer.

THE CHAIRMAN :—All these other items about head office charges, etc. are all on the same basis as the item we just discussed.

MR. SAKLATVALA :—Item No. 7, Head Office Charges has been dealt with by the Tariff Board. They show how exactly the commission is paid. The rate in most of the mills is 10 per cent. of the profits. The argument of economy does not hold good. There is one point in this connection. When they talk of agents, they forget what the agents' duties are. The Managing Agents are not only the Agents, but the Secretaries and Treasurers. It is their duty to find money, to finance the concerns, for which they get 10 per cent. In difficult times, you know how very difficult it is to find money. Mr. Joshi has talked about weak concerns; these weak concerns do not get money from the banks.

MR. JOSHI :—These office expenses and overhead charges are necessary. If the workers are to have a wage cut, let us know what wage cut there was in the salaries of the officers who are responsible for running the mills.

MR. SAKLATVALA :—Information is asked for on three points: (1) the amount of remuneration paid to the agents, (2) the rate of commission paid to the agents, and (3) whether the commission was paid on profits or sales or production.

MR. JOSHI :—We want to know generally what you are getting.

MR. SAKLATVALA :—Under this heading, you want information on three points, and we can answer it in a general way that it is 10 per cent. on profits.

MR. JOSHI :—On production also. There are mills which receive commission on production also in Bombay.

THE CHAIRMAN :—How would this committee decide if it was a proper rate or not?

MR. JOSHI :—The committee can find out whether they are making loss, and whether those who are making losses are also taking commissions, and at what rate.

MR. SAKLATVALA :—If they are paid on profits, how can they take commission if there is a loss?

MR. JOSHI :—Some get it on gross profits, some on net profits, and some on production.

THE CHAIRMAN :—That would be turning ourselves into a committee of enquiry into the management of the mills.

MR. SAKLATVALA :—They want information on three points. It depends on the profit made. The Tariff Board has fully gone into it.

THE CHAIRMAN :—What about Nos. 11 and 12? Why is it wanted?

MR. JOSHI :—No. 11 is "quantity of cotton used during the year and its value." Besides giving us economic points, it will give us an idea as to what sort of mixing those people use, whether they put in more bad cotton than is desirable. If they give us this information we can see whether they are using good cotton or bad cotton for spinning finer counts.

THE CHAIRMAN :—What about No. 12 "Cost of Labour" and "Cost of Material?"

MR. JOSHI :—Those figures are really what we have asked for in No. 3 to some extent. No. 12 may be dropped, if the information in No. 3 is supplied.

Item No. 13 may also be dropped, as we shall get the figures in the balance sheets.

As regards item No. 14, the Millowners' Association do not say no to it.

MR. SAKLATVALA :—That can be dealt with in the details of the standardisation scheme itself.

MR. DANGE :—That is only a theoretical standard. We want to compare what we are actually getting.

MR. JOSHI :—Nothing can be done without No. 14.

The Committee adjourned for Lunch till 3 p. m.

---

After Lunch.

THE CHAIRMAN :—I will now give the decision of the Committee on the points raised in the morning :—

The Committee, having regard to various considerations such as the grounds already covered by the Tariff Board Report, the statistics and other information available from the Labour Office and the Terms of Reference to it, are of opinion that it would unjustifiably extend the scope of the enquiry contemplated by the Terms of Reference to have a detailed enquiry for each mill in Bombay upon all the heads on which it is sought to make the Millowners' Association furnish detailed statistics. Therefore, we have disallowed the request for statistics under Heads 4 to 11 and 16 to 17.

As regards No. 1, we think that balance sheets should be furnished as requested for the three years 1925, 1926 and 1927.

With regard to Head 2, the wages of each mill, we think that the Millowners' Association can reasonably be requested to furnish this information not for the whole of each of these three years but for one month in each half-year of these three years. We propose these two months should be January and July and that a tabular statement for each mill should be drawn up on the lines proposed with any notes that each particular mill may wish to add to explain any figures, etc. We also think that the Millowners' Association should furnish the information required as regards each mill for these three years on the same lines, that is to say, for the months of January and July 1925, 1926 and 1927 under Head 3, but we modify the words "and value realised by sale" by substituting the words "and rates at which each kind was sold during those months."

As regards 12 and 13, these were dropped in view of the information being supplied under Heads 2 and 3.



Under head 18, we also ask the Millowners' Association to supply the Articles of Association of all Mill Companies in Bombay.

Head 14 is allowed.

MR. JOSHI :—About Point 15, Sir, I wish to say a few words. Point 15 is not solely required for discussing the economic position but it would also be required for standardization as well as general labour condition because much depends upon the use of bad cotton. Waste in the blow room and cardroom and frames would be greater if bad cotton were used. Bad cotton has a bad effect upon the wages and the amount of work turned out. It is required more for labour than for economic condition.

THE CHAIRMAN :—The amount of waste shows that cotton is bad ?

MR. JOSHI :—The amount of waste will be more if bad cotton is used.

MR. STONES :—The amount of waste made in cotton does not signify that it is bad cotton. For example, Nandgaon cotton (1 F) is one of the best. The analysis of the blow room waste of this cotton shows no leaf or seed in it but as spinning cotton, it is immeasurably superior to, say, the Punjab cotton (4 F), which is cleaner, and brighter, but has not the tensile strength. On account of the better efficiency of the workmen and also of the supervising staff, we get better results in the cardroom.

MR. JOSHI :—It is also due to bad cotton.

MR. SAKLATVALA :—No, you cannot call that bad cotton.

MR. STONES :—The two things are mixed up. It is rather a difficult proposition. I can understand Mr. Joshi's point that bad cotton will make more waste than good cotton. There are types of waste. We make waste in various processes throughout the mill. In the blow room the waste is that waste which we deliberately take out by virtue of its being a foreign matter—what we call picking—and those varieties of the cotton may be strong but due to picking in late rains in the Nandgaon district we get such cotton as far as leaf is concerned. The cotton may be very strong.

Similarly as regards coarse cotton. The cotton may be waste, we may take out more stuff but the result may be that the cotton left may be stronger than the cotton that loses less percentage of waste in those two processes. Given two cottons, one bad and the other good, after that process the bad cotton will cause more breakages unless speeds are reduced and more twisting than we shall have otherwise. The percentage of the loss in the blow room has no bearing whatever on the strength of the cotton as far as its capabilities and uses for various mixings go.

**MR. KAMAT :—**What is the percentage of waste ?

**MR. STONES :—**We put 100 lbs. of cotton through the blow-room. It passes through the various cleaning processes. The function of the machine in that department is to take out dirt and foreign matter, but it does not follow that if there is more foreign matter in that cotton than in similar cotton that that cotton will be weaker than the other cotton.

**MR. JOSHI :—**It will give us some information.

**MR. STONES :—**Will it be useful information? I will show you some tests carried out under actual working conditions, if you will come with me to one of the mills.

**THE CHAIRMAN :—**Perhaps you could arrange to show some of us round.

**MR. STONES :—**I will take over a member of this Committee and two of the other side and if they are satisfied that that information is necessary, it will be given. If necessary, you can depute your Secretary or some other member to go out with me so that he can take notes of the proceedings.

**THE CHAIRMAN :—**Will Mr. Joshi take advantage of that offer to send his representative to go round with Mr. Stones ?

**MR. JOSHI :—**Yes, we will certainly take advantage of his offer.

**THE CHAIRMAN :—**After all, we are trying as far as we can to be fair and we are perfectly willing to do anything that will help us and that will not extend this enquiry too much. If what Mr. Stones says is correct, there will be no useful result.

**MR. STONES :—**If I may be pardoned, Sir, The East India Cotton Association has a Technological Section and the Central Cotton Committee is running a laboratory under Mr. Turner at Matunga. They publish every year tests on cotton in a public official document. If the Secretary of this Committee will come down with me and with Mr. Joshi, I will show them some cotton which is stronger in the succeeding year than in the first year. There are some sizes of cotton which are weaker though they lose less percentage of waste than others which are stronger though they lose a greater percentage of waste.

**THE CHAIRMAN :—**Then, you can fix up some time convenient to you. Further consideration of Point No. 15 is reserved. That concludes the business to-day and we shall now adjourn to Tuesday morning at 11-15 A.M.

**EXHIBIT NO. 1.***Friday, 2nd November 1928.***COST OF MANUFACTURE FOR THE TEXTILE MILLS PER LB. OF CLOTH PRODUCED.**

Produced by Mr. D. F. Battiwalla.

	1914.	1923.	1924.	1925.	1926.	1927.
	Pies.	Pies.	Pies.	Pies.	Pies.	Pies.
Coal ... ..	5·40	10·48	10·09	6·63	5·72	5·51
Stores ... ..	9·98	17·12	14·46	13·99	12·10	11·32
Labour ... ..	18·78	41·19	39·69	40·30	35·76	36·43
Office and Supervision ... ..	1·59	3·60	3·41	5·95	2·55	2·35
Fire Insurance ... ..	·55	1·65	1·67	1·43	0·96	1·03
Municipal and Other Taxes ... ..	·61	1·15	1·57	1·59	0·83	0·79
Interest ... ..	2·62	4·48	5·66	3·53	1·56	0·54
Commission on Cloth ... ..	2·47	3·96	4·60	4·46	2·40	2·31
Excise Duty ... ..	3·86	7·85	9·35	7·34	...	...
Dyeing Charges ... ..	2·36	1·77	4·40	2·49	1·95	2·71
Total..	48·22	93·25	94·90	87·71	63·83	62·99
Agents' Commission ... ..	0·95	2·41	0·83	3·70	2·09	2·81
Income-Tax and Super-Tax ... ..	·49	7·81	1·94	...	1·36	2·03
Total including Agents' Commission, Income-Tax and Super-Tax ... ..	49·66	103·47	97·67	91·41	67·28	67·88

---

---

*Tuesday, 6th November 1928.*

---

---

THE Committee met at 11-15 a.m., at the Secretariat, Bombay.

*Present :*

THE CHAIRMAN,

MR. KHAREGHAT,

MR. KAMAT.

MR. SAKLATVALA :—You will remember we had given you a statement of the spinning particulars, on which our standardisation scheme was based. The weaving particulars had yet to be supplied, and I hand in a statement giving the weaving particulars.

I also hand in a list of our witnesses. As regards this list, I have one or two remarks to make. As regards No. II, 7, "Technical Education and Marathi Leaflets," it will be much better if the Committee will examine Mr Turner, the Principal of the Victoria Jubilee Technical Institute, as most of these things were done in consultation with him, and he will be able to tell the Committee as to what we have done after the Tariff Board's recommendations.

As regards the standardisation scheme, the witness Sir Joseph Kay will talk in general terms, because we have not yet discussed the standardisation scheme itself. The written statements of both sides will have to be gone into, and then we can examine Sir Joseph Kay.

As regards the rationalisation system, I got a written statement from Mr. Joshi yesterday. We have to put in our own written statements as regards this.

ORAL EVIDENCE OF MR. T. SASAKURA,

*Managing Director, The Toyo Podar Cotton Mills, Ltd.*

THE CHAIRMAN :—You have submitted a written statement, dated 31st October 1928, and I gather from you that you want to testify that there really is not any unfair competition from Japan?—Yes.

Of course, that is not really a topic with which we are closely concerned ; still, if you have got any remarks to make, we shall be glad to hear them.—— Do you wish me to speak about unfair competition from Japan or about labour efficiency ? I want to make these two subjects quite distinct.

We are more concerned with labour efficiency. If you just say a few words about unfair competition from Japan, then we can go on to the main subject.

Regarding unfair competition from Japan, I regret that there is a lot of misconception. On this subject, the Japan Cotton Spinners' Association have already submitted two statements to the Government of India, one in October 1925, and the other in August 1926. After that, there was no question raised either by the Government or by the Bombay Millowners' Association, and I understood everything was clear by this time. But it is a surprise to me that, the other day, Mr. Saklatvala openly spoke at this meeting that a Government subsidy is given to Japanese shipping, and that there are longer hours of work in Japan. There are no longer hours of work at all. On the contrary, from next year, we are going to work shorter, that is, 8½ hours a day, on account of the prohibition of engaging women on night work, according to the Geneva Conference. There is no Government subsidy at all to the shipping companies, except that some bounty may be given for the carrying of mails, just as the P. & O. Steamship Company are getting a bounty from the British Government. So, you cannot say that it is a Government subsidy. I wish to mention, particularly the night work of women in mills in Japan, which has come in for a great deal of criticism. On this point, I would ask the Joint Strike Committee and the Millowners' Association to take a deputation to Japan and actually see the conditions there. Japan is a poor country, and over-populated. It is not so good as India. Naturally, they must work hard, and our social conditions are entirely different from those in India, presumably on account of education. Generally speaking, in Japan we are getting mill labour from the interior, and they are generally women. These women, after graduation from school up to marriage time, that is from 16 to 17 years up to 21 or 22 years, work in the mills. They generally belong to the poor classes, and they must get some money to make preparations for marriage. These young girls coming to the mills are provided with good accommodation, some education, etc., which enables to make them happy in later life. This is one of the reasons why Japanese mill efficiency is higher than it is here, because there they are working from the age of 17 to 21, and they are very active. You will soon find that our efficiency will thus reach a maximum. Besides, the social conditions are different. You must also admit that women in Japan must be employed to give Japan a fair margin for existence. I would request Indian labour not to be behind the woman labourer in Japan. Unfortunately, the Indian labourer is very much behind hand. The Japanese worker is 2½ to 4 times more efficient, and in the case of automatic looms they work on 40 to 50 looms. It is necessary that the Indian worker must come up to the level of the workers in other countries. Of course, with the present Indian labour conditions, status and efficiency, some might say there is only one remedy left, that is, to be protected from foreign competition. But protection against foreign competition is not the only thing required, because if I built new mills in up-country, and if

I instituted Japanese systems of working there, perhaps the Bombay mill industry will become extinct. Since I bought the mill in Bombay, I have been trying to introduce the Japanese system in every way, and before the period of the strike it had been brought to a state of higher efficiency. I was pleased on that account, and I thought we could show them in India that we could work well against Japanese competition, which was one of the main objects of our purchasing the mill here. But this strike has disappointed me. I may frankly say that the chief object of the Bombay mill industry should be to make the Indian labourer more efficient.

THE CHAIRMAN :—Did you have much difficulty in making them more efficient?—Although the mill is not so good; still just before the strike we could get yarn production 20s conversion 6 ounces or more per spindle. As regards wastage, formerly it was 25 per cent. wastage; now it is 6 per cent. less.

Do the workers offer opposition to your methods?—I never introduce any new system unless agreed to by the workers. I understand that the mill industry is a mutual one; it is not one-sided. We could make it successful only by co-operation; we cannot force them to do things. The other day, Mr. Joshi pointed out many directions in which mill management could be made more efficient. But I regret to say that, in spite of the fact that almost everything possible was done in my mills, we are not making money. I should very much like Mr. Joshi to go through our books, and see what is the difficulty in our mills; I shall be happy to be guided by him. But our chief difficulty is labour; it is inefficient. Out of our total weaving cost, 57 per cent. goes to the wages. The management expense is not so big. So, the chief point on which we must lay stress is cost of labour only, which is out of comparison with that of foreign countries.

Is this increased efficiency putting much more strain on the worker than he is accustomed to?—I do not think so. The labourers are treated absolutely free. We are keeping one spot in a corner of the compound for smoking and rest. Before the strike, the number of people who used to go there for rest was comparatively small in number, but after the strike it has considerably increased. This is the change of feeling prevailing among the labourers at present. In Japan loitering of the kind allowed here is never allowed; they are given ample and reasonable time for having rest. I have stated in my written statement that this resting time must be once in the afternoon and once in the morning. I know one cannot work for five hours continuously; even the machinery requires oiling.

Do you have this system in your mill now?—We are now making everything free. I do not interfere with the men. Before the strike I was

interfering to this extent, that the men were allowed to go out by ticket. The freedom given to the men was being abused, and I came to the conclusion that something must be done. When I introduced the system, the number of such tickets was 1,600 in the morning and 1,700 in the afternoon ; that is to say, the workmen used to go out twice a day. After the strike also I introduced this system, and the number of tickets about trebled. The workers recently complained about the system and I had to abandon it during the sitting of this Committee. If you allow us to have this system again, I will start it to-morrow.

MR. SAKLATVALA :—You know that the Japan Cotton Spinners' Association submitted to the Tariff Board a full memorandum, giving their views fully ?—Yes.

The viewpoint of the Japanese Cotton Spinners' Association was fully considered by the Tariff Board ?—I think so.

Therefore, the conclusions arrived at by the Tariff Board were arrived at after considering your view point also ?—Yes.

You know that the Tariff Board had asked the Japanese Cotton Spinners' Association to give oral evidence, but they did not give oral evidence?—That is so. The reason is that in Bombay there are very few Japanese who can express their ideas properly in English. We thought it better to express in writing what we wanted to say, rather than giving oral evidence, as it might mislead people.

In that case, you could have asked for an interpreter. You know that Mr. Madan of our own firm knows Japanese very well, and he could have acted as interpreter for you, if that was the only difficulty.—He is the manager of Messrs. R. D. Tata & Co. who is very busy, and so we did not like to trouble him as our interpreter.

You talked about the hours of labour in Japan. You know that Japan as well as India agreed to the Washington Convention ?—Yes.

In that Convention, it was agreed that Japan should work for 57 hours during a week and India 60 hours a week ?—Yes.

And India passed a law ; Government actually ratified that Convention, but Japan has even now failed to ratify it. Is that not a fact ?—They have not ratified it, but they have already agreed to do that.

They have not actually ratified it in the sense that they have not passed a law. Is it not a fact that even at the present moment the Japanese are not working 57 hours in the week ?—I am not aware of this 57 hours



and 60 hours, but I understand that in Japan they have already passed a law that they should work for 60 hours a week. But the Washington Convention is not carried out by all. Even in Europe and America they are working 10 hours. Why should Japan abide by that Convention ?

The Japanese mills are working during night with female labour ?  
—Certainly.

You know that the Indian Factory Act prevents the employment of female labour during the night ?—Yes.

Therefore, at least to that extent, India is at a disadvantage ?  
—Yes. But in India you can utilise male labour for the night shift.

You know that in our winding department we employ female labour altogether ?—Yes.

That means that the winding department cannot be worked at night time, because the Factory Acts prevents the employment of these women at night. How can we work the department at night ?—You can train up boys to do the work. These new methods have to be tried. For instance, I introduced the knotter in the winding department. This is new to India. In the beginning, it seemed a failure, but it is now an entire success.

May I tell you that these knotters are not a new thing ? We had introduced them in our mills at least 15 years ago. We had them working in the Swadeshi Mills at least 15 years, if not more. In the Tata Mills it has been in use for the last 10 years.—This is a Japanese knotter, which is a new invention. Everybody can work with it properly, after two weeks' practice. I think you can employ male labour in India on these knotters.

We can employ male labour but it is costlier than women labour.  
—In our country a female labourer gets as much as Rs. 50.

In Japan the social conditions are such that you are quite justified in working at night time. But the social conditions are different here and we cannot do so. We are not concerned with that. All we say is that you have an advantage on account of the social conditions being different there.—You can get the same advantage here also. In Japan there is no necessity of forcing labour to work efficiently. That is the main cause.

You tried to introduce certain rules in your mills. Was there any opposition from the labour leaders ?—In the beginning there was some misunderstanding ; but eventually they agreed. Our labour leaders want less work and more pay for their men. Since I came over here I am glad to

say that some labour leaders are taking a very keen interest in the Bombay mill industry. They should little by little put it into action but not in words.

You said that Indian labour is utterly inefficient and you also said that the labour charges form the biggest item in the cost of production. Therefore if our labour is inefficient and the labour charges form more than 50 per cent. of the cost of production so far as competitors are concerned we are at a disadvantage?—Yes.

You say that in Japan labourers do not loiter about so much as they do here. That is also another disadvantage?—They know their duty and it is because of that they do not loiter.

You made a very good suggestion that two intervals of rest should be given, because whether it is Indian labour or any other labour it is impossible to work continuously for 10 hours. I entirely agree with you. We can give one rest interval after five hours' work, if we want to give rest as we want to do. This is one of our recommendations. But we cannot do it under the Factory Act. Unless labour consents the Factory Inspector will not give us permission to change the hours. We have ourselves proposed two intervals. You now propose three. Perhaps three would be better. We are not quarrelling about it. At the present time we cannot do so unless labour agrees. We have asked them and they have not agreed—I have come to know that the leaders are changing their mind ; and we can do it in a way.

In your recommendation you say that you must give three rest intervals in order that labour may be able to increase its efficiency. You do not want them to work for a less number of hours ; but you want them to work for 10 hours a day but give them intervals?—I suggest only extra intervals.

Do you suggest that they should work for 8 hours or 9 hours and so on?—If mills can afford, we can reduce the number of hours. Sooner or later we must come to 8 hours or 9 hours. It is a question of time.

If that is so, why are you working in your own country for 10 hours?—From 1st July 1929 they are going to work 8½ hours.

That Act has not yet come into force.—It will come into force in 1929.

MR. STONES :—On page 2 of your written evidence you say that a good weaver in Japan handles 10 looms and average 6 looms, earning an average wage of Rs. 2-4-0 per day. Are they automatic looms?—No, they are plain looms.

The average wages of Rs. 2-4-0 a day which you stated, is it for 10 looms or 6 looms?—That is the daily wages on 6 looms.

All these looms are working on a particular type of goods?—I want to mention one thing which may interest my friends. In Japanese mills they generally make one kind of cloth in one factory; and therefore efficiency will be enhanced. They are making sheetings, shirtings and drills. These are the chief products. As for fancy goods there are many small factories of about 100 or 200 looms.

That is to say, these looms are of the same warp and the same breadth?—Yes.

What do you mean by saying 95 per cent. efficiency?—That is, I make allowance for stoppage owing to bad work, repairs, etc.

Do you know whether there is any decrease in the number of spindles attended by one boy since 1925-28—In 1925 a statement was made to the Tariff Board about how to increase efficiency. Since then a serious attempt has been made to cut down the cost of production. But I cannot give you exactly the number of men or the number of spindles.

Has there been any improvement?—There has been improvement.

On page 3 under the heading 'Bombay' you say—

" Card Tenter ..	100%	..	Rs. 26 per month
Drawer	100%		Rs. 35 " "

I take it these are the wages existing in your mills?—Yes, in our mills.

You say with regard to Bombay "Sizer, 100%, Rs. 55." How do you arrive at that figure?—We put them all together in the sizing department and divide the total cost by the number of men.

You say that in Japan the sizer's wages are Rs. 59?—That is for one sizer on one machine.

The drawers and reachers are paid less in Japan than in Bombay. I find that the principle is that a prospective weaver is put as a reacher before going to the weaving department. Will you please explain that?—Generally in Japan if people work for 6 or 7 months as reachers and drawers they are transferred to the weaving department but to begin with they would

get a lower salary. It is for this reason that the reachers and drawers get less wages than in Bombay. In Bombay there is no interchange of workmen in the different departments. Why should we keep in India more than the required number of men unnecessarily? To this point I would call the attention of our labour leaders. In our mills, as a matter of fact, we were having a universal winding department. On account of high wages I could not keep this department.

MR. STONES :—I shall explain this to you, sir, so that you may be able to follow this. The usual system is that the weft for the shuttle is spun on the ring frame and passed direct from the ring frame into the shuttle. By universal winding, the winding takes the weft and rewinds it. By that way the shuttle lasts longer. Mr. Sasakura is pointing out that it is very expensive in India without getting any return for the expense of rewinding.—Unless they work 3 or 4 looms we cannot introduce universal winding. Of course there is some benefit in it ; but on account of gross inefficiency I had to give it up. When I abolished the department the workers approached me and represented that they were being put out of work. I told them to try other departments. We want some to work on the winding department on which any new woman can work. In Japan winders easily get Re. 1. In India also they can easily get that amount.

I have got here a report of the Japan Cotton Spinners' Association. It is stated therein that in 1919 in the first half the wage of a weaver is shown as 74 yen and in the second half as 122 yen. I would like to know the cause for this rise. Does it include the cost of the maternity benefit and other welfare schemes?—I think it is due to high prices. Just after the great war there was a big rise in price of rice and therefore the wages were higher.

That is a very important point I wish to bring out. This rise is not the actual rise in wages. I have got a report published in 1921—" Japanese Industry and Trade"—published under the auspices of the United States Convention. It says :—

*(Copy not available.)*

I want to know whether it includes such charges as maternity benefit, cost of maintaining welfare schemes and so on, which will go into the daily wages? In that particular item they are generally spending 15 per cent. more than the ordinary wages. That seems to be an American issue. We cannot believe all that is contained there. In this connection I shall quote from one book which I have brought with me. This is the biggest cotton spinning company. It is mentioned here.....

This was in October 1919.

THE CHAIRMAN :—Does it actually represent the wage paid to the labourer or include also the proportionate share of cost of the millowner in providing for welfare facilities, etc.?—That is extra. The actual wages are provided separately.

MR. STONES :—The 15 per cent. of the wages are not cash wages to the workers?—No. Some mills even pay more than 15 per cent.

I only wanted to bring that point out. On page 10 of "Cotton Spinning in Japan," of which a copy was handed in by Mr. Joshi, certain particulars are given about 3-lb. sheets. These sheets are 36 inches in breadth, 30 yards long and they are called 3-lb. sheets. The particulars of this cloth are given. The figures given show that the output per loom has increased from 101 to 145 yards. This is more than the turnout on two looms?—Yes.

MR. STONES :—The output per weaver is bound to increase if he minds more than two looms?—Yes, certainly.

MR. STONES :—I raise this point, sir, because I want to show that the standardized rate for weavers given by the standardized list is higher than the rate even under the old conditions in Japan where they work six looms and their efficiency has gone up from 85 to 95. I have no more questions to ask, sir.

MR. JOSHI :—When were you in Japan last?—In 1926.

MR. JOSHI :—You have no personal knowledge of the Japanese conditions since 1926?—No, but we are getting information from Japan by an exchange of monthly reports. So, I may say that I have knowledge of Japanese conditions of about two months ago, though not of yesterday or to-day.

MR. JOSHI :—Have you got personal experience of Chinese conditions?—Certainly, because we have mills in China as well as Japan.

MR. JOSHI :—You do not know Chinese conditions yourself?—I have some knowledge of them.

MR. JOSHI :—Did you work in a Chinese mill yourself?—Before purchasing the Diamond Mill in Bombay, I tried to get some experience in Japan and China and in 1926, I was studying conditions in China for two or three months.

MR. JOSHI :—Since your mill started, are you working at a loss or at a profit?—Certainly at a loss.

MR. JOSHI :—Have you published any statement of account?—No, because it is a private company, but I can show you some figures.

MR. JOSHI :—Can you say that if you had been working this mill with this capital in Japan, you could have made a profit?—Yes certainly, we could have made a huge profit.

MR. JOSHI :—You suggest that the Japanese mills are making profits at the present time?—Yes.

MR. JOSHI :—On weaving?—In everything, in China and Japan they are making a profit.

MR. JOSHI :—I have a statement here showing that Japanese mills are not making profits in spinning and weaving but that they are making profits on the purchase of cotton. What do you think about that statement?—I doubt it. Japanese mills make a profit not only in spinning and weaving but also in purchase of cotton at a low rate.

MR. JOSHI :—Have they better system of purchasing cotton? Have they a better organisation for the purpose?—In manufacture we lose here though in cotton purchase we do better. In Bombay we work on two looms and pay rates which in Japan we pay for work on 6 looms.

MR. JOSHI :—If weaving and spinning is such a profitable business in Japan, why did you purchase a mill in Bombay when you knew that the Bombay industry is a losing one?—For two purposes—namely, (1) to introduce better Japanese methods into India and (2) to prove that the cry of “Unfair Japanese Competition” and of “Japanese Government subsidising the Japanese Cotton Industry” was a misconception.

MR. JOSHI :—So, your object in starting a mill here is not to make a profit but it is a philanthropic object?—I did hope to make a profit but I never expected to make such a heavy loss in India.

MR. JOSHI :—You started your mill here without studying the Bombay conditions?—No, I knew something of the Bombay conditions and I wanted to help the Bombay industry to exist by improving its efficiency.

MR. JOSHI :—So you wanted to teach India how the industry should be run?—Mr. Chairman, Mr. Joshi is trying to know the formation of our firm. Our firm buys cotton up-country and supplies cotton to Japan, China and also to Europe. Our firm also wanted to have some knowledge of Indian cotton. Indian cotton often differs in quality on account of scanty or excessive rain. Khandesh cotton may be very good for spinning, and

sometimes Berar cotton may be good or bad on account of scanty or excessive rain. We spent 12 lakhs of rupees—not a big amount for our firm—in order to train up Indian labour and to get first-hand knowledge of Indian conditions such as nature of crops, etc.

MR. JOSHI :—Knowing that in Japan and China spinning and weaving mills made very good profits and also knowing that in India the mills cannot make profits, you started your mill here as a philanthropist or as a speculator?—Not as a speculator nor as a philanthropist but purely as a business matter.

MR. JOSHI :—Have you studied conditions in weaving and spinning mills in up-country centres?—Yes.

MR. JOSHI :—Which mills?—I went to Ahmedabad, Petlad and so on. I know of a group of eminent Bombay millowners buying mills in Madras and in the U. P. They are already shifting machinery from Bombay. They can train up up-country labour in their efficient methods and it would be a good proposition for that group.

MR. JOSHI :—So, your object is to teach people in India your efficient methods?—Yes, it amounts to that.

MR. JOSHI :—Do you sell your cloth and yarn at a good profit in India or not?—No, I sell at a loss.

MR. JOSHI :—There is no demand for your goods?—There is a good demand for everything we make. We sell all that we manufacture.

MR. JOSHI :—You sell your goods well?—Yes.

MR. JOSHI :—How does your cloth compare with Japanese cloth?—It is inferior to Japanese cloth. In Japan they mix American cotton to a large extent but not so in India and that is why I say that unnecessary protection here should be removed. I am wondering why the Indian people have remained quiet over the imposition of fumigation charges for American cotton in the Bombay mills. If the cotton is consumed in Bombay or Ahmedabad, what fear is there in spreading boll-weevil to other parts of India? So I think this protection must be removed. Then only we can get the same quality of cloth as Japanese cloth.

MR. JOSHI :—The difference in quality is due to cotton mixing?—Yes, to some extent.

MR. JOSHI :—In your mill, do you restrict production to a few varieties or do you follow the Indian method of many varieties?—I am

sorry I cannot follow the Japanese method here because our looms are of eleven different kinds. We have therefore to produce about 30 or 35 kinds of cloth.

Why?—We have a different arrangement for each kind of cloth ; sometimes one machinery has to be stopped for other counts of yarn or other sorts of cloth.

MR. JOSHI :—Do you spin coarse counts or fine counts ?—Our counts vary between 9 and 36 but the average is 17.

MR. JOSHI :—You stated and Mr. Saklatvala made you corroborate that labour costs are the largest item in the cotton manufacture ?—Certainly, apart from raw material.

MR. JOSHI :—Is there any country in the world where labour costs, leaving aside raw material, are not the largest item ? You made a point that in India labour costs are the largest item. I thought there were some countries in the world where labour costs are not the largest item.—I have some figures of percentages here with me if you like.

MR. JOSHI :—In Japan, America or England, is not the labour cost the largest item in the cost of production ?—Excluding raw material, yes.

MR. JOSHI :—You need not emphasise that point.—I have not emphasised it. I am only showing that the percentage is different in Japan and not the same as here.

MR. JOSHI :—How do you purchase your cotton ?—I buy cotton from Toyo Menka Kaisha.

MR. JOSHI :—Is that your own company ? Do you give them commission ?—Toyo Menka Kaisha supply cotton to us but they do not take any commission. They sell our cloth to merchants and also guarantee sales but they never charge us any commission. They only get 10% of our net profits but up to now we have made no profits.

MR. JOSHI :—Do you think that other millowners in Bombay can afford to adopt that practice ?—I believe they too are doing the same. We take no commission, either selling or buying. We have our office on the mill premises—not in the Fort—and in spite of all this, we are making a loss.

MR. JOSHI :—Are you inconvenienced very much by your keeping your office in the mill itself ?—I have no much inconvenience as I am used to be there from 7-30 to 6 o'clock.



MR. JOSHI :—How do the agents of your mill take commission ?  
—They get no commission except 10% on net profits but for these two years there is no profit.

MR. KHAREGAT :—Is your Company a private company or a limited liability company ?—We have only four or five shareholders but still it is a limited liability company.

MR. ASAVALE :—If there was profit, how much percentage would you charge ?—As I have already stated, 10% of the net profits.

MR. JOSHI :—Have you read the second statement submitted to the Indian Tariff Board by the Japanese Cotton Spinners' Association (page 11) ?  
—Will you read out the portion you have in mind ?

MR. JOSHI :—I will read it out to you. Please say whether you agree with it :—

“ It is only the prodigals who are reaping today what they sowed in the past in weaving and yarn and, in an age of the survival of the fittest, the Indian cotton industry, as a whole, would gain if the chronic weaklings were weeded out.”

That was submitted on the 30th October 1926.—It is rightly said.

MR. JOSHI :—You believe that your mill is not one of these chronic weaklings which deserve to be weeded out ?—It may be but I am going to make it a strong mill.

MR. STONES :—This mill of Mr. Sasakura was entirely a chronic weakling prior to the Japanese taking over. It was one of those mills losing money steadily and heavily. It was taken over by my Japanese friends and with all their ability, their lack of other charges, their lot of capital, they show losses.

MR. JOSHI :—Is the machinery in your mill old or new ?—It is old but we are renewing it.

MR. JOSHI :—The machinery when you took over the mill was old ?  
—Yes.

MR. JOSHI :—How old ?—30 to 32 years, but we have been replacing all our old machinery with new and are spending about six lakhs of rupees more over and above the 15 lakhs for which we bought it. Now we shall be able to work properly, I think. But still, after the strike, the efficiency of our workmen is very bad.

MR. JOSHI :—It is quite possible that your loss may have been due to old machinery ?—No, no.

MR. JOSHI :—Are you aware of a statement made by the same Association that there is a difference of production from 25 to 30 per cent. if the machinery is old and if the machinery is new ? In their second statement, the Japanese Cotton Spinners' Association say on page 14 :—

“ The low production capacity of machinery which is old or which is improperly handled and looked after, according to our information, 25% of such machinery is such and it makes a difference in production from 20 to 30 per cent.”

Perhaps your losses are due to this cause ?—Do you think so, Mr. Joshi ? In Japan also machinery can be kept up in quite good condition even after sixty years. So, machinery only 25 or 32 years old cannot be said to be in an old condition.

MR JOSHI :—We have to take your word on trust as to how far you have renovated your machinery, but the fact remains that your mill is an old mill, that your machinery is old machinery and ordinarily it is bound to give a reduced production to the extent of 20 to 30 per cent. ?—But you seem to forget that we are spending six lakhs of rupees on the renovation of that machinery.

Have you changed the whole of the machinery ?—How can we do it all at once. We have done it by getting Japanese experts to come down here.

You must wait for some time to make profits. You agree with me in that ?—I am not speaking of the future profits. I am speaking of the loss which we incurred during the six months ending March 1928.

I am trying to find out whether your losses were not due to the machinery being old.—Yes. I agree with you.

About a weaver managing 6 looms on an average, and a good weaver managing 10 looms, may I ask you where you got these figures from ?—From our own mills.

They must be quite the latest figures ?—Yes.

How many months old are these figures ?—It is going on now for about one year.

These are the latest figures ?—Yes.

I have got some old information. I want to know from you whether from the capacity of managing 2 narrow plain looms, in a few months' time, the Japanese worker has gone on to 6 looms or 10 looms. Do you think it practicable or possible. My information, given in Mr. Cunningham's report, to which Mr. Stones has referred, is that in Japan the weavers manage 2 plain narrow looms on an average, and at the most  $2\frac{1}{2}$  looms. From that capacity, the Japanese worker has raised it, in a few months, to almost treble?—Yes. Certainly. Why not?

I do not say it is humanly impossible, but certainly it is difficult. —You can make a bet on it; I am willing to accept it, and prove to you that that is done now. I am not giving out untrue information.

I am a practical man and judge things in a practical manner.—Then what did you mean by asking me that question?

I am asking whether it is practical business or not. Perhaps, your information may be inaccurate. I am not saying you are telling a lie. That is not my object at all. The latest information which we have got is the report made by Mr. Cunningham in 1925. We have got the same in the pamphlet published by the Manchester people.—Do not rely on books. You must see things with your own eyes. Books may be published one year later. India has got behind in the matter of going ahead.

I really find it difficult to believe that the Japanese worker should have made such progress, even taking it for granted that two years have elapsed. You will agree with me that it is difficult to believe that within that time from being able to look after 2 plain narrow looms, your workers in Japan have gone up to looking after 6 to 10 looms?—Yes. It is wonderful.

In the report made by the United States Tariff Commission on the Japanese Cotton Industry and Trade, practically the same figures are given, that is, the figures given by Mr. Cunningham in his report. During the interval of 5 years between the two reports, the Japanese workers did not show much improvement. But since then, we are told that they have changed to such an extent that their capacity has gone up three times, and of that so far we have got no public report. That is the only point which I wanted to get from the witness, that they did not make any change.

THE CHAIRMAN :—Have you got any published report about the present standard?—We have; it is in Japanese.

Is it very important, Mr. Joshi?

MR. JOSHI :—I do not say it is very important, but we must take these statements with some caution. We have three reports. The report published by the United States Tariff Board, the report by Mr. Cunningham, the Consul and the United States Trade Commissioner, and the report published under the authority of the Manchester Spinners' Association. The latest of these three reports agrees that the Japanese weaver manages two looms on an average, or  $2\frac{1}{2}$  looms. Naturally, I want to point out to the Committee that the statement, which is not corroborated, that Japanese weavers manage 6 to 10 looms must be taken with a certain amount of caution.—The Tariff Board has referred to the point regarding automatic looms, and this Committee has no idea at all of what is going on in Japan. Our workers can look after 48 automatic looms. The Tariff Board was entirely misinformed. I think it is quite necessary that Mr. Joshi should go to Japan and see things for himself, when I have no doubt he will believe me.

We thank you for your information.—You are talking of what happened two or three years before. You are not looking forward to what it will be to-morrow.

We are very thankful to you.—How can you compete with Japan, when you are always going after them instead of being ahead of them? I will tell you the reason why we have made such wonderful and considerable progress in these two or three years. The automatic loom has given it a great impetus. It has made a revolution in the industry. Bombay also will get them sooner or later.

MR. STONES :—In this connection, I should like to say that we have gone up from 2 to 4 inside 12 months ; and I could bring in evidence to show that some American mills have gone up from 24 to 72 looms in the same period.

MR. JOSHI :—Is it your opinion, Mr. Sasakura, that the Japanese workers are more efficient than Lancashire spinners and weavers?—I do not know very much about Lancashire.

You have not collected any information with regard to Lancashire, as you have collected for Japan?—I had been to Lancashire, but I was not allowed to see the mills.

If you are told that even in Lancashire, the average efficiency of the weavers is not 95 per cent., as you say it is in Japan, will you not be somewhat surprised at it?—Why should I be surprised?

Lancashire weavers are considered to be expert weavers, and they have got experience?—Do you think so?

I do think so.—It is a question. I cannot say.

Have you got also any published figures about the efficiency in Japan being 95 per cent.? Have you got any published report or book which gives the information that the average efficiency of workers in Japan is 95 per cent.? —Yes.

We shall be thankful to you if you could give it to us.—I can show it to you privately. It is not published.

About wages and other things, you have made some comparisons with the figures from China. I thought that the conditions in China were somewhat disturbed, and on the whole the Chinese would not show such results as you are showing. Have you got definite information about China? —Yes. We have got our mills in Shanghai, and they are giving great profits to us. So, we are constructing new mills there. Shanghai has got more advantages, on account of the low wage.

If Japanese labour conditions are so good, as you are paying them so well that they are so efficient, and you say that they also co-operate with you, why is it necessary that in Japan you should have a police law by which Japanese labour organisations are always put into difficulty, and strikes are also made many times illegal?—That question had better be asked of the Government in Japan. I am not a representative of the Japanese Government.

As a man who has studied social conditions, I think where people are contented, there will be greater freedom. But I find from statements made by Japanese labour representatives, on several occasions, and from statements in your Japanese Year Book that, under your police law, you make the existence of labour organisations difficult, you make strikes difficult. Why is it so, if Japanese workers are contented with their conditions?—I think you do not know what is going on in Japan to-day. There are labour organisations there; and you will find some labour leaders in Japan. So, perhaps you know much better about it. Still, I can say that in Japan the police is quite good, perhaps one of the best in the world. They also give protection even in night time, which we cannot get in Bombay.

I know it very well that in Japan the police can put down labour organisations, and they can also put down strikes. Therefore, I ask you, if Japanese labour conditions are so good, and Japanese labour leaders are so good as you describe them, why is it that your Government is so much afraid of the communists, so much so that, I recently read in a newspaper that about

1,000 communists were rounded up and 500 were arrested?—The majority of the Japanese do not like it.

But you will agree with me that this arrest of communists shows that there is not much contentment amongst the masses in Japan? Communism seems to prosper very much in Japan?—No.

And that, I think, is due to the fact that there is discontent.—Does it relate to the mill industry? Is there any communism in the mill industry in Japan?

I take it that the communists are people who believe in giving control, political and industrial, into the hands of the workers. Naturally, there are textile workers in Japan, and the communists are certainly interested in seeing that the political and the industrial control shall pass into the hands of the workers, and if 500 communists are arrested in one lot, it shows that there must be very great discontent in the industrial population of Japan?—I cannot discuss this question here, as it will lead me to speak of many other things.

You talk about Japanese workers being very skilled and efficient, but I read a statement in Mr. Cunningham's report that, on an average, the Japanese weaver, who is generally a woman, does not work for more than 2 years?—Yes, generally.

So, the efficiency of the weaver in Japan cannot be so high as you describe it to be, because the average worker works only for two to three years and then gives up the work?—Yes, you are right.

That is really the point which makes it difficult to believe that the efficiency in Japan is so high.—I just stated a little while ago that the Japanese women generally go into the factory after graduation from school, when they are 16 to 17 years of age. They stay in the factory till their marriage time, for 3 to 4 years. Anyhow, we are getting good and more production than here per loom.

The reason why I ask you these questions about the contentment of the workers, about communists, about your police laws, and all that is this: it is quite possible that you are getting a little more production. But perhaps you are getting this production by unjustifiably exploiting your workers. You yourself agree, taking the wages into consideration, you are asking them to work 6 to 10 looms. Then you are getting 95 per cent. efficiency which, even in Lancashire, is really very difficult to attain, and you are getting that efficiency from workers who do not work in the mills for more than 3 years. In the third year, the girl leaves for marriage. Taking all these factors into consideration, I feel that you are exploiting your workers unjustifiably. Leaving aside the fact that you have not ratified the Washington Convention, against the practice of all civilised countries Japan is obliged

to put down labour organisations, Japan is obliged to prevent its workers from going on strike, and Japan is obliged to make communist doctrines illegal. We know that 500 communists have been arrested ; if a man calls himself a socialist, he is arrested, and last year there were murders of socialists. These are proofs of the fact that the discontent in Japan is very great amongst the workers, and as regards the textile workers, I ask you whether you are aware that the Japanese textile workers' representative proposed in the Textile Workers' Congress at Ghent that there should be an international enquiry into the conditions of textile labour and textile industry. You are also perhaps aware that in the last International Conference held in Geneva, on the motion of the Japanese representative of labour working in the textile industry, a resolution was passed that there should be an international investigation into the conditions of the textile industry in the East. All this points to the fact that there is very great exploitation of labour in Japan. What do you say to that?—You have spoken too much about exploitation of labour. I have heard this complaint from you, and not from the Japanese women workers. They are quite content, and they are making money. During the time they are working in the mills they save 1,200 yen, and they are quite happy. If such a complaint is made in the mill compound, I would listen to it. But since you are talking about it here, I cannot pay so much attention to your statement ; particularly from you, because you have never been to Japan, and you have no qualification to speak on their behalf.

You are entitled to say that my statements are incorrect. I make a statement that the Japanese labour representative, nominated by the Japanese Government, proposed a resolution at the International Labour Conference, held under the auspices of the League of Nations, that there should be an investigation into the textile workers' conditions in the world. If that is so, there must be some discontent in Japan among the textile industry workers. Then there was an account of a meeting of the Japanese girls, passing a resolution that they were dissatisfied and they wanted night shifts to be abolished. There was a representation to the Tariff Board made two years ago.—Who says so ?

It is an account of the meeting held by Japanese girls. I again tell you why I say there is exploitation. In Japan, simply because these girls are working in your industry and you are exploiting them, till the last year by your law you prevented women taking part in politics ; because you are afraid of discontent spreading amongst these girls working in the textile industry, you would not allow them to take part in politics. All that shows there is great discontent—All this is only from supposition.

This is information which I got from various sources.

THE CHAIRMAN :—I am afraid you must leave it at that.

MR. JOSHI :—You made a statement that you were taking signatures of workers on some kind of forms. Do you still continue the practice?—Out of the two forms, copies of which have been circulated, and which appear on one sheet, the top one is retained, and the form at the bottom of the page is cancelled.

MR. R. S. ASVALE :—In your evidence you have stated that your mill is losing. Since how long have you come in possession of this mill?—Two years.

But actually you have stated that it started work in October 1927? Yes.

What does that show?—It shows that it is two years since we took the mill on. During all that time we spent money to make old machinery (so called by Mr. Joshi) into new.

You have spent Rs. 6 lakhs in replacing machinery. Does it not show that the labour wage for the working of the mill is not at the bottom of the loss you have suffered, but your capital and the interest thereon, and the payment to the management during the last two years?—There was no payment to the managing agents; they were working free of charge. Only the lower staff got payment, not the higher staff.

You admit that the loss is not due to the labour condition or the inefficiency of labour, but it is due to the high cost of the mill machinery as well as the interest thereon?—I beg your pardon. I invested Rs. 15 lakhs and for the number of spindles and looms, it is not at all high. No question of over-capitalisation would apply to me.

It is not merely a question of over-capitalisation, but your mill has not been working since you came in possession of it. It is working only for the last six months?—Our mills are making accounts according to the Japanese system, that is to say, for six months. If you examine the statements up to the six months ending March 1928, you will see that the loss is Rs. 60,000.

In how many mills in Japan is the system of a worker looking after 6 and 10 looms in force, and since when?—I do not know how many mills do it. I know our mills do it. We have several mills in Japan, not only one; it is a group of five mills.

Do you think that the conditions and material in use in Japan are the same as in Bombay?—They are the same. I am also using American cotton with some mixing, as we do in Japan.

On page 3 of your statement, you say "If the present state of things is allowed to pass in *status quo*," we are afraid the industry will be doomed to ruin sooner or later." What do you mean by *status quo*, and how do you say the industry will be doomed to ruin sooner or later?—Because we are losing. We have tried our best, but still we are losing.



In your replies you have stated that you have worked only for six months, you have not wholly improved your machinery. It may be you have lost on that account. How do you make out that for the future you will lose?—I worked full strength after October 1927; that means for the six months of October to March we are making a loss. From the experience which I have had during this period, I conclude that the industry will be ruined. If the labourers will allow us to introduce the system we are having in Japan, that is 5 to 6 looms per weaver, perhaps there may be some hope for the industry, but if the labourers object to working more than 2 looms per weaver, then there is no other way but to close down.

In the next paragraph, you say "In order to secure good efficiency, it is quite necessary to have labour physically and mentally kept fit." Does it not show that unless you pay the labourers a living wage, they cannot remain physically fit?—I quite agree with you, and that is why our mill is paying 20 per cent. more than in other mills in Bombay, in the hope that it will lead to greater efficiency. But after the strike, it is going the other way.

Unless you pay a living wage, the workers cannot work properly?—Yes, but when we pay them more, they must reciprocate with better work.

Then you mention six points in connection with which action is necessary, and one of the points is prohibition of extravagant expenses for marriage, etc. Where did you get the information that marriage expenses are extravagant?—That is my experience during my stay of 20 years here.

How many marriages have you attended?—I see the effects of it in the mill compound.

What is the expense incurred by the workers, so that you should consider it extravagant?—They may take a loan for Rs. 300; half of their earnings go in paying the interest, and only the remaining half goes into his pockets.

MR. BAPTIST :—Where are the working conditions better for the weaver, in India or Japan?—I think if we make proper arrangements, there is no difference. In Japan also for some time in the year it is very hot, and it is quite intolerable. In India also, it may be rather trying for some time, but in India also the working conditions are quite good, if the humidifying equipment is kept working properly. I do not think there is much difference in the weaving section.

Do you not think that a break of work three times a day is conducive towards better efficiency?—Yes, I think so. If that system were introduced, efficiency would be improved in this country. I think it would at once improve.

Is that one of the reasons why the Indian labourers in mills are inefficient?—Yes.

Because they do not get sufficient rest in between they have to loiter about in order to take that forced rest, so to speak?—They must have the habit of regularity.

If you give them the break, they would not leave the loom, and they would not loiter about.

In your evidence you said that in Japan you get 95 per cent. efficiency. Do they use ring pirns, or mule cops?—Ring pirns.

You get that efficiency with rings?—Yes.

You say the Japanese weaver, on an average, manages 6 looms?—Yes.

Do you think, if he were brought down to Bombay, he would manage the same number of looms?—I think it is not difficult to start it from the beginning.

Under present conditions, if you got a man straight down from Japan and gave him 6 looms here, would he be able to do the work?—Yes. My scheme is this: we wish to apply first smaller looms for this system. The Tariff Board also has referred to this method of working 6 looms.

What I want to point out is that if a weaver is brought from Japan down here would you work six looms?—It is possible.

You think it is possible. What is your opinion?—I think more than six looms.

Do you think that the high cost of labour is the chief cause of the depression of the industry?—Yes.

Is that the only cause?—Because it is constant.

You say that you sell your cloth well. Are your prices better than any mill?—Probably a bit lower than Sassoon group.

MR. STONES:—One jobber, call him by any name, can take charge of a certain number of looms in Japan as compared with Bombay. You mentioned that.—That is a technical point which I cannot answer now. I can give it to-morrow.

I also wish to examine on the loss of efficiency due to old machinery.

MR. JOSHI :—In the statement submitted to the Tariff Board it is stated that the uneconomic handling of cotton waste, etc., is one of the causes of the depression of the Indian industry. Do you agree with this?—To some extent ; but not entirely.

To what extent?—Since the introduction of our new system there is some saving in this direction.

Do you agree with the statement : “.....there is a loss of three to six pies per pound ” ?—Yes ; this was the case before. Now, it has lessened. It is specially to examine the wastage in production that our proprietor came over here. Now, we have made every improvement. This is due to high cost of labour. I do not want to cut down the wage but I want to improve the efficiency.

MR. JOSHI :—You have not yet shown that the condition in Japan is greater efficiency and lower wages.—Labour in Japan is contented.

MR. STONES :—What would be the cost to build a mill of the type which you purchased at 15 lakhs—including machinery, land and building?—I think you are a greater expert than myself. I intended once starting a mill in the suburban area and I think the cost will be 31 lakhs.

THE CHAIRMAN :—You say that the Japanese female workers are more efficient than the Indian female workers?—Yes.

Is it because that the Japanese females are more educated than Indian women workers?—There is compulsory education in Japan.

That helps towards their being more efficient?—Yes.

Mr. Findlay Shirras giving evidence before the Tariff Board stressed the point that education must be much more widely spread. If it is done you think that female workers in India will become more efficient?—Yes.

I saw it stated in an article in the *Labour Gazette* of September 1928 which has been referred to by Mr. Joshi, that the employer in Japan gives wages in advance and not as in Bombay?—Not in advance.

What is the rule?—To pay weekly\*.

---

\* With reference to this Mr. Sasakura has written as follows :—

“ With regard to the query regarding wage payment in Japan I have to inform you that my oral evidence of *weekly payment* is wrong and it is monthly payment which will be paid at the end of each month for the month from the 26th of the previous month to 25th of the current month.”

Is it the case that if an employer cannot keep on as many workmen for lack of orders or for other reasons he has to give so many days' notice before dispensing with their services?—They must be given 15 days' notice.

Do they pay any money in Japan to any labourer in consideration of long service?—They havê got some arrangement. On page 42, it is stated :—

“The company shall grant pensions or allowance in recognition of the good service of those operatives, who are injured or fall sick in the performance of their duties, retire on account of sickness, injury or old age, or of those who have served a specified number of years. The regulations for pensions and allowances to operatives are as follows :

“The company shall pay a pension in accordance with the following articles ; to those operatives of the company to whom the regulations for pensions to retired employees on account of sickness, injury, old age does not apply but who have served the company for the required number of years ; those who have become ill or sustained injury in the discharge of their duties ; or to those who leave the service of the company incapacitated from work through illness, injury or old age.”

MR. KAMAT :—You have already been asked questions about a weaver handling 6 looms and you have explained it by saying that since 1926 a new type of mill is being erected. On page 2 of your statement you say : “ In Japan, one-sider attends to 600 spindles at the wage of Rs. 1-14-6.” On page 136 of the Tariff Board Report it is stated : “ In Japan, according to the report of the United States Tariff Commission, the number of spindles looked after by each operative is 240, whereas in India it is only 180.” In working out your efficiency percentage you are placing 600 as against 240. —I referred to the new mills that have recently been started. We have 400 spindles for one frame.

On the basis of 600 spindles your efficiency in spinning is two and a half times better. Is that the general condition?—That I do not know.

You are therefore basing a formula on a single mill you know?—There are better mills than ours in Japan.

The Committee has to judge of general conditions and not of special conditions and exceptional conditions. Unless you show that that condition is general, your comparative statement has to be taken with that much reservation.—There are other mills which work still more efficiently.

Your efficiency is the same as in England?—The number of spindles is increasing day by day. I can say this much, that we are improving in Japan and not going backward as in Bombay.

Is the lay-out in your mills generally identical with the lay-out in Bombay mills?—It is much better than in Bombay. There are no storeys as in Bombay. We have only ground floors, namely, flat sheds, which will be most convenient for working.

So, that will affect the efficiency to some extent?—Yes.

Is it the weekly system of wages that prevails in Japan?—I shall make myself sure. I think it is weekly\*.

I think weekly system of wages is workable in Bombay?—It is not workable in Bombay, because the labour and even the clerical staff is inefficient.

Do you know whether there is weekly system of wages in any part of India?—No.

In the Jute trade?—I have no experience of that.

MR. JOSHI :—Is it not a fact that at the time of recruitment of these girls you give advance money?—At the time of recruitment.

The object in giving the advance is to have more control over the girls. That practice exists in India for some industries. In one match factory in Santa Cruz advances are given up to Rs. 50. Those poor fellows when they take an advance feel that they cannot leave the factory.—In Japan the advance is given to give relief to the family. The female workers pay back the advance and earn Rs. 1,000 in three years.

The Committee adjourned till after lunch.

*(After Lunch.)*

MR. BALKRISHNA KERoba MANTRI,

*Acting Secretary, Bombay Millowners' Association.*

THE CHAIRMAN :—What is your full name, Mr. Mantri?—Balkrishna Keroba Mantri.

What position do you hold?—I am the Acting Secretary of the Pombay Millowners' Association.

---

\* See note on page 296.

Since how long?—For the last four months. I am also the Secretary of the Millowner's Mutual Insurance Association.

What are the points on which you would like to give evidence?—I want to put before the Committee the statistical information which our Association has been collecting and distributing to their members for their information. Up to 1925 we used to have current fortnightly quotations and also monthly detailed returns of imports, as also of exports of Indian manufactured goods. The fourth return we used to issue was of re-exports of European goods and the fifth was a detailed statement of all the goods that travelled by railways with their destination to different places in India.

By goods, you mean cotton textile goods?—Yes, sir.

MR. SAKLATVALA :—You know, Mr. Mantri, that since the publication of the Tariff Board Report we collected a good many more statistics?—Yes.

MR. SAKLATVALA :—You know also that we publish these statistics in our annual report. Here is one for 1926. Pages 573 to 635 will give the Committee an idea as to the statistics which we collect now.—Yes.

MR. SAKLATVALA :—As far as you know, Mr. Mantri, these statistics are all the statistics which pertain to the cotton mill industry and every possible kind of statistics is there?—Yes.

MR. SAKLATVALA :—You know that in this connection the Tariff Board on page 166 of their Report make one suggestion in paragraph 87 :—

“ In this connection, we would suggest that the Commercial Intelligence Department should examine the possibility of compiling the statistics of the production of cloth in Indian mills in a form in which a comparison with the figures for imported cloth could be made more satisfactorily than is at present possible.”

Did we take this matter up with the Commercial Intelligence Department?—Yes, and they agreed to it. Here are copies of the correspondence. We have made tabulated forms which we gave to them.

THE CHAIRMAN :—They have agreed to your suggestion?—Yes, sir. We get the information from them, and also we get information from the Custom House and tabulate it in our office. There is also a comparative statement made of Japanese cotton piecegoods exported from Japan and also quantities of cotton piecegoods exported from British India. That is also put in a tabulated form, as per sample herewith.

MR. SAKLATVALA :—From the information supplied by members, can you say how many mills have reduced their capital and can you name them?—I find that nine mills have reduced their capital. They are, the Crown, the Premier, the Kasturchand, the Gold Mohur, the Tata Mills, the Khatav Makanji, the Asur Virji, the E. D. Sassoon United Mill, the Bombay Industrial and the Mathradas Mill.

THE CHAIRMAN :—Since when?—1925. I have received letters from them but have not had time to tabulate them but I will give to the Committee a statement showing details. The reduction of capital amounts to crores of rupees.

MR. SAKLATVALA :—These reductions have also been referred to in the Auditors' Reports for 1925, 1926 and 1927. Can you tell the Committee something about our standing Sub-Committees Mr. Mantri?—Formerly we used to have two standing sub-committees, one was the Trade Marks Sub-Committee and the other was the Technical Advisory Sub-Committee. Then when occasion arose, we appointed special sub-committees to deal with particular matters. At present we have got eight sub-committees, namely, the Trade Marks Sub-Committee, the Technical Advisory Sub-Committee, the Finance and Economic Sub-Committee, the Trade Mission Sub-Committee, the Labour and Raw Material Sub-Committee, the Tariff Board Sub-Committee, the Standardization of Wages Sub-Committee and the Municipal Assessment Sub-Committee. I have here a list of these sub-committees showing their composition for the year 1928.

MR. SAKLATVALA :—Can you tell the Committee how many meetings each sub-committee held in a particular year?—I can.

MR. SAKLATVALA :—About municipal assessment, you know, Mr. Mantri, what the arrangement was with the Bombay Municipality as regards previous assessment. Can you give the Enquiry Committee an idea as to how our mills were assessed from 1918 onwards?—In 1918 they put on 25% on the gross assessment of our mills.

MR. KHAREGAT :—General tax?—Yes, sir.

MR. SAKLATVALA :—The Municipality assessed our buildings and machinery at a certain figure and on that figure we were to pay the tax according to the rate prevailing at that time. Now the general tax is 11½%. Formerly, it was a little less. The arrangement with the Municipality was that the assessment was to hold good for five years. After a good deal of correspondence as well as after many meetings, we agreed with the Municipal Commissioner that the assessment for 1918 should be 25 per cent. over the

assessment for 1912. That was the basis on which we started in 1918. In 1923 the agreement was over and we again made an appointment with the Municipal Commissioner and after prolonged discussion we came to an understanding and the assessment was increased by another 50 per cent. That means in 1912 the assessment was 100. For 1918-1923 it was raised to 125 and in 1923 it was further raised by 50 per cent., that is, half of 125, namely, 62½, which meant ultimately 187½. So the assessment in 1923 was really 87½ per cent. over 1912.

Then, before the period of the agreement expired in 1928, Mr. Mantri, did we not take up again the matter with the Municipality?—We did and we were told that the Municipal Surveyor had been asked to assess the mills and we are now negotiating about it. We have also taken legal opinion in this matter as to how much the Municipal Commissioner can enhance or how much reduction we can get, and this matter is at present under negotiation.

MR. SAKLATVALA :—Our point with the Municipal Commissioner was that this 50% we agreed to in 1923 was a bit too much, but circumstances during that particular year of course justified our agreeing to it. But since 1923 the times have altered and the Municipality is not justified in levying the same assessment now. The position we have taken up is that the Municipality should lower this 50% basis or as the Municipal Commissioner maintains that the basis was not a fair basis, but he wants to go on another basis, and in this connection we have taken opinion in England and we are now just negotiating with the Municipal Commissioner. The arrangement arrived at for the present is that the Commissioner is to appoint one valuer, we are to appoint another valuer. These valuers will actually make valuations on the present basis of representative mills and then we shall try to arrive at an understanding. I put in correspondence.

Under the same head, will come water tax. It may seem a small matter but because the Tariff Board has made a special reference to it, I bring it up. On page 116, in paragraph 50, they say :—

#### HIGH LOCAL TAXATION.

“ One of the minor causes mentioned to us as contributing to the depression in Bombay was the high local taxation, including the charges for water. Objection was taken more especially to the town duty of one rupee per bale on all cotton entering Bombay and to the charge for water. The former is levied under the City of Bombay Municipal and Improvement (Amendment) Act of 1920 which was enacted with the primary object of enabling the Government to construct 50,000 tenements



for the working classes in the Town and Island of Bombay. The charge for water supplied to cotton mills and certain other classes of consumers in Bombay was raised from 7½ annas per 1,000 gallons to 12 annas per 1,000 gallons in 1922-23 and again in 1925-26 to 16 annas per 1,000 gallons. Local taxation and water charges form a small, but by no means negligible, element in the costs of production."

Then they compare us with other centres and say that the water tax in Bombay is too high. Mr. Mantri, will you put before the Committee or tell the Committee as to what was done as regards water tax? Afterwards our representative in the Municipality made an attempt to get it reduced and in April 1928 the tax was reduced to ten annas per 1,000 gallons.

MR. SAKLATVALA :—First it was reduced from 16 to 12 annas and then we took the matter up again with the Municipal Commissioner; we have our own representative in the person of Mr. H. P. Mody in the Municipality and with his help we got a further reduction of two annas and now it stands at ten annas per 1,000 gallons.

As regards Insurance, the Tariff Board say on page 147 of their Report :—

" We would suggest to the Association the possibility of a similar scheme for fire insurance. The obstacle to the successful working of such a scheme is said to be the difficulty of reinsuring risks but it does not appear that this is insuperable."

Mr. Mantri, will you tell the Committee how the rates were reduced and to what extent?—We carried on a lot of correspondence and in 1927 they agreed to give us a reduction. Our Sub-Committee met theirs and after these negotiations in 1927 they gave us a reduction of 15 per cent. Again, we have written to them pointing out that these rates are high and can be reduced further. Their only argument is that sufficient time must be allowed to lapse while these rates are tried out and then they would see whether any further reduction is possible or not.

MR. SAKLATVALA :—You know, Mr. Mantri, that all the Insurance Companies are working in a ring?—Yes, sir.

MR. SAKLATVALA :—The Insurance Companies quote the same rates and work in a ring. They would not reduce their rates unless a considerable amount of pressure was brought to bear upon them?—Yes.

MR. SAKLATVALA :—The kind of pressure we brought to bear upon them was that although we had already started our Mutual insurance for

Workmen's Compensation only, we had reserved powers to ourselves under the articles of association of that Mutual to extend the scope to other risks also. This was pointed out to them and they were told that in case they did not quote reasonable rates we would be compelled to take this class of insurance risk also and in this manner we have succeeded in bringing down the rates of insurance?—Yes. Here is the original correspondence carried on with the Fire Insurance Association.

MR. KAMAT :—Have you anything to say about the remarks of the Tariff Board as regards the system under which the managing agents are themselves the agents and brokers for Fire Insurance Companies?

MR. SAKLATVALA :—The real position is this, sir. For instance, Tata Sons are agents of the New India Insurance Co. We are also agents of mill companies. The insurance companies quote a net rate to the mills, whether the insurance is done through their own agents or through outside agencies. The mills get the same rate and so long as the same rate is given to the mills, the mill companies can have no complaint. The commission which the insurance people may give to those who manage mills is not given to the agents as agents of the mills but as agents or sub-agents of the insurance companies. They bring a certain amount of business and for bringing that business just as they would give to any broker or any commission agents a certain commission, they have to give that commission, but that commission has got nothing to do with the mill companies because the mill companies, whether they insure through their own agents or through outsiders, will get only one definite rate. As I pointed out, all the insurance companies themselves are working in a ring and under a fixed tariff. They fix and quote a net rate to the companies which insure with them. Then also they have got a fixed rate of commission. That is an internal arrangement which each insurance company can give to other parties, whoever they are, for bringing business to them. One of the conditions of the insurance company is that any commission that may be given to such agents is not to be parted with or to be given over to any other party because that commission is given to them for bringing in business. That is one of the conditions of their old insurance tariff, and, as I say, the mill company does not in any way suffer; the insurance may be placed through outside agencies and they will get a net rate and the rate is fixed. All insurance companies quote the same net rate. That net rate is paid by the mills and nothing more. The mill does not pay a pie more, whether the insurance is done through the managing agents or through others. Insurance has got to be effected through another agency, whether it be a broker or commission agent or their own agents or any other agents. The managing agents are also agents for many other companies. They may derive profit for doing some other work. All our

articles of association specifically provide that the mill agents are not tied down to the mill company's business ; that besides being agents, they have a right to take up agency of other mills also. They are perfectly entitled to do other business and there is always the main condition which you will find afterwards when we go through the articles of association of these companies.

MR. KAMAT :—As agents of insurance companies, would you mind strongly pressing for a reduction of the insurance rates from the insurance companies ?

MR. SAKLATVALA :—We have pressed very strongly for it, as the correspondence will make that clear, and had it not been for the position we have taken up that the Mutual is already in existence, matters would have been otherwise ; the only thing is we shall have to find more capital if it were to cover all Bombay mills—some crores of rupees—and unless we arrange with either Lloyds or some other party for underwriting that risk for at least some years, we cannot undertake that risk at the very beginning. The rates have thus been brought down and in fact you will find from the correspondence that we have gone into other minor points to see whether there is still more scope for reduction.

Then we go on to reduction in cost of power charges. Mr. Mantri, most of the Bombay mills are taking power from the Tata Hydro-electric Power Supply Company, or one of the other companies ?—Yes.

And the only possible way in which any reduction can therefore be obtained is by getting a reduction in the charges which they make ?—Yes.

Have we taken this matter up with them ?—Yes. The charges that are made by the power companies do not compare very favourably with the cost that these mills would have to bear if they generated their own power, and on this particular ground we are carrying on correspondence, and have asked for a reduction of their charges. We have received a reply from them that they are ready to consider this very sympathetically.

MR. SAKLATVALA :—During the strike period, their power is there. When the strike is on, the power is not utilised, but in our agreement with them we have agreed to pay for a certain percentage of the total power had it been consumed. The first point we took up with them was the charge made during the strike period. When we agreed to a minimum charge being paid during such a period, we had never anticipated the very prolonged strike that we had. The first point we took up with them was that they ought to make a refund of the charges which they had made during the strike period. Then we have also taken up the matter of reduction of charges

as such. Of course, it is a technical and difficult matter. We have got to prove that we can, under modern conditions, produce our own power at a rate cheaper than the one at which we buy it from the company. It is not a simple matter to prove. Some of the mills, for instance, have now filled up their tanks. If they want to go on their own power, they will have to provide their own tanks again. Some mills may not have the land in their possession, because in some concerns, for instance the David Mills, they have filled up the tank, because it was no longer wanted, power being taken from the hydro-electric companies, and they have built a weaving shed on the land. If they go on their own power, they will have to go on their own tank. All these factors have to be taken into consideration, and we have to prove our case that, under modern conditions, we can generate our own power at a cheaper rate. They have agreed that, if we can prove that case, they will certainly reduce their rates to a reasonable extent.

MR. KAMAT :—What is the rate they are charging, and what is the rate you are asking for ?

MR. SAKLATVALA :—It varies. The original hydro-electric company's rate is .55 annas per unit ; the Andhra Valley Power Supply Co. charge .725 per unit, and the Tata Power Co., in certain cases charge even .9 per unit. We have also asked them to now give us one rate for all the companies together. The agreements will expire in about 1932. It depends on the mills, but on an average the agreement will expire in 1932. We have asked them now to give us a fair rate. .725 is a general rate which can be applied to all the mills at the present, and we have asked them to reduce that rate, cancel the agreements which in the usual course have to run for a period of four or five years, and then enter into fresh agreements. There are still some mills which are not using electric power, and are still working on their old engines. If those mills also come along, no doubt, as the industry will be consuming more power, they might be prepared to give us a more favourable rate.

MR. KAMAT :—If they accept your proposals, how much per cent. less than what you are paying now will you have to pay ?

MR. SAKLATVALA :—I cannot say that. Our proposal has been made to them confidentially. We have not officially made to them that proposal. We are going to write to them, and they have asked us that our Technical Sub-Committee should meet their Engineers to discuss the point, and then the question of rate will be taken up.

MR. MANTRI :—I hand in the correspondence on the subject.

MR. SAKLATVALA :—Allied to this subject, is the question of freight charges on coal. There are some mills that are still using coal. Of course, some mills have gone in for liquid fuel (oil) with a view to economise. But there are some mills still working on coal. We have taken this matter up with the railway company and are pressing for a reduction of the railway freight on coal. There too, we are working hand in hand with the Indian Miners' Association, and we have asked them to help us, because they are willing that if the freight on coal to Bombay goes down, Bombay can use more coal. That is one of the matters we have taken up with them. I hand in the correspondence on the subject.

The next point is with regard to technical education.

THE CHAIRMAN :—You want to leave that to Mr. Turner ?

MR. SAKLATVALA :—Not altogether. We will put in the papers that we have. Mr. Turner will be more or less an independent witness. Mr. Joshi himself can come in as a witness. Mr. Joshi is running a technical school, and it is aided to a certain extent at any rate by the millowners. We have given Mr. Joshi some old machinery, etc., to run his technical school. Of course, Mr. Joshi will say we have given him old machines, but we have done all that we could do.

THE CHAIRMAN :—Do you subscribe to the V. J. Technical Institute ?

MR. SAKLATVALA :—We pay them Rs. 2,000 annually. When, at one time, the V. J. Technical Institute found itself in difficulties, and they had applied to the public for money, the members of our Association collected a sum of a little over a lakh of rupees, which we donated to the Institute. That was in the year 1923. They wanted to have a new building put up. They have got special classes for training mill apprentices, and Mr. Turner will give you all the information as to how far we have helped in this matter. I hand in the correspondence relating to the V. J. Technical Institute.

On this subject, there is also the question of Marathi leaflets. Mr. Joshi made it a point and the Tariff Board suggested that the jobbers should have some technical education. There also the matter was not overlooked by us. We have undertaken, in consultation with Mr. Turner, to prepare leaflets. It is a difficult and technical subject. There are no technical words in the Marathi language. We have to be very careful in preparing such leaflets. It is not an easy matter. At any rate, we have taken up this matter, and I hand in the latest papers, which we have circulated amongst our own members also.

The next point is "Town Duty on Cotton." We have taken this subject up ever since 1925 with the Government of Bombay and the Development Department. The position is that the mills have to pay Re. 1 town duty on every bale of cotton used. The total number of bales of cotton varies between 10 lakhs and 12 lakhs in Bombay. That means that we are asked to give Rs. 10 lakhs to Rs. 12 lakhs towards the Development Department chawls. Of course, this amount is being distributed in a certain proportion between Government and the Municipality, and the suburban municipality with which we are not concerned.

We are made to pay a sum of Rs. 10 lakhs to Rs. 12 lakhs. When we agreed to pay this sum, it was proposed that Government would set up 50,000 tenements for the working classes, that our workers would benefit, that those tenements would be suitable to them, that the rent to be fixed would be a reasonable rent, and in order to maintain those 50,000 tenements we were asked to pay a town duty of Re. 1 per bale. We agreed. Afterwards, we found that Government had stopped their programme. We are not concerned as to the reasons; at any rate, Government did not put up 50,000 tenements; they put up 16,000 tenements. Our workers, rightly or wrongly, objected to going there. Perhaps Mr. Joshi will throw some light on this matter. The rents are by no means as low as we expected them to be. Then we applied to Government saying that if the duty is not to be abolished, at any rate Government are not justified in taking the whole of this duty. Government have erected only one-third of the total number of tenements, and therefore the duty should be reduced at least to that extent. You know what happens when you take up a question with Government. It takes a very long time. The matter is being dealt with ever since 1925, and is going on even now. We have not given this matter up. The present position seems to be that the Government and the Municipality cannot agree as to the portion which each should give up, in case the duty is reduced. It appears that perhaps Government are in favour of reducing the duty. It may be that Re. 1 may be reduced to 8 annas, but whatever it be, the question is as to the proportion in which this loss is to be borne by Government and the Municipality. However, we are not concerned with that. We have addressed Government that the duty, if not entirely abolished, should be materially reduced. The matter is by no means ended. We are still at it, and have written to the Government of Bombay, the Development Department and the Municipality on this subject. I hand in the correspondence on the subject.

I am sorry I forgot to inform the Committee that we have succinctly stated what the position about these matters is in our reports for 1926 and

1927. For instance, the municipal tax is referred to on page 51 and page 227 of our 1926 report. There the matter is dealt with more or less fully. Assessment of mill properties is dealt with in our 1926 report, page 52-53 and pages 228-235. Statistics, pages 573-635 of the 1926 report. Town Duty on cotton, on pages 57 and 58 and again on pages 268-277 of our 1926 report. Insurance is dealt with on pages 33 and 34 and again on page 196-201 of the 1927 report. Freight on coal, pages 106 and 108 and also pages 453-463 of the 1927 report ; reduction in power costs, pages 28-29 of the 1927 report.

There was another matter with regard to fines, which Mr. Joshi mentioned. We have not got any correspondence on this subject, except a little with the Labour Office. But that matter is also dealt with in our report, as regards fines and the giving of bad cloth to the weavers, on pages 80 and 81 and pages 359-369 of our 1926 report. As regards the fines, the Labour Office will give you the details.

I hand in the reports for 1926 and 1927.

EXAMINATION OF MR. SAKLATVALA AND MR. MANTRI  
BY MR. JOSHI.

*(Replies given by Mr. Saklatvala, except where otherwise stated).*

MR. JOSHI:—About statistical information, are you aware that the Government of Bombay had introduced a Bill in 1924, compelling certain employers or certain managers of industries to furnish information?—Yes.

Is it not a fact that the Bombay Millowners' Association was against that Bill, and therefore it was dropped by the Government of Bombay?—Yes. But the statistics wanted were of quite a different nature. There could be no meaning in objecting to a Government Bill, asking for statistical information which we publish broadcast. But the statistics required were of quite a different nature, and it has got nothing to do with the statistics which we publish.

Is it quite open to say that the Millowners were quite prepared to prepare statistics which may be in their favour, but were not prepared to give statistics that may not be convenient to them?—The Government of Bombay would have proceeded with the Statistics Bill if others also had not objected. It was not that we alone objected and therefore Government gave up the Bill. Every Trade Association and every Chamber of Commerce had opposed it, and for very good reasons.

At any rate, you were opposed to that Bill?—Certainly, and we are still opposed to it.

Do you not think it is quite useful that the labour organisation should be in touch with your statistics?—Certainly. Our complaint is that you are not in touch with everything. We have given all this information in our reports, and perhaps a good deal of the Committee's time would have been saved if all these particulars had been studied. We send our reports to Mr. Joshi. Let them study all the statistics. If they ask for more, we are willing to give it to them. We have never refused to give any information which was asked for. Instead of public correspondence and letters in the Press, if they ask for it, we will give them the information.

I am thankful that Mr. Saklatvala sends the reports of the Association to us, and we make use of them. We shall thank Mr. Saklatvala, if he will also send us statistical information.—Any information that he wants we are ready to give.

As regards reduction of capital, you propose to give us information about 9 mills. Of course, you will give the original capital before the war and after the war?—After the war they may have changed the capacity of the mills. They may have increased the number of spindles and looms. All the information I can give you is what the capital was before reduction and after reduction, and the reductions have mostly taken place since the year 1925.

Do you not think that will not enable either the Committee or ourselves to find out figures to justify that you have really made reductions in order that your position should improve?—That question comes in mainly because the Tariff Board made a recommendation to that effect. The Tariff Board made that recommendation in the year 1926. Therefore, this reduction of capital applies only to that period. In the past there may have been some reductions, and there may have been increases in capital. We would then have to go into each and every mill, when the number of spindles and looms was increased. The Tariff Board made a point that certain mills were over-capitalised during the boom year, and the question is whether now that over-capitalisation has been remedied or not, and to show that position, the figures which we have given are quite ample.

I do not think if you simply tell us by what the capital has been reduced, it will be of much use, unless you tell us how much over-capitalisation there was and to what extent you have brought it down?—We can give you this information, that the capital of a mill in 1925 was so much, the total number of looms and spindles so much, and the capital was reduced in 1926 by this extent, and the total number of looms and spindles existing at that period.



You propose to give us figures about 9 mills?—Those are the mills which have already written to us, that they have made a reduction in their capital. If one or two have been overlooked, we will see to it.

About the insurance rates, you told us, Mr. Mantri, that the insurance companies prevent their agents, some of whom are agents of the mills, returning the commission given to them to the mills. But you may remember that Mr. Batliwala, who was here as a witness, told the committee that although the agents, Messrs. N. N. Wadia & Co. are the agents of an insurance company, they return the commission to the mill.

MR. JOSHI :—They returned the commission to the mill. So I think there should be no difficulty in returning the commission to the mill, in the case of others.

MR. SAKLATVALA :—Mr. Batliwalla did say that but I have explained it. As far as my knowledge goes, that is a breach of insurance tariff but that has nothing to do with the question. The only question is whether because one mill agent does it, it is morally binding on every one else to do it or not. In our own case of the Tata Mills, the mill has been working at a loss. We lend the company money and we forgo year to year the interest charges on our moneys. The Directors do not take any fees. It may be that we want to give the benefit to our mill company. That does not mean that because one particular agent does not charge any interest, therefore any mill agent who charges interest on his money would not be justified in so doing. That is the position.

MR. JOSHI :—Mr. Mantri, what is coming in the way of the Mutual Insurance Association taking up fire insurance also ?

MR. SAKLATVALA (*on behalf of Mr. Mantri*) : Crores of rupees come between that scheme and the other scheme. If we take up insurance for all the Bombay mills, we should have a capital of at least 30 to 40 crores of rupees before we could underwrite such risks and we cannot do that all at once. We started the Mutual only in 1924. We are feeling our way ; we are strengthening this company ; every year, we make a saving of a little over a lakh of rupees and we want to build up our reserves. Then we can think of doing this. As a matter of fact, some individual mills are doing that. They do not go to insurance companies at all ; they have got their own funds and instead of paying premium to insurance companies, they debit the company as if the insurance premium was paid but they credit it to the special fund and they are building up their own fund. So, all this means a process of time, and unless we are able to transfer our risk at least for the first few years, we cannot do it. Supposing we undertake such a heavy risk.

It may be that in one particular year there may be very heavy fires and we will be wiped out. We have to proceed very cautiously, we cannot do it all at once.

MR. JOSHI :—Can you not re-insure with some other companies than the Mutual ?

MR. SAKLATVALA :—No, we would be acting as a rival and therefore how can we ask our own rivals to help us to do this business ?

MR. JOSHI :—You can join their ring ?

MR. SAKLATVALA :—They will not admit us because we are their rivals.

MR. JOSHI :—Certainly, they cannot prevent any other insurance company rising in Bombay ?

MR. SAKLATVALA :—That is a different thing. Ours being a Mutual stands on a different footing.

MR. JOSHI :—As regards the Mutual, don't you think you are charging mills at present a higher rate of premium as regards compensation ?

MR. SAKLATVALA :—As regards the Compensation Act, when we started our Mutual, the rate prevailing generally was 8 annas. We told the insurance companies that we were prepared to take this risk at four annas. We had several meetings. They said " You might try this for a year and at the end of that period your scheme will go phut." We said that we were sure that we would be making a saving. Then they themselves reduced their own rate to six annas. Then we formed the Mutual and we actually quoted four annas, to our own members. When they saw this, they reduced their rate to five annas and finally to four annas. We started at the rate of 4 annas and then reduced it to 3 annas and to-day the rate is 3 annas.

THE CHAIRMAN :—The rate of four annas per Rs. 100 ?—Of wages paid.

MR. JOSHI :—Don't you think this 3 annas you are charging is a higher rate than you ought to take ?

MR. SAKLATVALA :—No, it is not a high rate, because in our case we have done away with all expenditure. We have no agents or sub-agents or any claims of this kind to pay. As regards our Mutual, our office expenditure is practically nil because we are working in unison with the Millowners' Association. Mr. Mantri is the Secretary. His is practically the only charge. We have no special clerks. They are common and therefore our expenses are

very light. We are able to collect just a lakh of rupees and we cannot possibly reduce that rate. We know it would be to the benefit of our own members if we could reduce that rate.

MR. JOSHI :—Have you published any balance sheets ?

MR. MANTRI :—Yes. In fact I sent to your Social Service League copies of the balance sheets for the first two or three years. If you have not got them I will send you copies of whatever balance sheets you want.

MR. JOSHI :—Can you tell me roughly what is the total amount you charge to your members and what is the total amount you pay as compensation ?

MR. SAKLATVALA :—You will find all that in the accounts.

MR. JOSHI :—In your statement of accounts I do not find the total amount paid by you. I find the total amount charged to the mills, but I do not find the total amount paid in compensation because I think there is some room for economy there.

MR. MANTRI :—It may look like that for a year or two, which may be lucky years but one year there may be very many accidents and you will have nothing left in hand in which case we should have to go back to our members and say " Give us money." They would think in that event that we are not running the Mutual with success. For that, we have to keep something in our hands.

THE CHAIRMAN :—Are you putting in a copy of those balance sheets ?  
—Yes, sir.

MR. JOSHI :—Just as in the case of the Workmen's Compensation you got the rates reduced, could not the Association do something in the matter of fire insurance also ?

MR. MANTRI :—As I told you, we are making every effort but it is a big job.

MR. JOSHI :—Is it not likely that you are not doing it because your mill agents are also agents of the insurance companies ?

MR. SAKLATVALA :—No, no, not at all.

MR. JOSHI :—You talk of reduction in power charges. Has your Association made any effort in making research to see whether there can be economy in the use of coal or electricity or oil fuel ?

MR. SAKLATVALA :—To Mr. Joshi it may look a very important question but as regards every mill it is an elementary principle. When we build a mill, first of all we have to go to boiler-makers, engine-makers or turbine-makers or to electric power companies. We have to discuss whether we are going to generate electric power or steam power. Then we have to get quotations. These are elementary questions which each mill agent has necessarily got to settle before he can take over the business in hand. Perhaps Mr. Joshi thinks that we have never done this. Every mill has done that and not only at the time of starting far but from day to day. It is the business of the engineer. He is bound to keep daily charts which show exactly the consumption of coal to see if there is any defect. In the case of electricity from the Hydro-Electric Power Company, we have got a switch board ; on that switch board is registered not only the consumption from day to day, but from hour to hour in each department. We can tell at once if there has been too much consumption ; we ask the engineer for an explanation. It may be due to a bad day, it might have been particularly dry or a very cold day and the machines required slightly more power. We have to go into this question not once but during 300 days—working days.

MR. JOSHI :—I do not say that you are not doing all that. My point is, has the Association done any research work on methods to see if fuel can be used more economically ? If Mr. Saklatvala maintains that what they are doing is all that industrialists all over the world are doing, I say he has not got sufficient information. In America as well as in Lancashire, they have got research departments to take up these questions. Even Governments take up these questions. Instead of simply depending upon getting reduced rates, is your Association doing any regular research work in order to get the fuel costs reduced ?

MR. WATTS :—The millowners in Lancashire have no research departments, sir.

MR. JOSHI :—I say they have associations. I have seen their reports.

MR. SAKLATVALA :—The Association has certain functions to perform. Mr. Joshi should read our report to know its rules and regulations. Research is a very very big question. That has also been considered by us. Dr. Viegas has just now worked out figures and he says 45 lakhs will be required. It is not so easy as it looks to have a research institute. It would be unnecessary for the Association because individual members do take up this work and keep the Association informed of what is being done. For instance, in our Nagpur mill, when we were first starting steam-turbine engines, we got certain guarantees from the makers. We worked out our own figures and the

cost was passed on to the Millowners' Association to enable them to compare power charges. For the present, the sub-committee has got figures from as many mills as possible and we compare one mill with the other. The Association does all that work. It does not mean that it should take up research work as such.

MR. JOSHI :—What cannot be done by one mill can be done by your Association in establishing a research institute or department or officer. You will agree with me that this is not done simply because there is jealousy amongst the millowners who do not like that their figures should be seen by the others.

MR. SAKLATVALA :—That is the idea which seems to have taken hold of Mr. Joshi's mind. Jealousy is there but to what extent, for what reasons, as regards what, he does not know. It is only as far as our trade secrets go, as far as manufacturing processes go, but as regards power charges, etc., they are not at all secret. The engineers have got their own association, they meet and discuss each other's power costs. The question of jealousy enters into the secret manufacturing processes in certain kinds of cloth, for instance Japanese crepe cloth, etc. There is no secrecy about labour costs or power charges, etc.

MR. JOSHI :—What research has been done on waste ?

MR. SAKLATVALA :—That is being done by individual mills, which have experts from Lancashire, from America, and from other countries. When we put up a waste plant, we made inquiries all over Germany as the Germans were supposed to be experts in that line.

MR. JOSHI :—My point is that such matters should and can be done by co-operation of all mills and not by each individual mill.

MR. SAKLATVALA :—You will be able to judge, sir, from the material before you, as to how far these things have been tackled by us. The Association cannot possibly take up research matters unless it gets full information from its own members. You will find all the details in the papers before you, sir.

MR. JOSHI :—About technical education, Mr. Saklatvala referred to a school with which I am connected. Is Mr. Saklatvala aware that the machinery he has given us is old machinery ?

MR. SAKLATVALA :—I know it but old machinery is better for students to learn on than new machinery which usually is easier to learn. You can get this from Mr. Turner himself.

MR. JOSHI :—Suppose Mr. Turner recommends that new machinery should be given and that the school should be equipped with new machinery, is Mr. Saklatvala prepared to consider that question ?

MR. SAKLATVALA :—Certainly, when better times come.

MR. JOSHI :—That will be useful for bringing about better times.

MR. SAKLATVALA :—I do not think so.

MR. ASVALE :—Have the different sub-committees such as the Labour Welfare Sub-Committee ever had meetings ?

MR. SAKLATVALA :—Certainly, our report for 1927 will give you all particulars.

MR. ASVALE :—About the 25 per cent. increase in assessment, was not the previous assessment an under-assessment ?

MR. SAKLATVALA :—I have explained already the position of this 25 per cent. increase in taxation.

THE CHAIRMAN :—That concludes the business for the day. We shall meet to-morrow at 11-15 a.m.

---

---

*Wednesday, 7th November 1928.*

---

Wednesday, the 7th November, 1928.

The Committee re-assembled at the Secretariat, Bombay, at 11-15 A. M. on Wednesday, the 7th November, 1928, the Chairman, Sir Charles Fawcett, Kt., I.C.S., presiding.

Present :—

MR. M. P. KHAREGHAT, I.C.S. (Retired).

MR. B. S. KAMAT.

Mr. Bernard James Whitby, Partner, Messrs. A. F. Ferguson & Co., Chartered Accountants and Auditors, examined.

THE CHAIRMAN :—What is your name?.....Bernard James Whitby.

Your profession?.....I am a partner in the firm of Messrs. A. F. Ferguson & Co., Chartered Accountants, Bombay.

What experience have you had of auditing?.....In India, I have been 14½ years.

Your firm does a good deal of auditing of mill accountants in Bombay?.....Yes.

Can you give us some idea as to the number of mills which your firm audits?.....Yes, I will have it looked up later, the witness said it was about 40.

THE CHAIRMAN ?—Mr. Saklatvala, what is the main point on which you want to examine Mr. Whitby.

MR. SAKLATVALA :—The main point is that we have issued consolidated balance sheets for the whole industry and the matter was brought out in the discussions here when when we discussed the state of the industry. We had pointed out that we had made certain losses. I have already handed you signed copies of these audited reports. I am handing over to Mr. Whitby, Sir, similar certified copies.

Mr. Whitby, these are your reports?.....They are.

Do you verify the signature of your firm?.....I do.

As I told you, Sir, the other day, the 1923 report was also audited by them but unfortunately it is missing, because, we had handed it over to the McLeod Committee. At that time that was the main point to be settled and we have not got a signed copy of that report for 1923.

MR. SAKLATVALA :—Mr. Whitby, you have been issuing these audited reports since 1923?.....Yes.



Do you remember that the first occasion was, because, such a report was demanded by the McLeod Committee in 1923?.....Yes.

You had prepared a statement for 1923 and also given oral evidence before the McLeod Committee?.....A representative of my firm had done so.

You had also submitted figures up to 1925 to the Tariff Board?.....Yes.

The Tariff Board had demanded certain explanations from your firm and a certain amount of correspondence passed between your firm and the Tariff Board?.....Yes.

Your firm's representative had also given oral evidence before the Tariff Board?.....Yes.

You had satisfied the Tariff Board as to the correctness of your reports up to 1925?.....Yes.

You then had also prepared similar reports for the years 1926 and 1927?.....Yes.

Will you take up your reports for 1925? In the first paragraph you say :—

“Alterations of minor importance were made by us wherever necessary in the figures we compared. In places where no printed Balance Sheets were available, the rough figures obtained by your office were taken by us as correct.

Then in para 2, you say, under Reduction of Capital :—

“During the year under review, the following three Mill Companies reduced their capital.”

In para 3, you say :—

“The deficit shown this year,” etc., etc.

In para 4, you mention the number of mills which had not submitted their accounts and the reasons, and in the last para, you say :—

“Subject to our above remarks, we certify that the balance sheet bearing our signature shows to the best of our belief the position of the Bombay Cotton Mill Industry as at 31st December 1926, and that the said balance sheet and the relative profit and loss accounts have been compiled from the printed accounts of the mill companies and from statistics supplied.

To the best of your knowledge and belief, all these statements are correct?.....Yes, they are.

There are similar statements in your report for 1927 also .....Yes.

They are all correct?.....Yes.

All the necessary materials were placed before you?.....Yes.

All necessary explanations that you wanted were also given to you?.....  
Yes, except in the cases where the mill had not sent their accounts.

In those cases the accounts were not ready or the mills had gone into liquidation?.....Yes.

At the end of your report you give a list of a number of mills that had submitted accounts. The total is 77. That is the total included in the balance sheet including those for which you did not get details?.....Yes.

Now, look at page 3 of the printed report for 1926. You give there certain details such as Statement of Total loss sustained for the year ended, 31st December, 1926..... Yes.

There you say "Net loss as per Profit and Loss Account" is so much and then the amount paid from Reserves is added to that which increases the loss and brings it up to Rs. 27,44,717/-.....Yes.

Then from this amount you deduct Proportion of Depreciation debited. What is the exact object of deducting this? The reason for that is that the mills, as a whole do not debit the full amount of depreciation which may reasonably be regarded as having taken place. In order to arrive at a correct figure, we deducted the depreciation which they had already charged and then charged the correct depreciation, which is the figure allowed by the Income-Tax authorities.

You think that depreciation should be shown as a charge?.....Certainly

Is that only your opinion or can you give any authority for it?.. ...I have three principal authorities. One of them is Spicer & Pegler's "Practical Auditing"—Pages 135/7. I will read out a few extracts :—

"Depreciation may be defined as the shrinkage in value of an asset from any cause during a given period. If an asset has been acquired for the purpose of being utilised to earn income, and in the course of such process the value becomes gradually diminished, such decrease in value is a loss which should be set off against the income derived from working the asset, *before the balance of divisible profit can be ascertained.* If this is not done, the Profit and Loss Account will not show the correct profit for the period, and the balance sheet cannot be said to represent the true and correct view of the state of the affairs of the business, inasmuch as the assets will remain at their original value, notwithstanding the fact that depreciation has taken place."

“It cannot be too strongly pointed out that if the whole of the profits of a business are withdrawn without providing for the loss arising through depreciation, no moneys will be accumulated out of revenue during the life of the asset for the purpose of replacement. When such replacement becomes necessary, fresh capital will have to be provided for the purpose. Many cases have arisen, where owing to depreciation having been ignored, businesses have been obliged to go into liquidation on the exhaustion of their capital assets, solely through the impossibility of raising fresh capital for the purpose of renewal.

“The contention is frequently made that depreciation is an appropriation of profits, and not a charge thereon, and that consequently if no profits have been made, or a loss on trading has been incurred, no provision for depreciation can be made. The fallacy of this argument is apparent when it is seen that depreciation is a fact which exists, irrespective of the results of the business, and as much should be recorded in the books of account.”

Dicksee in his book “Auditing,” on page 217, quotes Adam Murray, to the same effect. There are other extracts which I need not read, but which I hand in.

In the published balance sheets of Bombay mills, depreciation, in most cases, is not deducted before the profit is shown. The figure of profit is always subject to depreciation in most cases?... I should not like to say that definitely in regard to all cases. In most cases it is so.

The amount here is only Rs. 13 lakhs, whereas the actual depreciation comes to a crore and 18 lakhs. Generally, profit is always subject to depreciation?... It must be.

**THE CHAIRMAN** :—Rs. 13 lakhs is the amount actually debited?... Yes.

**MR. SAKLATVALA** :—I put it to you that this is merely method of accounting, and that it is not usual that depreciation should not be taken into consideration when real profit is to be arrived at. Is not that so?... Yes.

When income-tax and super-tax is charged, the Incometax authorities make an allowance for depreciation. Is not that so?... Yes, they do.

If the depreciation is more than the profit shown in the balance sheet, no income-tax or super-tax is charged?... No.

Although the balance sheet may show that there is a profit of over Rs. 2 lakhs, if the depreciation is more than Rs. 2 lacs, no income-tax is charged?... No.

It is levied on real, actual profit?... It is levied on what the income-tax authorities consider as assessable profits.

If you require the section of the Income-Tax Act, it is given in Section 10. The percentage is also fixed. In the case of Bombay, it is 5 per cent, for machinery and 2½ per cent. for buildings.

Therefore, your conclusion is that in order to show the real state of the industry and the real consolidated balance sheet of all mills, it is necessary to take into account depreciation?.....I consider it is.

MR. JOSHI :—You stated that you were examined by the Tariff Board and the Tariff Board was satisfied with your explanation?.....I was not myself examined. Another partner was examined as a representative of our firm.

What grounds have you to say that the Tariff Board was satisfied with your explanation?

THE CHAIRMAN :—Have you any personal knowledge?..... No.

MR. JOSHI :—I will leave it at that. You have stated in your statement for 1927, page 2, that in places where no printed balance sheets were available, the rough figures obtained by your office were taken as correct. Can you tell me in how many places this was done?.....From my clerk I understand it was 7 at the outside, probably less.

In some places you put down figures that were not in the balance sheets, but which were taken from the office of the Millowners' Association?.....In a possible maximum of 7 we inserted the figures as we say here.

Don't you think it would have been much better if you had mentioned those places? It all depends on what figures they were?

MR. SAKLATVALA :—I will explain it. One thing is that the Sir Shapurji Broacha Mills have got a woollen mill. They publish their balance sheet in respect of their 4 mills, out of which 3 are cotton mills and 1 a woollen mill. Their published account is no good to us for our purpose. We get figures from them for the 3 cotton mills only. In the case of the Madhavji Dharamsi Mill, at the time the statement was prepared, they said their accounts were not printed, but that they were in the press. We wanted the accounts, and they gave us their own statement, that is, the figures as audited but not printed. It is only in such cases that we did not get a statement. There are one or two mills which prepare their balance sheets on say, 31st October. Those could not possibly be included. Altogether it will be 2 to 3 mills and not more. In this particular case, out of 75 mills, figures for only 2 mills were given in this way.

**THE CHAIRMAN :—**The figures for 2 mills were omitted ?

**MR. SAKLATVALA :—**There are 75 mills whose accounts had been submitted. Out of those 75 mills, the accounts of 73 mills were published accounts. Those 2 mills were the Shapurji Broacha Mill and the Madhavji Dharamsi Mill and in their case we had submitted written statements, for the reasons I have explained.

**MR. JOSHI :—**I would like the witness to state whether it would not have been better for the proper understanding of the balance sheet if the mills had been mentioned in the report ?..... We have no objection to showing what they were. No more information than we have given has been asked for. There is really no objection whatever to giving it.

You do not know perhaps that these balance sheets are used as a justification for cutting down wages, and therefore they are of importance to us ?..... It did not occur to us that it was necessary to put in the names. If we knew that it would be of some help to anybody, we would have done it.

You mentioned in paragraph 5 that the number of mills included in the preparation of balance sheet and profit and loss is 75, and that the names of some of the mills are not included. You do not mention why they are not included.

**MR. SAKLATVALA :—**The reason is obvious. Some are under liquidation and some cannot supply figures. The Kilachand and Gold Mohur Mills are in liquidation and the Presidency Mills cannot supply the figures. We will give you the exact information.

**MR. JOSHI :—**You cannot give the reason ?.....( Witness ) I cannot tell you.

Which mills were under liquidation and which mill did not supply the figures out of the four mills ?

**MR. SAKLATVALA :—**Birla Mills and Kilachand Mills were under liquidation and the Presidency Mills had not closed their accounts.

**MR. JOSHI :—**Do mills under liquidation but still working prepare their balance ?.....( Witness ) Well, probably they would get out the information, because otherwise there is no use running the mills without knowing their state of affairs.

On the next page about depreciation I would like to ask you something. You say that in the previous years depreciation was not shown in the accounts ? .....I do not say that.

These mills were making good profits during some of the previous years?.....Yes.

If, during these previous years, depreciation was not written off and dividends were paid, some of these mills are likely to be weak on that account?.....It would have that effect. I cannot say whether they have done so or not. My information is that in boom years they had written off depreciation.

You agree with me that if they had not written off depreciation and paid dividends, to that extent they are likely to be weak?.....Certainly.

You have now put down depreciation to the extent of one crore and 76 lakhs at the rate of 5 per cent. Is 5 per cent. the rate at which depreciation is written off generally on machinery?.....Generally, that is the correct depreciation charge.

Or is it the highest?.....That is the rate allowed by the income-tax authorities.

In how many mills were dividends given without deducting depreciation charges?.....I can find that out for you.

When you charge depreciation, is it charged on the present value of the machinery or on the original value?.....Depreciation is charged on the original cost of the machinery. If the cost is to be written off in 20 years, then deduction is made at the rate of 5 per cent. every year.

Suppose some machinery is more than 20 years old?.....The cost must have been written off.

Did you enquire whether some of the machinery on which depreciation is charged is more than 20 years old?.....Of course the actual working charges are given every year and the depreciation charges for that year.

Unless you find out whether the whole amount of the cost of the machinery has been written off or not it is somewhat faulty to charge depreciation?.....In making depreciation charges on machinery, they state the figure. They might write off the depreciation charges in 10 years instead of in 20 years.

Supposing that you have written off a sufficient amount for depreciation there is no need for further depreciation?.....Suppose a certain mill makes a profit of 10 lakhs in a particular year and provides one lakh for depreciation charges. In lean years they may not do so.

If they had written off the whole cost, there is no need for providing for depreciation? You are right to a certain extent.

You have no knowledge whether sufficient depreciation in previous years was written off or not?.....I did not go into that question.

The name may be taken to be the case for buildings also?..... Yes.

You say that when Government assess for income-tax or super-tax they exclude the amount for depreciation charges. Does not Government charge super-tax or income-tax even though the amount for depreciation is not actually written off?..... What happens is this. The profits and the total cost for every year are submitted. Government allow five per cent. for the depreciation charges and assess income-tax on the balance. They do not go into the question whether any amount for depreciation is written off by the company or not. That is the Act of 1922.

It is quite possible that some mills in order to avoid paying Government what is due to them may say that we want such and such an amount for depreciation and afterwards give away dividends without writing off depreciation?..... It is not a question of what amount they want for depreciation. It is what ought to be allowed. If there is no assessable profit the dividend may, still be paid.

Some mills do that?..... I do not know about it.

In showing depreciation, is it not part of your duty to find out whether the depreciation is made on the present value or the original value?..... I should know how it is being calculated.

MR. JOSHI :—Suppose you had prepared this consolidated account and given a report. Suppose then you find from this statement of accounts that the mills have not actually written off depreciation, don't you think you ought to have mentioned in the report that the mills ought to have written off depreciation?..... We have made that quite clear in our previous evidence wherein we have drawn attention to the fact that they have not written off enough.

MR. JOSHI :—Suppose you had found that before writing off depreciation some mills had given dividends; then also as an auditor you ought to have a remark in the report?..... We have not done it but if you would like us to do that, we will. We take, as a rule, each of these balance sheets and we find out what the allowance would be and whether there was any dividend declared.

MR. JOSHI :—On the next page 4. Sundry Funds come to Rs. 153 lakhs and odd. Can you give us some idea as to what these sundry funds are?..... They are all sorts of funds, such as the New Chawls Fund, Investment Reserve Fund, Development Fund, Leasehold Fund, etc., etc.

MR. JOSHI :—Have you got any separate fund with these mills for what are called unpaid wages?..... They cannot be a fund, they are a liability. They go under the item of Liabilities—Unclaimed and Unpaid Wages which show the sum of Rs. 19,51,555/-.

MR. JOSHI :—Is that for one year or for all these years together?..... That is the total unclaimed wages at that particular date namely, 31st December, not necessarily for one year.

MR. JOSHI :—Can you tell us for how many mills this amount of 19 lakhs has been arrived at?.....I believe each mill has some unclaimed wages due to employees but not called for.

MR. JOSHI :—Some of the mills may have written off those unclaimed wages or appropriated them?.. ...They cannot do that immediately. Even after three years a man may turn up and claim his unclaimed wages and most companies pay them even if statute barred. I should personally strongly object to the writing off of unclaimed wages in the same half-year that they were due.

MR. JOSHI :—Sundry other items amount to over six crores sixty six lakhs. What is it made up of?.....Loans financed by the Agents principally. Agents may take up some of the Mortgage Debentures. The debenture loans may or may not be taken up by the agents. It is not usual for them to do so.

MR. JOSHI :—You have here an item “Mortgage Debenture Loans,” another item of “Other Loans Secured” and a third item of “Other Loans Unsecured”?.....It is a fixed loan.

MR. JOSHI :—The point is you have an item under Loans of Mortgage Debenture Loans, Other Loans secured and unsecured why should this 6 crores of Sundry Other Items have been shown separately?.....Because they are not a fixed loan.

MR. JOSHI :—Are these sundry items all loans?.....I should not think so. But I will just have it looked up.

About Buildings, Bungalows, Workmen's Chawls, Machinery Electric and Sprinkler installations. Did you get these figures from the accounts of individual mills or was there any stock-taking done of the machinery, etc.?.....I could not say that. It is not possible to tell from a balance sheet whether an inventory has been taken every time. Usually an inventory of such items is not taken every time. Generally one goes round, and sees a few items of small stuff such as loose stores and checks it with the inventory.

MR. JOSHI :—What I mean is whether this item of 28 crores shows against it sufficient machinery and all the appliances, furniture, etc.?.....I cannot say to what extent.

MR. JOSHI :—You have not done it because you have only prepared the statement from individual balance sheets.....Exactly, I do not know what they have done in arriving at those figures in the balance sheets.



MR. JOSHI :—The same remarks apply to stores. You do not know whether the quantity of stores shown is actually in stock or not?.....In auditing we have an inventory of stores signed by the agents. They are responsible for the accuracy of those figures. We check it as far as we can. I can now answer your question about "Sundry Other Items 666 lakhs." Of this approximately 122 lakhs is in respect of the E. D. Sassoon United Mills. This included approximately 117 lakhs due to E. D. Sassoon & Co., Ltd. and Rs. 4,70,000 due to cloth commission agents. These figures are for one group of mills.

MR. JOSHI :—On next page 6, Profit & Loss Account. You have shown under Materials Used cotton at Rs. 14,85,64,223/-. Does it include commissions paid to brokers, muccadums and others?.....I believe it does.

MR. JOSHI :—You do not find in all these balance sheets separate items to show what was the price of the cotton and what was the item for commission or brokerage paid?.....No, not in any of them.

MR. JOSHI :—They do not show them at all but merely put down so much for cotton?.....That is right.

MR. JOSHI :—You cannot find out what is the charge for brokerage or muccadumage?.....It will be impossible to find out, as it would be an extremely long job.

MR. JOSHI :—Is it very difficult for mills to show what brokerage or muccadumage they have paid on cotton?.....It would not be difficult if it is done at the beginning of a year by opening up a separate account, but to make up an account for past years would mean a rather long job.

MR. JOSHI :—You cannot tell what brokerage or muccadumage has been paid because it is not shown separately?.....Because it is not ordinarily done by the mills. But if they begin say, on the 1st of January 1929, they can do it.

MR. JOSHI :—When, as auditor, you go through these balance sheets, is it not your duty to find out, by ordinary calculation and not by an elaborate process, if there is any difference in the prices of cotton and to let the Company know about it?.....Is it not your duty to bring to notice higher prices paid by agents, if those prices strike you as being higher than the right rates?.....I should not think so. The shareholders have no right to expect me to pass on to Finlays information I may get as auditor of the E. D. Sassoons.

MR. JOSHI :—Is it not the duty of an auditor to remain in touch with market prices and to bring to the notice of shareholders if they find that some articles have been bought at a price higher than usual?.....No, Sir. One reason is that these contracts are made a year or so in advance and it would be no part

of an auditor's duty to keep an eye on all these prices and then to compare them with actual figures. In fact the rates might go on varying from time to time.

MR. JOSHI :—You say or think that it is not your business to go into that as a regular part of an auditor's duty. But when you glance through these balance sheets, don't you think you owe it to the Directors and to the Shareholders to let them know if you come across what may look like rather disproportionate or unusually high rates that may have been paid by the agents for purchases of cotton and other stores?.....I do not agree with you there, Mr. Joshi, because it is not for the auditor to go into these details of the management.

MR. JOSHI :—You seem to me to be putting a rather narrow interpretation upon your duty as an auditor?.....Certainly, that is not our duty.

THE CHAIRMAN :—Their duty is to see that the accounts are correct and that they are prepared correctly.

MR. JOSHI :—I am not a public auditor but I know this much that it is a part of the duties of the auditor to suggest means for effecting economies if they find, while going through accounts, or through balance sheets, that in any items exorbitant prices have been paid. That is my point, Sir.

MR. WHITBY :—If I found any such items, I should do as Mr. Joshi says but, as a matter of principle, it is no part of an auditor's duty to find out whether a mill is paying too low or too much for its cotton, but certainly if there should be an extraordinarily heavy item, I would draw attention to it. But we cannot go into the rates of contracts and we are not expected to know how far the contract rates have been adhered to or departed from.

MR. JOSHI :—I know, Sir, it is one of the duties of the Auditor General of the Government of India to suggest means for economy while studying audit reports should he come across excessive expenditure on any items?.....I am of a different opinion altogether, speaking as an Auditor strictly, and I do not think auditors can be rightly expected to keep in touch with market conditions or prices, current at any particular period. I must and do absolutely contest that point Mr. Joshi. No authority lays it down as a part of an auditor's duty.

MR. JOSHI :—Because you do not find in these balance sheets monies paid for brokerage or mucedamage, you do not show them here?.....Quite so.

MR. JOSHI :—Can you tell me in how many balance sheets or profit and loss accounts these items were shown separately?.....I understand that there is at least one balance sheet but I have not got it here.

MR. JOSHI :—The same remark applies to stores, spare parts, yarn, waste, dyes, chemicals. The figures of commission paid are not shown separately: .....That is right.

MR. JOSHI :—We were told that some of the agents of the mills who are also agents of the companies and sell stores to their mills pay back commission they get for their trade in the stores, etc. We want to know what commissions are generally paid for the purchase of stores, dyes, chemicals, spare parts etc., but we cannot find them in your statement of accounts.....True.

MR. JOSHI :—I want your opinion as an auditor. If commissions are paid on the purchases of these articles, should they not be shown separately by all the mills?..... I do not think so. The commission is paid by an agreement, I do not see why it is necessary to show it separately. After all if they do not wish to show it separately, they are not obliged to bring it into the Profit and Loss Account as a separate item. If the Directors choose to enlighten the general public or their competitors as to these details, it is entirely up to them to do what they like in this matter.

THE CHAIRMAN :—This does not come under the Companies Act?..... No, Sir. They can merely bring the balance forward without showing any details.

MR. JOSHI :—Now you are before a Public Committee of Enquiry. The industry's affairs therefore cease to be private when they ask for protection?..... Certainly.

MR. JOSHI :— They cannot plead that they have to pay more commission. When they come before this Committee to justify the cut in wages, this Committee will enquire whether the mills are paying more money in commissions or not?..... Certainly, you are in a different position from that of a member of the public, but the balance sheets under reference were issued long before we had any idea of the coming into existence of this Committee of Enquiry.

MR. JOSHI :—Will it be very difficult for mills to show these commission paid as a separate item in future at least?.....I should not think there would be very great difficulty about it if they keep separate accounts as from the 1st of January next, but as regards the past, certainly it would be an extremely difficult job.

MR. JOSHI :—In future?.....I do not think there would be any insuperable difficulty in doing it in the future, if only they keep separate accounts from the commencement of the year.

MR. JOSHI :—About these salaries and wages, how do you distinguish them? ...Salaries are usually paid to managerial and clerical staff of the mills while wages are paid to the millhands, sepoys, chowkidars and so on.

MR. JOSHI :—You have no definite line of demarcation between salaried and wage-earning hands?.....I suppose generally speaking salaries are paid to those who work with their brains, wages to those who work with their hands.

MR. JOSHI :—Some of the mills may mix them up, by showing salaries under wages and wages under salaries.....Mr. Saklatvala is the proper person to answer that, Mr. Joshi.

MR. SAKLATVALA :—We know, Sir, there are variations but we can tell from what we call “musters” just exactly who get the wages and who draw the salaries.

MR. JOSHI :—Have you issued definite instructions to the mills in this matter?.....Yes, and I will give Mr. Joshi a copy of the instructions sent out by our Millowners' Association.

MR. JOSHI :—Mr. Whitby, about power, coal, liquid fuel or electricity. You do not go into the question whether any economy is possible in this or not?.....No, we do not do that. They may find one form of fuel more economical than another, but then you have to convert your machinery to effect the change. That matter forms no part of an auditor's duties.

MR. JOSHI :—As an auditor, do you think that any percentage for repairs or any amount of repairs can be put down in any account?.....The repairs are charged up, but there are repairs of various kinds. A heavy repair may be charged to depreciation. I do not know whether it has been done in this case, but I should myself hesitate to pass anything like that. It all depends on whether the repairs are necessary to maintain the machinery in order and in a state of efficiency or not. It will probably be capitalised otherwise.

MR. JOSHI :—So it is not possible that this item of repairs may include some items which ought to have been charged to depreciation? Depreciation is there always. Repairs are done when they are required to keep the machinery in a state of efficiency. They never, as a rule, go to depreciation..... That depends on what kind of repairs are done, as I have already stated, whether they are minor and ordinary repairs or heavy and exceptional repairs. There may be conversion from one kind of fuel to another. That capital account.

Regarding workmen's compensation, you do not enquire whether the compensation was actually paid or not?.....We see whether it is paid. In doing the audit, we see it.

They pay it to the mill insurance company?.....The usual thing is for the payment to be made by the mill and the receipt forwarded to the Insurance company. We satisfy ourselves that the payment has been made, and incident-

tally in auditing the Millowners' Association we find out whether the Millowners' Association have justified their payment. The Insurance Association have got to justify their payment.

As regards establishment charges, you have put down office salaries Rs. 14 lakhs. Does it include the salaries paid to officers who are known in Bombay in some mill companies as superintendents? These superintendents do not sit in the mills as managers, but they generally work in the office and go to the mills just to supervise the work of the managers?.....I should not like to answer it off-hand. Mr. Saklatvala perhaps knows more about it.

These superintendents generally do the work which ought to be done by agents, and if that is so, their salaries must not be charged to the mills, as the agents receive some allowances and commissions. I want to know whether you have enquired if the office salaries included items which ought to be charged to the agents' commission?.....When the question of agents' commission comes up, we examine the agents' agreement, and we see what expenses the agents have to bear themselves. If we find any items included in it which ought to be charged to the mill, we write them back. You will find in almost every agreement, there is a provision definitely excluding all persons who work in the mill. It depends on the terms of the agreement.

The agents are supposed to do the work of supervision. If to do that work of supervision the agents appoint officers known as superintendents, the salary paid to the superintendents ought to come from the agents' commission?.....It is entirely a matter of how the agreement is worded. It is difficult to say generally what should be done. You would hardly get 2 agents' agreements in the same terms. It is a matter of reading the agreement, and seeing what charges have to be paid by the agents and what charges by the company. It is a matter of agreement whether the company or the agents pay the superintendents' salaries.

Are these superintendents generally paid by the agents out of their commission or by the mill?.....I do not think I can say anything definitely about this.

MR. SAKLATVALA :—When Mr. Joshi refers to the superintendents, he refers mainly to the Sassoon Group, who employ them. Their duties are to supervise the mill managers and the mill, and come and give a report to the agents as to what is being done inside the mills. In their case, they do not have such highly paid managers. In cases where they do not have superintendents, they have to employ highly paid managers. In the mills where they have superintendents, they pay less to their managers, because the superintendents are there to guide and advise them. They are technical experts. They

believe that they can work the mills more economically by having superintendents and low paid managers than by having highly paid managers.

**THE CHAIRMAN :—** Their charge is against the mill ?

**MR. SAKLATVALA :—** Yes. Their salaries come under the head "Salaries in the mills" just as we have put the manager's salary there. They are treated exactly as managers.

**MR. JOSHI :—** What is the difference between agents' allowance and agents' commission ?.....The remuneration of the agents would generally be split up under two or three hands. First of all the agent may get an office allowance, so much per month, which is paid in any case, whether there is a profit or loss. That is for the office expenses. The agreement makes clear what is covered under this head and what is not. Above that, they have a commission of so much per cent. if the profits are so much, and so much per cent. if the profits are more or less. That depends on the results as regards profits. The office allowance would come under the head of agents' allowance and the commission would come under the head of agents' commission.

In the agents' commission governed by the agency agreement?.....  
Yes.

And the agreement is part of the Articles of Association?.....The Articles of Association say that an agreement will be entered into with the agents. In that way the agreement is part of the Articles of Association. It all depends on the wording of the Articles. I should not say it is part of the Articles.

What is this profits and riots insurance?.....Profit insurance is this: if a mill is burnt down, until the mill is put back again into working condition, it does not make any profits. So, you estimate that your profits for a year will be, say, a lakh. If the mill is burnt down you will not get any profit at all, and you insure against that. Riots insurance, is insurance against riots.

The general charges, printing, stationery, advertisement and other sundries, come to Rs. 23 lakhs. Do you not think that Rs. 23 lakhs for general charges is a heavy item?.....I do not think one can say that. To say whether it was heavy or not, it would be necessary to examine each detail. It is the charge for all the mills. It comes to Rs. 30,000/- per mill, for stationery, printing and advertisement charges.

**MR. SAKLATVALA :—** All our forms, papers, statistics, returns to be sent to Government, etc. have to be printed. It is much more than that in our mill. Again, the law requires and that the advertisements for instance as regards our meetings and so on have to be published in the papers, and we have to bear those charges. That is what is meant by advertisement charges.

MR. JOSHI :—Interest on debenture loans—interest received. Do you ever find out in these interest charges whether there is any discrepancy between the interest paid if the agents themselves are parties who give loans and the interest received on investments in Banks?.....The rates charged for loans are agreed with the directors. I cannot quite understand what the point is.

Do you, as an auditor, look into this question, whether the rates of interest paid are higher or not?.....One looks at it. If it is unduly high, we enquire into it.

Is it your duty as an auditor to find out whether the mill is investing its money at a smaller rate of interest, while it is taking loans at a larger rate of interest? Do you make an enquiry into that because you have got both items, interest received and interest paid?.....You may have loans fixed for a number of years, where the interest may be lower; you may have temporary loans, where the interest may be higher.

Do you make any suggestions while examining the accounts that the mill agents should not invest their money at a lower rate of interest and borrow money at higher rate of interest?.....We may. One discusses all sorts of things with the agents, when going over the balance sheet.

We see here a large item for interest received and a such larger item for interest paid?.....This is for 75 mills.

I am not thinking of the figures. I was wondering whether the mills are making a loss on account of this practice, which some mills may be following?.....The point is that one mill may have got large investments, which can be turned into money, while another may have to raise loans.

This practice will be to the interest of the agents who may be giving loans to the Company?.....I have not enquired into the matter.

Then you have commission on sales of cloth and yarn. Why do you show commission on one side and not on the other side?.....On this side commission is a debit, on the other side it is a credit.

Regarding commission on sales of cloth and yarn, this say include commission in various forms. Suppose a mill has its own shop. Will the expenses of that shop be charged as commission for sale of cloth, or will you put it down as expenses for sale of cloth?.....I do not quite follow the question. I would not charge these expenses to commission.

Where will that go then? Will it be commission on sale of cloth?.....It will be expenditure on the other side.

That will be expense?.....Yes.

Where will that go?.....The expenses might be split up, under salaries of the establishment, rent, general expenses, and so on.

It is quite possible that this item of commission on sales of cloth and yarn may have increased, and we want to find out what actually has been spent to effect the sales of cloth and yarn?.....I should say, speaking off-hand that there may be good reasons for the increase.

Did you find much variation in the rates of commission when you went over all the profit and loss accounts of all the mills?.....They do not show the rate of commission.

I want to know whether you as a public auditor cannot consider it to be your duty that, when you make a report to the Millowners' Association on the balance sheets, if you find that some mills are showing a larger rate of commission and some are showing a smaller rate of commission, you should tell them that such a variation exists. Should not some remarks on this item appear in your report?.....I should not say so. Some mills may be able to sell their goods easily. In the case of others, it would be worth while, if they do not want their goods to lie unsold, to give a larger commission.

Do you make it your business to find out whether the rate of commission is reasonable or not?.....No. One assumes that a man will not be engaged at an unreasonable rate of commission. All that is that the agents have engaged a man, and he is paid at a rate they approve of.

I want to ask you again whether it is not the duty of public auditors to find out whether the mill companies are spending more in certain items?.....With regard to these expenses, one has to see that the payments are duly made and that they are duly authorised. Beyond that, unless there is anything conspicuous, one does not go into it.

Then, dyeing and bleaching charges may be paid to others, or the mills may have their own dyeing plant.

MR. SAKLATVALA :—This is the amount received by the mills for doing outside work.

MR. JOSHI :—Supposing the mills do it themselves, they have got their own dyeing and bleaching charges.

MR. SAKLATVALA :—It is shown under expenses.

MR. JOSHI :—With regard to rents, it is rents received out of property?  
... Yes.



Then, on the next page, why are the two funds, reserve fund and equalisation of dividend fund kept? How do you distinguish between the two?..... The equalisation fund is a reserve fund, but it is a reserve fund created for a particular purpose, namely, the equalisation of dividends as between one year and another. The reserve fund is a General Fund.

Some mills may pay dividends out of reserve fund also?.....It all depends on the Articles of Association, and on what the reserve fund is created for.

Supposing some prudent companies created, for the welfare of their labour, a fund called the equalisation of wages fund, would you object to it as an auditor?.....You can create a reserve fund for any purpose whatever. There is no objection to it.

Would you not consider it a prudent thing to do that, when the mills were making a profit?.....It is a question of policy. There is no objection to it from the point of view of the auditor.

Would it not have been a good policy?

MR. SAKLATVALA :—You can ask me that question.

MR. JOSHI:—Regarding bonus to staff, how is it distributed?.....I could not say off-hand how it is distributed.

You have shown losses during 1927. When you see that a bonus to the staff is paid in a year when the millowners are making a loss, of course it is paid to a small staff; it is not paid to the workers at all?.....I could not say off-hand to whom it is paid. It will be paid by those who are making profits, but I will not say that it is not paid in any other case.

The amount is small, and therefore it could have been paid to certain classes of staff?.....I could not say off-hand. It is not much use my making any statement about it.

MR. SAKLATVALA :—These accounts were prepared from published balance sheets of individual companies. You know the Companies Act makes it compulsory that every balance sheet that is published, must have attached to it an auditor's certificate?.....Yes.

The auditors' certificate says that they have examined all the accounts, that they have examined the corresponding vouchers, that they have received the necessary explanations, and that they have had proper answers to their enquiries? This is the general form of the certificate?.....It does not go into details. They say that the explanations required have been given.

As regards the 4 mills out of which 3 had gone into liquidation, Mr. Joshi's point was that they were not included. The very fact that those

mills have gone into liquidation would show that they were making losses?.....Yes.

Therefore, if the accounts of those mills were taken into consideration, it would add to the losses; at any rate it would not diminish the losses?.....I do not see how it could diminish the loss.

As regards 5 per cent. depreciation for machinery and  $2\frac{1}{2}$  per cent. for buildings, the amount of Rs. 28 crores shown is the book value?.....Its original cost.

The original cost would appear in the company's balance sheet?.....Yes.

Now, a company might have written off for old machines a certain amount, or, on the other hand, the company might buy new machinery; automatically the value would go up or down?.....Yes.

Supposing for 1927 it is Rs. 28,89,00,000 and supposing the following year machinery worth a crore is bought, then of course the figure for 1929 would increase. Similarly, for old machinery and machinery scrapped, if Rs. 40 lakhs were written off, by that amount, for the following year, this amount would go down?.....Yes.

So, this 5 per cent. and  $2\frac{1}{2}$  per cent. is on the book value, as on a particular date, say, 31st December 1927?.....On the cost to that date.

As regards payment of dividends, of course you do not know which individual mill has paid dividends, but it is likely that dividends in most cases were paid from an equalisation of dividend fund?.....I should not like to make any definite statement on that point. They have taken Rs. 12 lakhs for equalisation of dividend fund, and paid Rs. 6 lakhs as dividends.

In that particular year, Rs. 6 lakhs were paid from equalisation of dividend fund. On the Profit & Loss Appropriation Account, on the last page you will find that the item for equalisation of dividend fund is Rs. 12 lakhs. On the other hand, they have taken Rs. 6,57,000 from that fund. This Rs. 6,57,000/- denotes the amount of dividends paid during the year from equalization of dividend fund?.....Yes.

Supposing that it was one of the duties of auditors do you think it possible for you to come to a conclusion on this point Mr. Joshi asked you. Suppose on the same day I bought Broach cotton at Rs. 340/- and Mr. Geddis bought cotton at the rate of Rs. 350/-. It may be that Geddis made a better bargain. I may have bought inferior cotton at Rs. 340/- and he might have bought superior cotton at Rs. 350/- and paid Rs. 10/- more. Unless you are a cotton expert you cannot go into such a question?.....No.

Then do you think it as an auditor part of your duty to go into the question of labour charges and find out whether each workman receives the amount which he actually deserves?.....I would be the last man to do it.

MR. GEDDIS:—How do published Profit and Loss Accounts in this Country, compare with published Profit and Loss accounts at Home, as regards the amount of information given to the Public? There is no comparison the Profit and Loss accounts published at Home usually gave practically no information to the Shareholders or the Public, whereas in this Country Profit and Loss accounts give very considerable information.

THE CHAIRMAN:—How many mills made profit out of 75?.....I will find it out now.

There is a provident fund for employees put down at Rs. 35 lakhs. Is it common?.....Certain mills have this system.

MR. KAMAT:—Had you any system of preparing combined statement like this before 1926?.....We had prepared a statement before for 1917—24.

MR. SAKLATVALA:—This practice of combined balance sheet was started in 1923 when the Macleod Committee sat. Since then we have kept up that practice. The Tariff Board wanted a similar statement from 1917, which was prepared.

MR. KAMAT:—But this committee has statement only for two years, and possibly for the purpose of drawing any inference it will be a narrower data.

MR. SAKLATVALA:—If you want the others we can provide them.

MR. KAMAT:—If four mills are included in the statement of 1926 and dropped in the statement of 1927, how far will it affect the general conclusion?.....The mills that were included in 1926 and dropped in 1927 from the statement would presumably have been making losses had they continued working. In that case if they also included in 1927 the losses would be larger in proportion.

Another point I wish you to clear up is this. In the statement for 1926 you show a net loss of 13 lakhs without showing depreciation. In the 1927 statement the position of the industry is shown as having made a profit of one crore and 68 lakhs. I would like you to explain this big jump.

MR. SAKLATVALA:—I can explain this. It is mentioned in the foreward to the report of 1927. 1927 was an exceptional year and there was a huge American crop of 18 million bales. Usually it used to be 14 million. So, American cotton could be had relatively cheap. We were fortunate in purchasing American cotton and we imported 3 lakhs of bales. Since then the price of cotton steadily went up. This point is referred to in our report.

MR. KAMAT:—If that is the explanation, then there ought to be a method by which the profit or loss is shown in the balance sheet on the manufacture alone in order to arrive at a correct conclusion. Is it not shown in your account?.....(Witness) It is not.

MR. KAMAT :—It cannot be shown by your method of accounting?..... It will not be shown in the summary we have got. It may have been shown in certain particular balance sheets possibly.

It is not the function of public accountants to examine the expenditure and point out where economy should be effected. I ask you for information whether in England there is a body of accountants who go into the various items, compare the cost of different concerns and advise that they are spending too much for a particular item?.....Those are cost accountants. If mills ask us to go into the question and point out where excessive expenditure is being incurred, we will do so. But in England it is not part of the statutory duties of an Auditor to do this.

In the interest of the industry it can be done?.....If we are asked to do so, and if all details were provided we can do it.

In your statement of 1926-27 you have shown that the turn out of the industry was 30 crores. Would it be possible for you to arrive at a figure of so much percentage of loss on the basis of the turn out of 30 crores.

MR. SAKLATVALA :—It all depends upon the price of cotton. It may be that in one year we spent more for cotton and make a profit and in one year we pay less for cotton and make a loss. It all depends upon the prices of the cotton and the cloth. It can be seen from the reports for 1926 and 1927. In 1927 we spent for cotton 14 crores and ₹5 lakhs and in 1926 we spent 16 crores and 34 lakhs.

MR. KAMAT :—Can you prepare a statement showing the name of each mill, the profit and loss, etc.?.....Yes. With regard to the mills that made profit in 1927 it is 50 and 17 mills made loss.

MR. SAKLATVALA :—Such a statement can be made for 3 years 1925-27.

THE CHAIRMAN :—Could you prepare a list of mills on one side and the profit and loss on the other as the case may be?.....I will have that done.

MR. JOSHI :—Do you inquire how these provident funds are invested by the mill companies?.....It may be a separate trust, in which case I do not enquire into it at all. I would have no knowledge what they do with it. If it is not separate, it is shown in the balance sheet.

It is not risky to invest provident fund amount in mill companies?.....It is for the consideration of the mills concerned. If it is a stable concern there is no harm in investing it in that mill.

If the auditors do not go into the question of the prices paid for articles, every amount received, every sale made corruption or fraud cannot be detected at all... If Rs. 10,000/- is expended, it is shown in the cash book, a voucher is prepared and so on to show how the amount is expended, and a receipt obtained. Unless every detail is gone into by the auditor, it is not possible to find out fraud or corruption.

THE CHAIRMAN:—You cannot say that it fraud can never be found out by means of auditing. It may not be an efficient method and a more elaborate enquiry may be necessary.

MR. JOSHI :—Do mills in Bombay prepar cost accounts ?.....(Witness)  
I cannot say.

The principle of cost accounts which big concerns are trying to keep is to find out whether their manufacturing charges are up to the proper limit or exceed it. Do mills in Bombay keep cost accounts ?.....I cannot say off-hand.

Suppose there is a mill which is a proprietary concern. It becomes a joint-stock company. How will you estimate the value of the machinery for depreciation ?.....Suppose, just before the big rise in prices the proprietary concern purchased the machinery for 1 lakh. If the prices rises to 1½ lakhs and the joint-stock company takes up that concern it will have to pay 1½ lakhs

Suppose the joint-stock company puts a larger value on the machinery than is really justified, there will be a larger amount for depreciation ?..... Depreciation in such a case will be excessive.

MR. WHITBY :—I have got the figures, Sir. 28 Mills have Provident Funds and 43 Mills have Workmen Welfare Compensation Funds.

THE CHAIRMAN :—Thank you.

---

Mr. Andrew Geddis, Representative of Messrs.  
Findlays, examined.

THE CHAIRMAN :—What is your name ?.....Andrew Geddis.

What position do you hold ?.....I represent Messrs. Finlays.

How long have you been in India ?.....21 years.

Have you been in the textile industry during all that time ?.....Yes, Sir.

Have you any mills in Bombay ?.....We have.

MR. SAKLATVALA :—You know, Mr. Geddis, that the Tariff Board made a recommendation that it would be to the advantage of the mill industry

in India and particularly to the mill industry in Bombay, if, instead of each mill doing its own dyeing and bleaching, there was a combined dyeing, bleaching and printing works started somewhere in the suburbs of Bombay?.....That is so.

Was that question taken up by us?.....Yes.

Can you tell the Committee roughly what the scheme was?.....I can give a rough ideas but not a detailed one as to the exact figures because that is more or less a confidential matter.

MR. SAKLATVALA :—Your firm drew up a scheme and sent it on to the Government of India?.....Yes.

MR. SAKLATVALA :—Then the Government of India refers the question to the Government of Bombay?.....Yes.

MR. SAKLATVALA :—Then the Government of Bombay referred the question to the Millowners' Association?..... Yes.

This question was entrusted to a special sub-committee? .... Yes.

That sub-committee went fully into the preliminary scheme which you prepared?.....Yes.

That sub-committee was asked by the Government of Bombay specially to say in what way and how far the scheme would be beneficial to the Bombay mill industry?..... Yes.

The sub-committee's report was presented to the mill committee?..... Yes.

It was considered by that main committee and then the Millowners' Association submitted their views to the Government of Bombay?.....Yes.

In submitting their views to the Government of Bombay, we said that so far as is possible at present, the scheme put up by Messrs. Findlays is a very good scheme but that they have not yet completed the scheme?.....Yes.

We also said that we want to get further details?.....Yes.

We have also told the Government of Bombay that before finally sanctioning the scheme, they should again put up the whole scheme and ask for our views and that then we should be in a position definitely to state whether the scheme is, as finally formulated, likely to redound to the benefit of the industry? ....., Yes.

So, as regards that recommendation of the Tariff Board, we have not slept over it?.....You are right.

MR. JOSHI :—How many mills in Bombay have got their own dyeing and bleaching departments?.....I could not say.

MR. JOSHI :—When preparing your scheme, you did not think it was necessary to find out?.....Certainly, because the main point of the scheme was the printing which has never been tackled in Bombay.

THE CHAIRMAN :—Your scheme would mean that the mills that do their own dyeing and bleaching now would discontinue that and send everything to the new concern?.....Not that way, Sir. The printing of cloth has never so far been tackled in Bombay or in India at all. The cloth that goes for printing is of a finer count than that generally turned out by Bombay mills.

THE CHAIRMAN :—You would be practically starting an altogether different sort of business?.....Yes, Sir.

THE CHAIRMAN :—You would be competing with what country in that case?.....With the home business.

THE CHAIRMAN :—You think you would be able to do that?.....Yes, and at the same time it would mean better business for the Bombay millowners.

( After Lunch. )

Mr. Jivandas Purshottamdas Dutia, Partner, Lalji Naranji & Co., Bombay  
and Technical Adviser to the Trade Mission.

THE CHAIRMAN :—What is your name?—Jivandas Purshottamdas Dutia.

What is your profession?.....I am a partner in the firm of Lalji Naranji & Co., and I acted as the Technical Adviser to the Government of India Trade Mission that recently visited foreign countries. My firm does import and export business in cotton piece-goods.

Has your firm any mills?.....Yes, in Sholapur we act as Secretaries and Treasurers of the Jam Ranjitsinghji mills.

MR. SAKLATVALA :—You know that the Tariff Board made a recommendation to the Millowners' Association that the export markets should be fully explored?.....Yes, in paragraph 86 of their report on page 163.

MR. SAKLATVALA :—The Millowners' Association took this matter up with the Government of India and the Government of India agreed to send out a deputation to explore the various markets in the Near East.....Yes.

MR. SAKLATVALA :—The Government of India asked us to appoint one representative and the Government themselves appointed one representative. Who was the Government nominee?.....There was one Government nominee,

Dr. Meek, and your representative was Mr. Maloney, the Secretary of the Millowners' Association.

MR. SAKLATVALA :—In what capacity did you join that Mission?.....  
As Technical and Commercial Adviser.

MR. SAKLATVALA :—Can you tell the Committee briefly what you did, how many countries you visited and so on?..... We left Bombay on the 27th January 1928 and visited 14 countries from where we sent back to Bombay nearly 567 samples of different cloths.

MR. SAKLATVALA :—You first went to Persia, then to Iraq, Egypt, Turkey, Palestine, Sudan, Aden, and then you branched off to Kenya, Uganda, Portuguese, East Africa, then South Africa and from there you returned to Bombay? ... Yes.

MR. SAKLATVALA :—Do you know anything about the intention of Government to have other centres also explored?..... I believe there was a resolution to that effect, as regards Far Eastern markets.

MR. SAKLATVALA :—You have not visited the Far East yet?..... That is so.

MR. SAKLATVALA :—What did you do in these places?..... In all the places we visited, we collected all the samples of cloth which we can manufacture in India; we also collected prices, import and export figures of piecegoods, and we used to send the samples on to Bombay. We thus despatched about 567 samples to Bombay.

THE CHAIRMAN :—Samples of piecegoods that are selling in each country?..... Yes, Sir.

THE CHAIRMAN :—With details as to prices, etc.?..... Yes.

MR. SAKLATVALA :—You also collected all the necessary statistical information on the subject such as regards prices, quantities, imported by those countries, names of countries from which they imported, what were the imports from India, etc., etc..... Yes, and we have submitted our report to the Government of India.

MR. SAKLATVALA :—The Government of India have got the report. Dr. Meek was here yesterday and has given us a confidential copy of the report. I asked him if we could give it to you. Somehow or the other, he seemed disinclined to do so but asked us to wire to the Government of India. We have sent a wire to the Government of India, and as soon as we get permission, we will give you the full report.

MR. SAKLATVALA :—Do you think your Mission has been a success?.....  
As far as we are concerned, our labour was useful.



MR. SAKLATVALA :—Do you think it is likely to tend towards the development of export trade as far as Bombay mills are concerned?..... There is one special difficulty. We cannot compete in prices. Wherever we went we showed samples from Bombay mills and we found that our prices were higher by about 15 to 25 per cent. than prices quoted to them from other countries.

MR. SAKLATVALA :—The higher prices were due to what?..... Due to the practice prevailing in those countries of levying import duty at so much per cent on the weight of the cloth. The finer cloth pays less than the coarser cloth owing to the greater weight of the latter. The Bombay cloth being heavier has to pay more duty, sometimes 20 to 25 per cent. more.

MR. SAKLATVALA :—Whenever we get information of revision of duties in various countries, we take up the matter both with the Government of India and the Government of the country concerned, but we have never succeeded in getting them to agree to our views. They say this is the practice prevailing and that they are not going to make any exception in favour of India only to benefit India. They simply refuse to alter their rules and regulations. That is the position, Sir.

MR. SAKLATVALA :—Now, Jivandas, do you know that before the War we had a considerable export trade with the Eastern countries, at least with some of them, and that most of that trade has been lost to us after the end of the War?.....Yes. Before the war, the duty was levied on the percentage of the value. After the war, they levy the duty on the weight. So we cannot export our goods now as we used to do before the War, at least to the same extent.

SIR MANMOHUNDAS RAMJI :—Will you tell us, Mr. Jivandas, whether during the war time other countries were not able to supply goods to the places which your Mission visited on account of war conditions and that a lot of our goods went there during that period on account of shipping and other facilities? Has not all this trade been taken away from us after the war?.....That is so.

SIR MANMOHUNDAS RAMJI :—Can you give any reasons for that?..... Because they get cheaper freight from other countries and also because they are manufacturing finer counts and therefore get an advantage in the matter of duty. They pay less duty on finer cloths.

THE CHAIRMAN :—What other countries you mean?.....Specially those which manufacture finer counts.

THE CHAIRMAN :—Japan?.....Yes.

SIR MANMOHUNDAS RAMJI :—Can you tell us whether Japan is sending a lot of goods to those countries?.....Yes. In particular, Japan is sending grey goods from 75 to 85 per cent. of the requirements of those countries.

SIR MANMOHUNDAS RAMJI :—Why do they do that ?.....Because they are selling cheaper. Egypt consumes about 35,000 bales of Japanese sheeting while we cannot sell even 1,000 bales per month.

SIR MANMOHUNDAS RAMJI :—Is it due to any unfair competition ?.....When we were in Egypt, the Japanese quotations were Rs. 7-8-0 for the same kind of cloth which is manufactured by the Manchester Mill of Bombay and for which our quotation was Rs. 8-3-0.

THE CHAIRMAN :—Bombay is nearer Egypt than Japan and yet you cannot compete with Japan ?.....Yes.

SIR MANMOHUNDAS RAMJI :—The Manchester Mills quotation was higher: 1 Rupee ?.....Yes.

MR. JOSHI :—If we are going to get a report of the Mission, I thought that we might examine this witness again when the report is obtained.

THE CHAIRMAN :—We cannot count on that, because the Government of India might say that they do not wish to publish it just at present.

MR. JOSHI :—Mr. Jivandas, you said that Indian cloth is coarser and therefore, we cannot compete on account of the import duty on coarser cloth being higher. Is the finer Indian cloth successfully competing with the goods of other countries ?.....No.

MR. JOSHI :—Why ?.....Because our prices are higher and the duty also is higher.

MR. JOSHI :—Why cannot you get cheaper freight, if Japan can get it ?.....We have not got our shipping.

MR. JOSHI :—Cannot the Millowners' Association make some arrangement with the shipping companies ? Cannot they cause competition among the different shipping companies ? There are the Japanese ships, even though there are no ships of our own, and there are English ships, there are French ships and American ships. Cannot the Millowners make them compete with each other and get the rates reduced ?.....That is a matter more for Mr. Saklatvala to look into than myself.

MR. KHAREGHAT :—What is the difference in freight between Bombay to Egypt and Japan to Egypt ?.....The freight from Bombay to Port Said is Rs. 25/- per ton of 40 cubic feet while from Kobe to Fort Said it is 25 shillings.

MR. JOSHI :—All these countries which have mercantile marine are not competing in textile goods ?.....They are at present, Mr. Joshi.

MR. JOSHI :—Not every country ?.....Italy, France, Germany, Japan and England are all competing.

MR. JOSHI :—But there are still other countries with mercantile marines which are not competing with Bombay goods.....That is so.

MR. JOSHI :—On this question of freight, we are interested in finding out whether there are mercantile marines of other countries which will compete with English and Japanese Companies. I can understand English companies refusing to give you concessions in freight because their English trade may be ruined. I can understand Japanese companies refusing to give you concessions in freight because the Japanese trade may be ruined. But there are other countries which are not competing in textile goods with India but which may have mercantile marines.....They are members of the Shipping Conference, even Germany is a member of that Shipping Conference. That is the trouble.

Therefore, you really want cheaper freights?.....What we have found out is that we must have cheaper prices. Then the question of freight will arise.

Regarding cheaper prices of Japanese goods, is it only cut-throat competition or fair competition? ....They are quoting one rupee less ; whether it is cut-throat or fair, you can understand.

If it is cut-throat competition, it cannot last long?.....Since the last three or four years, whether cotton is up or down, they are selling at the same price.

Are they really selling below cost price?.....I can not say.

Did you inquire?.....No. We were not sent by Government to Japan

Unless you find out whether they are selling below cost price or not, you cannot find out the method of fighting them in the foreign markets.

MR. SAKLATVALA :—If they were selling below cost price, they would not be making any profits, but you know the Japanese mills have been making profits continually.

MR. JOSHI :—You yourself said, Mr. Saklatvala, that in some years your profits were the profits in the purchase of cotton. In the same way, I can point out to you an article in which it is said that the profits of the Japanese are the profits of cotton. It is quite possible that Japanese mills may not be making profits, and they may be carrying on competition in order to dump other markets.

MR. SAKLATVALA :—The effect is the same.

MR. JOSHI :—If it is cut-throat competition, if the Japanese are selling below cost price, your methods of fighting them must be different. That is the point.

SIR MUNMOHUNDAS RAMJI :—We cannot produce cheaper on account of the high charges that we have to pay.

MR. JOSHI :—What charges ?

SIR MANMOHUNDAS RAMJI :—As printed out by Mr. Jivandas, we cannot quote a lesser rate than the Japanese.

**MR. JOSHI :—**He simply said what you had quoted. He could not certainly say whether you could quote or not.

**MR. SAKLATVALA :—**If we could quote, we would get the export market.

**THE CHAIRMAN :—**How long have the Japanese been under selling the Indian market in this country ?.....Three or four years at least.

**MR. JOSHI :—**In which kind of cloth has India got some chance of finding markets in foreign countries ?.....Not in any quality, unless they reduce the price. If they can do that, they have chances in every quality except bleached goods.

Your Mission did not inquire whether there was a sufficient market in India for our goods ?... ..There is a sufficient market in India for it. We have mentioned that in our report, but even in Bombay, Japan is selling at Rs. 7-9-0, and the Indian mills are not quoting at less than Rs. 8-8-0, same quality.

What is the net result of your Mission ?.....The net result you will find in our report.

Did you not find that the Japanese send a large number of people to study markets, while the millowners in Bombay do not send their agents to foreign countries to study markets and to study samples ?.....They have got their selling agents there, but wherever we went we found the same complaint, that the prices are dear and they cannot sell. They have got samples and everything there.

Do you not agree with me that there is such a thing as studying your market, cultivating your market ? The Tariff Board, although they did not make any remarks on the external trade, made a remark about the home market. They said that the millowners in Ahmedabad take great care in cultivating markets, while the millowners in Bombay do not do it ?.....I have seen that many mills from Bombay have got their shops in foreign countries. They have their selling agents even in South Africa, but they cannot sell. If they can sell about 100 bales a year, they will send their representatives, but if they cannot sell a piece, how can they sell 100 bales ?

Certainly, if you want to cultivate a new market, you must first send a man and then you will sell your goods ?.....We have sent out 537 samples, but they cannot sell anything.

I do not know what the samples you have sent are. The question is whether any special efforts have been made to cultivate markets. Are you aware of any ?

**MR. SAKLATVALA :—**Mr. Jivandas cannot answer that question, but I will answer it. We had been sending our own representatives to foreign market

ever since 20 years back. We ourselves have sent our representative to Egypt. We were the first to develop that market as regards yarn. Other mill agents also have sent their representatives to foreign parts.

SIR MANMOHUNDAS RAMJI :—We sent out, about 20 years ago, a special man acquainted with the Bombay market and production, to all the places visited by Mr. Jivandas, and it cost us nearly Rs. 30,000/-, but the result was that we could not introduce our goods into those markets against foreign competition and on account of certain other disadvantages that we are placed under here.

MR. JOSHI :—That was 20 years ago, when you were not paying high wages.

MR. WATTS :—We sent two or three representatives during the last 5 years ; in fact, one arrived here 12 days ago. We sent them to East Africa and Persia, but the net result was nothing.

MR. SAKLATVALA :—Mr. Stones is not here, but he would have told you that the Sasscon's have their own branches in almost all those places, and they have men who are in touch not only with the Bombay firm but also with their branch offices.

MR. JOSHI :—I do not say I have got all this information, but if we are to judge from what the Tariff Board has said about the efforts of the mill-owners to cultivate home markets, and unless we have got very strong evidence that they have made special efforts to cultivate foreign markets, certainly you will agree with me that we cannot take it that they have made efforts in that direction ?.....I think they have tried their best, and they are still trying.

Is there any feeling that the Indian mills do not send goods according to samples, and that the merchants of other countries are fulfilling their contracts in a better manner ?.....We have not received a single complaint about quality or quantity. When they do not sell, how can they receive any complaint about quality ?

We hear a number of complaints about some mills from certain towns not sending their goods according to the samples, either in quantity or in quality. Is anything of the same kind happening there ?.....I do not think so

MR. SAKLATVALA :—Mr. Joshi, will you give instances of complaints with regard to particular mills ?

MR. JOSHI :—You will find such complaints in published documents I wanted to know from the witness whether such complaints had been heard by them ?.....No.

**(The witness withdrew.)**

---

Mr. Saklatvala then occupied the witness's Chair.

MR. SAKLATVALA :—I wish to touch upon the question of registration of trade marks and numbers, about which the Tariff Board have made certain recommendations (para 78 of their report). The Tariff Board recommend that, as far as possible, the Millowners' Association should devise a scheme for registering numbers. I will explain to you first of all what trade numbers are, how we tried in the past to have trade numbers registered, and our difficulties in the way.

Perhaps, you are aware that every piece manufactured in every mill has to be passed out stamped under the Merchandise Marks Act. That Act requires us to stamp goods only with the length, but every mill stamps a number on its own piece and that is called the quality number, or trade number. Besides the numbers, of course there are other marks. We have got our own tickets, or our own stamp, or some fancy design, or some other words or figures. But every mill stamps every piece that it passes out with a number. This number is primarily put there with a view to facilitate the internal work in the department. We cannot refer to the various qualities of cloths without giving them a certain number.

THE CHAIRMAN :—Each variety has its own number ?

MR. SAKLATVALA :—Yes. For instance, one mill will say, "our dhoty numbers will begin with No. 1." By this arrangement, the manager or weaving master and everybody else concerned knows exactly what the quality of the cloth is. That is the real object of having the trade number. What happened in course of time was that some of the numbers got very famous in certain markets, and these numbers were identified with goods of a particular make. When a dealer wanted to order out goods of a particular mill, he simply said "Send me goods of such and such a number." Of course he meant the number as used by that particular mill. That of course led to certain abuses. Unscrupulous dealers would pass off the goods of one mill as those of others. Merchants asked mills, when placing orders, to give certain numbers. Of course, at that time, it was not realised why the merchant wanted particular numbers. Another thing was, it was a common belief (and it is a common belief still) that numbers cannot be appropriated; numbers are common property, and, after all, no mill has a right to appropriate certain numbers. This process went on till 1914, when complaints began to be lodged with our Association. Our Nagpur Mills, I think, made the first complaint. Then, we appointed, as usual, a sub-committee, to go into the matter. They devised a scheme. That scheme, in general, simply says this, that each mill might be assigned certain series of numbers, so that no question would arise. But when the scheme was submitted to members, it was objected

to, in the first place, by several members, on the ground that numbers cannot be appropriated. They said "You can allot particular series, but supposing we wish to allot one of those numbers to any of our qualities, why should it be objected to?" It was also pointed out that, as regards new qualities, the system might work, that we might allocate a particular series to a particular mill. But the question was with regard to the numbers which were already in circulation. It might be that we might allow a particular series to a particular mill, but the effect of it might be that that mill would be stamping some one else's numbers, all the same. Therefore the scheme was dropped. Then, our Nagpur Mills, in order to prove that numbers could be appropriated, started a suit against the Madhavji Dharamsi Mills. It was suit No. 26 of 1914, the Central India Spinning, Weaving & Manufacturing Company against the Madhavji Dharamsi Mills. Then we informed the Millowners' Association that a suit had been filed, and much would depend upon the result of the suit; at any rate, the suit would prove whether numbers could be appropriated or not, and whether numbers could be treated as a part of a trade mark or not. That suit was finally decided by Mr. Justice Macleod. The judgment is dated the 16th of August 1915, and it was decided in our favour. Our main contention was that we were stamping the number 2051 on a certain kind of black twill since 1904. That number was copied by the Madhavji Dharamsi Mills, and in that suit we were able to prove that those goods were chiefly consumed in the Frontier provinces, by the Pathans, that they did not care for the name of the mill or anything else, that they simply looked at the number, and began to order our goods simply by the number. We were also able to prove that Madhavji Dharamsi mill goods were being stamped with the same number, and the goods were sold in those particular districts, and it was only a case of passing off. We never were able to prove that, as a matter of fact, goods were passed off. All that we were asked to prove was whether it was likely that the goods could be passed off or not, and on that ground the judgment was in our favour. I hand in a copy of the judgment. The Madhavji Dharamji Mills appealed against that decision. They still maintained that numbers could not be appropriated, and that after all, it might be that some ignorant buyers may not look to the other ticket stamped with the name of the company. Every dealer who deals in the cloth bazar naturally looks to all these particulars, and there is no chance of goods of one mill being passed off as goods of another mill. This appeal came to be heard before Chief Justice Scott and Justice Heaton. The judgment is dated 18th January 1916. The appeal was decided in our favour, and they confirmed the judgment of the lower court and awarded us damages. That brought matters to conclusion, that numbers could be appropriated.

Then we wrote to the Millowners' Association that their members must be informed of this fact, and as far as possible each other's numbers should not

be copied. We found that for some time numbers were not copied. At least, wherever we found that they were copied, we wrote to the individual mills concerned, and they discontinued it. That practice prevailed for some time. Members came to know that they could claim proprietary rights in the numbers, provided they were using that number for a long time. So, they asked their commission agents as well as upcountry merchants to give instances, and as soon as instances were brought to their notice, they gave notice to the other side, and matters were more or less squared. But gradually they reverted to the old practice, and numbers began to be copied again. In 1924, one of our members, the Sholapur Manufacturing Co., Ltd., made a complaint that their numbers were again copied, not only by Ahmedabad and other mills, but also by some Bombay mills. We again took the matter up in our Association. The Trade marks sub-committee was again asked to deal with the matter, and that sub-committee also consulted Mr. Bhulabhai Desai on the subject, and asked his advice as to whether we could compel members to a certain extent, or whether we could formulate any scheme which would prevent this practice. It is not a long report, and I will just read it out.

*(Report read out omitted from proceedings according to decision of Committee).*

MR. BHULABHAI DESAI says :—

*Mr. Desai's opinion read out; omitted from proceedings.)*

Then the matter was placed before our committee, and then we decided that it was not practicable to frame rules. All the same, members were informed that, as far as practicable, whenever an infringement of a number was brought to their notice, they should cease stamping that number. Then, Sir, the matter cropped up. In the meantime the matter was gone into by the Tariff Board.

MR. KHAREGHAT :—When?.....The Tariff Boards, opinion is dated 4th October 1924. Mr. Desai's opinion is not dated. I think it is in 1925. Then on 4th June 1927 we got a complaint from the Simplex Mills. They made certain suggestions also. As I said in the meantime the Tariff Board made certain recommendations with regard to registration of trade marks and numbers. We introduced some rules which will be found at the end of our report. The main reason advanced by the Tariff Board was that though the number was maintained the quality was not maintained on the same level by the mill concerned. After giving some instances they recommended that the Bombay Millowners' Association should take action. The object was the maintenance of the quality of a cloth under a particular number. The mills were invited to send in a list of the numbers they use and the kinds of cloth to



which they are applied ; and the matter was referred to the trade mark sub-committee of the Association with a request to go once again into the matter. (Extract from the proceedings of the sub-committee was read.) It is extremely difficult to use five or six digits on a cloth of small width. There are mills which require 1,000 numbers. All the one thousand are not made at the same time. As my friends said some mills are making 500 varieties. It is not the variety. It may be one dhoti variety that differs in width and we have to keep different numbers for the same kind of cloth. The variety is the same but different numbers would be required. (Extract from the sub-committee's report.) The sub-committee again met and decided to gather some particulars. We have yet to see whether it is possible to arrive at a scheme. They drew out a certain form, sent to each mill and asked them to give us the numbers they have been using. Also they asked them to give particulars numbers for which they will claim proprietary rights. The mills have sent in suggestions and a list of numbers. If we go through all these suggestions we can formulate a scheme. We may do it but at present it is not possible.

THE CHAIRMAN :—This will not help us very much.

MR. KAMAT :—I think the Tariff Board refers to the practice where some mills stick to the same number but lower the quality?... That remark does not apply to Bombay. These complaints were made against the Ahmedabad mills. As far as Bombay is concerned it is not the same mill that lowers the quality but another mill takes advantage of the number current in the market and puts inferior quality with the same number.

MR. JOSHI :—Mr. Saklatvala started by saying that the merchants change these numbers but he gave instances where mills do so.....Merchants do not. Merchants ask us to give a particular number. He gives his name, his own stamp also and the number.

MR. R. S. ASVALE :—If the number is the same, the name of the mill is on the cloth .....It is not only the number but there are many other things.

THE CHAIRMAN :—Thank you.

MR. SAKLATVALA :—Sir Joseph Kay could not be here to-day owing to some important meeting. He is coming here to-morrow.

THE CHAIRMAN :—Have you any witnesses to support your point, Mr. Joshi ?

MR. JOSHI :—There will be a few witnesses. We will consider now and let you know to-morrow. We want to examine a number of witnesses on the standardisation scheme. As regards the other points we have not get witnesses, as they belong to the other side.

**THE CHAIRMAN :—**On the question of standing orders it struck me whether it is reasonable to turn out a man without some recompense. In England and other countries there is some kind of compensation provided. It raises the principle of an unemployment insurance scheme. This point we have to consider and it would be advisable for one side or the other to call in some witnesses.

**MR. SAKLATVALA :—**There are the 17 demands.

**MR. JOSHI :—**The 17 demands are involved in the big question and we can take it up later on. We have to discuss the general question of two-looms or three-looms system.

**MR. SAKLATVALA :—**The standardisation scheme will have to be partly discussed in that case. It is why I am anxious that we should go into the details of the standardisation scheme and then we can come to the other items.

**MR. JOSHI :—**These details should be kept last, because much depends upon the discussion that takes place on this general question.

**MR. SAKLATVALA :—**As regards the rational system Mr. Joshi has just put in his written statement. If you are not reday with the rational system let us take the standing orders.

**MR. JOSHI :—**After we hear Sir Joseph Kay with regard to his general views on standardisation, I do not know whether we can take the general views of some of the managers of mills. They are actual technicians and these gentlemen are only financiers. I would like to know whether you, Sir, would like to do so.

**THE CHAIRMAN :—**Yes.

**MR. JOSHI :—**It would throw greater light on the general principles.

**MR. SAKLATVALA :—**Managers are not concerned with the principles but only with details.

**MR. JOSHI :—**Whether your scheme is suitable or not can be ascertained on a scientific examination.

**MR. SAKLATVALA :—**It is for you to lead evidence on that point.

**MR. JOSHI :—**Managers are your men. On the whole it is for the committee to call managers as witnesses.

**THE CHAIRMAN :—**Let both sides suggest some names. Let us examine some managers of mills.

**MR. SAKLATVALA :—**What is the good of examining them. They are to carry out our instructions.

THE CHAIRMAN :—We think that the evidence of managers will be useful.

MR. SAKLATVALA :—If that is so, we will bring in some managers of mills.

..

**The Committee adjourned till 11-15 a.m. on 8th  
November 1928.**

---

*Exhibits Submitted by Messrs. A. F. Ferguson & Co.,  
on Wednesday, the 7th November 1928.*

---

**EXTRACTS FROM AUTHORITIES RE: DEPRECIATION.**

---

**Spicer a Peglers' "Practical Auditing" Pages 135/7.**

Depreciation may be defined as the shrinkage in value of an asset from any cause during a given period. If an asset has been acquired for the purpose of being utilised to earn income, and in the course of such process the value becomes gradually diminished, such decrease in value is a loss which should be set off against the income derived from working the asset, *before the balance of divisible profit can be ascertained*. If this is not done the Profit and Loss Account will not show the correct profit for the period, and the Balance Sheet cannot be said to represent the true and correct view of the state of the affairs of the business, inasmuch as the assets will remain at their original value, notwithstanding the fact that depreciation has taken place.

It cannot be too strongly pointed out that if the whole of the profits of a business are withdrawn without providing for the loss arising through depreciation, no moneys will be accumulated out of revenue during the life of the asset for the purpose of replacement. When such replacement becomes necessary fresh capital will have to be provided for the purpose. Many cases have arisen, where owing to depreciation having been ignored, businesses have been obliged to go into liquidation on the exhaustion of their capital assets, solely through the impossibility of raising fresh capital for the purpose of renewal.

The contention is frequently made that depreciation is an appropriation of profits, and not a charge thereon, and that consequently if no profits have been made, or a loss on trading has been incurred, no provision for depreciation can be made. The fallacy of this argument is apparent when it is seen that depreciation is a fact which exists, irrespective of the results of the business, and such should be recorded in the books of account.

**Dicksee's "Auditing," Page 217 quoting Adam Murray.**

"The Word 'depreciation' is almost universally used in the deduction from Property, Plant, and Machinery Accounts, and the corresponding charge made to Profit and Loss Account, but in the case of most ordinary trading concerns 'wear and tear' might properly be substituted for 'depreciation.'

Under the head of 'wear and tear' it is proposed to deal with the ordinary charge made in Trading Accounts for the use of buildings, machinery and plant.

**"It is equally an item in calculating the Cost of Production, as is the Payment for Labour and for Materials consumed."**

In ascertaining the cost of materials and stores used, the stock is taken at the end of the period against the stock at the beginning, and purchases during the period, the difference being the consumption.

"In the case of buildings and machinery a deduction is made, but the effect is the same as taking the property and plant into a stock at a reduced amount, or at an increased amount if the additions during the period have been in excess of the deduction for the wear and tear.

"Although the process differs, yet the result attained is the same, the cost of materials used being ascertained, the charge for the use of buildings and machinery being estimated without reference to change in value from other causes than use. It would not be a safe basis to take the value, as there is a fluctuation in the value of buildings and machinery irrespective of use.

---

**Pixley's "Duties of Auditors" Page 411/12.**

Certain assets, such as leasehold property, concessions and patents, become of less value each year solely through effusion of time, while plant and machinery, stock in trade, tools, fittings, furniture, etc. gradually lose their value more or less, according to the manner in which they are used. For this reason no company can be said to have made a fair profit until, in addition to the expenses of its business, there has been charged against the revenue a proper amount for depreciation in respect of the class of assets.

---

---

---

*Thursday, 8th November 1928.*

---

---

Thursday, the 8th November 1928.

The Committee met at 11-15 A. M., at the Secretariat, Bombay.

Present :—

THE CHAIRMAN.

MR. KHAREGHAT.

MR. KAMAT.

---

MR. SAKLATVALA :—Before we examine Sir Joseph Kay, I understand Mr. Whitby who gave evidence yesterday wants to explain certain matter.

MR. WHITBY :—I wish to protest, Sir, against the garbled reports of my evidence that appeared in the "Evening News" last night and the "Times of India" this morning. The "Evening News" stated that I said that if most of the mills had not paid dividends of large sums during the boom period and had made adequate provision for bad times, they would not be in their present predicament. The "Times of India" said much the same thing. Referring to depreciation what I said was that if the mills had declared dividends in boom years without adequately providing for depreciation, then they would have weakened their position, but that my impression was that adequate depreciation had been provided in those years. The "Evening News" report is absolutely incorrect and that of the "Times of India" misleading, in that it omitted the qualification that my impression was that adequate depreciation had been provided in the boom years.

THE CHAIRMAN :—I sympathise with you, Mr. Whitby, but the Committee cannot very well concern itself with it. I think you could write to the papers concerned, or see their reporters here about it.

---

Oral Evidence of

SIR JOSEPH KAY, KT., Managing Director,

MESRRS. W. H. BRADY & CO., LTD.

---

SIR JOSEPH KAY :—I am Managing Director of Messrs. W. H. Brady & Co., Ltd., and have been so since 1919. My firm are managing agents for three spinning and weaving mills and one spinning mill, in addition a small dye works. I have been directing the policy of these mills since 1919, and for 10 years before that was connected closely with the textile industry.

THE CHAIRMAN :—What are the names of the mills?.....The Colaba Land and Mill Co., Ltd., the New Great Eastern Spinning and Weaving Co., the New City of Bombay Manufacturing Co., the Bombay Industrial Mills, and

the Empire Dyeing and Manufacturing Co. I was Chairman of the Millowners' Association in 1921 and 1922, and I have been on the committee a good many years.

MR. SAKLATVALA :—Before the standardisation scheme was taken in hand by the sub-committee, the sub-committee obtained a mass of information from individual members. Do you know of that?.....Yes. We ourselves submitted a great amount of detailed figures.

You also know that the scheme as finally prepared by the sub-committee was approved by the main committee, and finally passed by the general body of members in a general meeting?.....Yes. We went to considerable trouble before finally adopting the scheme.

You were present at those meetings?.....Yes.

We had a full discussion on all matters pertaining to the standardisation scheme?.....Yes.

Will you tell the Committee how full the discussions were?.....First of all, the individual members went into matters with their own technical staff. Then the technical men had several meetings. We set up a separate technical sub-committee especially for this purpose. That committee called in technical experts from each mill to go into the figures and facts which each individual mill had submitted, and after the scheme came from that special sub-committee, we had one or two meetings of the main committee with our technical experts in attendance, before we as heads finally agreed to the whole scheme. We discussed it at great length. Many matters were brought up and a great number of readjustments were made. After that we had a same meeting of all the members and the scheme was then adopted.

Do you think the scheme was drawn up with proper care?.....Undoubtedly.

In all our discussions, did we ever take the labour point of view into consideration? Was that point of view urged by any of the members?.....Yes. In a great number of cases; I should say that the basis for the formulation of the scheme was a fair day's work. A good many points were put up by our own technical experts, and readjustments were made because we thought in certain cases the rate suggested was too low.

Therefore, it is your belief that the scheme, as a whole, is a fair reasonable scheme?.....Yes.

Of course, you know that, as far as the weaving cotton is concerned, we have made, or at least intend to make a  $7\frac{1}{2}$  per cent. reduction in the weavers' wages, or the average earnings of weavers as compared with 1927?.....Yes.

Do you think there is any justification for doing so?....Ample.

Could you give your grounds for it?....In the first place, dealing with the weavers alone, I think there have been set out in the Millowners' note to the Committee the reasons why the weaving section of our industry is more highly paid than the spinning. That is due, if I may refer to it again, to the fact that the mill industry here, for a great number of years, was purely a spinning industry. When we wanted to find labour for weaving, in order to attract that type of labour, certain high rates were established in the old days, and, as you probably know, it has been one of our troubles, once a rate has been established, to ever get it reduced. In addition to that, in all other parts of the world in the textile industry the weaving section does not get paid the same proportion of the cost of production as they do here, as compared with the spinning section.

**THE CHAIRMAN :—**The same high proportion in wages ....Yes. Just to illustrate my point, taking an average (I am only talking of averages this morning) of a mill producing an ordinary variety of cloth with a market price, say, of 14 annas per lb., the weaver's average wage is approximately 26 pies per lb., as against the spinner's wage of 17 pies per lb. That is purely the wage, leaving out of consideration the number of men employed.

That is the average weaver's wage?.....The average wage bill for the weaving section comes to 26 pies per lb., against the spinner's 17 pies per lb. The next point is, of course, the serious trade depression we have been going through for the last 4 or 5 years, and I think you have had evidence already submitted which proves that we have had to make cuts and retrench in every possible way. For some time, we have not been able to market our cloth competitively. We have made whatever reductions we could in other directions, and we are finally forced, owing to the state of trade, to unfortunately come back to economy in wages. My submission is that wages are not merely a matter of adjustment according to the rise and fall in the cost of living, they must be based on what the industry can afford to pay.

**MR. SAKLATVALA :—**You are aware that a charge is made against the millowners that they paid too high dividends during the boom periods, and that has brought about the present depression. Do you think it is so?..... I do not think so for one moment, nor do I think that it can be substantiated. I believe that the Tariff Board stated (I am speaking subject to correction) that that was not so.

You are possibly referring to page 83, paragraph 40 of the Tariff Board Report, where they state " We would again emphasise the view put forward in



the preceding paragraph. Neither over-capitalisation nor unduly high dividends in a boom period can be said to be the causes of a subsequent depression?"..... Yes.

Do you think the Bombay mills paid any higher dividends than the Japanese mills during the boom period? .....I do not think so. I think, from the figures which I saw (I do not remember where) some time ago, that the dividends paid in Japan were as high as, if not higher than, the dividends paid in Bombay, and in certain cases in Lancashire, the dividends paid were higher than in Bombay.

That point also was dealt with by the Tariff Board, on page 84 of their Report, where they say "In justice to the Bombay mill industry, it must be pointed out that, as will be seen from the tables we attach as Appendix XI, the dividends paid by the mills in Bombay were, on the average, not on a higher scale than those paid by mills in Japan during the same period?"..... Yes.

And they actually give the figures on page 257, which show that the dividends in Japan were in fact higher than in Bombay mill?.....Yes.

Have you any other points to make, in a general way, as regards the standardisation scheme?.....I should like to put forward a few broad reasons why, in my view, the suggested standard list is fair and reasonable. Taking the number of operatives per 1,000 spindles in spinning, and also in weaving, the average for the Bombay mills, before the strike, was 21.3 for spinning per 1,000 spindles and 101 operative for 100 looms. That was the average. Now, the highest for 1 mill was 27.76 for spinning per 1,000 spindles and 184.4 for weaving for 100 looms; the lowest was 16.61 for spinning and 79.7 for weaving. The new suggested standard lists provide for 18 to 19 in spinning and 95 in weaving. I mention that in order to show that times come when, even on the question of muster rolls (and that affects rates just the same) it is essential, if the industry is going to survive, that something must be done in regard to the employment of labour on a reasonable basis; because it may surprise you to know that in the case of 4 mills under the same management, all manufacturing the same cloth, we are paying varying rates of wages, where the conditions of work in 3 mills are practically identical. We tried, in the year 1920, ourselves to bring into force in the concerns under our own control some kind of a standard list. We started it, because in the early days we wanted to get men properly employed under proper designations. That was the beginning of our efforts to introduce standard lists, because we paid a man, say the cotton carrier, in one mill a certain wage and the same man in another mill, but under another designation, another rate of wage. From that we tried to bring about some kind of standardisation. Unfortunately, we had to drop it. Labour objected to certain charges, and it was then decided, in view of the strong feeling that we met with,

that we ourselves as a firm should stop our personal efforts to introduce a standardisation scheme, and put our case in along with that of the Millowners' Association. Just to show the difficulties with we have to contend with and to illustrate my point as to what has been done by our sub-committee with regard to this matter, I want to cite an interesting case, which might throw some light on the matter, which occurred whilst our sub-committee were actually sitting. The question arose as to what was a fair and reasonable pay for a winder on a universal winding machine. The sub-committee evidently had some difference of opinion as to the rate of wage to be paid to the women working on these universal-winding machines. The rate which were being paid varied very considerably, and the production also varied. The Colaba Land & Mill Co., was working at the time, and the sub-committee then said "Why not take out a test at this particular rate on this particular work?" Instructions were confidentially issued to the Colaba Mill. The conditions which existed there were that on 20<sup>s</sup> yarn one woman was minding 10 spindles, and the average output of the woman per day was 3 lbs. of yarn per spindle. We gave instructions that that same woman should be put on 15 spindles, and her work properly supervised. Nothing else was said to that employee. The next day, when the test was finished (it was a full day's work) we found that, without any extra help but perhaps with a little more supervision, she had wound 4 lbs. of yarn per spindle, attending to 15 spindles, as against her previous 10 spindles, or 60 lbs. of yarn. Now, the technical sub-committee of the millowners, prior to that, had said that those particular machines were not running at a correct speed.

SIR JOSEPH KAY :—So we gave instruction that the machinery should run at the speeds suggested by our committee and we found that the same woman produced 4·8 lbs. per spindle per day on 15 spindles.

THE CHAIRMAN :—The machinery went a little quicker?.....Yes. That is illustrative in a way of the conditions which we had been up against in regard to efficiency of labour. You will be surprised further when I tell you that in one of our other mills for the same kind of work, we were getting a production of over 5 lbs. per spindle on the same machinery.

THE CHAIRMAN :—By increasing the number of spindles an employee looked after?... . No; in the latter case, the number of spindles was 10 only, but the woman at that mill was getting over 5 lbs. per spindle with 10 spindles. That is an example I put in to show you that that is a practical case, and a case where we were able to help the committee to establish a fair and reasonable rate of pay for a reasonable day's work. There were also many other cases brought to our notice which helped the committee to arrive at their conclusions, which is they only did after a good deal of concentration and after considering the differences of opinion which were expressed by the difference members of the

committee, and finally the rates were agreed to. That was the basis of the list we now submit should be the standard list for the whole of Bombay and which I contend is fair and reasonable.

MR. JOSHI :—May I ask you, Sir Joseph, why there was no standardization in your four mills? What made you give wages so differently in your four mills?.....Because we found it so difficult to alter a rate once it was established. We took over old mills which had been managed by other people. The workers' rates were already established when we took the mills over. If we had been putting up four **new mills** the whole scale of rates would have been fixed on one standard basis, but as it was we found it extremely difficult to change a rate once it was established.

MR. JOSHI :—Did not the boom period pass over after you had taken over these four mills?.....One we took over 25 years ago, the New Eastern about 20 years ago, the New City about 20 years ago, the fourth was taken over in 1924.

MR. JOSHI :—When there were years of prosperity and profits you could have very well standardised on the peak rates?.....Not necessarily, because labour is always very suspicious of a change. If we had made any change, I think there would have been a great number of departmental strikes.

MR. JOSHI :—Certainly, when you increase wages, there should be no strikes?.....I think standardization does not only mean increase of wages.

MR. JOSHI :—I am suggesting that when you were making profits, you could have raised the wages to the highest rates paid in one of your four mills in all departments so that there would have been no strike. There are other considerations. One great consideration which weighed with the millowners and managers during what you term the "boom" period was the need for first of all improving the conditions under which the people worked. I would remind you that before the prosperous times of 1918 and 1919, there was in Bombay mills a considerable amount of old machinery which had to be removed. Buildings were not properly constructed. Workers were working in dark and in unsatisfactory conditions. One of the first considerations was to improve the conditions under which they were working. There was no unrest or request from labour for higher wages.

MR. JOSHI :—It is quite clear that you will only improve wages when there is demand for it or when there is unrest. You state that there was no unrest and therefore you did not think of standardising in those years.....You cannot standardise wages in four mills if the conditions of work are different. First of all, we had to ensure that a man in one mill was working under exactly

or as over the same conditions as his fellow-worker in another mill on the same kind of work.

MR. JOSHI :—In that case there will be no standardisation at all in Bombay..... I just pointed out that a tremendous amount of money has been spent with the very object of improving and levelling up conditions of work in all the Bombay mills.

MR. JOSHI :—I want to know from you why you did not then think of standardising wages ?.....We thought of it as far back as 1919.

MR. JOSHI :—If you had put your idea into effect then, there would have been no difficulty in standardising because you were making very good profits then.....We could not do so until we improved the conditions of work in each mill.

MR. JOSHI :—So, according to you when the millowners are now thinking of standardising, it will take years before the conditions will be quite fit for standardisation ?.....No, I do not think so for one moment.

MR. JOSHI :—How could the Millowners' Association do it easily when you could not do it in your own four mills in a few years' time ?.....Because conditions have changed very much. First of all, conditions of work have improved and there has been an enquiry into the state of the industry by the Tariff Board who have pointed out what should be done and what is essential to do to put the industry on a satisfactory and reasonable basis again.

MR. JOSHI :—If you were thinking of standardising in 1920 and thereafter, I do not yet understand what came in your way except that you explain that you were thinking of something else, but you will agree with me that it was not difficult for you to standardise at that time because you could have standardised the rates at the highest figure then prevailing.....I just pointed out to you that it is difficult and it was difficult then.

MR. JOSHI :—Supposing you were not engaged in making efforts to effect improvements which you say you were then making standardisation at that time would have become easier. I am putting to you a hypothetical case.....Yes, in those four mills, but I cannot suppose something may happen which did not actually happen.

MR. JOSHI :—My point is this, that if you had thought of it then, it would have been easier and you can certainly imagine circumstances and say "Yes, it would have been better if that had been done then".....(No reply).

MR. JOSHI :—Alright. I shall leave that subject at that.

THE CHAIRMAN :—You might tell us exactly how far your attempts went in 1920.....Not very far, Sir. We felt we could not get on with any local scheme. We were members of the Millowners' Association and in any case

what we might have done was to prepare a scheme and then submit it to the Millowners' Association. After the first wages census in 1921, we discovered that there was such a tremendous variation in wages all over the City and as the Millowners' Association then did have many informal discussions about bringing out a standard list in Bombay we thought it better to hold the question over.

MR. JOSHI :—Considering human nature that nobody would have objected to having his wages increased don't you think that it would have been easier to standardise when the mill were making profits?.....I think you would have had the same difficulty then as you are having now owing to the tremendous variation of rates and musters. The difficulty must arise from the very necessity of levelling up conditions to the needs of the day. You had one level during the prosperous times and you must have another level during the period of depression.

MR. JOSHI :—You will agree with me that when a man does not himself lose anything, he does not mind others being brought up to his own level?..... If you are trying to get me to agree that a standard list on the highest level would be a simple thing, I am prepared to agree with you but that is no standard list at all, if I may say so.

MR. JOSHI :—Why is it not standard?.....Because if you are trying to standardise ; first of all, it implies that you are trying to bring to one common level the varying rates being paid in various Mills. As I pointed out, there is a tremendous difference so that the standardisation would have to be on the lower rates than the highest rates paid.

MR. JOSHI :—Standardisation on the higher rates would also be standardisation.....I should call it "levelling up," not "standardisation."

MR. JOSHI :—Why should you say that standardisation must always be on the average rate?.....Because you are trying to bring the varying rates which exists to one's mean level for all classes of labour employed in a particular class of work.

MR. JOSHI :—That is quite correct, but still, you can have a higher common ground.....I am not prepared to say on what basis the standard list should be any more than what I have already stated about the conditions of standardisation. I cannot agree that the simple way we would be to lift everybody up to the highest level.

MR. JOSHI :—You have agreed with me that if that had been done then it would have been easier.....I think the same difficulty would have existed in prosperous times. I mean technical difficulty would have existed then just as it exists to-day.

MR. JOSHI :—In those days you were unwilling to forego your profits which would have been necessitated by making any changes in the machinery which require temporary stoppage. Perhaps that is the difficulty you are referring to.....I did not say that.

MR. JOSHI :—What were the difficulties in prosperous times?.....The difficulties were that even in prosperous times we had the same varying rates as we have even in depressed times. The difficulty lay in bringing all down to one common basis.

MR. JOSHI :—You said that the sub-committee of the Millowners' Association collected a mass of figures. Now, is there any difficulty in placing all that mass of figures before people who are regarded as labour representatives?.....I am afraid I cannot commit the Committee of the Millowners' Association to give away their confidential information.

MR. JOSHI :—What is your own opinion?.....I do not think that the Millowners' Association will come in the way of helping forward this enquiry with details and figures.

MR. JOSHI :—Was the mass of figures to which you refer from all the mills or from some selected mills?..... I will have to ask Mr. Stones.

MR. STONES :—For every mill in Bombay who is a member of the Millowners' Association.

MR. SAKLATVALA :—The Committee have all the details before them.

MR. JOSHI :—The Tariff Board, while recommending standardisation, also pointed out this difficulty. You remember that the Tariff Board did suggest that there were difficulties which I had mentioned?.....Yes.

MR. JOSHI :—It was for that purpose that the Tariff Board recommended that while standardising you should prepare your scheme in consultation with representatives of labour?.....Yes.

MR. JOSHI :— You told the Committee that you considered the labour point of view as seen by you. Is it correct?.....Yes.

MR. JOSHI :—But your Association did not make any effort to consult what may be called the labour point of view as different from the labour point of view as occurred to you.....The difficulty of the Millowners' Association was to know from whom they would get the labour point of view.

MR. JOSHI :—You may have heard of some people who claim to be labour representatives?.....Yes, we did.

MR. JOSHI :—What harm would there have been if you had accepted their claim and consulted them?.....There was no object to serve in consulting anybody about labour questions that did not know anything about labour questions.

MR. JOSHI :—I am putting it in the negative way. Would there have been any harm?.....Considerable harm, I should think.

MR. JOSHI :—Why?.....Because they do not understand these questions as well as they should.

MR. JOSHI :—Why should not those people understand labour a little better or at least as much as you understand?.....There is no reason why they should not. I do not know the reason why they should not.

MR. JOSHI :—What makes you say that they do not understand?.....Because before the strike occurred, the labour force of Bombay, 150,000 in all, were not in any bulk members of organised unions.

MR. JOSHI :—That may be correct, but if there was a Union having, if not 50,000 members, say, 5,000 members. Is it difficult for a Union of 5,000 members, to understand the labour point of view?.....No, not at all.

MR. JOSHI :—Did you know that there was a Union with such a membership when you formed your scheme?.....I believe there were two or three unions.

MR. JOSHI :—If there were two or three unions with a membership of 5,000 each, why was there any difficulty in consulting them?.....I think the Millowners' Association offered and wrote a note stating that they were prepared to discuss the matter of the strike with the present leaders of labour.

MR. JOSHI :—I am not referring now to the strike. This attempted standardisation was begun, I am told, in January. It is stated in one of the statements presented by the Millowners' Association. In January there was no strike. If at that very time you had thought of consulting the people who called themselves labour representatives, would there have been any harm? Did you offer to discuss with the present labour leaders the question of the standard wages openly and frankly?.....No.

You offered to discuss with unions which were registered?.....Yes.

Why was this fact of registration such a necessary condition for consultation about the standardisation scheme?.....Because, my own view is that in previous disputes labour had been wrongly led and if, as we had hoped, labour was going to form itself into unions, it was only fair that we, as a responsible body, should ask any other responsible body of labour to meet us to discuss matters in dispute.

MR. JOSHI :—I am sure you have studied the law regarding registration of trade unions. I want to know what is there in that law by which a union by the mere fact of registration, becomes a responsible body?.....The law recognises registered trade unions and gives them certain rights.

MR. JOSHI :—That may be true, but the law also recognises unregistered trade unions because it recognises every citizen, whether organised or not. Responsibility is not created by the fact of registration, so far as the representative character of an organisation goes?.....But the legislation for the registration of trade unions was put through for the benefit—for the special benefit—of properly organised labour bodies.

MR. JOSHI :—I do not wish to discuss that question. So far as the question of that legislation goes, the main object was to give that organisation a corporate capacity in the eyes of the law and not a representative character.

THE CHAIRMAN :—What Act is that, Mr. Joshi?

MR. JOSHI :—The Indian Trade Unions Act.

MR. JOSHI :—Is it not a fact that any union of seven numbers can be registered?.....I believe it is so.

MR. JOSHI :—Don't you think that it is quite clear from that that the mere fact of registration does not make any organisation a representative or a responsible organisation?.....I am afraid I do not follow your question.

MR. JOSHI :—My question is this, that as it is a fact that any organisation with seven members can get itself registered by the payment of two rupees, there is not much importance in the fact of registration so far as the representative character of an organisation is concerned or so far as the sense of responsibility of the organisation is concerned.....You may put that light on this piece of legislation if you like, that a union which is registered with a certain number of members is not responsible for anything.

MR. JOSHI :—I do not wish to deal with that point any longer, but the fact remains that one of the recommendations, of the Tariff Board, namely, consultation with labour representatives was not carried out when you framed your scheme.....The door was thrown open for labour to come and discuss these matters.

MR. JOSHI :—Is it not a fact that you did not consult them at the time of framing scheme.....We could not consult them because we had not met local labour leaders in those days at all. We did not meet you.

MR. JOSHI :—You did not consult them simply because you thought that the unions were not registered and therefore you could not deal with them?..... The labour drew up its demands without consulting the employers.

MR. JOSHI :—That was not the recommendation of the Tariff Board that Labour should put its demands forward after consulting the Millowners..... We are not absolutely bound by what the Tariff Board say. If you have the right



to put in demands of your own initiative, surely the millowners have got the right also to put in something without definitely binding themselves to follow every letter of the Tariff Board Report.

MR. JOSHI :— Was there any other difficulty in consulting labour representatives except their unions were not registered?.....The difficulty was that we wanted to meet properly accredited labour leaders who we thought would be appointed by registered trade unions.

MR. JOSHI :— Are you aware, as I have stated in one of my statements, that in the year 1926 when one of the unions then existing wrote to the Bombay Millowners' Association when the Indian Trade Unions Act was not in operation it was told that the conduct of that union in sending complaints to the Association was rather officious?.....I am not aware of that.

MR. SAKLATVALA :— I am aware of that.

MR. JOSHI :— Do you think that when the Millowners' Association took up such an attitude towards a Union that any Union would, unless compelled by circumstances, approach the Millowners' Association with a request for consultation?.....I am surprised that the Millowners' Association took up such an attitude. I did not know that till now.

MR. JOSHI :— You said that the scheme was approved by the general body after considerable discussion or trouble. Can you tell us how many voted in favour and how many against or is it a confidential matter?.....It was passed unanimously as far as the general body is concerned.

MR. SAKLATVALA :— We gave you a copy, Mr. Joshi.

MR. DANGE :— How many were present?

MR. SAKLATVALA :— Almost all the members. The committee itself represents about 80 per cent. of the mills.

MR. JOSHI :— You stated, Sir Joseph, that in your opinion there was ample justification for a cut of  $7\frac{1}{2}$  per cent. Did your Association discuss what was the actual cut in the scheme as originally framed by it?.....You mean as a general cut?

MR. JOSHI :— In the weaver's wages?.....The cut varies very considerably and, as Mr. Saklatvala pointed out, the average is approximately  $7\frac{1}{2}$  per cent. and in some cases there is no cut at all.

MR. JOSHI :— I am talking of the average?.....Yes, that was discussed.

MR. JOSHI :— Are you aware that in one of your statements you have admitted that the cut was 11 per cent?.....Mr. Saklatvala ought to know it.

MR. SAKLATVALA :—The scheme was revised half a dozen times.

MR. JOSHI :—In the original scheme there was a cut of 11 per cent?.....Yes.

MR. JOSHI :—Was your Association aware that there was a cut of 11 per cent?.. ...It was. Every member who studied the scheme must have been aware of it.

MR. JOSHI :—I wanted to know whether the members of the Association who took part in the discussion knew that there was a cut of 11 per cent? I have no doubt about that.

MR. JOSHI :—Why did you change that figure from 11 to 7½ per cent? .....Because when the scheme was gone into further it was found that in certain cases certain adjustments which would benefit labour would have to be made and accordingly the scheme was modified to that extent.

MR. JOSHI :—You agree now that the 11 per cent. cut was not reasonable and that 7½ per cent. is reasonable?.....

You said that the difference between the wages of the spinners and weavers in other countries is not so great as in India?.....Yes.

It may be that the difference is due to the fact that in India you are on lower counts and not on higher counts, so that the spinner does not require as much skill as a weaver?.....I cannot reply to that question.

Suppose we take two young men of the same average intelligence, I think you will agree with me that weaving requires a little more skill than spinning?.....Yes.

So there is some difference between a spinner and a weaver, the weaver is a skilled workman while the spinner is not to that extent a skilled workman?.....(No reply.)

I think you will not object to my statement that there is truth in the statement that there should be some difference in wages owing to the difference in skill?.....Yes.

Naturally the number available for spinning is larger than for weaving and that intensifies competition and still further lowers the wages of spinners.....I cannot accept that.

We have also mentioned a fact in our statement that on account of social conditions in India, where there is untouchability, the untouchables get admission in the spinning department and that fact also adds to the number of people available for the spinning department. Are you aware of the fact that

untouchables are not working in the weaving department. I do not blame the millowners for that. On account of the facts I have stated above, the number of men available for the spinning department is very much larger than that it would ordinarily have been.... I am not prepared to reply to that.

Suppose these factors exist, would they tend to create a wide gulf in wages between the spinners and weavers?.....I cannot reply to that Mr. Joshi. Some technical man would tell you that.

Did you enquire whether the spinner's wages were sufficient for a decent living in Bombay?.....The strike for 6 months has shown that there has been no starvation.

I shall come to that but have you got any knowledge about the standard of living of the spinners and from that knowledge can you say that the standard in which spinners live is a decent one? ....I have no reason to believe that spinners alone among the work people of mills have not been able to maintain a reasonable standard of living.

Do you not agree with me even from the efficiency point of view, if workmen do not maintain a decent standard of living their efficiency would suffer?.....Certainly ; I think so.

Has the Millowners' Association so far made any effort to find whether the present standard of living of spinners is such as to maintain a good level of efficiency?.....Not that I know of.

Unless you find out whether the spinners maintain a decent standard of life, you cannot say that the weavers wages should be reduced because the spinners are getting lower wages?.....I said in my opening remarks that fair wages must be paid for a fair day's work.

If you simply take into consideration what the industry can afford to pay do you not think that there is some danger of workers being paid wages which may not be considered living wages?.....You find labourers doing work. Surely a man would not work if he does not get fair wage.

Surely, Sir Joseph, when workers do not hope to get sufficient wages they will work for any wages. Being human beings they cannot let themselves die.....The last six months' experience has disproved that, Mr. Joshi.

Six months' experience has not proved much, because we have not yet gone into the details. I have myself stated why the strike could run for six months. It was not because people were paid more but my own view was that it could go on for six months, because people are accustomed to poverty. You agree with me that we cannot always whenever we deal with labour fix wages only from the point of view of what the industry can pay or from the point of

view of what is necessary to be paid from the point of view of competition. The Labour must be treated a little differently from the ordinary commodity of commerce?.....Certainly any reasonable man would agree that humanity ought to be treated in a human way.

You have already admitted that the Millowners' Association has made no efforts to find out whether the spinners are getting wages which could reasonably be said to be adequated from the point of view of human comfort?.....I have already replied to that question.

Then you in reply to Mr. Saklatvala who read out some quotations agreed with him in that that the depression was not due to over-capitalisation nor to higher dividends. While the depression may not be due to these two causes, if there is over-capitalisation in the industry if the profits made during the boom period are squandered and if there are losses, you will agree with me in saying that although the depression may not be due to these two causes the losses may due to these two causes. Because in the case of over-capitalisation you are paying more interest. If you had not wasted money in dividends you could have met those losses out of the reserve fund?.....I agree with you there.

Then I want to know from you that if there had been sufficient reserve fund there would have been no necessity for reducing the wages for at least some years?.....You suggest that the trade should pay wages out the reserve fund and do nothing else at all.

The reserve fund is created for various reasons. One of the reasons, admitted by even the Millowners' Association, is that you can equalize your dividends—to pay dividends when you are not really speaking earning dividends. I suggest that it is equally reasonable to make use of the reserve fund to keep your rate of wages the same and even when you are making losses you can make up the deficit from the reserve fund. Is it unreasonable to pay the same rate of wages?.....I cannot possibly bring my mind to think that the reserve fund should be made to meet reductions in wages.

If you can use reserve fund to pay dividends when no dividend is really earned, why should not the level of wages be maintained where it was before out of the reserve fund?.....What is the inherent difficulty in doing it?

THE CHAIRMAN :—If your labourers are profit sharers a certain amount can be reserved in order to get proper wages.

MR. JOSHI :—It is quite natural that workers should not without a struggle accept a lower wage even when the industry is making losses. If the industrialist is a prudent man he will realise this fact and reserve some profits in order to be able to maintain the wages when the industry is making losses.

MR. SAKLATVALA :—Mr. Joshi asks the industrialists to create an equalization of wages fund, because we create an equalization of dividend fund. The industrialists have first of all to consider the shareholders, because with their money they are carrying on the industry and therefore they create a fund. The labour leaders are primarily concerned with labour. During the boom period we gave labour extra bonus which amounted to 45 to 50 lakhs a year and for four years we paid labour beyond their wages a sum of over 2 crores. Had there existed prudent labour leaders in Bombay they would have created a fund which would have helped labour in times of distress just as we have created fund to protect our shareholders.

MR. JOSHI :—Is it right for any industrialist to say that he is concerned with the shareholders and not concerned with labour?... ..(Witness) Certainly not.

So, if you create for your shareholders a fund to maintain his rate of dividend, it is just as reasonable for the industrialist to create a fund in order to maintain the level of the wages of the workmen.....The conditions are different. The shareholder gets a return on the capital he invests, whereas labour is first charge for the work turned out.

That is not always so. When you are not making profits you try to reduce wages?... ..You cannot say that, Mr. Joshi, because this is the fifth year of trade depression and during the last four years, except in one year, we have paid labour at the same rate whilst the mills were losing money heavily.

You stopped paying the bonus in 1924. When you stopped the bonus the wages were reduced by 8 per cent.

MR. SAKLATVALA :—Bonus is not wages.

MR. JOSHI :—You tried to reduce wages in 1925. You cannot say that when you are making losses you do not try to make the labour responsible for the loss?... ..(Witness) We have not done so.

So, you cannot say that labour is not concerned with profit and loss of the concern. Labour is affected by your profit and loss. On the other hand will you agree with me in saying that labour should not be made responsible for the loss, because labour has no hand in the management?... ..No.

Can you tell me the difficulty you feel in marketing your produce? The Tariff Board has stated that the Bombay millowners do not cultivate their home markets as well as they ought to. Have you done anything in this matter?... ..I do not know much about that.

MR. STONES:—It was stated that the Madras market has not been explored by the Bombay millowners and that Ahmedabad millowners are more keenly interested in the Madras market than the Bombay millowners.

MR. JOSHI :—Your reference to higher dividends in Lancashire shows that those people also are as imprudent as our people here?.....I do not accept that at all. It may be your own view.

You mentioned how many spinners were employed for 1,000 spindles and how many weavers were employed for 100 looms. You also quoted certain figures as regards wages and number of men. When you fixed your standardization list for the number of people to be engaged for different kinds of work, did you take any test as to the proper number of men required for particular kinds of work?.....If you read the note submitted by the committee that will explain the system.

MR. SAKLATVALA :—Sir Joseph Kay is dealing with the question in a general way. Tests were taken and Sir Joseph is not personally acquainted with them.

MR. STONES :—The conditions laid down in this list are such that are followed in certain mills in Bombay. It afford a fair basis for comparing wages. At present the conditions are different in different mills in Bombay. We discussed them and prepared a list which may be adopted in all the mills. We took no notice whether the wages are high or low ; but what we considered was whether it was a fair wage consistent with a fair day's work.

MR. JOSHI :—In fixing the number of men did you take any test, as your machinery differs, even on the old ones as to whether the number of men was sufficient?.....We took test with regard to the actual working.

You did not take any test but you fixed a certain number of men for a certain amount of machinery, whether the machinery is old or new?..... (Mr. Stones) we have fixed the number of men and the machinery according to the basis that is known to exist.

In fixing the number of men for machinery, did the Millowners' Association consider the question of fixing certain standards for mixing of cotton for producing certain kinds of yarn?.....I do not think so.

Do you not think that that is a necessary process for standardisation as regards the number of men?.....In theory, yes ; in practice, no. It is not practicable, because of the great variation in the class of goods which are being made, and secondly, the selection of cotton is special work, and different people have different views as to what is good cotton and what is bad cotton, and how it mixes. It is an extraordinary thing to suggest a standardisation of mixings in an industry which produces such a great variety of goods.

If you are not standardising in the material, you will agree with me that there will be differences in wages on that account, even when you are standardising in some departments where people are paid by piece work?.....I am afraid you will have to make that question a little clearer.

That is why I wanted to know whether the Millowners' Association had made efforts to make economies in the various directions suggested by us. Did they make any special effort to reduce the capital where there was over-capitalisation?.....In certain cases capital reductions have been made.

Was it by the conscious efforts of the Millowners' Association?.....I do not know how the Millowners' Association can compel its members to reduce capital.

So, they did not try that method. Then we have suggested in our statement that they could economise in various other matters, such as in the purchase of cotton, because we are told in various places that the Japanese have got a very economical method of purchasing cotton, and if the mill-owners in Bombay tried that method of purchasing cotton, it is quite possible that they may be able to make economies in that one item which may be equal to the economies that are proposed to be secured by a cut of 7½ per cent. in the weavers' wage. Do you agree with that view?..... I do not know what is the method of purchasing cotton by the Japanese. If you tell me that I may be able to give my opinion on it.

I am not an expert in that business; still, I understand that if the effort is co-operative and organised, it is quite possible that economy can be effected in the matter of purchasing cotton?.....I am prepared to accept your statement, but I would not say so myself.

Did the Millowners' Association consider this question of making a co operative effort in the purchasing of cotton?.....Never. I do not think it is worth consideration.

**MR. SAKLATVALA :—**The Japanese do not do that. The keenest competition in Bombay market is amongst the Japanese exporters.

**MR. JOSHI :—**But the fact remains that they do make cheaper purchase of cotton.

**MR. SAKLATVALA :—**It is not at all true. They do not buy in any different way.

**MR. JOSHI :—**That is the opinion of people who have studied this question

Then we have made a suggestion that the head office expenses may be curtailed. Do you think it is possible to curtailed the head office expenses? As against having offices at the mills; is that what you mean?

One of our suggestions is that you need not have a separate office in the Fort for your mills; you may have it for your other business, but not for your mill. Do you agree with that?.....I fail to see how you can do your buying and selling and finance in any other way. The banks are located in the Fort area; and all other transactions are made in that area.

We are told that that is done in Ahmedabad in the mills themselves, and the Toyo Poddar Mill, which is started in competition with our mills follows the same procedure?.....In any case, I should think the head office charges of a mill are infinitesimal on the cost of production.

It is not quite a small sum. From the statement of accounts, you will see that it runs to several lakhs?.....You would have to have your clerks and the other staff, wherever the head office is situated.

It comes to Rs. 30,000 per mill per year?.....With regard to the suggestion that we must have our head office on the mill premises, apart from its impracticability owing to your being away from the banking centre and from markets, I fail to see how you can effect a great saving, because your staff would not be reduced to any considerable extent.

There will be some economy, because you will have some common staff?.....I do not think the saving will be very much, and I might say it is entirely impracticable to have all the head offices of the mills in the mills themselves.

How do they manage in Ahmedabad?.....I could not tell you.

MR. SAKLATVALA :—I can tell you. First of all, in Ahmedabad, banking business is not done through banks; in fact there are very few banks. They have the shroff system. Over and above that, the mills there are in the heart of the business centre, and they can afford to be there because all the people they have to deal with are very close to them. In Ahmedabad the market is very close to where the mills are situated, and the shroffs' offices are also very close to the mills.

MR. JOSHI :—The Tariff Board had expressed an opinion that some of the directors of the mills in Bombay do not possess much direct or personal knowledge of the industry. What is your view?.....Am I called upon to express my views on that?

THE CHAIRMAN :—It is open to you to answer or not to answer the question?.....I do not think any purpose will be served by my expressing views on the directors of Bombay Mills.

MR. JOSHI :—If you do not want to, you need not. As regards the information collected by the Association, from the various statements made that



particular kinds of information are confidential, do you not think that the Mill-owners' Association, which is a body of competing firms, could not get real information from the mills about their condition, in order that you should be able to standardise without the help of some other third party? Do you not think that that factor would come in the way of the Association getting the required information?... I am afraid I do not follow.

We think that the millowners alone could not really frame a proper scheme of standardisation, because, being competitors with each other, they would not give information about their conditions in various matters, which are necessary for framing a proper scheme for standardisation. Do you agree with that?... In an issue of this magnitude, I do not think the millowners are suspicious of one another, and that they will not supply correct details and everything else that is wanted. I think every millowner has acted in good faith, and has sent in to the technical committee the fullest information which would help to solve this difficult problem of wages. Unless Mr. Joshi can help me, I have no reason to believe otherwise, nor should I.

The millowners do not mind giving information to one another?... No on this matter of wages and work.

They would be quite willing to give their labour cost per lb. of cloth? ... I think so.

MR. DANGE :—Why did you not give the information to the Tariff Board?

MR. STONES :—It was given to the Tariff Board.

MR. JOSHI :—Why did they make it a condition that the information, given to the Tariff Board about manufacturing cost should not be divulged?... After all, costing is the private property of the firm, which it has every right not to give out.

Exactly.....

MR. STONES :—As you will see, Sir, from the statements supplied to you, they are not in the name of any individual mill. It is issued as mill A, mill B, mill C, mill D and so on. The list of the mills is kept with the Millowners, Association; they have to trust somebody and they have trusted Mr. Saklatvala and myself about the compilation of the information, and that is passed out to members again as merely A, B, C, D and so on.

MR. JOSHI :—They had better confidence in you, perhaps because they thought you were not competing with the others?

MR. STONES :—That is why!

MR. JOSHI :—You stated, Sir Joseph Kay, that you first tried to improve the conditions of working before introducing the scheme for standardisation. Can you give us an estimate of the investment made in improving these conditions?.....In my own mills, there was a considerable investment of money.

How did you improve the conditions of work?.....In a great number of mills, if I may say so, there was bad construction and bad designing. Improvements had taken place in the process of manufacture, as all mills were not constructed to take modern machinery. The result was that in a great number of cases we had dark corners, and many mills, including my own, spent money in the reconstruction of buildings, and they ordered out improved machinery.

Did the Millowners' Association, when they began to think of standardisation in January, think of standardising the conditions, as regards machinery and as regards the lay out, which is necessary in order that the scheme of wages could be standardised?.....I do not think they thought about it. Everybody knows the progress which has been made in most mills here. I do not see how it arises, that they should given consideration to the new improvements.

Did you consider it very thoroughly in the Millowners' Association, whether a scheme for standardisation of wages could really be successfully carried out without trying to standardise the conditions of work to some extent?.....I think the conditions of work under the new muster are standardised. The conditions of some of the machinery, of course, it is impossible to standardise.

You will agree with me that the age of the machinery used in Bombay varies to a very great extent?.....Yes.

The age of the machinery is a factor which is not provided for in your standard scheme, by any allowance. If the old age of machinery is not provided for by any special allowance, do you think that any standard scheme will be a proper one?.....That is one of the problems which we shall have to deal with, as time goes on. The standard list is based on the average mill. We have no doubt, and I have no doubt in my own mind, that some of the mills which are suffering through old machinery will come to the Millowners' Association and ask for some improvement on the standard list. The Millowners' Association will be quite prepared to hear that, and if the case is a genuine one, where the work people are suffering through old machinery, some adjustment will have to be made.

What you say comes to this, that you know that there will be difficulties on account of the differences in the ages of the machinery, but you will consider these difficulties after they arise, and after the workers suffer on account of these difficulties for some time, although you can anticipate that there will be difficulties?.....I am not sure. I would not admit that the workers were going to suffer; certainly not in the spinning section; I do not admit that.

You do not admit that the workers will suffer on account of the variation in the age of the machinery ?.....The spinner will get higher states if he works on old machinery than the man working under the standard list on new machines.

The spinner may get more money, but he may have to exert more. That is also a point to be considered. He may have to exert more, if the machinery is old ?.....Yes.

On page 70 of the printed statement of the Association there is a statement to this effect: "The vastness and the difficulties of the problem will be recognised by the Government of India. Some of the difficulties have been hinted at in an earlier portion of this letter, which deals with paragraph 61 of the Tariff Board report. In addition to these there are difficulties caused by the differences of machinery, mill construction and mill equipment and diversity in qualities and types of goods produced." What I wanted to know was whether the committee of the Association had taken sufficient care to find out from their sub-committee, or the general body of the Millowners' Association had taken sufficient care to find out from its committee whether these difficulties mentioned in the paragraph I have just quoted were to some extent overcome ?.....As a committee ?

As the Millowners' Association, or as a committee ?.....I have dealt with the question of mill construction. I think I have said that considerable changes and improvements have been made in the machinery. I do not see how the Millowners' Association as a committee can deal with the differences in machinery.

Did the Millowners' Association themselves get a special report from their members that the difficulties which exist in the way of standardisation are met by proper changes? Was any report called for from the different mills, whether the difficulties which are mentioned here had been overcome ?...There was no report called for. A report was not necessary, because the Bombay millowner knows exactly the condition of the mills in Bombay, especially when you remember that there are several large groups under one head.

Still, there was no special report obtained ?.....In my view, it was not necessary.

As there was no special report called for, can you say whether all these difficulties are overcome or not ?.....(No reply).

You mentioned that there is a great variation from mill to mill in the rates of wages paid, both in the spinning and the weaving departments. I want

to know what efforts the Association made, in framing their scheme, to overcome the natural difficulty of getting such a scheme accepted. You will realise that if the variations are very great, there will be a difficulty in getting those men who are paid at the top rates to accept a scheme of average rates. Did you try your best, by special efforts, to make your scheme such as to be acceptable to those people who are getting the highest rates?.....I have already replied to that. I have already stated that you have to standardise between two extremes. We have not tried to standardise on the highest wages which may be paid in a mill. That is not my idea of standardisation.

MR. SAKLATVALA :—Mr. Joshi stated that it would have been a very easy matter to standardise on the highest level in the year 1919. Supposing we had done that, do you think we would have been able to maintain that standard up to now?..... Certainly not.

As regards consulting Labour, you know that after our scheme was prepared, we consulted them. We had meetings with the Joint Strike Committee?..... Yes. The sub-committee had meetings with the Joint Strike Committee.

What Mr. Joshi means is that during the actual preparation of the scheme, we did not ask the leaders of labour to co-operate. Do you think we could have had any effective co-operation at that stage, when there was no scheme to be laid before them?.....I do not think so.

MR. SAKLATVALA :—As regards registered and unregistered trade unions' you know that when they are registered we get an official list of those who are the office-bearers and in that case we know exactly with whom to deal. In the case where unions are not registered, we have got nothing to go by and any man can come and say "I am the president of such and such a union" and in fact we have seen from newspaper reports that in certain cases one man claimed to be the president of the union and at the same time another claimed to be the president of the same union?.....Yes.

MR. SAKLATVALA :—As regards the varying conditions in mills, you know, Sir Joseph, that in Lancashire there is a standard list and at the same time conditions vary from mill to mill in Lancashire also?.....Yes.

MR. SAKLATVALA :—There are old machines also in Lancashire mills?.....Yes.

MR. SAKLATVALA :—And still they are able to formulate a standardisation scheme. Therefore, it is not by any means an impossibility for the Bombay Millowners' Association to formulate a fair and a reasonable scheme, howsoever the conditions may differ?.....Quite so.

The Chairman drew attention to the evidence given by Mr. Joshi in reply to questions by Mr. Noyce of the Tariff Board regarding the age of the machinery and its effect on the efficiency of the workers.

MR. SAKLATVALA :—We will make that point clear, Sir, when we come to discuss the question of efficiency. There may be one or two mills in Bombay which can be called quite hopeless. Of course we cannot base our scheme on the conditions obtaining in such hopelessly bad mills. What will happen is that they will have to get out of the Association and pay whatever rates and wages they like, even higher than other mills.

THE CHAIRMAN :—In your scheme, Sir Joseph, is there any classification of machinery?

SIR JOSEPH KAY :—It may be possible to do it. The efficiency of a machine does not merely depend on its age but on how well it is maintained.

THE CHAIRMAN :—Do you know what they do in Lancashire about variations in machinery?

MR. STONES :—Under the present conditions, for example, let us take the Frame Department. A rate is fixed for a definite hank of roving. If there is worse cotton more twist will have to be put into the yarn and the production will be less. In our scheme, we do away with bad mixings. If a machine is not being kept in a good condition, the speed will be lower and the efficiency will be calculated on that lower speed as the old machine cannot be kept running at a high speed. We realise that if bad cotton goes in, the man has no remedy for it and turns out less production because it is impossible for him to get more, but under the new list he can get more as the man's earning automatically go up.

There are one or two mills that cannot come in this scheme at all. The standardisation scheme is a footrule to measure the industry by 90 per cent of the mills fall within the scope of that footrule. We have outlined in our reports to the sub-committee and the sub-committee has outlined to the committee of the Association the formation of a standing sub-committee which will have to be always there to go into these questions of labour. We penalise a mill that has not got the conditions on to the proper pitch where a man is able to earn his standard wage as fixed by the list. We have left a margin on either side.

MR. KAMAT :—We were told that certain tests were on a very wide basis to show what production would be obtained under the present scheme. Have you got any notes or charts of these tests made by different mills?

MR. SAKLATVALA :—Sir Joseph referred to tests specially made by him in his own mills on universal pirns because it is a special class of machinery and

there was some difference of opinion in the sub-committee and we wanted to get exact figures. Fortunately, even during the strike, Sir Joseph's mill was working at Colaba. He was also the agent of the Universal Pirn Winder. His men are technical experts. We asked them to actually carry out tests and satisfy the sub-committee so that we could find out whether the rates we had fixed based on the information got from members were reasonable or not. The tests referred only to the universal pirn winder and not to any other.

MR. KAMAT :—My point was that one test only would not satisfy the Committee, I expect, but we want to have notes of the various tests you have made in different mills on different counts on different kinds of winding and such like processes just to satisfy ourselves that your tests were made on really scientific and wide bases.

MR. STONES :—The Labour party have called for certain information from us. You will have it before you to ascertain whether those figures are correct.

MR. KAMAT :—Can you give us any tabular statement showing the results of experiments made in each mill, the name of the mill, the counts, the kinds of winding, the outturn before the experiment and the outturn after the experiment and the number of tests, 100 or 50 tests or whatever the number may be.

MR. STONES :—The mills were closed.

MR. SAKLATVALA :—These tests were not taken for the simple reason that each man was familiar with his own conditions. At a meeting of the main committee, we asked members to bring their own technical men. Some brought even three, the manager, the weaving and spinning masters, and in some cases there were superintendents also. We did not ask each technical expert to give us figures of his tests but we got each one's opinion and then arrived at a fair standard.

MR. KAMAT :—That means that when your committee approved of the standard scheme it went by the expression of opinion of the technical experts and that it did not scan for itself the results of the tests made by those experts?

MR. SAKLATVALA :—Sir Joseph was present at the meeting. He had Mr. Tinker, his technical expert and knew the conditions in his own particular mill. One particular question was discussed. He said he got certain results. Another expert gave the results of his experiment and said he could not obtain the results which Mr. Tinker got. After obtaining these results, the sub-committee was again asked to make certain changes on the lines decided by the main committee after hearing these experts and then the scheme was again revised in some details. It was again examined by the main committee finally.

MR. KAMAT :—In all experiments either in laboratories or in the field, when a new innovation or experiment is being conducted, some record is kept to show how it goes from day to day. When any conclusion is deduced from such data, naturally there must be some record to go by. Did your committee satisfy itself that the standardization scheme was just and fair and reasonable? Did it go by record or only by verbal opinions given by experts of their experiments?

SIR JOSEPH KAY :—In the present case the technical men assembled together. One of them said he got such and such a result, another said he got another result. Their opinions were based not on theory but on practical results. They were thus able to say that a particular machine could do so much and so much was a fair day's work and so much was a fair day's pay. The standard list is based on practical and actual results, not on theory alone.

MR. KAMAT :—I do not suggest that it is purely academic. What I want to satisfy myself about is this; say for instance in your Colaba Mill, a woman in winding could produce from 3 to 5 lbs, would that be possible for an average woman in an average mill under the least favourable conditions?

MR. SAKLATVALA :—We have not standardised on this 5 lbs. basis. We only wanted to know what was the possibility in this direction and so we asked Sir Joseph's technical man to go into the matter and make tests and satisfy us. We did not take his opinion as an expert. After the meeting, he was asked to discuss the matter at a meeting of the sub-committee. We asked him to produce his books, his figures and we asked him questions and then the sub-committee was satisfied that it was possible to get this amount of production. It was only after that that the sub-committee revised the original scheme.

MR. KAMAT :—In other words, the sub-committee's approval this based on the experience of these technical advisers, nothing beyond that on record? ...

MR. SAKLATVALA :—Yes.

MR. SAKLATVALA :—Sir Joseph, there is one point in your remarks on which I want some further explanation. This committee, after satisfying itself that an average man could physically do what you claim he can, had also proposed to see whether under the new experiment it leaves an adequate wages. You said the cost of living index had nothing to do with the fixing of wages and that the real determinant was what the mills can afford to pay. Is that your personal view?

SIR JOSEPH KAY :—Yes. What I say is that the labour charges should not be dependent, merely on the rise or fall in the cost of living index.

THE CHAIRMAN :—Not solely?

SIR JOSEPH KAY :—Not solely, because I submit, with some justification, you really should take what the industry can afford to pay. It is the

experience in other countries (and I hope it will be here if labour is properly organised), that if your industry is prosperous, labour will also be more prosperous in accordance with the state of the industry. If on the other hand, strikes continue for long periods and mills suffer, that must affect the labour also.

MR. KAMAT :—The scheme is really based on the idea that it ought to leave the spinner for instance enough money just to subsist and do you provide that the scheme ought to give him a standard living wage so that he can live according to the standard to which he is accustomed?

SIR JOSEPH KAY :—I think every millowner desires to improve the standard of living of his own work-people.

MR. KAMAT :—Considering that the scheme is a reasonable scheme, you have allowed for that?

SIR JOSEPH KAY :—My personal opinion is that it would allow the man a reasonable standard of living.

MR. KAMAT :—Would it leave a reasonable margin over and above a subsistence level?

SIR JOSEPH KAY :.....Yes.

MR. JOSHI :—About your consultation with your technical experts, Sir Joseph, are you aware that in Bombay you have the European Textile Association and the Indian Textile Association consisting of officers engaged in the mills. Were these associations consulted as associations?.....No.

MR. JOSHI :—Don't you think to do so would have been of great help?.....No. On the contrary, it would have made their position awkward. It might have put them in not a particularly good light either with the workmen under them or their superiors' Drastic suggestions about changes affecting work might have become necessary.

MR. JOSHI :—Don't you think your scheme would have been the better for it if you had consulted these two associations and got to the benefit of their views?

SIR JOSEPH KAY :—The position is rather difficult. The associations consist of managers, under-managers and so on most of whom are under superintendents—who naturally would talk important matters over with the men under him. It would be unwise I consider to place managers in any wrong light with the workmen.

MR. JOSHI :—Perhaps, the superintendents are not in touch with the present conditions in the mills?



**SIR JOSEPH** :—You are mistaken there, Mr. Joshi. If you come with me to any of my mills, you will be surprised to see how much my superintendents know of the conditions in our mills.

**MR. JOSHI** :—Not so much as managers, weaving and spinning masters who must be in closer and immediate touch with the men and the machinery.

**SIR JOSEPH KAY** :—The superintendents have all worked in subordinate capacities before they became superintendents and so they know what is what otherwise they wouldn't be superintendents.

**MR. SAKLATVALA** :—Sir, the other day Mr. Joshi referred to figures quoted by Mr. J. A. Wadia and told the Committee that the profits during the boom period alone amounted to 58 crores of rupees. The profits as given by the Tariff Board in their report work out roughly to 35 crores from 1917 to 1922 and the losses from 1923 to 1927 work out at 861 lakhs. Therefore the net profits are 26,49 lakhs. Mr. Joshi seems to believe that the real profits were 58 crores. Perhaps he did not mention in so many words but he seems to have thought so. I refer to page 241 of the Tariff Board Report. I put in a consolidated statement of profits and losses.

I want to point out in this connection that Mr. J. A. Wadia, when he gave evidence before the McLeod Committee, stated how he arrived at these figures. In reply to the question by the Chairman of that committee he said that he published reports of the mill industry up to the year 1922. He told him that his figures were based on 45 or 50 mills' reports and that he arrived at an approximate figure by taking an average. Mr. Joshi himself knows that some mills make profits while others make losses. If you take 45 mills as making profits and the other 40 as making losses, and if you only take an average and double it, it will give you a wrong idea of the state of the industry.

**MR. DANGE** :—These figures were collected by the Millowners' Association. Before 1923 that Association as a whole never submitted figures in total either for profits or losses. They were collected specially for the McLeod Committee who required a statement from them. It was made in the same manner as we learnt yesterday from them. It was made in the same manner as we learnt yesterday from the representative of Messrs. Ferguson & Co. and the mill-owners were responsible for that. We shall have yet to find out whether the Tariff Board accepted the accuracy of those figures or not. As for the McLeod Committee, I shall put in later on a statement regarding the evidence given by Mr. Findlay Shirras who made a statement then regarding the accuracy or falsity of those figures and for which he had to pay dearly in the Legislative Council and the Millowners' Association had something to do with it.

**MR. SAKLATVALA :—**We have given the other day the audited balance sheets for 1925, 1926 and 1927. If the other side wants, we can collect balance sheets from 1917 and they can draw up their own figures from them.

(After Lunch.)

**MR. SAKLATVALA :—**We have no particular objection to call in these gentlemen whose names are contained in this list. We shall be submitting 3 or 4 names later on.

**THE CHAIRMAN :—**I think it would be better that we first try and understand the Standardisation Scheme ourselves before we call in the witnesses.

**MR. STONES :—**I propose that we should go into the standardisation list in detail. Referring to "Notes" at the beginning the question of 10 hour working a day will come under the weaving section, which is a contentious point. In the spinning section the figures have been worked out on the basis of 10 hours working day. The second item simply re-states what the existing conditions are with regard to dear food allowances. In the third item we want that no further bonuses should be allowed, as the existing bonuses have been consolidated with the rates of wages fixed. At present there are minor bonuses paid in certain mills and we want that uniform fixed wages should be paid in all mills.

**MR. KHARECHAT :—**It means that they have no claim to bonus.

**MR. STONES :—**Some mills pay weekly attendance bonus and this purely independent of profit and loss. Some will also pay an electric light bonus.

The fourth is that wages should be calculated to actual pies and percentage calculated on pies as well, but if the total amount shows 5 pies or then the amount is to be reduced to the next lower anna, or if 6 pies and above, then the amount to be raised to the next higher anna.

The fifth item provides for head jobbers under the standardisation scheme. Here the principle is that the rates of pay have been given only for the guidance of members.

The last item is with reference to counts. All references to counts in the list are to nominal counts and not actual wrapped counts, so that there may be no legal quibbling.

**THE CHAIRMAN :—**Have you got anything to say, Mr. Joshi?

**MR. JOSHI :—**What is the difficulty in consolidating the high price allowances with the wages when we are standardising wages.

**MR. STONES :—**We can take this up with the 17 demands. The system followed in Lancashire with regard to this is that there is a list in existence of

rise and fall of prices. Afterwards we can go into the details, when we come to the 17 demands. It is no use going through it twice over.

MR. JOSHI :—This is an important point. You are doing away with bonuses. If you do so, why should you not consolidate them with the wages.

MR. STONES :—We will discuss it along with the 17 demands.

MR. JOSHI :—The second point is that in certain mills several kinds of allowances are given where the wages are low. I want to know whether in fixing the rates you have taken these into consideration?

MR. STONES :—Yes. They are shown in the list. In the blow room if you compare the wages in 1923 and in 1926, there will be two points. In connection with these wages, in the standardisation list, you will find that the first portion gives the actual wage to be paid and the other the amount of work to be done for that wage. Is there any other point?

MR. JOSHI :—The two points are the rates of wages to be paid for a particular work and the other is the amount of that particular work. The work has to be done at the expense of greater energy?

MR. STONES :—Whether it is excessive or otherwise. That is the point.

MR. DANGE :—What is the basis on which the standardisation scheme is laid down?

MR. STONES :—These are based on the conditions existing in 90 per cent. of the mills in Bombay. As Mr. Saklatvala said this morning there are certain mills for which we shall have to make allowance. But this is legislating for the average mills in the industry.

#### Mixing Waste Room.

I shall take the Nowganies. These men stack the bales in the godown. Their wages are fixed at Rs. 18/- plus 70 per cent. The Labour office figures for 1923 work out at Rs. 28-11-6 for 26 days. When this amount is divided by 26, it comes to Rs. 1-2-9 per day. Perhaps the Secretary will be able to enlighten us on this point. The statement compiled for the year 1923 is for all mills but the statement for 1926 comprises only 19 mills; and so it is not so representative as that of 1922. In the 1926 inquiry the earning of a full time worker for 27 days work out at Rs. 30-11-8. You will find that in that particular month it was 27 days.

MR. SAKLATVALA :—Rs. 30-11-8 as earning for 27 days. Our standardisation is based on 26 days per month.

MR. MEHRBAN :—In the 1923 inquiry we took the census on the basis of a schedule where figures were asked for groups of workers in each occupa-

tion. Therefore it was not possible to ascertain the monthly earnings. For full time workers. The 1926 inquiry was based on the principle of the muster rolls, where individual wages were asked for each worker. In the 1923 report we give the average monthly earning of all workers in all the mills. The number of days worked in August 1923 is 26 and in July 1926 also 27. If it is wanted to find out what the earning would be for a full time month it would be necessary to divide the figures in the last column by the figure in the fourth column.

MR. SAKLATVALA :—Our standardisation scheme fixes wages on the basis of a month of 26 days.

MR. JOSHI :—Where is it mentioned that the figures in the last column are for 27 days in the 1923 report.

MR. MEHRBAN :—It is stated on page 7, paragraph 13 of the report of the 1923 enquiry.

MR. KAMAT :—To obviate all complications, would it not be more convenient to fix the rate on the daily wage basis ?

MR. SAKLATVALA :—As it is so many rupees plus a percentage, we will again have to divide it by 26.

MR. KAMAT :—We shall come to the allowance and other things later on.

MR. STONES :—Allowance is included in this. Our compilations include allowances in all cases. 70 per cent. and 80 per cent. was paid in 1923 ; it has been paid in 1926, and it is being paid now.

MR. KAMAT :—That we can consider later on. Instead of having a basis of monthly wages, if you can come to an average of the daily wage, it is much easier to calculate.

MR. STONES :—As a matter of fact, it would be much better if we could all of us work out the daily wage average for each occupation in 1923 and 1926 and our own muster. You could tabulate it then. But our figures are vitiated by the fact that we have worked on the basis of 26 day a month in the 1923 list, whereas it was 27, so that it will be sitting down and compiling a new set of figures, giving the millowners' standard rate rates for 1923 and 1927 for each occupation.

MR. SAKLATVALA :—We can give the figures of daily rates.

MR. STONES :—My figures are for 27 days. It merely means bringing down the Labour office list to a daily wage basis, column 2 of the 1923 enquiry and column 4 of the 1926 enquiry, and bringing the millowners' list to a daily basis.

MR. JOSHI :—Of course, they do not give fractions of pies.

MR. KHAREGHAT :—You will have to go into fractions of pies now.

MR. DANGE :—In this question of number of days working in a month, the point is, if you fix Rs. 18/- plus 70 per cent. for a month, if the month is 26 days, you still pay Rs. 18 plus 70 per cent., but if the number of days in the month is 27, you do not add one day's wage to it.

MR. STONES :—In one of our mills we paid on the basis of 26 days a month, and we added one day for the 27th day, and deducted one day if it was 25 days. In another mill they take it as the month, whether it is 27 days or 26 days. The Committee will have to decide the correct way of calculation.

MR. DANGE :—What they want to show is that the wages in 1923 and 1927 are comparatively the same.

MR. STONES :—These figures will be vitiated by the fact I have mentioned.

MR. DANGE :—They may be vitiated, but there are the absentees.

MR. STONES :—The average wage would be lower for 27 days a month than for 25 days a month, if the mill pays on monthly basis.

MR. JOSHI :—The payment for 27 days or 25 days will have to be put down.

MR. STONES :—Absolutely. We shall have to say it is 26 days' pay, and if it is 27 we pay  $1/23$ ths more.

MR. ASAVALA :—It must be stated in the statement that the daily wage has been paid.

MR. STONES :—There is no objection to the Committee ruling that in this list we might put down Rs. 18 plus 70 per cent., Rs.  $11\frac{1}{2}$  plus 70 per cent., and so on.

THE CHAIRMAN :—It would be much better if both of you could agree. You can consider that point, and let us know later on. At any rate, for purposes of comparison, it would be much better to have a daily rate.

MR. STONES :—Daily wage as shown in the 1923 list, in the 1926 list, and translated into daily wages as given here. Will have those figures to-morrow. In the meantime, we might go on with the present ones. In the case of Nowganies, we pay Rs. 18/- which is a little more than the wage prevailing previously. In the case of bale-stackers, we pay Rs. 2/- more than the Nowganies.

THE CHAIRMAN :—Does that agree with what they are paid at present?

MR. STONES :—They are not included in the other list. The work is usually done by contract. We found only in one mill that they had

employed bale-stackers. It is not of very much importance. This was discussed in the sub-committee, but none of the members there had this system in vogue. It was only when we went out to the mills, that we found one particular mill had bale-stackers, and we decided on Rs. 2/- more for them than for the Nowganies.

MR. DANGE :—The contractor engages the bale-stackers, and we have nothing to do with what he pays them.

MR. STONES :—We found them in this particular mill, and therefore we have provided for it.

MR. DANGE :—Can you tell us what payment is made by the mills ?

MR. STONES :—We went into the question, and found they were getting anywhere from Rs. 28/- to Rs. 32/-, and if it was the slack season and plenty of labour was available, they were squeezing them down below that. They take advantage of the labour market, and we could not get any really good and reliable information. When we called for the information, on that particular day they were paying remarkably low wages, but it was not fair to take that as the average, because there was a surplus of labour, and the wages had gone down.

MR. JOSHI :—Did you give the total number of Nowganies working in 1923 and 1926 ?

MR. STONES :—I have not got the figures by me.

MR. ASVALE :—We want to know whether the number has decreased or increased.

MR. STONES :—We could not get it, because in the list that is before the Committee, there may not be the same mills that we had in this list in 1923. In the 1923 list, you have got every mill in Bombay. The Millowners' Association's list does not include every mill in Bombay; 4 or 5 are not members of the Association. If you take our list and the number of Nowganies, it would not be the same as the 1923 list; the two lists are not prepared on the same basis.

MR. ASVALE :—The question is whether the number has increased or not.

MR. STONES :—We could not give you that; its compilation is impossible.

MR. ASVALE :—Have you no record to show whether the Nowganies' work has increased?

MR. STONES :—We have not worried about it. The number will vary according to the position of the godowns. In our group of mills, in one

particular mill, the cotton godown and the mixing room are just opposite, and you can just roll the bales across. In another case, I have to bring it round to the mills by means of a railway trolley; I have a railway line laid to the mills. So that, you have to adjust it to conditions relating to each mill. We fix the rate and the numbers will depend on the amount of work to be done.

**THE CHAIRMAN** :—It is not proposed to reduce the number ?

**MR. STONES** :—There is not definite proposition to reduce numbers. The mill has got to keep enough number of men to keep it going. Actually men are employed, in lieu of Nowganies at Rs. 16/- plus 70 per cent.

In some mills the system of mixing spreaders is used, for conveying the bales, breaking the bales open, and doing this kind of work. This is where there is not such a tremendous amount of lifting or heavy work.

**MR. DANGE** :—The mixing spreader does the same job as the Nowgany.

**MR. STONES** :—He does not do the same job as the Nowgany; he is doing much lighter work. A Nowgany is used where the mill has to bring bales some distance, and you want a stronger man than in a case where the bales are on site. In some of our cotton mills the cotton is stocked right adjacent to the mixing rooms.

**MR. KHAREGHAT** :—These men do not occur in the 1923 and 1926 lists of the Labour Department; it is something new ?

**MR. STONES** :—Yes.

**MR. DANGE** :—If the list is a representative list, and if 19 mills are supposed to be representative, I think at least one of them ought to have this system.

**THE CHAIRMAN** :—You cannot expect it, simply because one or two mills employ these men.

**MR. SAKLATVALA** :—They are represented in the list of the mixing Department.

**MR. MEHRBAN (Secretary)** :—In the 1923 enquiry there was very great trouble in finding out what exactly each occupation was doing. This time in the 1926 enquiry, when we received returns, we first classified the list of occupations that were returned by each mill and we found that the mills had given us some 1,000 or 1,200 different occupations. We made a tabulation of these occupations and sent them to the Millowners' Association. The Millowners' Association appointed a small sub-committee consisting of Mr. Taylor of Messrs. James Finlay & Co. and Mr. Maloney. They went through our list. Here is one department for instant, the ring spinning department, in our tabu-

lated list, we had 61 occupations, the Millowners' Association thought that it would be alright if all these occupations were grouped under 9 different heads such as head jobbers, assistant line jobbers, doffer jobbers, etc., etc. So it is not always possible to make a comparison with 1923 figures and the 1926 figures because several designations that were included in the 1923 census have gone into "others" in the 1926 census.

MR. KAMAT :—Have you worked out what this Rs. 15/- plus 70 per cent. means?

MR. STONES :—It is Rs. 25-8-0 per month of 26 days.

MR. DANGE :—Does it include mixing spreaders in the 1927 list?

MR. STONES :—The Labour Office can tell you that.

THE CHAIRMAN :—It is impossible to draw exact deductions from these figures.

MR. STONES :—The difficulty arises from the different ways in which the designations are given in the different mills for practically one and the same occupation.

MR. DANGE :—As wages of 150,000 workers are concerned greater care ought to have been shown in this matter.

THE CHAIRMAN :—We are not necessarily tied down to any of these, Mr. Dange.

MR. JOSHI :—What are the actual figures of the millowners?

MR. STONES :—We have such a mass of figures that we would ask for some help from the labour leaders to give us the exact information from mills.

MR. JOSHI :—That is not what we said. If you give us figures, we shall certainly be able to check them and the results are likely to be more reliable.

MR. STONES :—The figures are here if you want them.

MR. JOSHI :—Unless you give us figures for all these different classes of workers, we cannot take out an average.

MR. STONES :—In any case we have based these figures on this enquiry figures.

MR. JOSHI :—The enquiry figures were not made available till we received these books and that only in certain groups.

MR. STONES :—The 1926 enquiry related to 19 mills selected with care. They show variation from our list. We do not insist that this list is exactly the same as the 1926 enquiry.



MR. DANGE:—Here in this case also the amount of work could have been found. There is a certain number of bales, a certain number of Nowganies and a certain number of mixing spreaders. They are now bringing down the figures to a certain number and still consuming the same number of bales. We can from that find out whether the correct figure has been shown.

THE CHAIRMAN :—There is no proposal before us to reduce the numbers.

MR. DANGE :—The question is whether the wage for the amount of work is reasonable or not.

THE CHAIRMAN :—I mean we cannot have it too elaborately. In every trade you know wages are fixed on the manner and the amount of work that is done.

MR. DANGE :—This is not the ordinary amount of work that is to be done.

MR. JOSHI :—This is a case in which by mentioning the average number of bales consumed, we could also put down the average number of Nowganies except for the element of distance. The element of distance makes a difference.

MR. STONES :—We have not made any specific proposal that we propose to reduce the number of men to a particular extent. The mill will adjust itself to the counts being spun. If they go finer, they will use less bales and therefore will have less men. Most of these mills have only one bale-breaker. If that stops, it means stoppage of work.

MR. DANGE :—From that we would have been able to find out how many men would be affected or displaced by the operation of the standard scheme.

MR. STONES :—We have not put down the number of men. This was one difficulty raised by the millowners' the impossibility of fixing an absolute standard for every mill. In some places the mixing room is adjacent to the cotton godown, in others it is far away. In many cases you will find we have said that the number will depend upon the lay out of the plans or on the distances.

MR. KAMAT :—As a general question. I was wondering whether you can work out on these different scales of wages, what it actually costs per day, and what the total comes for a month of 26 days. For instance, Rs. 15/- plus allowance I work out at Rs. 0-13-6 per day, Rs. 25-8-0 for the month. Can you work out similar figures?

MR. STONES :—That is what we have suggested. We have the 1923 enquiry average per day; we have the 1926 enquiry average per day. We will work this out, if you like.

**THE CHAIRMAN** :— We go on to muccadums for mixing.

**MR. STONES** :— In many cases Jobbers are being reduced. You will find that an attempt has been made to reduce jobbers both in numbers and in pay. In the old days the jobber was responsible for obtaining labour. It grew into a very vicious system and has been objected to by all sections of labour leaders. The jobber has undoubtedly been guilty of getting Dasturi and we are trying to break this system to our utmost capacity and we have in many cases reduced the jobber's wages and cut down their number as far as possible. The muccadum for mixing is one of the cases where we have reduced the wages.

**THE CHAIRMAN** :— Is it shown in the 1925 figures ?

**MR. STONES** :— Yes, Sir. Rs. 43-1-6 and Rs. 43-4-1 for 27 days.

**THE CHAIRMAN** :— You get about Rs. 35-12-0 for him. What does he do exactly ?

**MR. STONES** :— Chasing the men round, and keeping them up to their work.

**MR. DANGE** :— What is the average number of these muccadums for mixing in your industry ?

**MR. STONES** :— About 1 per mill, 103 for all mills.

**MR. DANGE** :— If you had been putting on less number of Nowganies because you were consuming less number of bales, the number of mixing muccadums also must have been reduced.

**MR. STONES** :— Usually there is one muccadum per mill. A very large mill like the Jacob Mill will have two.

**MR. DANGE** :— We require these figures for a special purpose and therefore we would like to have exact figures.

**MR. STONES** :— It is usual to have one muccadum to each mill.

**MR. DANGE** :— On this item of Muccadums, your industry would be saving something. We shall see how much you save on the spinning section also. You would be reducing the wage of the muccadums from Rs. 43/- for 27 days to Rs. 35-12 for 26 days.

**MR. STONES** :— We are trying to save something on the spinning section also. We have never claimed otherwise. We know we are giving higher wages and Mr. Saklatvala made that clear when he said that we are fixing a fair day's work for a fair day's pay.

**MR. DANGE** :— Mr. Saklatvala said that with the 7½ per cent reduction there would be a saving of about 14 lakhs, in the weaving section. We

desire that you must be able to do away with the loss of 7 lakhs and be able to make a greater profit. We want to tabulate the saving you are making on spinning and weaving so that we will know at the end of the enquiry where we stand.

MR. SAKLATVALA :—I will give you that figure. There are 80 mills. One muccadam for each. Saving of Rs. 6/- per mill. That means about Rs. 480/- saving.

THE CHAIRMAN :—We go on to lattice feeders.

MR. STONES :—The pay of a lattice feeder is put down at Rs. 19/- plus 70 per cent. In 1923 this would be labelled machine tenter and the same in the 1926 enquiry. Here we have increased his duties definitely by allocating one man two machines on the lattice feeder.

THE CHAIRMAN :—At present he looks after only one machine ?

MR. STONES :—Yes but he has a tremendous amount of spare time.

MR. KHAREGHAT :—What is his present pay ?

MR. STONES :—15 annas and 3 pies per day. In the 1926 enquiry he comes in at Rs. 1-2-11.

MR. STONES :—Another difficulty arises. In part 2 of the 1926 inquiry on page 1 the wage for the lattice feeder is put down as Rs. 1-2-11.

MR. KHAREGHAT :—Are the lattice feeders the same as machine tenters ?

MR. STONES :—It depends upon the lay out the mill. I think that machine tenters are the bale-breakers.

MR. DANGE :—What is the average wage you have put down for bale-breakers ?

MR. STONES :—Rs. 15/- plus 70 per cent.

We allow here two alternatives. We allow the old system to continue. On the next page you will find the wage for lattice feeders is put down as Rs. 14/- plus 70 per cent. In one case they mind one machine and in the other they mind two machines. This is the first department in a mill to begin with. We provide the alternative of increased wages and increased work. In the standardisation scheme, if a man minds one machine he will get Rs. 14 plus 70 per cent. If he minds two machines then he will get Rs. 15/- plus 70 per cent. There is ample scope for a man to attend two machines and he will get increased pay for a little more work.

MR. DANGE :—We can take up this question when we go into the details. We shall be taking evidence on this point. Comparing between 1926 and now you are reducing the wages for how many people ? What was the rate of wages for lattice feeders in 1926 ?

MR. STONES :—Re. 0-14-11 per day.

MR. JOSHI :—You say that you are not reducing the wages for the spinners. We shall show you example after example where you have reduced the wages.

MR. SAKLATVALA :—Our list is based on 26 days a month.

MR. JOSHI :—It is a matter for consideration by the committee.

MR. DANGE :—How many spindles for a lattice feeder ?

MR. STONES :—13,000 to 14,000.

MR. JOSHI :—You are quoting the figures for 1923 and 1926. Where are your present figures? Unless we compare the total number of people in 1923, 1926 and the number under the standardisation scheme we shall not be able to find out whether you have increased the work and reduced the number of men.

MR. STONES :—We say we have increased the work in places.

MR. JOSHI :—It is for the committee to find out where it has been increased.

THE CHAIRMAN :—There is only one feeder for one machine and there cannot be any increased work in it.

MR. DANGE :—If two machines are given to one man we will have to find out how much displacement of men there will be.

MR. STONES :—This can be found out if you go into the details.

MR. SAKLATVALA :—It is only optional. We do not know how many men will take up the option.

MR. JOSHI :—How many mills are there in Bombay where one man minds two machines ?

MR. STONES :—To the best of my knowledge this system obtains in the Sassoon group of mills, in Finlay group and possibly in the Kohinoor mills also.

MR. DANGE :—Was it formerly used in any of the mills ?

MR. STONES :—I do not think so.

MR. DANGE :—Some of the mills tried abandoned it.

MR. WATTS :—For my 14 mills I have not adopted it. But it is not impossible.

THE CHAIRMAN :—So far as these principles are concerned they are alternatives.

MR. JOSHI :—Alternative to the workers and not to the mills.

MR. SAKLATVALA :—In our mill we never tried it.

MR. DANGE :—You may give the option to the Spring Mills and they will at once decide that the workers must do it.

THE CHAIRMAN :—If the rules are not clear, it must be made clear.

MR. SAKLATVALA :—It is optional to the workers. It is why we deliberately put a high wage for two machines so that men may be tempted to take it up. In the other case the figure is 14.

MR. JOSHI :—The Millowners' Association gave the option to the Sassoon group and they have made it compulsory on all the mills of their group.

MR. STONES :—The Millowners' Association has nothing to do with it.

MR. DANGE :—You are a member of it.

MR. STONES :—That is a recommendation of the Tariff Board and the Association will not penalise us for adopting the recommendation.

MR. DANGE :—But you penalised the mills that introduced the hours working day.

MR. STONES :—The wages of the head jobbers and assistant jobbers have been varied to suit the number of lines in the blow room.

THE CHAIRMAN :—What is line ?

MR. WATTS :—In a line there is one exhaust generally and two intermediate and finisher scutchers.

MR. JOSHI :—We should go to a mill and see for ourselves the different sections. But those gentlemen do not like it.

MR. STONES :—No, Sir. I beg to differ.

THE CHAIRMAN :—We will see.

MR. KHAREGHAT :—There are three kinds of machines, the exhaust, the intermediate and the finisher; and the exhaust does for two lines ?

MR. STONES :—Yes. It is a team of five; one at the head and two and two below.

THE CHAIRMAN :—Are the jobbers' wages about the same as before or not ?

MR. STONES :—They are about the same.

The Chairman said that the committee would not work on the 10th November, and during the Divali holidays, 13th and 18th November.

The Committee adjourned till 11-15 A. M. on the 9th November 1928.

**EXHIBIT NO.****CONSOLIDATED STATEMENT OF PROFITS & LOSSES.****( Submitted by Mr. Saklatvala of the Bombay Millowners' Association. )**

Year.	Rupees.	Year.	Rupees.
1917...	3,14,00,946	1923...	1,28,13,117
1918...	2,35,79,682	1924...	2,42,77,106
1919...	6,74,43,641	1925...	2,87,64,573
1920...	10,46,80,322		6,58,54,796
1921...	8,81,49,765	1926...	1,95,40,908
1922...	3,57,98,890	1927...	7,36,309
Profit...	35,10,53,246		8,61,32,013
Loss....	8,61,32,013		

Net Profit... Rs. 26,49,21,233 During 11 years.

Rs. 2,40,00,000 per year on average

or

7% Capital invested in Land, Buildings and Machinery.

---

---

*Friday, 9th November 1928.*

---

---

The Committee met at 11-15 a.m., at the Secretariat, Bombay.

PRESENT :

THE CHAIRMAN.

MR. KHAREGHAT.

MR. KAMAT.

THE CHAIRMAN :—Do you want, Mr. Stones, to make any remarks about Mixing and Godown Employees, in the statement ?

MR. STONES :—This list that has been prepared is temporary, for to-day. We shall have a bigger list, with everything thoroughly checked and plenty of copies put in for Wednesday. The present one will permit us to carry on for the time being.

MR. JOSHI :—What about fractions of pies ?

MR. STONES :—They are omitted.

#### HEAD JOBBERS IN THE BLOW ROOM.

MR. STONES :—The old average 1923-26 is the average for different mills at varying rates of pay. Here the standard is on the basis of the number of lines attended to. This is 3-4-3 to 3-14-9. In 1923 and 1926 the figures for average wages are 3-10-9 and 3-8-8 for time workers and 4-0-4 and 4-2-8 respectively for piece workers. There are very few piece workers. We have stated in the preliminary note on the first page that the number and pay of head jobbers are indicated in the list as a guidance to members only.

MR. SAKLATVALA :—As regards jobbers, our own members pointed out that in many cases they are very old jobbers. They are convinced that they are being paid more, but they cannot reduce their old men immediately. That is why they were left untouched. In the scheme, the figures are for their guidance if later on they have to employ other jobbers in place of the old jobbers.

#### ASSISTANT JOBBERS.

MR. STONES :—On the standard list 1-15-4 to 2-9-10, time average being 1-13-4 and 1-12-10, piece workers 2-5-4 and 2-9-6. The number of piece workers is small. We do not provide for piece work on this particular basis. Some mills pay so much per 1,000 lbs. of cotton in the blow room. In this particular case, we do not think much good will be served by making piece-work standard instead of day wage. In the 1923 enquiry 80 workers were on time and 11 on piece.



THE CHAIRMAN :—Some mills go on piece work ?

MR. STONES :—We have made no provision for mills going on piece work on this particular basis. During the course of the enquiry, we found if it is 8 lines they would pay 40 plus 70 per cent., if it is 7 lines 35, and if it is 6 lines 30 with 70 per cent. in each case.

MR. JOSHI :—What is the total number of jobbers in the blow room in the whole industry ?

MR. STONES :—The number is 91 ; 80 on time and 11 on piece work (page 27 of the 1923 enquiry).

MR. JOSHI :—What is their present figure ?

MR. STONES :—Just about the same.

MR. DANGE :—What reduction would there be in the number of head jobbers ?

MR. SAKLATVALA :—We do not propose to touch the head jobbers at all. They do not come under the scheme.

#### EXHAUST AND BREAKER SCUTCHER MEN.

MR. STONES :—Here we have provided for 3 systems. We have provided the system as mentioned—exhaust and breaker scutcher men Rs. 21 plus 70 per cent., intermediate and finisher scutcher men Rs. 21 plus 70 per cent. At the foot of page 2 you will find exhaust and lap machines or breaker scutcher, intermediate and finishing scutchers 16 plus 70 per cent., and a third alternative, viz., exhaust and lap machines or breaker scutcher, intermediate and finisher scutcher, 2 men to 3 machines Rs. 18-8-0 plus 70 per cent.

MR. SAKLATVALA :—There are three alternatives. In one, one man minds 2 machines ; in the other, one man to one machine, and the third alternative in which 2 men mind 3 machines, that is  $1\frac{1}{2}$  machines each. In our own mills we sometimes ask two men to mind 3 machines, when there is repair work going on, and we do not employ at the present time extra men, but we have two men to look after 3 machines, and we do not pay anything extra. Here we have provided that where that occurs, the men should be paid Rs. 18-8-0 instead of Rs. 16.

MR. STONES :—I may mention that for quite a number of years in one of our own mills the men were minding 2 machines without any extra pay.

MR. DANGE :—Has this third system worked anywhere ?

MR. SAKLATVALA :—It is not worked as a system, but sometimes we have 2 men on 3 scutchers, not on all the lines, but where repair work is going on.

MR. DANGE :—In one of Mr. Stones's mills they have been working this rational system for the blow room. Could he furnish me with the percentage of labour turnover when working on this system?

MR. STONES :—I cannot now.

MR. DANGE :—By labour turnover, I specifically mean this, that in some systems when the work has doubled or increased, the man falls ill, or he cannot stand the wear and tear and therefore he leaves the service, and when the system cannot be worked, we always get a displacement of hands. That is the kind of labour turnover I want.

MR. STONES :—I will give you figures for comparison of labour turnover for 12 months on this and 12 months with the one line system.

MR. DANGE :—Can you work out the labour turnover for all the mills?

MR. SAKLATVALA :—We have not been working this as a regular system. Repair work is always going on, and then we do not employ extra men.

MR. ASVALE :—It should be borne in mind that the rise in wages is not in proportion to the increased work.

MR. SAKLATVALA :—Mr. Asavale has no idea of the nature of the work. All that the men have to do is to carry the lap and pass it on to the next machine when the lap is finished. It is not that both machines will exhaust the lap at the same time. A lap may take 5 to 6 minutes to finish, and the weight of the lap is between 30 and 33 lbs., and he has to carry that to the next machine.

MR. KAMAT :—What happens if two laps are finished at the same moment?

MR. SAKLATVALA :—The machines are automatic and they stop. The man will take the lap from one machine and then take it from the other. He has not to take it a long distance.

MR. DANGE :—Do you not insist that a certain number of laps should be taken by the man in a day?

MR. SAKLATVALA :—No.

MR. STONES :—The passing on of the lap will not take more than 5 to 7 seconds.

MR. JOSHI :—We will take a trial.

INTERMEDIATE AND FINISHER SCUTCHER MEN.

MR. STONES :—They have to do more or less the same kind of work as the exhaust and breaker scutcher men, and the same considerations hold good in both cases. The figures are Rs. 21 plus 70 per cent., Re. 1-0-8 and 1-5-11 per day on the standard list. Both have the three options.

MR. JOSHI :—May I suggest that wherever there is a change in the amount of work, Mr. Stones should give us the figures of men employed in all the mills, the total number in, say, March 1927. We are anxious to find out how many men will be displaced.

MR. SAKLATVALA :—We do not know how many men will exercise the option for the sake of higher pay. After it is put into force and has worked for a month or two, you can find out. How can we tell you how many men will be displaced ?

MR. JOSHI :—Give us figures for 1927 also so that we may be able to find out how many men will be displaced ?

MR. STONES :—The Labour Office may call for the figures because all of them are not our members.

THE CHAIRMAN :—Cannot the Association call for the figures ?

MR. STONES :—Mr. Joshi wants to find out how many men will be displaced under our scheme. So the figure will have to be worked out in each mill. We can call for the figures.

MR. DANGE :—We are discussing the standardisation scheme. If the figures of the total number of workers for 1927 are also supplied we can have an idea as to how many men will be displaced under the operation of the scheme.

MR. SAKLATVALA :—The whole thing is left to the option of the men. We cannot say how many men will be willing to do more work for increased wages. All we can do is to mention how many men we employ at present and what the present system is.

MR. DANGE :—They have got the records from all the mills regarding the various wages of the workers. We want the total number of men for each operation. What we have to consider is how many men will be displaced by one man minding two machines and so on. The figures have not been supplied to us.

MR. SAKLATVALA :—We will supply the total figures.

MR. STONES :—With regard to oilers there is practically no change from the 1923 rate.

MR. JOSHI :—We want to know the total number of men.

MR. STONES :—We have not got the total number of men.

THE CHAIRMAN :—This will not be a case where extra work will be done by men.

MR. DANGE :—They may employ 8 men for a blow room at present. Thinking that so many men are not necessary they may reduce it to one man. We have to find out how much the displacement of workmen will be and how much unemployed force will be created under the operation of the scheme.

That is one of the chief elements in the consideration of the scheme.

MR. STONES :—The total for all the mills is 73.

MR. SAKLATVALA :—We generally have one oiler for the blow room. If it is big we employ two oilers. We cannot possibly reduce that number.

MR. DANGE :—If you fix the number here, then some mills employing more men may take advantage of this and reduce the number of men.

MR. STONES :—Possibly the net result will be a reduction of 10 men.

MR. KHAREGHAT :—Is it one of the duties of the intermediate and finisher scutcher men to oil the machines or are they going to replace the oilers ?

MR. STONES :—The duty of the oilers is to bring the oil from the godown, hand it to the jobber and take charge of the remaining oil.

MR. KHAREGHAT :—Do they do oiling ?

MR. SAKLATVALA :—They oil the main bearings of the machine. The machine tenters oil the essential parts which are running within their reach. They do not go and oil all the machines. The duty of the oilers is to oil the main parts.

MR. STONES :—Then, sir, bardan pickers—

THE CHAIRMAN :—Who are bardan pickers ?

MR. STONES :—Bardan pickers' work is of the nature of sweepers. Elderly women as a rule sit down and pick up cotton stuck up on the wrappers of cotton bales. They sit down in the machine room and pick up the cotton which is utilised afterwards. It is almost invariably done by elderly people. The wages are the same as those of the sweepers.

THE CHAIRMAN :—The sweepers sweep the waste ?

MR. STONES :—They sweep all the waste and we have waste pickers, who sort it out.

MR. KAMAT :—The wages are Rs. 13-8-0 plus 70 per cent. per month. These are old men ?

MR. SAKLATVALA :—There are very few men. They are almost invariably women.

MR. DANGE :—What are the wages ?

MR. STONES :—The wages of women sweepers are 8 as. 4 ps. for the daily average earnings in 1923 and we have now put it as 11 as. These are sweepers as well as bardan pickers. Our rate is 11 as. and the old rate is 8 as. 4 ps. We have increased the wages.

MR. DANGE :—Can you get an idea as to the number of sweepers ?

MR. STONES :—On page 40 of the 1923 Report you will find that the number is put down as 1,544.

MR. SAKLATVALA :—There is no proposal of reduction. Why do you raise that point ?

MR. JOSHI :—If the work done by men and women is the same why should you keep a difference in the wages ?

MR. SAKLATVALA :—In some mills we have got women working as side boys. We pay them the same wages as men. For this particular kind of work we employ women. When we employ men and women for the same kind of work we make no distinction in wages.

MR. STONES :—The Association does not recommend females for employment in machines because of risks and accidents. That is our general policy. We put men where the work is of a harder nature and might possibly be of a dangerous nature. We employ women in other sections. I shall explain this when we visit mills. This is our general policy.

MR. DANGE :—If we are to discuss the general policy we will have to go into the question of women workers employed in certain sections. From a comparison of the 1923 and 1926 statistics we find that the proportion of women workers has increased, because they have been paid low wages.

MR. JOSHI :—This is a point which has to be considered—the difference between the wages of male workers and female workers.

THE CHAIRMAN :—It is outside the question before the committee.

MR. STONES :—As regards Dropping Carriers they are to remove all droppings and fly and other wastes from blow room to willow. In the process of cleaning the dirt falls by gravity and the aid of suction of air. The carriers remove the cotton after it is cleaned to the willow.

MR. DANGE :—Are there droppers in all the mills ?

SIR MANAMOHANDAS RAMJI :—It depends upon the lay-out of the mill. If the distance is short there is no need to employ carriers.

MR. DANGE :—Do you ask machine tenters to carry the droppings ?

MR. SAKLATVALA :—This is all a question of the location of the machine.

MR. DANGE :—In the 1923 report on page 27, there is a section of coolies employed in the blow room and the number is given as 266. Perhaps under the standardisation scheme these men have been dropped.

MR. SAKLATVALA :—In the standardisation scheme we have to take every man by his designation and define his duties. As regards the 1923 report, we have lumped them together. So it is not that we have dropped the men. In the 1926 report they are lumped together and shown as ' others.'

MR. MEHRBAN :—They are all grouped together under "miscellaneous occupations common to all departments" on page 10 of the 1926 report.

MR. JOSHI :—Unless you are prepared to put down the total number of men in each section it will not be possible to find out whether there is a reduction or not. We cannot find out whether these coolies are to be dropped.

MR. STONES :—These coolies are shown in the blow room miscellaneous section. There are coolies employed for the purpose of carrying laps from machine to machine. There are coolies at the weighing machine.

MR. SAKLATVALA :—There is no proposal to reduce them.

MR. JOSHI :—Let the matter be investigated.

MR. SAKLATVALA :—We have submitted a complete list. This list we got down from our members. There is nothing to hide in it.

MR. DANGE :—Some mills have not got blow-room coolies lumped under 'miscellaneous.'

MR. ASAVALE :—In 1923, a mochi was paid an average rate of Rs. 1-1-4. If all these are taken together as coolies, the poor mochis will suffer enormously.

THE CHAIRMAN :—They are shown separately both in 1923 and in 1926.

MR. SAKLATVALA :—In the blow-room we do not employ mochis. In the 1923 enquiry there are 13 mochis. There is not much work or even enough work for mochis in the blow-room.

MR. DANGE :—They have the qualifying clause "where these men are kept" here also. In some mills they are employed and in others they are not. Similarly, if they leave it open to each mill to employ mochis wherever they like, they must show them separately wherever they are kept.

THE CHAIRMAN :—Are there mochis employed in the blow room?

MR. SAKLATVALA :—No, sir, as there is not enough work for them. On page 21 of the Amended List they appear in a subsequent process in the spinning section, viz., carpenter, mochi, wrapping boy, roller coverers, rope splicer.

MR. DANGE :—Uptil now the fitters have been distributed according to sections, a spinning-room fitter was asked to work in a spinning room, a frame roving fitter in the roving department. They are now altering the system of employing fitters by sending them to work anywhere they like. That causes a reduction of hands amongst mochis and fitters. That is why they are lumped up together per mill and not per department.

MR. JOSHI :—For that reason I have been suggesting that they should give us the total number. If they do that, our doubts will be removed, which cannot be done unless we know the total number of mochis previously employed and to be employed hereafter.

MR. STONES :—The list shows the figure for 1923. On page 21 mochi is shown at Rs. 18 plus 70 per cent.—2 per 400-45,000 spindles of the spinning room. That means they know how many spindles are in each mill and how many mochis they have. Add that total up and check it with 1923 muster.

THE CHAIRMAN :—This is a point which will be taken up, Mr. Joshi. We now go on from the wages of Dropping Carriers to Lattice Feeders.

MR. DANGE :—The machine fitters and repairers are also to be dropped from the Blow Room section.

MR. SAKLATVALA :—Page 21 gives fitters. There is a remark at the foot of the page :—

“ In view of varying nature and conditions of machinery at different mills it is suggested that the number of men employed on Line Levelling Staff be left to the discretion of the management concerned. The above rates are given as an indication.”

MR. STONES :—We are not driving them out, in fact we cannot run the mills without them.

MR. DANGE :—As regards page 21, I would like to know why in the ring department specially a fitter has been mentioned? If this general section on page 21 is to embrace all departments, then in the ring section they mention one ring fitter for 40,000 spindles. Then again on page 8, when they take the ring section they mention a fitter at Rs. 50 plus 70 per cent.—one per 60,000 spindles.

MR. SAKLATVALA :—This is for line levelling staff and the other is for general work.

MR. STONES :—Suppose a certain small part of a machine breaks. We do not strip the whole machine and level it up from beginning to end. We have a fitter who attends to minor repairs. Then we have a line levelling staff to go through the machines as a regular routine process. That is why it is shown separately.

MR. DANGE :—Similarly with blow-room waste. The general line levelling will embrace all machinery. Apart from that, there is blow-room steam machine repairer and fitter. That class was mentioned in 1923 enquiry but it has been dropped now.

THE CHAIRMAN :—If you can produce evidence that there has been any change in any mill, we will consider it. The tabulation made in 1926 was probably not on the same system that was employed in 1923.

MR. DANGE :—It is not only a question of tabulation, sir.



THE CHAIRMAN :—You are probably relying on the 1923 musters and saying that there was a special man, a fitter, employed in a blow room in 1923. That is an assumption which is denied by the other side. If you can, however, produce evidence, we will consider it.

MR. JOSHI :—Therefore, I again emphasize the point that when they give us classified information, they should keep one column for total number of persons employed ; otherwise, this quarrel will remain everywhere.

THE CHAIRMAN :—It is not our province to go into the question whether there has been any change in the number of men employed.

MR. JOSHI :—I do not say there will be any change ; otherwise, the comparison with 1923 becomes difficult.

MR. STONES :—This is a standard list covering an individual mill. An individual mill prepares its muster according to the planning of the machines and the number of spindles. We leave very wide limits where we find it difficult even to allocate spindles. As a guidance we have given so many men per thousand spindles. We protect ourselves by the footnote which leaves discretion to individual management. There are many things in which it is impossible to define exactly the number of men. One man may have a machine made in 1874, another a new machine. We want to give a general scale to members. The individual muster is prepared by the mill according to these terms and on these lines.

MR. SAKLATVALA :—Wherever there is a proposal for reduction, we definitely mention it.

MR. DANGE :—We have to go into the question of the number of men on the musters.

THE CHAIRMAN :—We do not think you can call on the other side to take that trouble.

MR. KHAREGHAT :—You can advance that point later on.

THE CHAIRMAN :—We go on to “blow room : miscellaneous.” What are the top men ?

MR. STONES :—These are auxiliary machine men who, as before mentioned, are lumped together under coolies. Some mills do not have some of these machines at all. A Bonda or Roller is a man who is employed in the spinning room. A thread breaks. It is wrapped round a roller. These are collected afterwards and there are threads inside that roller. We take these along and put them in machines which extract the threads so that they

can use the cotton over again in our process. It is a small machine. All these machines are in the nature of those where "coolies" are employed.

MR. KHAREGHAT :—Are they mentioned in a previous list anywhere ?

MR. SAKLATVALA :—They are shown as thread extractors. In 1923 the figure was as. 14-10 and in 1926 it was as. 15-4.

THE CHAIRMAN :—You show that as a coolie.

MR. STONES :—That is why there is this irregularity. In one case we have a bit lower, in another a bit higher.

THE SECRETARY :—Bondas have been classified under 'roving waste opener' in the Blow Room in the 1926 enquiry.

THE CHAIRMAN :—That makes as. 14-6 per day. We go on to Hard Waste Breaker.

MR. STONES :—A hard waste breaker is a machine in which we reverse the order of spinning. We take the thread waste and break it back into the cotton. We turn it to pieces, make it into cotton and spin it again. This machine is not to be found in many mills.

THE CHAIRMAN :—You pay here about the same.

MR. DANGE :—What do the mills that employ these machines pay their men ? The hard waste comes under the designation "breakers" but they are classified under the feeders in the blowroom.

THE CHAIRMAN :—You mean in 1926 ?

MR. DANGE :—Yes, sir.

MR. STONES :—A roving end machine breaks up the waste made in an intermediate process before the twist has been fed to the yarn. This is necessarily a much easier machine. It is a small machine. There are two kinds, one with 6 cylinders—single and double cylinders. It is a much smaller machine and a much safer one. Material is fed to the machine.

MR. DANGE :—If this system prevails in a small number of mills, you might give us a comparative standard showing what they were paying formerly and what they propose to pay now. I see the remark "2 men per machine ; where 2 or more machines are conveniently situated, three men can easily manage, one to feed, one to bag broken waste and one to carry." There should be little difficulty in giving us a comparative statement.

MR. SAKLATVALA :—There is no proposal to reduce as far as the number of men is concerned. As regards the rates of wages, we have not reduced them in the present average and that can be verified, from the statement we have given you, sir. We will work out an average and supply the average.

THE CHAIRMAN :—You will give some figures to the other side?

MR. SAKLATVALA :—Yes, sir.

THE CHAIRMAN :—What about willow men?

MR. STONES :—The willow cleans the dropping that I spoke to you of, coming through the scutcher. It is collected on a dropping carrier. The droppings go to the willow. The willow machine is the machine into which we dump these droppings. It takes out the dirt and leaves a small amount of good cotton that falls through with the dirt behind. That we spin up again as there is good demand for it.

THE CHAIRMAN :—These men look after that machine—willow machine?

MR. STONES :—It separates good cotton from the dust and dirt.

MR. DANGE :—Are not some coolies employed to remove this dust and dirt?

MR. STONES :—The remark column in the amended list (page 3) shows that there is one man to feed, one to bag and one to carry.

MR. ASAVALE :—I want to ask, when the hard waste breaker and the roving end breaker do the same kind of work, the latter should get 8 annas less per month.

MR. STONES :—The hard waste breaker's job is more difficult, and if the Committee will examine the two machines I think there will be no doubt in their minds about it.

THE CHAIRMAN :—Bring that point to our notice, when we visit the mills, Mr. Asavale.

#### FLUE CLEANING.

MR. STONES :—I wish to point out that some of the dirt falls down into a small chamber below the machines where it is drawn away. There is also a tremendous draught of air, which takes away the dirt, and it falls to a cellar below the blow room, known as the dust chamber. This dust chamber has flues running through the chimney. Some of the heavy dirt settles into

these flues or cellar. Cleaning is only periodical employment. It is not standardised at all, as it is not worth standardising, and that is why it is left out. We pay them the same rate that we pay now. That does not come into the scheme.

MR. DANGE :—On that basis, they may drop out classes of workers, and their number may be 6,000. We have to insist that these men's wages should be fixed.

MR. STONES :—This particular employment is mostly employment which is given to employees of the mill who are working there regularly. There is no regular staff of men who clean it. It is an extra perquisite allowed to the men who wish to do the work, and is done on Sundays or stop days ; it is not in the nature of regular employment at all. We have got to clean our flues, but we cannot keep permanent men to do fortnightly or monthly cleaning.

#### CARD ROOM.

##### *Head Jobber.*

THE CHAIRMAN :—The head jobber here is the same as in the previous cases ?

MR. STONES :—Yes. This is given for guidance. We propose an average of 4-9-2 against 4-8-2 and 4-6-2 for time workers and 4-7-0 and 4-6-11 for piece workers, and we have provided 100 to 120 cards per man. The number of cards varies between mill and mill. They have 8 to 10 cards per preparation. The addition of 20 more cards does not make much difference in his work.

##### *Assistant Jobber.*

MR. STONES :—The rate is Rs. 35 plus 70 per cent. ; we propose 2-4-7, against 2-1-10, 2-3-9 for time and 2-9-1 and 2-9-0 for piece work ; in the 1926 enquiry there were 52 on time and 31 on piece work. Here again we have allowed 54 to 60 cards, roughly 6 preparations.

MR. DANGE :—Here, we would like to know on an average how many cards the assistant jobber was doing formerly, and we would also like to know by giving him 54 to 60 cards how many would be reduced from the industry.

MR. STONES :—We will have to work it out.

MR. ASVALE :—Up to now it was 50 cards, and they want to increase it to 54 to 60 cards. Their intention is to reduce some of these assistant jobbers.

MR. STONES :—These assistant jobbers and grinders and strippers have to do about 2 cards a day. If the assistant jobber has 4 more cards, that is not a tremendous increase in the work. At the same time, it is roughly what is existing in the industry now, that is, about 2 cards per day.

MR. SAKLATVALA :—If he works for 26 days in the month, he can easily finish 54 to 60 cards in that time.

MR. DANGE :—If you were to get the total number of cards in the industry, we would be in a position to find out what the effect would be.

*Grinders and Strippers.*

MR. STONES :—We propose Rs. 16-8-0 plus 70 per cent. ; Re. 1-1-3 per day for both classes of work ; the old rate is Re. 1-1-2 and Re. 1-0-5 for Grinders and Re. 0-15-10 and Re 1-0-1 for Strippers.

MR. ASAVALE :—In this also there is a dispute on account of the increase of work.

MR. DANGE :—The number of carding machines allotted to these workers has been increased, and even if the wage appears to have been fixed at the same level, it is a decrease because more work is required to be done. The comparative standard is not given, because the basis of comparison is not there.

MR. SAKLATVALA :—We will give you the figures.

MR. DANGE :—In the last column I think it must be one pair for 20 to 24 cards.

MR. SAKLATVALA :—That is so.

*Fly Gatherers.*

MR. STONES :—The duty of these people is to collect and remove the fly, that is the waste that is rejected by the card and carry it away to the willow room. We use that again.

MR. DANGE :—Here, do they propose to reduce the number ?

MR. SAKLATVALA :—We do not propose to reduce the number.

MR. STONES :—For the number of men for each of these designations, we have gone on what can be considered a reasonable day's work. We have got the information from the men who are in charge of these workers, and we have consulted them.

MR. DANGE :—In this case also, the same thing should apply ; we should get the total number of machines and the number of men that were up till now working, and find out the average work they were doing. In fact, wherever the number of machines is fixed, there we should like to have the average that they were working formerly ; otherwise, a comparison of the wage cannot be done. We have to find out the number of men and the number of machines also.

MR. SAKLATVALA :—We will give you the total number of cards in Bombay.

*Lap Carriers.*

MR. STONES :—Here the rate is Re. 0-15-8 as compared with 13 as. 7 pies and 14 as. 1 pie. I presume the same contention, from the point of view of labour, applies here as in the previous case. But we maintain that one lap carrier can easily attend to 27 to 30 cards.

MR. SAKLATVALA :—We will give the figures.

MR. ASVALE :—The cards given to the lap carriers before were less than the proposed number. That increases the work.

MR. STONES :—In any case, we maintain that this is reasonable work.

*Card Tenters or Can Boys.*

MR. STONES :—This class was paid at the same rate as that of the sweeper, and it is regarded as the same class of work. We raised our sweepers' pay by 8 annas, and we have adjusted the pay of these workers accordingly. Many of these can boys are women ; it is very light work.

MR. DANGE :—In the case of card tenters, the wage given in the 1926 list comes to Rs. 23-9-4.

MR. STONES :—The figure of Rs. 13-8-0 works out the same as for the sweepers on page 1.

MR. DANGE :—In this case also, our previous contention would apply.

MR. STONES :—This can be carried to a ridiculous basis. As regards the nature and amount of work, we propose to lead evidence that it can be done, in fact in most mills it is done. By virtue of neglect, if it is not done in one mill, that is no reason why the industry should be maintained on that basis.

MR. ASVALE :—On page 2 of the 1926 report, it is stated that the can carriers were paid by piecework and were getting more pay. That has now been totally abolished, and it has been brought down to the lowest level, namely Rs. 13-8-0. The number of pieceworkers then were 93 and time workers only 73. There is a large reduction.

MR. STONES :—On page 9, section B, 1926 figures, in the Card room, you will see Can carriers, time, 61, at Re. 0-11-5 per day. All those employees were women.

MR. DANGE :—It should be noted that there were no women can carriers in 1923.

MR. STONES :—I know of no difference between can carriers and card tenters. The weight to be carried is just the same for 7 cards as for 9 cards.

MR. JOSHI :—One to each preparation may be equivalent to the piecework done for Re. 1-6-0 per day.

MR. STONES :—I am not acquainted with that particular case. We have no piecework for card tenters.

MR. DANGE :—When these 19 representative mills give such things, I do not know why you should not be aware of them.

MR. STONES :—I am aware that some people pay on piecework.

MR. JOSHI :—Supposing your one preparation is equivalent to the amount of work done for which Re. 1-6-0 is paid, your reduction is a big reduction.

MR. STONES :—It would be.

MR. JOSHI :—That is a point for investigation.

MR. STONES :—We will have to find out what the work done by these workers is.

MR. DANGE :—A card tenter and a can carrier are classified as one?

MR. STONES :—Yes.

MR. JOSHI :—In the case of sweepers, if they put down the amount of work as one for 40 or 50 cards, should they make a difference between men and women, when the amount of work is specified? I want to know whether there will be a difference between the wage of a man and a woman.

MR. STONES :—The women will be paid less than the men.

MR. JOSHI :—Why should you do it when the amount of work is specified ?

MR. SAKLATVALA :—The amount of work at present also is the same, whether it comes to exactly 40 or 50 cards or more or less. At present also there are women sweepers and men sweepers. At present the male sweepers get pay which is higher than the women sweepers' pay.

MR. JOSHI :—Where the amount of work is not specified, you might at least have some justification that the man does a little more work. When you specify that the amount of work to be done is so much, why should you make a difference ?

MR. SAKLATVALA :—At present also we make that difference. We give them the same work, whether it comes to 40 or 50 cards. At present also, in actual work, we are giving the women a little less, and we are following the same practice in our standardised scheme ; only, we have raised the wages.

THE CHAIRMAN :—Do the same considerations apply in this case as in the blow room ?

MR. STONES :—Yes.

MR. JOSHI :—The consideration is not the same, because in the blow room the work was not specified.

THE CHAIRMAN :—Here you put down a certain standard of work ?

MR. SAKLATVALA :—My point is this : the standard actually conforms to the present practice. If it is higher wages it is more for both ; if it is less, it is less for both. At present we pay more to the men, and in the standard also we propose to pay more to men than to women sweepers.

THE CHAIRMAN :—Are flat grinders the same as grinders ?

MR. STONES :—No. We will explain it when we visit the mill.

The wages for minding two machines is Re. 1-2-10 and the 1923 rate was Re. 1-1-2.

MR. DANGE :—The average for one man is reduced.

MR. SAKLATVALA :—In our written statement on page 10 we have said :

“ As far as the spinning section is concerned, there is no question of a cut in rates or wages. In fact from statistics it can be proved that the standardisation scheme in some instances gives a rise over previous wages.



Not only this, but in some instances still higher pay is offered to those operatives who are willing to put in a little more work. No operative is asked to do any more work than is actually being already done at some mills. If there will be any saving in the total wage bill it will be due entirely to reducing a certain number of supernumerary men. At the time when the whole industry is being re-organised it cannot be maintained that all past practices even though bad should be perpetuated. It is an admitted fact that we employ more men than our competitors—evidence will be led to prove this and it is time useless men were dispensed with. The right of employers to engage only the required number of operatives can scarcely be questioned."

MR. DANGE :—We want to make this point clear. You have to justify the statement that you have not reduced the wages and at the same time not increased the amount of work. Therefore we want statistics to investigate it on a scientific footing.

MR. SAKLATVALA :—Retrenchment will be in the spinning section. We find that a good number of useless men are being employed.

MR. DANGE :—You claim that they are useless men. But retrenchment may be due to giving more work for the men you keep.

MR. SAKLATVALA :—Others will have to do a little more.

MR. DANGE :—Supernumerary men will have to be defined later on. The term is faulty.

THE CHAIRMAN :—That will be one of the points to be considered whether the amount of work is reasonable.

MR. DANGE :—In the card room in 1923 there were men called roller carriers, mukadams, mochis, and so on.

MR. STONES :—In 1923 an old type of machine was used in all the mills when these employees were necessary. Now these machines have been replaced by a new type.

MR. DANGE :—In the 1926 report what is meant by "others"?

MR. MEHRBAN :—It includes spare men,—splicers, and hoistmen. It was to include mochis, oilers and carpenters but these have been grouped on page 9.

MR. JOSHI :—The number of spare men engaged before this scheme was started should be given to us.

MR. STONES :—If the question is raised we are willing to discuss it.

MR. MEHRBAN :—Speaking generally spare men have not been considered for the purposes of the census of 1921, 1923 and 1926, because when we make enquiries from mills we find that the system of spare men is by no means general. In the outlying mills, owing to the difficulty of getting labour they have a permanent number of hands on their muster according to a certain percentage, say  $7\frac{1}{2}$  or 10 per cent. These are put down as spare men in the spinning section and weaving section. When there are absentees these spare men are engaged from department to department. They get the wage a *budli* would have got. In some up-country mills they pay their spare men regularly and give them continuous work.

MR. SAKLATVALA :—The Tariff Board recommended that it would be better if the Bombay mills adopted this system. Whereas in Ahmedabad the absenteeism is 3 to 4 per cent. in Bombay it is from 10 to 12 per cent. Immediately after holidays and pay days it is even 20 per cent. Even if we employ 10 per cent. more men still that will not reduce absenteeism. Even these permanent spare men will absent themselves after pay days and holidays. So, it does not help us in reducing absenteeism as such.

(After Lunch.)

THE CHAIRMAN :—Mr. Stones, the detailed figures which you have supplied to us and on which the standardisation scheme is based are, we understand, confidential.

MR. STONES :—Yes, Sir.

THE CHAIRMAN :—Could you not consult the other members of your Association and find out if they have any objection to your making those figures available to the Labour representatives, as that would facilitate matters considerably?

MR. STONES :—I would certainly do so, Sir, on the understanding that the designations of the mills are to be kept as A, B, C, D and so on without mentioning the names of any mills.

MR. DANGE :—If the Millowners' Association do not insist on notice, I would like to bring up a point of dispute between one of the mills, the Standard Mill which is a member of the Association, and its workmen. One of the mills, which as a member of the Association was a party to the agreement, had two days back put up a notice of reduced rates in the weaving department. The weavers protested to the manager, and I believe some trouble took place, of which I have not got a complete history. But this morning, when the weavers went to work in response to our advice yesterday

that they should go to work, the management refused to take them in and there is something like a lock-out. I would therefore request the Millowners' Association to interfere and see that the lock-out is called off.

THE CHAIRMAN :—Has there been a breach of agreement in this case ?

MR. DANGE :—Yes, sir. When the management puts up a notice showing reduced rates which are not the rates of March 1927, it is a breach of the agreement.

MR. STONES :—The agent of this particular mill is not, though a party to the agreement, a member of the Committee of the Millowners' Association. I do not know of course whether there has been a breach of the agreement, but from the facts placed before us by Mr. Joshi and Mr. Dange, it would seem that there has been, but it is a matter for inquiry. We will, as an Association, take notice of the complaint made by Mr. Dange and write to that mill for full particulars and details so that we can draw their attention to the agreement. At present, I have not got official information of the trouble, but in any case we will do our best to get full information and place it before this Committee.

THE CHAIRMAN :—I think that is all that can be done at present.

MR. STONES :—In connection with that, sir, there is still one other complaint by another mill in which the other side has caused a breach of the agreement. This particular mill is on strike. It moved on to 40s, spinning finer counts. Therefore, there is a reduction in the number of employees on 40s as compared with the number on 20s. The question of men does not arise because the counts being spun are so much finer, but the mill is still on strike, and I would ask Mr. Joshi and Mr. Dange to collect detailed particulars for us. The name of the mill is the Mathradas Mill.

THE CHAIRMAN :—We go on to Drawing and Speed Frames.

#### HEAD JOBBERS.

MR. STONES :—The head jobber does not follow the standard list, as indicated in para. 5 of the Foreword—Notes appearing just before page 1 of the Amended list. The rate given here is Rs. 4-4-0. Time-work Rs. 4-2-1 and Rs. 3-7-5 ; piece-work Rs. 4-3-8 and Rs. 3-8-2.

THE CHAIRMAN :—He does not suffer under your proposal ?

MR. STONES :—No. In any case, he is not under this scheme. It is merely a suggestion for the employment of a new man.

The rates for an assistant jobber are Rs. 2-9-10, Rs. 2-1-1 and Rs. 2-15-9, in 1923 and 1926 and on piece-work Rs. 2-11-6, Rs. 3-6-7.

THE CHAIRMAN :—He gets a little less on the 1926 time rate ?

MR. STONES :—Yes, but that only included 19 mills. If you select certain mills, you will have a peak which is an absolute freak, either high or low, so that the 1926 average is perfectly all right for these mills. There is no question about that. For example: the jobber actually falls from Rs. 4-2-1 to Rs. 3-7-5 and on piece-work from Rs. 4-3-8 to Rs. 3-8-2, and so the assistant jobber increases.

MR. JOSHI :—You have increased the work here.

MR. STONES :—To what we consider reasonable. If you get these figures, it will be helpful to you. We, of course, will see whether the Committee will give us this information.

MR. DANGE :—Is it a case of reduction ?

MR. STONES :—Assistant jobber Rs. 2-9-10 on the Standard Scheme, Rs. 2-15-9 on the 1926 Census. There is a little reduction on the basis of 1926. As I pointed out, 1926 inquiry covered only 19 mills. Equally, there is an increase on the head jobber. It may be such a wide range of wages paid that in this case of assistant jobbers, it may be unduly high and unduly low in the case of jobbers.

MR. JOSHI :—There is a small reduction in the case of doffer jobber.

MR. STONES :—No. The rates are Re. 1-13-3, Re. 1-13-11, Re. 1-10-11. Piecework Re. 1-6-2, Rs. 2-4-3.

The Drawing and Speed Frame Department contains drawing frame, slubbing, intermediate and roving frames. In the official list, the term is Drawing and Speed Frame. The speed frame has slubbing, intermediate and roving frames. The doffer jobber goes under the heading of slubbing, intermediate and roving frames.

THE CHAIRMAN :—The number of men on the work of doffer jobbers ?

MR. STONES :—212 on time and 60 on piecework in 1923.

THE CHAIRMAN :—Have you any objection to continuing piecework or would you prefer that it should be discontinued ?

MR. STONES :—We prefer to discontinue piecework. We did contemplate the question of putting on increased work ultimately. For example, a definite recommendation of the Tariff Board Report is that they suggest piecework system for the spinning department. The whole aim will be ultimately to get as many men as possible on piecework. Standardisation itself is a violent upheaval and we do not want to complicate what has already got complicated, and if by mutual agreement with the operatives or by discussion with them, we can extend the piecework system, we propose to do so.

MR. DANGE :—Piecework system was tried by one of the mills and had to be withdrawn and we, on our part, certainly were opposed to the introduction of piecework system in the ring spinning and carding sections.

THE CHAIRMAN :—What is the main reason of your opposition, Mr. Dange ?

MR. DANGE :—My main reason first will be that, as Mr. Stones has already said, it will be a violent upheaval and secondly, the piecework system introduces more intense exploitation of the labourer than the time system.

MR. JOSHI :—The danger is that the moment the worker begins to work more intensively and begins to earn more, the rates are cut down, and it comes to be said that the worker is paid highly and so the rate is cut down.

MR. STONES :—That is when the worker begins to work more intensively ?

MR. JOSHI :—Suppose the piece rate is Re. 1-6-0 or that the time wage is Re. 1-13-0 for the doffer. If you introduce piece rate and when the wage becomes Rs. 2-6-0, you are likely to say “ Very well, now wages are high, everyone has begun to get Rs. 2-6-0, there is need for reduction of wages.”

THE CHAIRMAN :—That is what they do, I gather, in all cases where they have substituted piecework for time work as for instance in the engineering trade.

MR. JOSHI :—That is the general defect of piecework. And so long as there is no guarantee that the rates will not be reduced, the workers cannot accept piece rates. What happens in the weaving department always is this, that the weaver works rather harder, begins to work more and to earn more. The employer begins to find that the weaver has begun to earn more and then he begins to say that the rate is wrong and a smaller rate is introduced, and thus the weaver ultimately suffers.

MR. STONES :—I would point out, Sir, that the Amalgamated Society of Engineers, of which Mr. Bradley is a member, are themselves opposed to piecework but they have been compelled to adopt the same although in principle they are against the continuation of piecework system.

MR. DANGE :—Exactly, this question will become a general question almost, and we would later on like to go into it from the theoretical point of view in some of its aspects. We want to show why we prefer the time system to the piecework system to which we are generally opposed.

MR. STONES :—On the Millowners' side, I would point out that this is an excellent opportunity to study the effects of a general time system. Hanks have dropped from 10 to 7, 6 and 5. We are paying at present the equivalent of time rates on piecework, that is to say, the mills are advancing a definite sum. That sum has not, except in very rare cases, been earned by the operative. In other words, they have obtained a fixed wage without any question of the output, and it would interest you to note the results as they exist in the industry to-day as compared with the production that existed before the strike.

MR. JOSHI :—You are working under abnormal times.

MR. STONES :—I admit that. I claim that we are not in normal times, and it is abnormal from that point of view what is known as the ca'canny attitude of the operatives in the works to-day. Our side of the argument is that there are two sides to this argument and there is an excellent opportunity of testing it out by the present day conditions.

THE CHAIRMAN :—Doffer Jobbers.

MR. STONES :—Re. 1-13-3, Re. 1-13-11, and Re. 1-10-11, time work, and Re. 1-6-2 and Rs. 2-4-3 piecework.

Frame fitters :—Rs. 3-4-3, Rs. 3-7-7, Rs. 2-15-10, for time work and Rs. 3-7-5 for piece work.

These figures have been fixed with regard to the amount of the work done. The number of men employed is very small.

MR. DANGE :—We have not got a comparative standard with which to judge whether there is a reduction in wage or not.

MR. STONES :—There is a reduction in some cases, according to this list, and increase in others.

MR. KHAREGHAT :—Is this given in the Labour Office list for 1923 ?

MR. STONES :—I do not know how they have shown it. I believe the fitters and line levelling staff have been lumped together. They are machine fitters according to our list.

THE SECRETARY :—Page 9 of the list of occupations for 1926 has this information given on it.

MR. ASVALE :—According to the last column, no coolies are going to be allowed to the fitters. Were no coolies allowed before to help the fitters ?

MR. STONES :—The list shows :—Fitter (Frame), Rs. 50 plus 70 per cent. Repairs to machines. "No coolies to Fitter." As explained by me before, the frame fitter does only minor repairs and does not need the help of a cooly, whereas the line levelling staff fitter goes to the machine and overhauls it from top to bottom, puts in new parts, etc. wherever necessary. Some mills provide a cooly, others do not. In this particular case, we see no justification for a frame fitter to have coolies to help him. For line levelling, we do allow coolies because that work is heavy. Our Association considers that for small work no such help ought to be given and that is why we say "no coolies to fitter."

MR. JOSHI :—What is the total number that you have ?

MR. STONES :—61 ; roughly 1 per mill.

MR. DANGE :—What will be the displacement ?

MR. STONES :—It will be on the system.

MR. JOSHI :—The point that will have to be considered is as regards the amount of work.

MR. ASVALE :—The work of the fitter has increased.

MR. STONES :—The fitter is not the man who goes round taking down machines and putting them up. He is there for breakages, and when there is a breakage he has got to work hard ; when there is no breakage, he has very little to do. We contend that the frame fitter is quite capable of handling the job himself, and he has not much work to do. When a frame breaks down, the tenter on the machine gives him assistance.

MR. ASVALE :—Up to now, coolies were allowed.

MR. STONES :—Yes, for running errands, for bringing the master's food, and things like that.

MR. KAMAT :—In other trades the custom is to have a coolie for the fitter ?

MR. STONES :—It seems to have been the belief from the very beginning in the industry that this fitter is a person who has heavy work to do. But, he is the man who has to work on a bench. The fitter that has this privilege is the line levelling fitter ; he has to lift machines, and he has almost invariably 2 coolies.

*Drawing Tenter.*

MR. STONES :—The drawing tenter, the slubbing tenter, the intermediate tenter and the roving tenter. This is an entire revolution in the system of paying wages in Bombay. As I pointed out in the discussion I had yesterday, the usual system for a mill here is spinning, say, 3 hank roving. They usually fix a rate for that. If the cotton is bad, the twist yield is increased, more twist is put, and there is less production. Here, we provide for any variation that occurs in the ability to produce the material, and follow the English system in that respect. The amount of twist put into the roving is the controlling factor—one of the controlling factors I should say—in the amount of production. Previously the amount of twist varied, but the rate remained the same, and the worker was handicapped, or he got the benefit if a mill had very good mixing, and with less twist he could obtain more production.

THE CHAIRMAN :—What is the new scheme ?

MR. STONES :—Our scheme now is that we fix a definite wage per machine of a definite spindlage, and fix a reasonable efficiency that should be obtained from the various types of work done in Bombay, the coarser material obtaining less efficiency and the finer material obtaining more efficiency. The next page will show you the method by which that is adjusted.

MR. KHAREGHAT :—Is that the present method ?

MR. STONES :—It is the proposed method. Under the old method, the rate varied tremendously per hank, from 19.5 to 17.5 pies. We now pay a price per hank just the same, but that price varies as we limit or increase the capacity of the operative to obtain less or more work. We also provide for a varying range of spindles. If there are more spindles in the machine, the increased work is very small, but it does not increase in direct proportion to the number of spindles ; still, the work is there, so that we provide a wage on the basis of the slubbing. For example, it may be 72-76, 78-82, 84-86, 88-96 and 96-104.

MR. KHAREGHAT :—Where is the twist ?



MR. STONES :—The twist will be on the machine there. That varies with the mill. Each mill will have to work out its factor there for these machines. The speed of the machines is known. If you put the twist out of the twist wheel, you work out, at that speed, what the rate per hank will be. The speed is constant. The outturn from the rollers of the machines will vary with the twist. The speed is constant. If you want to put more twist into the yarn, you deliver less yarn, because the speed is a constant factor, the speed remaining the same all the time, the revolutions being fixed. The twist is a constant factor, unless you change the pulley of the machine. The number of turns per inch for the amount of yarn fed is governed by feeding less yarn if you want to put more twist, and feeding more yarn if you want to put less twist. In other words, your production increases, given the same speed of spindle, as you reduce your twist. So that, if we put less twist in, the mill gets the benefit, and if we put more twist in, the operative gets the benefit.

MR. SAKLATVALA :—Shall I explain, sir? The speed of the spindle remains the same. When we talk of the speed of the machine, it is the speed of the spindle. But there are rollers which deliver the material. If the rollers work slowly, the material delivered to the spindle is less, and hence there is more twist.

MR. STONES :—We give below there on page 7 three examples as to our latest calculation. Slubbing frame of 84 spindles working .56 hank slubbing on 20s warp. On 78 per cent. efficiency tenter should earn Rs. 38 per month. Calculated hanks per 10 hours is equal to 12.5. That is the absolute; it is a calculation you make from the machine itself. We calculate there what the production would be with the varying twists. We say on that particular type of work the operative should get 78 per cent. efficiency. 78 per cent. efficiency of 12.5 hanks is 9.75 hanks for a day of 10 hours.

This is on the lines of the basis worked out in England, adapted to this country by minor modifications.

MR. ASAVALE :—As regards the back tenter, he is paid only Rs. 13-8-0 plus 70 per cent., while the slubbing tenter is paid Rs. 38. He has to work as many spindles as the slubbing tenter, and I see no reason why he should be paid less; he has to work the whole day along with the other slubbing tenters.

MR. STONES :—The slubbing tenter is the operative in charge of the machine, and does the work. Slubbing is much heavier work than intermediate or roving frame. In fact, the amount of work decreases from this process: slubbing the most difficult, the intermediate being less difficult than the slubbing, but more difficult than the roving. In the English system,

with no exceptions, one tenter minds one slubbing frame, and with an excessive number of spindles he is given an assistant or back tenter. One worker will mind 2 intermediate frames and one worker will mind 2 roving frames as a general practice, but for learners provision is made for single machines. In the case of slubbing tenters, where there are above 96 spindles, the work becomes too heavy. But it is in existence in Bombay, and to-day you will find frames with more than 96 spindles which are not provided with back tenters. But we feel that a helper in the way of a learner or assistant should be provided as a back tenter where the number of spindles exceeds 96.

MR. STONES :—He is not doing any difficult work. He has to arrange the bobbins and assist the principal worker.

MR. DANGE :—Back tenters are not shown.

MR. STONES :—It is not general. I do not think they exist in any mills.

MR. DANGE :—In this the question will be what average efficiency they get on the slubbing frames of 84 spindles.

MR. SAKLATVALA :—The figures are being compiled.

MR. DANGE :—Till that time we have nothing to say. When we see the machine you will be able to explain to us.

MR. STONES :—Yes. The sub-committee feels that one roving tenter can mind two roving frames efficiently and satisfactorily on fine counts. We have made here a proviso :

In the case of mills working or proposing to work 2 rovings with one tenter, the earnings of the tenter from two machines to be as follows :—

5 to 7 hanks	..	Rs. 32 plus 30% = Rs. 42-0.
7·25 ,, 8	..	Rs. 32 plus 25% = Rs. 40-0.
Over 8	..	Rs. 32 plus 20% = Rs. 38-8.

As regards the question of efficiency figures have been called for. This is approximately the same rate that is allowed in England.

THE CHAIRMAN :—This sort of extra allowance ?

MR. STONES :—One man minding two machines should get twice the wages.

MR. JOSHI :—You have reduced the wages for over 8 hanks on two machines.

MR. SAKLATVALA :—When the China trade was booming and when we manufactured 4, 6, 8 and 10 counts of yarn our men became tired on these course counts, because it is very hard work. When we had 36 warp or 40 warp our men in the Swadeshi mills came to us and offered to work on two frames. When our manager comes here to give evidence he will tell you. They were pleased with the system and it has existed up to now. As a matter of fact we do not pay anything extra. Under the present system we propose to give increased rates.

MR. DANGE :—What is the average earning on each frame ?

MR. SAKLATVALA :—No question of earning. Whatever is their earning, we did not pay them extra. Under the present scheme we have to pay extra.

MR. DANGE :—The managers can be asked about it.

MR. ASVALE :—In the Swadeshi Mills, the workers on two frames have been complaining.

MR. SAKLATVALA :—It is because under the new system they get more. It may be that they are discontented now.

MR. DANGE :—We should like to know the average rovers on two roving frames and the number of spindles on the frame. Is it a fact that in the western countries they are running two rovings ?

MR. STONES :—Two rovings.

MR. DANGE :—My information is they do work on the system prevailing here.

MR. STONES :—No.

MR. SAKLATVALA :—In 1925 a man on roving frames found time to knot. Mr. Bakhle will tell you.

MR. STONES :—25 years ago in Calcutta men were minding two roving frames.

The wages for doffers were Re. 1-11-8 in 1926 whereas it was Re. 1-4-5 in 1923. The piecework rate was Re. 1-4-0 in 1923 and in 1926 it was Re. 1-4-8. In the 19 mills there are only 6 time workers and 815 pieceworkers. The others are increases.

From experience we have allocated 130 roving spindles to 2½ intermediate roving, etc. We allocate the doffer boys in proportion to the amount of doffing required. On the coarser we can provide more doffer boys and

decrease the doffer boys as the counts go finer. When we call for figures and if the figures are put forward, there may be probably a slight reduction in the number of doffer boys under this scheme compared to the old system.

MR. JOSHI :—There is a slight reduction in the wage also.

MR. STONES :—No. The rates are 12-6, 11-4, 12-1. Our contention is that when the industry was commenced here, practically all the spinning mills were on very coarse counts indeed. There has been a slow change into finer counts and, to my sorrow, we have to admit that we did not reduce the number of workpeople in proportion to the counts. We propose to do that to-day if it meets with the approval of the Committee. We have regulated the number of operatives to the amount of work to be done, in other words.

MR. JOSHI :—You are paying doffer boys even less than to sweepers.

MR. STONES :—They are doffer boys. They are youngsters who come into the business to learn. They are starting their careers. A sweeper is usually a person who continues on that wage all through his career.

MR. DANGE :—The doffer boy here does not signify any age or gender ?

MR. STONES :—That expression does not signify gender. We have, as doffer boys, women and mostly girls. The young boys who come in ultimately become roving tenters.

MR. DANGE :—If age is brought in as the ground for low wage, we would like to take the census of the age of those doffer boys who are now working.

MR. JOSHI :—He means beginners, Mr. Dange.

MR. STONES :—He must start at the bottom, as they do in England. He does not start as the works manager all at once.

MR. DANGE :—They do not pay Rs. 20 in England at the bottom.

MR. STONES :—You are right, but the conditions differ.

MR. ASVALE :—Taking into account that more spindles have to be attended to by the doffer boys under your scheme, don't you think that they must be paid according to the rates allowed to the sweepers ?

MR. JOSHI :—This will also come under our Minimum Wage Demand.

MR. STONES :—They get 12½ annas per day under this list. In the 1923 enquiry they got 11-4 and in 1926 they got 12-1. There is an increase of wage, but I am prepared to show that the amount of work to be done is not at all heavy. On pirns there is more doff, on finer yarn there is less doff. The doffer boys have to take the doff off the machines and in spinning this there is less doff and therefore less work.

THE CHAIRMAN :—They have more time than before to waste ?

MR. STONES :—Yes.

MR. DANGE :—It has been contended that the industry has been going into finer counts and that therefore the number of doffer boys has been reduced. We would like to have the average count number that the industry was spinning three years back and that which it is spinning to-day to see what change has been made in the number of doffer boys by the difference in the counts.

MR. STONES :—We have put in or are putting in the Returns of Production in the City of Bombay Island published by the Government of India. We compile statistics every month. We are compelled to do so under the Cotton Trade Statistics Act and to forward to Government the correct particulars of the production in Bombay mills. What I want to emphasise is that the average count may mean anything. We may have done finer counts in the industry and put more waste plants producing greater yarn, the need for which may be the same and yet the ordinary spinning department may have gone finer, so that you get the tabulation, count by count, actually of every kind of produce from 10s upwards, such as 20s, 22s, 24s, 26s, right up to the end. You will therefore see how the movement has occurred in getting out the monthly statistics.

THE CHAIRMAN :—Are they to be found at all in the Tariff Board Report ?

MR. STONES :—I do not think they are in that form in their report because they utilised those returns for compiling their own.

THE CHAIRMAN :—You cannot produce a copy ?

MR. SAKLATVALA :—As regards that, Sir, I gave you the whole file containing statistics of the Commercial Intelligence Department. From that you will find the counts of yarn also.

MR. DANGE :—That portion of statistics would be useful and would give us some clue in the ring spinning and to find out the number of doffer boys that were required before and those that are required now, but in the

roving section, unless we get roving spindle number, it is not possible to find out from the counts given whether there is any change made or what the displacement would be.

MR. STONES :—I think I would preface my remarks by saying that we thought there would be some displacement but we were prepared to hold that this was reasonable work on this new scale.

MR. DANGE :—You do admit that there would be.

MR. STONES :—I do not admit this but I think there will be. I have not taken out figures myself.

MR. DANGE :—But we would like you to bring out the figures to see the total effect if the roving spindle number is given.

THE CHAIRMAN :—There is no fixed standard at present ?

MR. STONES :—No. A mill commences with roving frames. It is on 10s. From 2.25, in roving, it goes up to 2.5. It will have 130 roving spindles. It may put in a weaving shed. It has a particular number of doffer boys. Perhaps another mill puts up two more preparations and uses the same number of doffer boys, so that you will have very very erratic figures before you.

MR. DANGE :—The absence of any standard written list does not mean that the industry was running in an anarchic fashion. Every mill was watching the average as it had to compete with the others and it was adjusting itself according to necessity and the dictation of necessities. Therefore, to say that because there was no written standard, no mill was doing anything and therefore there can be no comparative standard of what they were doing formerly and what they propose to do now, is not understandable.

MR. STONES :—You will find immense variation in some of the counts and the number of men unemployed. Take the side boys. You will get side boys in the industry drawing 12-8 and at another mill drawing 8 annas a day. I think there is enough evidence in that for the statistics go further to show that there was a state of comparative chaos as far as the amount of work done and the pay was concerned.

THE CHAIRMAN :—When we visit the mills, we will see the amount of work.

MR. DANGE :—Will the roving spindle number be supplied to us ?

MR. SAKLATVALA :—Yes.

MR. DANGE :—And also what the displacement would be ?

MR. STONES :—That we cannot tell. We do not know what a mill is working on in roving. Something of that nature will be settled afterwards. What happens in English mills which are established for years ? If a mill is not working according to this list, then the local secretary of the Trade Union makes a complaint, rings up the manager and says “ Mr. So and So, your mill, I hear from my man, is not working with the correct number of doffers.” He says “ All right, come round and we will discuss the matter.” If there is any point in dispute, it is referred to the joint committee of that association. If they cannot agree, it is referred to the final committee of all the associations in the country, so that in this case we cannot tell or do not know. I do not want to know. It is unfair for me to know what my competitors are doing in all these details. I could not estimate it.

MR. DANGE :—It would not be a question of details. They can definitely calculate if the industry is running on coarser counts and a certain number of workers required per thousand spindles and if the industry goes to another count number. When they drew up a standard list, they did fix upon a certain number of workers per thousand spindles. If formerly, they had 10/2, they started with the definite idea of fixing at 8 or 20 per thousand spindles, and from that they did calculate that there would be a displacement of 4,000 or 8,000 hands. Therefore, we want to have from them an authoritative expression as to what this number would be.

MR. STONES :—Let me explain, as regards doffer boys. You will notice there 130 roving spindles give 2.25 hank roving. Now, one mill may be spinning what we call from “ double roving.” It may be producing 20s warp from  $3\frac{1}{2}$  hank roving ; another mill from  $3\frac{1}{4}$  and still a third mill may be putting in 5 hank roving, and so on. How can I legitimately delve into this system of working of all my competitors ? It is unfair to ask them. I cannot ask them “ why are you going on with double roving.” ? It is none of my concern.

THE CHAIRMAN :—Have you got the same proportion for doffer boys in Lancashire ? <sup>3 1/2</sup> <sub>16</sub>

MR. STONES :—We are higher. The principle is recognised that the finer the counts the fewer the doffer boys. Finer counts mean less doffing and therefore less work and therefore less number of men or boys.

THE CHAIRMAN :—That is the main point, Mr. Dange.

MR. DANGE :—It is not a question of asking from each mill how many roving frames it is putting on. There is a definite proportion of roving, intermediate, slubbing and they definitely fix up the number of spindles in the ring also. Therefore, what we wanted them to do is to split up all this total number into sections. What the statistics contain is only a certain number of spindles, say 34 lakhs. Therein there is no question of cards, roving or slubbing or intermediate. Then one preparation contains a fixed number of machines. What we want from them is the total number of these machines in the industry, and that is not very difficult to be given.

MR. STONES :—The total number of spindles in the industry is available in the information you have before you. We can extract that, but I cannot tell how many side boys there are, in each mill.

MR. DANGE :—I do not want you to give me information as to what each mill has of these doffer boys.

MR. STONES :—We can give you the number of slubbing spindles, intermediate spindles and roving spindles, but, frankly, I do not know what relation it bears to this problem.

THE CHAIRMAN :—Perhaps you will get these figures and supply them to the other side, Mr. Stones.

SIR MANMOHUNDAS RAMJI :—Efficiency depends on the number of doffers. One mill cannot afford to employ a lesser number of doffers than they actually require.

MR. DANGE :—They can afford to speed up a doffer boy by hammering him.

THE CHAIRMAN :—We shall now adjourn till Wednesday next, and meet in the Town Hall.

---



---

*Wednesday, 14th November 1928.*

---

Wednesday, the 14th November 1928.

The Committee re-assembled at the Town Hall, Bombay.

Present :—

THE CHAIRMAN.

MR. KHAREGHAT.

MR. KAMAT.

MR. SAKLATVALA :—The other day I had informed the Committee that the Trade Mission Report was out, and we had asked the Government of India for permission to supply copies to the Committee. We have now received a telegram from the Government of India as follows :—

“ No objection to copy of Trade Mission Technical Report being given to Bombay Mill Strike Enquiry Committee for their confidential information.”

I hand in two copies of the report.

MR. JOSHI :—May I suggest that we should be given a copy?

MR. SAKLATVALA :—The telegram is quite clear, that it is to be given to the Mill Strike Enquiry Committee, and it is to be treated as confidential.

MR. STONES :—These copies were originally given to us in confidence, and we are compelled to keep a record of every copy.

MR. JOSHI :—We can also do the same.

MR. STONES :—This is a confidential report. There is also a condensed edition which has been published for the world at large. The full confidential edition contains information which would be of great advantage to our competitors.

MR. JOSHI :—We are not merely the general public. We are as much interested in the industry as the millowners themselves. If they have got the copies confidentially, we also should have the copies confidentially.

MR. SAKLATVALA :—That is for the Government of India to decide. We are in their hands. They have not stated that copies should be given to others.

MR. KAMAT :—The Government of India was never asked whether copies should be given to representatives of Labour and therefore they have not replied.

MR. STONES :—We can ask the Government of India.

THE CHAIRMAN :—No copy can be given at present. I do not think that we shall want to use any of this information, except to the extent of verifying some of the figures given in the oral evidence.

MR. STONES :—We have maintained in the general evidence that the Japanese were able to beat us by 15 per cent. to 20 per cent. in the export market. The Meek Mission have dealt with the point in their report, and the report is intended for confirmation of such points.

MR. SAKLATVALA :—There was a complaint about the Standard Mills. As this point was raised when the Committee last met, we wrote to the liquidator of the Standard Mills Co., Ltd., and I hand in the reply.

(The reply was then read out by the Secretary of the Committee.)

THE CHAIRMAN :—According to that, the proposed rates were put up tentatively for further consideration.

MR. SAKLATVALA :—Whenever we manufacture new sorts, we have to put up rates for the information of the weavers. The liquidator maintains that the rates put up were not old rates reduced, but rates for new sorts.

MR. JOSHI :—Was it mentioned in the notice that the rates were for further consideration?

MR. SAKLATVALA :—We have asked for a copy of the notice.

MR. DANGE :—If an enquiry is to be undertaken in that respect, we are prepared to produce a copy of the notice put up by the Management, and also to prove that the rates which they contend are for new sorts are reduced rates for absolutely old sorts. The weavers complained to the Management, but they were not heard. As for the latter part of the letter, I have nothing to say, because it is a point which requires an enquiry, and so far as this particular complaint goes, it is irrelevant. The question is not how many men were assaulted; the question is that the management reduced the rates on sorts which were being worked formerly, and the complaint of the weavers was not heard. If the other side contends that they were new sorts, it is for them to prove that the rates are not new.

THE CHAIRMAN :—In any case, they were fixing the rates; they had not made any definite statement as to what the rates would be.

MR. DANGE :—The notice did not say anything to that effect. On the 7th of November, when tickets were being prepared for payment on the 8th and 9th November, a notice was put up to show to the weavers what they would get. The weaver knows what work he has turned out, but he does not know the rates

Ex.  
Copy attached  
at the end of the  
day's evidence.

many times, and therefore the Management say what the rates are. The notice never said that they were proposed rates for new sorts.

**THE CHAIRMAN** :—It is not our function to constitute ourselves into an enquiry committee to see how the trouble arose, in view of the statement of the Management that there was no definite reduction proposed. There may have been some misunderstanding, but it is hardly a case for us to decide whether or not there has been a breach of the agreement. The Management repudiate having wanted to make any reduction.

**MR. DANGE** :—The case for enquiry is whether the mill has reduced the rates or not and thereby violated the agreement. The mill manager has made a statement that he has not reduced the rates, and that they were for new sorts. The other side admits that they asked for a copy of the notice, and they have not got it yet.

**THE CHAIRMAN** :—It does not seem to us that the question has arisen as to whether there has actually been any breach of the agreement. What I suggest is that the mill manager should see some of you and you should have a discussion about it. That is the best course. If he can satisfy you that the workers are invited to work on terms which will not constitute a breach of the agreement, then there is an end of the matter.

**MR. STONES** :—Suppose I call Mr. Dange to my office with his information and the Management of the mill with their information, go into the question and report what I find at a later date, will that meet with their approval? It will save the Committee a good deal of worry, and we can get on with the other work.

**MR. DANGE** :—I have no objection.

**THE CHAIRMAN** :—Something of that kind may be done.

**MR. SAKLATVALA** :—The other day we had promised to give the other side certain statements, showing the averages as worked out by us from the materials obtained from the mills and our standardised rates, also the number of men as would be employed in the case of those mills for which figures have been received, and the average number of men according to the standardised rates. I hand in the statements.

**THE CHAIRMAN** :—Have you taken steps to ask your Committee if the confidential tables given to the Committee can be given to the Joint Strike Committee also?

**MR. SAKLATVALA** :—I am prepared to give the reason to the Committee. We have not had a formal meeting of our own Committee, but I asked certain

members, and they strongly objected, and if the Committee wishes to know the reasons, I am prepared to give them.

( Mr. Saklatvala communicated the reasons to the Chairman of the Committee.)

MR. DANGE :—I want to know whether the reasons of the millowners, as communicated to you, are to be treated as having been given *in camera*.

THE CHAIRMAN :—They have actually been given *in camera*. Do the statements submitted to-day give all the information asked for by the Joint Strike Committee?

MR. SAKLATVALA :—It gives full information which is contained in the reports in all the mills.

MR. STONES :—We have compiled similar information for the weaving and other sections. This is the information they asked for during the discussions we have had on the spinning list. In the weaving section, we do not know exactly what will be called for and in what form. When that is called for, information will be compiled on similar lines.

The information has not been compiled for the mules, because in all our discussions previously, Mr. Dange has accepted the figures for the mules as being all right. If he wants any information regarding the mules, I will let him have it.

MR. KHAREGHAT :—On page 7 of your amended standardised scheme, for the Spinning Section, you say, on 78 per cent. efficiency a tenter should earn Rs. 38/- per month; calculated hanks per 10 hours equal to 12·5. That is basic figure. This is only for 20s?

MR. STONES :—The calculated hanks will be the same for the same twist wheels and spindles, but the speed of one may be lower than that of the other, in which case, it would vary. The hank is calculated according to the condition of the machine running. It will vary with the twist wheel. The labour people have no remedy or knowledge of this. As each case comes up, it will have to be checked, and Mr. Saklatvala pointed out that a Joint Committee will always be sitting for the settlement of any disputes with regard to this.

MR. KHAREGHAT :—There might be disputes about that matter?

MR. STONES :—The disputes will be referred to a Committee.

MR. KHAREGHAT :—Who will count the number of twists?

MR. STONES :—The more the number of twists, or turns per inch, the less will be the number of hanks. Therefore the rate would go high.

MR. KHAREGHAT :—Who will decide the wages according to the twist? .....Just as in Lancashire there will be a Committee which will go into the complaints and decide all questions relating to wages.

MR. KHAREGHAT :—So, all these complaints will have to be subjected to the investigation of a Committee?.....Yes; these complaints will have to be looked into. But it does give an opportunity of fixing up the wages on a definite basis.

THE CHAIRMAN :—(Pointing to a table in a book.) Has this got any connection with the table like this? Yes; the same thing. The table is worked out.

MR. KHAREGHAT :—How do you calculate the speed?.....There is a meter attached to every machine which indicates the speed. That is a new model. There is a stereotyped method by which we calculate the speed by working up the spindle from the train of wheels. We have not framed any table at present as that will have to be done according to each mill.

MR. KAMAT :—Suppose that the standardisation scheme has been approved. Do you mean to say that all mills will use the same quality of cotton. I did not quite catch what you stated with regard to the quality of cotton?.....No, Sir. If the cotton is bad they will have to put more twist, or reduce the speed of the machine. They have got to do one or the other. In the present system when they reduce the speed, the men get nothing. Perhaps their rates are fixed. If the speed is increased the outturn will be more and perhaps the wages will be higher. Workpeople will not work badly mixed cotton. Each mill works out its own position from the basis.

#### Ring Spinning Department.

In the ring department there is a definite system of allocating work. The siders are the men who attend to the frame. The doffer boys come along and remove the bobbins. If the ends are broken the tarwalas come and piece them up and hand over the frames to the side boys, who work on one or two sides of the frame as the case may be. But the general Bombay standard is one side.

MR. JOSHI :—Is there difference between the wages of the tarwalas and doffer boys?.....According to the count of the yarn. Coarse count bobbins fill quicker. There is variation with the counts spun.

THE CHAIRMAN :—How do the wages compare?.....We have this morning given a list compiled for 60 mills.

MR. JOSHI :—What difference do you make between a sider and a tarwala in the intensity of work, fatigue exertion and so on?.....We have this sort of

of arrangement so that these men may get promotions. Usually men but often women are employed as doffers. They go from doffer to tarwala and from tarwala to side boy and from side boy to line Jobber and head Jobber.

MR. JOSHI :—Can you give us figures for half a dozen mills showing whether these promotions have been given or whether you have employed new men?.....Very well. In some mills where they do not appoint tarwalas the work is done by doffer boys.

MR. JOSHI :—You want to stop that practice... . It is an option still. The bulk of the mills are on this practice.

MR. JOSHI :—Doffer boys are put as tarwalas for wages?.....

MR. SAKLATVALA :—In the Swadeshi mills we do not have tarwalas. We have only doffer boys.

MR. JOSHI :—What are the wages?.....We treat them as doffer boys.

MR. JOSHI :—Then you pay them less?.....We pay our doffer boys even more than what tarwalas get in Bombay. In our own mills we have no such classification. It is why we have provided that where tarwalas are not employed the doffer boys should be allocated : 4 doffer boys for one thousand spindles for twist. Where we do not employ tarwalas we put doffer boys on higher wages.

MR. JOSHI :—These people are naturally frightened by your scheme of standardisation.

THE CHAIRMAN :—Are there many mills doing this?

MR. SAKLATVALA :—It is only in our mills being out of Bombay we do not follow this system. All the mills in Bombay have tarwalas.

MR. STONES :—Only in the Finlay Group they have no tarwalas. They are called helpers which is better still for earnings.

THE CHAIRMAN :—As regards the rates?

MR. STONES :—The average wage recommended for head jobber is Rs. 4-14-5. 1923 rate was Rs. 4-12-4 and piecework Rs. 5-8-8. 1926 rate was Rs. 4-11-3 and piece rate 5-8-11. This particular job does not come under the standardisation scheme. As regards line jobbers the number employed in 60 mills is 252. Two-mind 18,514 spindles and the wages were Rs. 81-5-9. Now the wages for two line jobbers who attend to 20 to 25 thousand spindles are Rs. 68/- per head. There is a definite reduction in wages and an increase in the amount of work to be done.

THE CHAIRMAN :—What is the justification for it?

MR. STONES :—We feel that these men should be able to look after more machines and also that the wages they received were out of proportion to the work turned out. I think the other side will agree with me when I say that the wings of the line jobbers should be clipped.

MR. DANGE :—Their wings should be clipped and handed over to the workers.

MR. STONES :—We have given up coarse counts and we are on finer counts. In fact we are running our own mills without them.

MR. JOSHI :—Who does the work?

MR. STONES :—The spinning master.

MR. KHAREGHAT :—Where did you make this test?

MR. STONES :—We have no head jobbers and we are running the mills without them satisfactorily. They are there only to drive men. They are drivers.

MR. DANGE :—You christen the head jobbers by some other name.

MR. STONES :—No, no. If we have a bigger bobbin, there is less doffing on 20s. weft.

THE CHAIRMAN :—So, you give less?

MR. STONES :—We make less amount of warp than we do of weft. They have less work.

THE CHAIRMAN :—You give them an increased number of spindles to look after.

MR. STONES :—Yes, on warp than on weft.

MR. DANGE :—You have bigger frames for weft than for twist?

MR. STONES :—We give them the same length in frames but more bobbins in them. We are basing on spindles so that they will have less frames. The wage for a doffer jobber is Rs. 51-7-9 from the 60 mills and Rs. 51/- is the millowners' standard. Under the old system the doffer jobber minds an average of one per 3,685 spindles and in the millowners' system we put one to 1,500 to 4,000 on counts 20s. and under. We then move up to 4,500 on the finer counts and go up until we have one man on weft and he looks after 6,000 spindles on counts over 28s. The doffer jobbers look after upto 4,000 spindles on counts below 20s; 5,000 on counts 20s. to 30s. and 6,000 over 30s. The point I wish to make is that we have now graduated the work. This man gains when we spin 10s. and coarse counts. In the newer mill they go on to finer counts and in this way they move the figures on very much like the figures given here. So



that it really means that we are standardising the amount of work with the amount of work required to be done. We give the doffer jobber more spindles ; if we spin finer counts, there is much less of doffing than on spinning of coarse counts, so that he does not do so much doffing to-day.

**THE CHAIRMAN** :—Cannot the doffers be trusted to do without a jobber ?

**MR. STONES** :—No, Sir. The doffers are usually youngsters who do require some chasing round by a doffer jobber.

**MR. ASVALE** :—Will the doffers be able to do the same amount of work in older mills as in the mills with new machinery ? Can they look after exactly the same number of spindles in both the cases ?

**MR. STONES** :—If the machines are old, there is less doffing. The newer the machines, the more the production, the more the doffing and the more the work to do.

**MR. JOSHI** :—What difference does the lift make ?

**MR. STONES** :—If you have a small bobbin, you make more doffs and if you have a big bobbin you make less doffs. The long bobbin naturally contains more yarn, spins longer, does more work, and so if you get 10 doffs a day on the one where the lift is less, you get 12 doffs to get the same length of yarn. That is why it varies according to the lift.

**MR. DANGE** :—The majority of the spindles are working 5" lift ?

**MR. STONES** :—No, There are very few with 5" lift, the bulk of them have 6" lift or say between 5 ½ and 6 inches.

**Tarwallas and Doffer Boys.**—7,132 doffer boys, 3 per 1,000 spindles under the old system. We now vary this according to the counts, and we give 4 per 1,000 spindles on 4s to 8s ; 2 ½ for 8s to 20s. The rates are 20-1-0 but now they are 20-6-0. On the 1923 & 1926 lists, the rates are 0-11-4 and, 0-12-1.

**THE CHAIRMAN** :—The doffer boys ?

**MR. STONES** :—0-12-6, 0-11-4 and 0-12-1.

**MR. DANGE** :—The Labour Office have 0-12-1 or 20-5-8 for the full month.

**MR. JOSHI** :—How many doffer boys will be dispensed with now ?

**MR. STONES** :—We could not work out the figures, You can do so, Mr. Joshi, with the figures we have given you. We have said 7,132 doffer boys with old system. We have got 4 per 1,000 4s to 8s ; 2 ½ for 8s to 20s and 2 for over 20s, according to the counts. That is the difficulty in finding exactly what count every mill is on.

MR. DANGE :—You have got returns for them?

THE CHAIRMAN :—It will involve a small reduction, I suppose ?

MR. STONES :—Taking the average count to-day at 17s, it would mean that it is  $2\frac{1}{2}$  instead of 3. The tendency to-day is to spin finer counts and we have also very coarse counts, so that we have one-thirds of the mills on 10s and below and two-thirds on 24s to 40s, so that we should have two-thirds of the mills on 2,000 spindles and one-third on 4,000 spindles. It is very difficult to get their figures unless you get an actual mill working. There will be a slight reduction due to moving to finer counts.

Tarwalas.—There were 4,570. 2 per 1,000 spindles wages Rs. 25-11-0 ; under the millowners' scheme it will be Rs. 26-6-0. Here again, we have a variation according to the work.  $2\frac{1}{2}$  per 1,000 spindles on 4s to 8s;  $1\frac{1}{2}$  for 8s to 20s and one for over 20s. As per the Labour Office figures, the tarwala under the new system gets Rs. 1-0-2 against 0-14-4 and 0-15-5 for 1923 and 1926.

Oilers and Banders.—548. 4 per 17,028 spindles. Rs. 33-3-9. Now the rate is Rs. 34/- and the number is 4 per 20,000 to 22,500 spindles.

MR. KHAREGHAT :—What is a bander ?

MR. STONES :—One who drives a ring frame down the centre frame. There are one or two tin drums of 10 to 12 inch diameter. A Cotton band passes over the drums and goes to a small wharf or pulley on the spindle which drives the spindle about 8,000 revolutions per minute. It usually goes back and makes a route whereby the spindle on either side of the frame is driven by the same band. When a band breaks, the banders have to put this band through in and tie it up.

MR. KHAREGHAT :—Does not the side man do that ?

MR. STONES :—No, we have a special man who does oiling of the spindle and the banding.

MR. JOSHI :—You have put down a certain number of doffer boys and tarwallas per 1,000 spindles. Will there be no difference in the exertion caused according to the length of your frame when one frame attendant will have to look after a larger number of spindles than another attending a smaller number ?

MR. STONES :—If they get four frames with 230 spindles, they will be shorter and there will be less work to do on each frame. He has got four frames to look after. But if he has got to do 3 frames, he will have 334 spindles. Under the new system he will have pretty well the same amount of work when he looks after four frames with a shorter length as on 3 frames with a longer length.

MR. DANGE :—What about the sider ?

MR. STONES :—We have a variable rate. On page 9 of our list we make a variation among the siders some of whom have to mind 300 spindles and others 150 spindles. The rates on twist are Rs. 15-8-0 and on weft 16. We are grading now according to the number of spindles in the frames.

THE CHAIRMAN :—Is that done in Lancashire ?

MR. STONES :—Yes, but there of course a girl minds 600 to 900 spindles according to the counts being spun but on these counts they would mind 600 spindles. On the average Bombay counts where they have 400 spindle frames, they will mind three sides. If they had 200 spindle frame they would mind 6 sides.

THE CHAIRMAN :—The siders, according to the piecework rate of 1926, get a bit more than under your rate ?

MR. STONES :—Rs. 1-11-3. There are very few mills on piecework. One of the recommendations of the Tariff Board was that we should endeavour to fix piecework rates for spinning. We have gone into half a dozen methods already and not been able to evolve a really satisfactory one. We should like to be able to get one. We are watching an experiment being made by the Toyo Poddar Mill in respect of piecework. Particulars have been given you in their written evidence and we are watching that with a view to putting spinners on to piecework.

MR. JOSHI :—That piecework system is a sort of a group system ?

MR. STONES :—Yes.

THE CHAIRMAN :—You do not call this Ring piece-work ?

MR. STONES :—It is not piecework. In an average mill, I do not think they have got five hours work out of 10. I have always found that in our spinning departments, out of the two men, one is always resting somewhere.

THE CHAIRMAN :—On pages 135 and 136 of the Tariff Board Report they say :—

“ It may be noted that Bombay is the only centre in the Bombay Presidency in which there are no spinners on piecework and that we found the system in force in several mills outside the Presidency.”

MR. STONES :—Yes.

THE CHAIRMAN :—How do the other mills work this system ?

MR. STONES :—They have various systems. One is payment on the number of hanks produced. It is very revolutionary for Bombay and frankly, we already have enough trouble with Labour and we do not wish to add to it.

Later, there is a definite recommendation that a system should be evolved. We have not done it here, as we ought to have done, but it is hoped to compile a piecework list later.

MR. JOSHI :—What is the difference between the piecework system and the present system ?

MR. STONES :—Under the existing system a bad side-boy gets the same wage as a good side-boy. Under piecework system, a good man will get more wages and a poor man would get less.

MR. JOSHI :—Is not the amount of work dependent more upon the speed of the machines ?

MR. STONES :—The variation is due to a tremendous number of factors. The quality of cotton will decide the speed of the spindle. The counts spun will decide the speed of the spindle ; the counts spun, and the number of turns or twist in the yarn will control the speed of the front roller and therefore we get varying work even on the same counts and so there is a great variety between count and count.

MR. JOSHI :—Therefore I ask, wherein lies the difference between a good sider and a bad sider ?

MR. STONES :—I do not know whether in the mills you visited you saw this. If an end breaks down, the clearer takes up the yarn and makes it into waste. That yarn, if it goes on the ring bobbin, is valuable ; if it goes into waste on to the clearer, it becomes cleaner waste and it is diminished in value by at least 33 per cent. A good boy keeps his ends up and is therefore producing good yarn. A bad boy is negligent and leaves the ends down. The result is that we lose in two ways. When the doff comes to be weighed, we have less yarn with the same set of bobbins on a frame with a bad boy than we have in the other case. The yarn will also continue to work the rollers feeding the yarn. Instead of going down to the bobbin, it is going to the clearer and becomes waste so that there is more waste and less production. If it goes on indefinitely, it may damage two ends which would result in increasing the waste.

THE CHAIRMAN :—An ordinary doffer boy is fairly good at piecing ?

MR. STONES :—He is, but it depends on the number of spindles he has to tend. If the other side were to co-operate with us, we could introduce the piecework system. (Mr. Dange nods a refusal). There is a definite refusal, Sir. Hence, we have not carried out the Tariff Board's suggestion.

Beggarris and Doff Carriers—These are coolies. We pay 14/7 in 1923 list, it is 13/5.

**Sweeper.**—We pay the same as for card room.

**Fitter.**—His pay is Rs. 50/- plus 70 per cent.

**MR. JOSHI** :—You have increased the work of the oiler ?

**MR. STONES** :—Yes, we give him 17,000 to 22,000 spindles. We think he can do more than that.

**MR. JOSHI** :—In what proportion have you increased the work and in what proportion have you increased the rate ?

**MR. STONES** :—He works 7 hours total, out of 10 instead of six out of ten.

**MR. JOSHI** :—What work he used to do and what work is he going to do ?

**MR. STONES** :—We have 4 per 20,000 to 22,000 spindles or 25 per cent increase.

**MR. JOSHI** :—But you have not increased the rates by 25 per cent. to keep pace with the increase of 25 per cent. in the work ?

**MR. STONES** :—We do not propose to do so as there is not that much amount of extra work in practice. Instead of having six hours to spend doing nothing, they will have five.

**MR. DANGE** :—That is only a justification.

**MR. STONES** :—We have said that there was a cutting out of a number of men and a readjustment individually. We say we have definitely increased the work.

**MR. JOSHI** :—We are showing the places where you have increased the work.

**MR. STONES** :—We admit that we have and we also admit that we can raise it more still so that if the Chairman would like to make a note, we will show him the work that the man has to do at some particular mill.

**MR. DANGE** :—There is an absolute increase and a relative increase in these things. There may be a relative increase for all appearance by increasing the work. In that case the increase does not work absolutely.

**MR. STONES** :—We have given you these figures to show where we have increased the work.

**MR. DANGE** :—When you made the statement of wage increases, you meant a relative wage increase or an absolute ?

**MR. KAMAT** :—This increase in work has been fixed arbitrarily or have you made actual tests in different mills ?

MR. STONES :—There is nothing here that we do not find in Bombay mills to-day and those mills are working satisfactorily. If the other side will give us a list of the points in dispute, we shall be only too glad to give information they want. It has not been fixed arbitrarily.

MR. JOSHI :—You stated that if a man did double work he would get 50 per cent. increase in wages.

MR. STONES :—Our principle has been definitely stated as “a fair day’s wage for a fair day’s work.” We claim that the work we ask the operatives to do under this system can be done easily by any operative and that it is quite within his physical scope.

MR. JOSHI :—May I understand that you are in favour of increasing the amount of work without having any principle as regards the increase in wage?

MR. STONES :—In some cases we have increased the wages and in others where we thought that the operative was paid more than his work justified, we have reduced his wages. We will be pleased to show the members of this Committee the system actually in work in a particular mill of their choice.

THE CHAIRMAN :—Yes, we will take a note of that.

MR. JOSHI :—Sir, what I wanted the Committee to note is this, that the millowners have asked the workers to do more work but they do not undertake to give them more pay, if not a proportionately more pay, at least a substantially increased pay in proportion to the production.

MR. STONES :—We are asking them to do a little more work where they were doing a little less.

MR. JOSHI :—In the newspapers there has been a propaganda by the Millowners who have been saying “Let there be more production and then these workers will also benefit.” In several cases here you will find that they take more work and are still unwilling to pay according to that increase in work.

MR. DANGE :—In this ring spinning especially, the amount of work that has increased is not exactly found out because it is hidden under so many heads. In spite of the figures given by the millowners of the thousand spindles and the proportion of men taken for spindles, the absence of the counts spun hides the amount of the work that is now given to them.

MR. SAKLATVALA :—We give the average count 20·40 for the 60 mills.

MR. DANGE :—There is not much difference because you know the average counts. So there will not be much difference in wages here in the case

of these ring siders on counts 8s. and below you have eight annas per month extra. Naturally 8s. and below will be very small in quantity.

MR. STONES :—Yes. There can be no comparison at all. We cannot give them a tangible value. We allow 8 annas extra on weft for doing more work than on twist (otherwise warp) and we allow further 8 annas on counts 8s. and below where the work is of a more arduous nature.

MR. DANGE :—Can you give us, from the present system of work in the mills where you are spinning 4s. and 2s, the number of spindles that each sider is minding? You are specifying 8 annas extra as the wage for 8s and below, while it means that the number of spindles allotted would be the same. I want to know whether it is a fact. Here, when you are working above 8s, you are putting 2 siders on a whole frame. When you are working 8s. and below in some mills you are putting 2 men per side. Is there any case in a mill where they are spinning 2s and putting 2 siders?

MR. STONES :—I am not aware of any.

MR. DANGE :—Is it for 6s a so?

MR. STONES :—6s, 8s and 10s, is spun from waste. It is not this type of work. This is the ordinary ring frame. I know nobody spinning 2s on an ordinary ring frame. For 4s I have 1 man per side.

MR. JOSHI :—You make no difference between 9s and 40s?

MR. STONES :—Not on this. We have no difference. The man on higher counts ought to mind more spindles, but you object to it. Really speaking, as the counts increase, the rate ought to be less, but you object to it. In this list giving the rates in Lancashire, it is 9s £ 0-3-7 and for 40s it is £ 0-2-2, which is less.

THE CHAIRMAN :—Why is the fitter reduced?

MR. STONES :—We consider Rs. 50/- a fair wage for the work done there.

MR. JOSHI :—You have not given your figure?

MR. STONES :—We have not; we will compile it—the number of ring department fitters. This may include line levellers, who are dealt with later.

MR. JOSHI :—For 8½ hours work that was the old rate.

MR. STONES :—Fitters are not working 8½ hours in the spinning department; they were working for 10 hours.

MR. DANGE :—In this list you have not put down the siders?

MR. STONES :—We will put side boys and fitters in.

### Mule Department.

MR. STONES :—This is a section of the industry which is dying out. There are less and less mules every year, and I do not know whether the Committee wishes to go through them in details.

THE CHAIRMAN :—Is this based on Lancashire?

MR. STONES :—This a variation of the Lancashire list.

MR. DANGE :—Your present mule system is worked on piecework rates?

MR. STONES :—Yes, and that has been the case for a long period.

THE CHAIRMAN :—It has always been piecework?

MR. STONES :—Yes. There is very little variation in the standard. Up to now, Mr. Dange has never thought it worth while going into this. It is a very complicated subject. I do not know whether its complication has scared Mr. Dange, or whether he considers they are getting enough wages already.

MR. DANGE :—If they put up a fight against any reduction, they have little chance of succeeding.

MR. STONES :—There is an increase. It is a well paid section. But it is dying out, and if any mills have any money they go in for ring frames. The 3 people who count in this are the spinner, the engine-piecer and the side-piecer.

THE CHAIRMAN :—They are all improved?

MR. JOSHI :—They are used only for the coarser counts.

MR. STONES :—Some for finer counts also. There are 171 pairs of mules in Bombay, and the number of men will be 6 to 7 times that number.

Personally, I think it will take at least a week for the Committee to go into the details of the mules department, and the method of calculation, so that if it is all right for the other side, we might go on to the next section, unless there is anything out of the ordinary to raise in this section.

MR. DANGE :—We shall raise the points later on.

### Waste Plant.

MR. STONES :—This again is a section of the industry that does not represent too many men. It is the practice in some of the Bombay mills to utilise their own waste in the manufacture of special waste yarns. It is a different plant from the standard textile plant; it is a little process of its own.

MR. DANGE :—How much reduction do you propose?

MR. STONES :—It is an advance. There is no reduction.



MR. JOSHI :—How many men do you employ in the waste Plant.

THE CHAIRMAN :—In the “ Condenser Plant : Waste,” are the scutcher men the same as in the cotton department ?

MR. STONES :—This is the same as the ordinary scutcher. Turning back to page 2 you will notice that we pay the same wage. The rate there is, exhaust and lap machines or breaker scutcher, intermediate and finishing scutchers, Rs. 16/- plus 70 per cent. We pay the same rate in the waste department; this also applies to the feeder, the card tenter, grinder and stripper, lap carrier and derby doubler. We have had no complaints on any of these figures. I do not know whether the other side have any complaints.

MR. DANGE :—We have no comparative standard here.

MR. STONES :—It is a small section.

MR. SAKLATVALA :—The total number of men, the wages, etc. will be furnished later.

MR. STONES :—With regard to the can rovers, they are also going out, and being replaced by more modern waste plants. Can roving is going out rapidly. If the other side have any points to raise there, we will deal with them later on.

### Reeling.

MR. STONES :—This department is run by women. They take the bobbin from the ring frame and reel it off into lengths of 840 yards. It is then bundled and baled. This is the most suitable form of supplying it to the handloom weaver.

MR. JOSHI :—You have not given us a comparative statement.

MR. STONES :—This is piecework rate.

(Statement handed in.)

Ex.

THE CHAIRMAN :—Is there much variation in rates ?

MR. DANGE :—The basis of hanks has increased in some cases.

MR. STONES :—It was evolved from consultation with various technical men in the trade. It happens to turn out to be the Swadeshi Mills list.

MR. SAKLATVALA :—Our average rate for all workers in the reeling department is Re. 0-11-6 per day.

MR. DANGE :—The basis of hanks has increased.

MR. STONES :—In some it is reduced.

THE CHAIRMAN :—That is piecework ?

MR. STONES :—Yes.

THE CHAIRMAN :—This list will not help us there ?

MR. STONES :—This has been compiled, and the only test of it is to work out what it will come to. It has been compiled, as pointed out, after consultation with the various mills concerned. There are all kinds of irregularities in various mills. We have removed the anomalies, and got what we consider a fair basis.

MR. DANGE :—20 to 30 hanks have been increased on the basis of hanks, from 6s to 20s.

MR. STONES :—We will compile any figures to show that they are reasonable.

MR. DANGE :—The figures that we want are, in the majority of mills, what has been the hank basis up till now.

MR. STONES :—The reeling is being diminished. We lost the China market, and weaving mills have been put down to take the yarn, in which case the yarn is rarely reeled. For coloured goods we reel it for dyeing, and even there other machines have been put in preference to this costly method of reeling. There is a tremendous reduction in the amount of reeling in Bombay.

MR. JOSHI :—For sweepers you have put down Rs. 10/-. It ought to be Rs. 10-8-0.

MR. STONES :—There is a slip there. The rate should be the same as for sweepers in the other cases.

MR. DANGE :—The average wages of reelers are below those of doffer boys.

MR. STONES :—It is female labour. It is also spasmodic work.

MR. JOSHI :—You have not given any estimate of the wages.

MR. STONES :—It is piecework, and I think it will work out at about 12 annas per day.

MR. JOSHI :—You have reduced the wages. In 1923 and 1926 it was Rs. 0-12-6.

MR. STONES :—It is very casual labour. A woman working for 9 hours at this wage could earn very good wages, but there is no work for her for that period. It is very spasmodic. It is one of the odds and ends departments.

MR. DANGE :—If it is spasmodic, the wage should be higher.

THE CHAIRMAN :—I do not think that is the principle followed in England. The casual labourer generally gets less.

MR. STONES :—In the note, it is explained that if it is 5" lift west-pirns, it is 20 per cent. extra. If it is 5" lift west-pirns, there is less yarn on the bobbin, and the reeler has to do more work. She has to change the bobbins more often. So, we give her 20 per cent. extra. Similarly, for 6" lift west-pirns we have provided 10 per cent. extra and for 7" lift west-pirns 5 per cent. extra.

THE CHAIRMAN :—Some experiments may be made as to how it works out.

MR. STONES :—We could, but at present we are paying them 12 annas a day, and they are giving 6 annas worth of work. We are suffering in the mills to-day. Any test we give at present would be absolutely false in many departments. We are not getting anywhere more than from 50 per cent. to 80 per cent. of the possible work. We could give you figures prior to the strike. One mill is paying on the weight, another on the basis of hanks. Payment on the basis of hanks is the most correct basis, so that we brought all the mills to the hank basis. It is always difficult to work on varying systems. We can give the figures for any mill, and if Mr. Dange gives the names, there will be no question of its being specially selected. We will work out how they were working before the strike, what they earned then, and what are their earnings now.

THE CHAIRMAN :—That would be useful. What is straight reeling?

MR. STONES :—Straight reeling is the process by which 840 yards of yarn are reeled into lengths of 120 yards each, so that each length of 120 yards can be separated from the rest. This is done for the convenience of hand-loom weavers.

Cross reeling is referred to in the evidence given by the Madras Textile Expert before the Tariff Board, where he recommends it for the hand-loom weavers in the Madras Presidency in preference to straight reeling.

MR. KHAREGHAT :—Four hanks for 75 lbs.

MR. STONES :—Yes.

MR. KHAREGHAT :—She is just likely to earn 12 annas.

MR. STONES :—12 as. or more as it is casual labour. If you work out the figures for these mills you will find that one reeler gets Rs. 23/- while another gets Rs. 10, because the latter does not want to work much, being household woman. In England also married women would be prepared to take up piecework but would not take up permanent employment.

THE CHAIRMAN :—Will Mr. Dange and Mr. Joshi suggest the mills that we should visit?

MR. JOSHI :—We will tell you, Sir.

MR. STONES :—When the hanks are reeled, they are made into bundles and packed in 200 or 400 lb. bales. We have here two systems where the work is given on contract and where fixed wages are given to the men. The wages compare very favourably with those provided by the Labour Office enquiry.

MR. JOSHI :—You have reduced the wages.

MR. STONES :—We have fixed two rates : one for mills where reeling is a regular business and the other for mills where there is very little reeling. In a mill where reeling work cannot be given always they have to employ men on fixed wages. Where there is enough reeling work men will get sufficient piece, work and earn more money. As for piece-work we cannot work out the figures. They earn Rs. 1-8-5 on piecework as against Rs. 1-4-0 on fixed pay.

THE CHAIRMAN :—Is the piecework system in force in any mills ?

MR. STONES :—Where the work is erratic you cannot have piecework. As regards overseers, weighers, wrappers, balers and bundlers, two alternatives have been provided. There are the fixed rates and the rates on contract. The time wages in the 1923 enquiry were Rs. 1-4-11 as against Rs. 1-2-4 and Rs. 1-3-2 for piece work ; and a worker has got an opportunity of having plenty to do.

MR. SAKLATVALA :—In 1926 enquiry on page 6 you will find that the wages for the head jobbers were Rs. 2-15-11 and assistant jobbers Rs. 1-11-1. The wages of the head jobbers are put down here at Rs. 2-15-0. There are very few head jobbers here.

MR. STONES :—We want to eliminate head jobbers and substitute overseers in their places and their wages are Rs. 2-4-7 as against Rs. 1-11-3 for assistant jobbers.

MR. DANGE :—This department is working 8½ hours now ?

MR. STONES :—9 hours.

MR. DANGE :—Now, it is 10 hours.

MR. STONES :—No, no. Bundling and baling is 10 hours where male employees are taken. Where there are female employees it is only 9 hours.

MR. DANGE :—Bundling and baling department was working only 8½ hours ?

MR. STONES :—In some mills.

MR. DANGE :—You propose to give these figures for 10 hours ?

MR. STONES :—Yes. The wages are Rs. 1-3-10 as against Rs. 1-7-0,

MR. JOSHI :—You work the reeling department for 9 hours.

MR. STONES :—Where females are employed we work only 9 hours, except in cases where a female chooses to take on work of a male worker. Then they work 10 hours. The standard work allotted to female workers in departments where they are employed is only 9 hours. In the mechanic workshop men were working for  $8\frac{1}{2}$  hours while other men doing the same kind of work were working for 10 hours. We have now decided in the interest of discipline that all male workers must commence work at 7 while all female workers should do so at 7-30. The question of hours of work for the mechanic workshop can be taken up with the 17 demands. We insist upon the mill workers attending the mill at 7 o'clock.

MR. DANGE :—Under the name of discipline they are being deprived of 22 per cent. of their wages. They are now going to get the same amount of wages as they got for  $8\frac{1}{2}$  hours for 10 hours also.

MR. STONES :—The question of hours of work for the mechanic workshop can be taken up when the 17 demands are discussed. In the reeling, bundling and baling department where we employ women, they work only for 9 hours. In the department of baling and bundling, though we have increased the work from 9 to 10 hours, we have provided increased wages for extra work done. We maintain that these men have a slack time and must work for 10 hours as any other man in the mill who does similar work.

MR. DANGE :—These average wages are for 9 hours mostly and now here rates are given for 10 hours and there is no basis of fixing the rates for piecework. Most of them had fixed wages.

MR. STONES :—The bundler, baler and all these men are on piecework or on fixed wages. If he is on piecework he will get more earnings. If he is on fixed wages he works for 10 hours instead of 9 hours in some mills. We maintain that we pay even less for men doing similar work in other departments.

MR. JOSHI :—What will be the result of piecework rates?

MR. STONES :—That point we can deal with under the 17 demands.

MR. ASVALE :—There is a cut of 8 annas for Nowganies and coolies.

MR. STONES :—Their rates have been fixed similar to coolies in other departments.

MR. DANGE :—That is, you have cut down in other departments.

MR. JOSHI :—You have not given the average.

MR. STONES :—In the ring department the wages of coolies are the same as in the other departments.

MR. JOSHI :—According to the 1923 rate you are paying less.

MR. STONES :—In proportion to the amount of work.

MR. SAKLATVALA :—In the 1926 enquiry, on page 6, the item 'others' wages Re. 0-15-11.

MR. MEHRBAN :—Coolies are not included in 'others'. They are grouped on page 9—1738.

MR. SAKLATVALA :—There also it is Re. 0-15-11.

MR. JOSHI :—So, you are cutting down the wages of coolies also.

MR. SAKLATVALA :—We will give the present average also.

MR. DANGE :—The average earning shown in the labour office figures is for 27 days, when the time workers were paid fixed wages of Rs. 20/-. Now, whether it is 25 days, 26 days or 27 days they get only Rs. 20/-.

MR. STONES :—Some mills pay Rs. 20/- for 25 days and some Rs. 20/- for 26 days. In order to make it uniform we have made the number of days as 26. Unless they work out the system in practice they cannot come to any conclusion as to a definite wage. These rates have been fixed by calling the men from some of the mills. By piecework they will earn more.

THE CHAIRMAN :—That is the normal principle. The piece-rates should be given a little more than the normal time rate.

THE CHAIRMAN :—Miscellaneous Departments.

MR. JOSHI :—Carpenters. You have reduced rate and increased the hours. Rs. 2-4-7, Rs. 2-4-5 and Rs. 2-7-5.

MR. STONES :—That Rs. 2-7-5 is for the 19 mills.

MR. JOSHI :—You are making the enquiry valueless if you do not accept this average. Where have you given us the average?

MR. STONES :—Rs. 2-4-7.

MR. JOSHI :—That is your standard, not the average. Give us your present day average figure.

MR. SAKLATVALA :—May I point out that in the 1926 enquiry carpenters are all lumped together for all departments (page 9).

MR. JOSHI :—Do you make a distinction between carpenters in one department and those in another?

MR. SAKLATVALA :—In spinning we pay Rs. 35/- to a carpenter while in weaving we pay Rs. 45/- plus 70 per cent. So if you take the average, the average will make it higher. Weaving section requires a more skilful carpenter than in the spinning section.

**THE CHAIRMAN** :—Page 27 of Part 2 of the 1926 enquiry gives some details to illustrate how they differ in the amount of daily earnings.

**MR. DANGE** :—Could we not get from the Labour Office some figures of spindles, cards and roving spindles total for all these 19 mills?

**THE SECRETARY** :—We did not have a census of machinery for the enquiry but only a census of wages.

**MR. STONES** :—It will help them if we give them these figures for these particular mills, separately.

**THE CHAIRMAN** :—They vary a lot.

**MR. STONES** :—Our standardised list gives Rs. 45/- plus 70 per cent, for a carpenter in the weaving section. In the spinning department and other miscellaneous departments, the rate for a carpenter is based on the number of spindles.

**MR. JOSHI** :—Therefore, why not give us figures?

**MR. STONES** :—We will give you figures. This is the average for all the carpenters in the mills.

**MR. JOSHI** :—Let us know the average of carpenters in the spinning department with the number of spindles they minded in 1927.

**THE CHAIRMAN** :—The Secretary has just pointed out that a group of assistant carpenters is also provided for on page 9 and that some of the carpenters may have been classed as assistant carpenters, which would reduce the average.

**MR. JOSHI** :—Let us have the present figures.

(After Lunch.)

**THE CHAIRMAN** :—Mochis.

**MR. STONES** :—The millowners list has Rs. 1-2-10. 1923 list gives Rs. 1-2-2 and 1926 list gives Rs. 1-2-0.

**THE CHAIRMAN** :—There is a slight increase there?

**MR. STONES** :—Yes.

**MR. JOSHI** :—You have not given us figures of the total number of the spindles.

**MR. STONES** :—We will give you those, Mr. Joshi.

**Wrapping Boy**.—Rs. 14/- plus 70%. The wrapping boy collects bobbins, takes them in to the clerk to weigh so as to test the number of counts. The manager of the department has to make adjustments to see that the underweights are made up or that the over weights are brought down to the proper counts.

**Roller Coverers.**—1 at Rs. 25/- plus 70% and 2 at Rs. 18/- plus 70%—  
The 1923 figure is Rs. 1-5-5 average, whereas we pay from Rs. 1-2-10 to  
1-10-1.

**THE CHAIRMAN** :—How do you discriminate between the two?

**MR. STONES** :—We make the head one the principal coverer and the others his assistants. It is a small specialised department where these men do nothing but the roller covering.

**MR. JOSHI** :—You have reduced their wages?

**MR. STONES** :—The lowest man gets Rs. 1-2-10 and the head man gets Rs. 1-10-1. The average for the industry was Rs. 1-5-5 in 1923.

**THE CHAIRMAN** :—Rope Splicer?

**MR. STONES** :—We have for this rope splicer Rs. 20/- plus 70 per cent. The list that is given by us shows him as the engine room rope splicer and should be corrected. The nature of the work is comparable with belt stitcher which would be Rs. 1-2-2 in both cases of 1923 and 1926. This rope splicer is different from the rope splicer in the engine room. The one in the ring room handle small rope on an individual machine while the one in the engine room handles big ropes on the main drive. His skill or the amount of work done by him is nowhere near that of the rope splicer of the engine room.

**MR. JOSHI** :—Here again why have you reduced his rates?

**MR. STONES** :—We claim that we have put it at Rs. 1-10-10. We have taken Rs. 1-10-10 as the figures for the engine rope splicer who gets Rs. 35/- plus 70 per cent. The ring room rope splicer compares with the belt stitcher Rs. 1-2-2 (Page 35 of the 1923 enquiry). Some of the ring frames are driven by ropes and some by belts. Very few mills have these and in others they do not exist at all. The engine room rope splicer's task is a much more difficult task than the ring room rope splicer's.

**Line Levelling Staff.**—Here there is a note below :—

“In view of varying nature and conditions of machinery at different mills, it is suggested that the number of men employed on line levelling staff be left to the discretion of the management concerned. The above rates are given as an indication.”

For Blow room we have 1 fitter per (8) preparations of machines; for cards; card clother per 140 cards and setter of backs; for Frame, 1 frame fitter per 14 preparations; 1 ring fitter per 40,000 spindles and 1 mule fitter when more than 7 pairs of mule. All on Rs. 50/- plus 70 per cent.



These line levelling staff fitters carry out repairs on the whole of the machines along the line whereas the other departmental fitters look after minor repairs, as has already been explained by me a few days previously. Our rate is Rs. 3-4-3 and the rates respectively of the blow room and card room, etc., fitters in 1923 were Rs. 3-5-7, 3-1-9, 3-4-7, 3-5-10 and in 1926 Rs. 2-15-4 for each. So, they are approximately about the same.

MR. JOSHI :—There is a reduction after 1923?

MR. STONES :—We show some increase after 1925. This is for 19 mills and the others for the industry.

MR. JOSHI :—Therefore, the average is low.

MR. STONES :—It may be. These figures are only a rough guide.

Doubling :—This has not been standardised, in view of the varying types prevailing of counts. It will be standardised later. These rates may be taken as a guide.

MR. KHAREGHAT :—What does doubling mean?

MR. STONES :—When we have spun the yarn on to the individual ring frame bobbin, we wind two ends of these on to a bobbin; then we put it through the doubling frame which twists or doubles it. It is such a wide range that we do not think it worth while to standardise it just now but we will do so later.

MR. DANGE :—What would be the total effect of the spinning section standardisation in the matter of savings to the industry?

MR. STONES :—We have given you particulars of 60 mills.

MR. JOSHI :—Let us have a statement from the millowners side about the reduction in the numbers of men as well as the savings which they expect.

MR. STONES :—We cannot give the savings in the number of men because the mills are on different counts. You can work out an average yourself from the figures we have already given you.

MR. JOSHI :—You can certainly give the figures that may result from the maximum and the minimum rates given by you.

MR. DANGE :—You have classified mills as A, B & C. You also know the average counts that they were spinning formerly and what they are spinning now.

MR. STONES :—We do not know what they are spinning now. The average count was made up of 2 preparations on 10s and 10 on 40s or 12 on 30s. It would not be easy to get a correct average. It would mean calling for detailed information from each and every mill, to do which would require a very big staff. In fact, the other side will find it a heavy job to tackle the

figures for one mill only for which they have called for. They will be simply astounded and they would flounder in the maze of figures.

**THE CHAIRMAN:**—Now, we come to the Weaving Section.

**MR. KHAREGHAT:**—I believe from 2,000 to 3,000 operatives will be displaced.

**MR. STONES:**—That is in the spinning. We want to know the information the other side requires.

**MR. KHAREGHAT:**—The number of operatives likely to be displaced if the standard scheme comes into effect.

**MR. SAKLATVALA:**—That depends on counts, and also on the hank roving. As an indication only, I believe the number displaced will be 2,000 or 2,500 if the scheme is enforced in its entirety in respect to roving.

**MR. STONES:**—In the weaving, there is practically no displacement. The displacement of line jobbers is very small, not more than 500 men.

**MR. DANGE:**—Every mill has already found out what number of hands it would require to put on for the standard scheme.

**THE CHAIRMAN:**—I do not know that you can say that.

**MR. DANGE:**—I can say that I gathered from a talk with some of the opposite side that when the scheme was before them for the last four or five months, they had started working out what the effect would be on each mill because they expected to open the mills on the standard scheme in July. Now it would only mean summarising the statistics collected of 84 mills.

**MR. STONES:**—The reports went out to various members for criticism. Each mill must have dug into its own figures to find out what the effect would be on that particular mill during that period. We have not before us the actual figures for each mill. We have taken for each mill a common basis. Mill A 24·87 per 1,000 spindles on an average, 18·10, 11·14, Rs. 692. Mill B 20·40, 21·16, Rs. 665/- per 1,000 spindles. For Mill C, 21/-, 27·76 and Rs. 778/- per 1,000 spindles.

**THE CHAIRMAN:**—They want to know what would be the figure after the scheme comes into effect.

**MR. STONES:**—We could give them only an average. It would be hardly possible to give them a correct figure for all these mills. We might try and give them a rough estimate.

**MR. JOSHI:**—The total figures will be of some use. If you know that the industry is making so much saving by reducing so many men, when the report will be written, it will be of some use.

MR. STONES :—Our point is, and has all along been, that even the saving which we may be able to make is not enough to pull the industry out of the fire.

#### Weaving Section.

MR. STONES :—In the weaving section, the foreword is the same as in the spinning section. This is the section that works far more on piecework than any other section of the industry. Piecework runs almost throughout. Almost every job has its piecework rate. There are very few places where we have daily wages. Daily wage is confined to coolies or heads of departments, but for the major portion of the employees piecework rules fairly frequently.

MR. JOSHI :—You have made a difference in the foreword between the male and female pieceworkers.

MR. SAKLATVALA :—As regards the difference between male and female workers, as I had pointed out, the 80 per cent. increase was given to the weavers in consideration of the reduction in time. When the new Factory Act came into force we were working 10 instead of 12 hours. The fixed wage earners in the spinning department got 70 per cent., and the weaver got 80 per cent. Under the old Factory Act you could work the women for 10 hours ; under the New Factory Act we can work them for 10 hours, but actually we are working them for 9 hours. For all practical purposes, as far as the allowances are concerned, they were taken as fixed wage earners, because there was no reduction in their time.

MR. STONES :—This is the existing condition.

MR. ASAVALE :—Why should the female pieceworker be paid less than the male pieceworker ?

MR. SAKLATVALA :—The present Factory Act says that no operative, whether male or female can work more than 60 hours in the week, that is 10 hours a day. In olden times the adult male worked 12 hours and the female worker worked 10 hours.

MR. ASAVALE :—Under the old Factory Act, it was 12 hours for males and 11 for females. Now 10 hours have been allotted to male workers and 9 to females.

MR. SAKLATVALA :—Mr. Asavale does not know the Factory Act.

MR. STONES :—Previously the women workers worked for 9 hours, and they work 9 hours now. We could work them for 10 hours, but they work from 7-30 to 12 and 1 to 5-30.

MR. SAKLATVALA :—We allow the women to come in half an hour later and leave half an hour earlier.

**THE CHAIRMAN :—**You are going to stop that practice?

**MR. STONES :—**The women will have the same hours as at present; but all men must attend for 10 hours; they must all be in the mills by 7 O'clock in the morning. The proposition is to maintain the hours of women at 9 and those of men at 10. In the meantime, the hours of women are the same as before, and there was no need to give them anything extra as compared with the male pieceworkers.

**THE CHAIRMAN :—**Paragraph 1 does not apply to females?

**MR. STONES :—**No. It applies to adult male operatives.

### Grey Winding.

**MR. STONES :—**There is one point in all these rates; they are entirely new rates in many ways and in many cases new systems. We have, in fixing these, fixed a wage that we consider the operative should earn, and these lists will be adjusted. If any correction comes in later on, we will give the average rate which we have settled in each section. That average wage will be ascertained as decided at the end of page 2, where we have said: "In arriving at the average wage the lowest one-fourth wage-earners should be eliminated, this to cover learners and inefficient and the average of remaining three-fourths to be ascertained." We have fixed at the top of each list a wage we consider should be earned in that section, compiled on that basis, and the rates have been worked out with the idea of giving that wage. At the top of page 2, for example, in the 4th line, the average given is Rs. 14/- plus 70 per cent. The basis we have worked on is that one winder should turn out 25 lbs. of 20s coloured yarn per day, and should earn thereby Rs. 14/- plus 70 per cent. That is in 9 hours working.

**THE CHAIRMAN :—**That is in 9 hours.

**MR. STONES :—**Female workers to do that work in 9 hours. The weaving section is entirely different from the spinning section. In the spinning section you will have noticed that the only pieceworkers are the men in the card room on the drawing and speed frames. Here you will find practically everybody is a pieceworker.

**THE CHAIRMAN :—**Does this differ very much from the present system?

**MR. STONES :—**No the rates may vary, and here again I wish to draw attention to one feature of the work in Bombay which is not usual in most places. For example, on Page 2, you will find for 20s and below, the rate for 10 lbs. is 43 pies, that is 4 annas. In the group of mills that I am in charge of, we have one mill that pays this wage of 43 pies; the other mills pay 60 pies; so that this wage would be considerably reduced in the other mills.

On the same speed of machine, at the rate of 48 pies, the workers receive a much higher wage than they do in the mills with a rate of 60 pies. The reason for that is that in allocating work, there has been no definite system of the number of spindles that they should tend; the winders have turned up; they have been given work, and it has been a case of the workers themselves dividing the amount of work available. There, it is a case of their getting some amount of work rather than their getting the full amount of work to keep them going the whole day. At this particular mill with the rate of 48 pies, we have a small number of machines; they are working all the time, and they get really a good wage. At the other mills, many operatives have been thrown out of work by the adoption of newer processes. The result is that where we ought to employ 10 people, we employ 16 or 20. The work available is divided amongst them, and though they are working at a higher rate, they earn a lower wage. In arranging the standard now, we have decided on a standard of the number of drums or spindles as the case may be; so that with those rates and those conditions they can earn the wage. It may mean a displacement of labour, in the sense that a lot of paid-people will go, but at those rates the industry was paying higher rates than it could afford, due to the fact that we were paying higher rates and not giving them enough work.

MR. DANCE :—By how much has your average fallen?

MR. STONES :—For the grey winder the millowners have fixed on piecework 13 annas. The average for 1923 was 0-12-3 and for 1926, 0-11-9 on piecework. For the colour winder we have fixed 0-14-7; the average for 1923 was 0-13-7 and for 1926, 0-14-11.

THE CHAIRMAN :—There is no provision for time?

MR. STONES :—We have provided later for time work. At the foot of Page 8, we say :—

“Where necessary for samples and cleaning bobbins, etc., the following fixed wages to be paid.”—

Coloured Winding	...	...	8 as.	plus	70% per Day.
Grey Winding	...	...	7	”	” 70% ” ”
Universal Winding	...	...	8	”	” 70% ” ”

You will find those figures worked out on this sheet, time 14 annas, 12 annas, 14 annas.

MR. KHAREGHAT :—It is on basis of time for exceptional circumstances.

MR. STONES :—In this department, it is only in cases where circumstances are exceptional. It is 98 per cent. piecework. It is sometimes necessary

to empty the bobbins, to change colours, If there are 1,000 bobbins with a very small amount of yarn left on them, they wind it on to 50 big bobbins, releasing the rest for the work of the department. In that case, we pay on basis of time.

MR. DANGE :—You have calculated 0-14-11 from the 1926 list. From the Labour Office list for 1927, 13 is the average wage.

MR. STONES :—You will see the small percentage of time workers as compared with piece workers.

	TIME WORKERS.			PIECE WORKERS.		
	Rs.	a.	p.	Rs.	a.	p.
Grey Winders ... ..	19	12	0	21	5	0
Colour Winders...	17	0	0	27	13	4
Pirn Winders ... ..	23	8	4	25	10	3

The wages are 12 annas as against Rs. 0-11-2 and annas 13 as against Rs. 0-11-9. On colour winding we are paying less Re. 0-14-7 as against Re. 0-14-11.

MR. KHAREGHAT :—If women work more they will earn more ?

MR. STONES :—Yes. I have worked out Re. 0-14-7 on the basis of Rs. 14/- plus 70 per cent. We have to work out the average later on the number of counts. We guarantee that she gets more on this basis. Here we legislate for female labourers. If he is a male labourer, he will work for 10 hours and get one-ninth more pay.

MR. JOSHI :—Do you think that it is necessary for your scheme that they will get certain amount of work.

MR. STONES :—We provide that they should be given a certain number of spindles which will give them enough work. If we have no work we do not keep them. We follow the English system.

MR. JOSHI :—Is it different from playing off.

MR. STONES :—That is something that will come later.

MR. JOSHI :—You are going to take power by what is called playing off. In your general scheme you are not providing that there shall be sufficient work for pieceworkers.

MR. STONES :—We reduce the number of workers and we say that there should be given a production of so many lbs. In the past more winders divided it among themselves, and got lower wages.

MR. ASAVALE :—Is it a fact that there are breakages if the yarn is weak ?

MR. STONES :—It is why a proviso is made here. Turkey red and aniline black in all winding department to be paid 10 per cent. extra.

THE CHAIRMAN :—Is it because that it breaks more?

MR. STONES :—As it is liable to more danger, we provide for that contingency.

MR. SAKLATVALA :—As it is costly yarn we ourselves take as much care as we can.

MR. ASAVALE :—Rs. 14/- plus 70 per cent. is not sufficient wages.

MR. STONES :—We say that the rates provided are ample for an average winder. We give the rates per 10 lbs. on different counts. We think that this will give them Rs. 14/- and more. We provide Rs. 14/- as a safe-guard. On aniline we pay 10 per cent. extra. The mills are working to try and make profit and get the material through. It does not mean that it will stop the winders. A mill naturally will give work to the workers. There has not been any basis at all and the trial of this scheme will show where we are. We give safe-guards to labour on a definite basis on the counts of yarn and certain circumstances. The wages of this scheme are in favour of the workers.

THE CHAIRMAN :—You make some allowance for it?

MR. STONES :—Yes, that would be the minimum that we would have to give.

MR. DANGE :—In regard to this coloured winding, I see the note at the end which reads as under :—

“ In arriving at the average wage, the lowest one-fourth wage-earners should be eliminated, this to cover learners and inefficient and the average of remaining three fourths to be ascertained. ”

In that case, you would have to eliminate the extra-efficient.

MR. STONES :—We want only the learners and inefficient to be eliminated. We have followed the well known system in Lancashire.

MR. JOSHI :—What guarantee have you about the average Rs. 14?

MR. STONES :—We can guarantee that.

MR. JOSHI :—It means that you are spinning 2s and below at 18 pies. The average will be 14.

MR. STONES :—When the winder has done the day's work, surely a good workman can get 14 at the end of the day and if she does not, she gets 18 pies per 10 lbs. but she will wind a small lot. Sir, Mr. Joshi has picked up a parti-

cular figure of one mill where they are paying this rate for winding. A winder there will earn something like Rs. 35/- per month.

MR. JOSHI :—If they get Rs. 35/- on this particular count, are you going to ask later for a reduction?

MR. DANGE :—You have quoted Lancashire list in regard to this efficiency. I can understand learners being eliminated but if you are going to eliminate inefficient, why not then eliminate the extra-efficient?

MR. STONES :—For the simple reason that it would be unfair to the workers who have worked for 15 or 20 years and therefore we have arranged to pay them lower wages.

MR. DANGE :—What was the system followed in 1921 census in eliminating the topmost quarter and the lower quarter?

MR. SAKLATVALA :—That was too scientific for you or us to follow.

MR. STONES :—Look at the N. B. on the same page. It reads :—

*N. B.*—Two-fold yarn at the price of its resultant count, less two, *i. e.*,  
2/30s equal to 13s ;

The counts of two-fold yarn are 30s which would be 15s. If it was three-fold resultant, that would be in 10s. This is a very strong yarn and we therefore, in calculating the wage on that, deduct 2 counts from the fold so that the 2/30s (which are actually 15s counts) have got 13s owing to the increased strength.

MR. JOSHI :—How do you get 13s?

MR. STONES :—15s less two resultant. Divide it by the number of folds into the counts of single yarn. 30 divided by 2 gives you 15, which, less 2, comes to 13s. We pay as on 13s.

THE CHAIRMAN :—You provide for 13s?

MR. STONES :—That we have got to decide. We have not yet decided about intermediate counts. If this Committee will allow us to do so, we will do it or we can settle it ourselves with the opposite party.

MR. JOSHI :—3s. and more fold yarns?

MR. STONES :—It will mean 3 fold 30s would be 10s, less 2, *i. e.*, 8.

MR. JOSHI :—Less 2 is again there also?

MR. STONES :—Yes.

MR. JOSHI :—There is no reduction?

MR. STONES :—That is so.



MR. JOSHI :—3 fold yarn is 10s?

MR. STONES :—The reason for that is that we thought there may be larger knots in the higher foldings, and that what they gained on the increased strength yarn where there are more folds, would be lost by the larger size knots made by the worker. That will have to be carefully watched and seen so that we need not reduce the counts on other than 2 fold yarn.

MR. JOSHI :—The Note further says :—

“ The number of drums or spindles per winder to be adjusted to the counts being wound so as to permit an average winder earning the wage that would be obtained on the standard of 10 drums or spindles on 20s.”

MR. STONES :—The hank of 840 yds. is the standard in trade. In 20s for a 10 lbs. bundle you will have 20 + 10 hanks wound for that money. On the 40s you will have more hanks to wind to get the wage so that we could have more spindles on the finer counts where they take more drums and on the coarser counts take less drums. On the hanks winding is not so much as on grey winding. In the grey winding we have given a different rate for 5" lift, 5½" lift and for 6" lift. The 5" lift requires a less size bobbin and contains less yarn so that we can have a higher rate for the same weight of yarn because the winder will have to do more piecing. What I really want to point out is that a 5" bobbin has less yarn on it and therefore to wind the same weight of yarn, she will have to change more bobbins and we therefore give a higher rate. Similarly on counts, 20s. She will have on one bobbin a certain amount of yarn. If we move up to 40s, there will be twice the length of yarn on one bobbin and correspondingly less changes so that she is able to mind more spindles on 40s. than on 20s. She has not got to change the bobbin so often ; she has got more yarn so that she takes care of more spindles which will have to be adjusted to the drum and the winder earns the amounts stated there.

MR. ASAVALE :—In many mills 6" lift is used. 5" lift is not so.

MR. STONES :—Where there is 5" lift, they are run at a higher speed. We naturally standardise on the lift that is used in the bulk of the industry. We have also provided for variations from that bulk, and that is why we have allowed for 5" lift, 5½ lift and 6" lift.

MR. JOSHI :—The Note goes on to say :—

“ Winding coloured yarn from cheeses to warper bobbin on grey winder or vertical spindle coloured winding machine to be paid at grey rates.”

Is there no difference between coloured and grey winding?

MR. STONES :—The advantage there is not with the winder. The cheese is a very big package of yarn. We use the grey winder machine and put the cheese as source of supply on the grey winding machine. As compared with coloured, the supply of yarn is very much greater than on warp bobbin.

MR. KHAREGHAT :—The winder transfers from bobbins to drums ?

MR. STONES :—No. There are two kinds of machines ; one is the vertical spindle winding machine in which the yarn is fed to bobbin rotating the vertical spindles ; the other type (the old type) is a drum machine. The bobbin on the vertical spindle is driven by a flamed washer, which rests on the spindle disc.

MR. KHAREGHAT :—Drums do not exist in other cases ?

MR. STONES :—They are going out of existence.

MR. KHAREGHAT :—Your basis would be 25 lbs. per 10 spindles or 10 drums ?

MR. STONES :—Yes, because drums are slowly going out of existence. The note further says.—

“ Winding coloured yarn from cones to warper bobbins on grey winding or vertical spindle coloured winding machine to be paid at Grey rates, less 10 per cent.”

Where we have cones, the yarn is in a much better form than in cheeses. It gives a bigger supply and runs of much easier and therefore, we pay 10 per cent. less than on grey. The cone is a huge cone-shaped package of yarn. All that the winder need do is to take a frame, fasten it on to the bobbin and it goes on. If the Committee likes, I will arrange for a cone to be brought here and explained.

THE CHAIRMAN :—Yes, we would like to see it. We shall now adjourn till to-morrow at 11-15 a.m.

Exhibit referred to in the Oral Evidence of 14th, November 1928.

THE STANDARD MILLS CO., LTD.  
(In Voluntary Liquidation.)  
*Bombay, dated 10th November 1928.*

THE AG. SECRETARY,

THE MILLOWNERS' ASSOCIATION, BOMBAY.

Dear Sir,

I am in receipt of your letter of date. The complaint made to you is false. I have adhered to the agreement. As sorts that were not manufactured

in 1927 were to be manufactured, a list of rates for them were given to the jobbers to consider them in consultation with the labourers. The jobbers suggested to the Weaving Master to put them on the notice board for consideration of the operatives to enable them to discuss them with the Weaving Master. The suggestion of the jobbers was carried out at about 4-30 P. M. on the 7th inst. No one complained about rates to the Weaving Master or to my co-liquidator. On the 8th inst. the weavers worked for two hours peacefully. The Weaving Master was in the department in the morning and no one complained to him. At the instigation of mischievous people, the weavers at about 10 A. M. threw down the tools without any previous complaint and went to the telephone room and cut the connection. They thereafter went to the office assaulted the staff and the sizing master in his department mercilessly after breaking open the doors. The undermentioned persons were assaulted mercilessly by the workmen :—

1. My co-Liquidator, Mr. Navinchandra Mafatlal.
2. Mr. Cooper, the Weaving Master.
3. Mr. Bapujee, the Sizing Master.
4. Mr. Shamrao, the Sizing Clerk.
5. Ganpat, the Ramochi.
6. Adam, the Chauffeur.
7. A Peon and two others.

As a result of the trouble, three persons out of the nine persons are lying dangerously ill in the hospital.

As the workmen were causing danger to lives of others and the property of the mill, the police were communicated with and they cleared them off.

Owing to the seriousness of the situation, the staff declines to resume work and it is apprehended that the mill property would be damaged if the work is resumed.

The operatives ought to have come to the management with their complaints if any, and they ought not to have taken the law in their hands.

The men have not been locked out but they have themselves created a situation which makes it impossible to run the mills.

As there is no safety to life of the staff, and to the mill property, and as the staff declines to resume work in view of the seriousness of the situation, I have to request you to let me know how work can be resumed.

Yours faithfully,

For THE STANDARD MILLS Co., LTD.,  
(Sd.) MAFATLAL GAGALBHAI,  
*Liquidator.*