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# REPORT

OF THE

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## **Bombay Millowners' Association**

**For the year 1928.**

*(Established 1st February 1875.)*

**PRESENTED TO THE ANNUAL GENERAL MEETING  
HELD ON 12TH MARCH 1929.**

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*Bombay :*  
PRINTED BY G. CLARIDGE & CO., LTD.  
1929.

# THE BOMBAY MILLOWNERS' ASSOCIATION.

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## REPORT FOR THE YEAR 1928.

### LIST OF CONTENTS.

	PAGES.
SECTION I. Proceedings of the Annual General Meeting held on 12th March 1929, etc. . . . .	ii—x
SECTION II. Foreword—Abstracts of subjects dealt with by the Committee during the year—Accounts of the Association for the year ending 31st December, 1928 . . . . .	1—81
SECTION III. Correspondence . . . . .	85—358
SECTION IV. Financial Statement of the Government of India for the year 1929-30 . . . . .	361—384
SECTION V. Statistics . . . . .	385—449
SECTION VI. Rules and Regulations of the Association, etc. . . . .	v—xlix

# CONTENTS.

	PAGE.
Accountancy Board—Proposed establishment of . . . . .	64, 307
Accounts of the Association . . . . .	79
Allowances for depreciation in respect of Buildings and Machinery used in industries which cause special deterioration . . . . .	52, 237
Allowances for Fire extinguishing appliances . . . . .	29, 145
American cotton—Fumigation of . . . . .	47
Anti-Malarial measures in Mills . . . . .	32, 152
Arbitral awards in commercial contracts . . . . .	66, 316
Assessment of cotton mills for purposes of Municipal Taxation . . . . .	22, 106
Association's representatives :—	
Board of Management of the Nowrosji Wadia Maternity Hospital . . . . .	6
Empire Cotton Growing Corporation . . . . .	8
G. I. P. Railway Advisory Committee . . . . .	6
Railway Rates Advisory Committee . . . . .	7
Royal Institute of Science—Advisory Committee . . . . .	6
Smoke Nuisances Commission . . . . .	6
Auditors of the Association . . . . .	8
Bills :—	
To provide for the investigation and settlement of Trade Disputes . . . . .	55, 244
To amend the Indian Penal Code—Immunity from legal proceedings to unregistered Trade Unions . . . . .	58, 272
To amend the Indian Merchandise Marks Act . . . . .	60, 283
For the reservation of Coastal Traffic of India to Indian vessels . . . . .	61, 287
To limit interest charged on loans in British India . . . . .	62, 297
To amend the Workmen's Compensation Act . . . . .	59, 278
Bills of Exchange and Pro-notes payable otherwise than on demand—Penalty in case of unstamped or insufficiently stamped documents . . . . .	68, 346
Bleaching, Dyeing and Printing Factory, combined—Establishment of—near Bombay	19, 94
Calcutta University—Commercial Museum—Exhibits . . . . .	70
Chairman, Deputy Chairman and Committee . . . . .	5
Chemical Industry—Protection for . . . . .	50, 226
Classification of piecegoods in the monthly Statistics of Spinning and Weaving in Indian Mills—Revision . . . . .	35, 159
Coastal Traffic of India—Bill for the reservation of—to Indian vessels . . . . .	61, 287
Combined Bleaching, Dyeing and Printing Factory near Bombay—Establishment of. . . . .	19, 94
Commercial Museum—Exhibits—Calcutta University. . . . .	70
Contract form for the sale and purchase of ready cotton . . . . .	40, 173
Cotton :—	
Cotton Merchants' and Muccadums' Association—Proposed amendment in the rules regarding weighments of cotton bales and allowances in case of burst bales, etc. . . . .	41, 175
Fumigation of American cotton . . . . .	47
Malpractices in Cotton Ginning and Pressing Factories . . . . .	43, 184
Marking of cotton bales . . . . .	42, 179
Mixing of Punjab-American cotton with Desi cotton . . . . .	45, 190
Publication of the monthly cotton press returns in the <i>Indian Trade Journal</i>	46, 193
Court fees and general stamps—Leakage in general revenue . . . . .	69, 347
Currimbhoy Ebrahim, Bart., Sir—Death of . . . . .	10
Depreciation in Japanese Exchange . . . . .	52, 240
Depreciation in respect of Buildings and Machinery used in industries which cause special deterioration—Allowances for . . . . .	52, 237

	PAGE.
Depressed classes—Employment of—in weaving departments.. .. .	71, 351
Desi cotton—Mixing of—with Punjab-American .. .. .	45, 190
Donations .. .. .	74
Double-shift working in Bombay Cotton Mills .. .. .	8
Dyeing, Printing and Bleaching Factory—Combined—Establishment of—near Bombay .. .. .	19, 94
East India Cotton Association :—	
By-law 86—Inclusion of Mill-godowns in the list of places where cotton might be tendered under Hedge contracts .. .. .	39, 169
Alteration in By-law 139 regarding Settlement days .. .. .	38, 167
Contract forms for the purchase and sale of ready cotton .. .. .	40, 173
Hedge contracts .. .. .	36, 160
Trading in Kutcha Kandy .. .. .	38, 165
Electrical Installation of Mills—Levy of fees for the inspection of—	
By the Government of Bombay .. .. .	27, 130
By the Bombay Fire Insurance Association .. .. .	28, 137
Electrolytic Alkali Plant in Bangalore—Proposed establishment of—by the Govern- ment of Mysore for the production of caustic soda and bleaching powder .. .. .	71, 350
Eleventh session of the International Labour Conference—Representatives of India..	33
Empire Cotton Growing Corporation—Association's representative .. .. .	8
Fire Extinguishing appliances—Allowances for .. .. .	29, 145
Fire Insurance rates for cotton mills .. .. .	28, 143
Fire Tax—Proposed amendment of the Municipal Act .. .. .	32, 151
Fumigation of American cotton .. .. .	47
G. I. P. Railway Advisory Committee—Association's representative .. .. .	6
Hartshorn's attack on the Tatas—Association's protest .. .. .	71, 352
Hedge contracts .. .. .	36, 160
Hosiery Factories—Supply of Indian mill-made yarn .. .. .	73, 353
Income-tax Act :—	
Allowances for depreciation in respect of Buildings and Machinery used in industries which cause special deterioration .. .. .	52, 237
Import duty on Jacquard Linen Thread .. .. .	49, 225
Import duty on Liquid Fuel Oil .. .. .	47, 223
Improvement Trust—Transfer of activities of—to the Bombay Municipality ..	67, 345
Indian Trade Mission—Report of.. .. .	17
Insurance :—	
Allowance for Fire Extinguishing Appliances .. .. .	29, 145
Rebates for Sprinklered Cotton Mill Godowns .. .. .	30, 147
Fire Insurance Rates for Cotton Mills .. .. .	28, 143
Interest charged on loans in British India—Bill to limit .. .. .	62, 297
International Labour Conference—Eleventh session ; Representatives of India ..	33
Jacquard Linen Thread—Import Duty on .. .. .	49, 225
Japanese Exchange—Depreciation in .. .. .	52, 240
Kutcha Kandy—Trading in .. .. .	38, 165
Labour Conference—International—Representatives of India—Eleventh session ..	33
Leakage in Revenue derived from Court Fees and General Stamps .. .. .	69, 347
Liquid Fuel Oil—Import Duty on .. .. .	47, 223
Malpractices in Cotton Ginning and Pressing Factories .. .. .	43, 184
“ Manufactured ”—Definition of the word: The Cotton Industry (Statistics)	
Act, 1926 .. .. .	34, 157
Marking of cotton bales .. .. .	42, 179
Measures to check the high consumption of Opium—Association's representative on the Committee .. .. .	7, 85
Meeting with the Director-General of Commercial Intelligence and Statistics ..	10
Meeting with the Hon'ble Sir George Rainy, Commerce Member with the Government of India .. .. .	10
Membership of the Association .. .. .	5
Merchandise Marks Act—Bill further to amend .. .. .	60, 283
Mill go-downs—Inclusion in the list of places where cotton might be tendered under Hedge Contracts—By-law 86 of the East India Cotton Association ..	39, 169

	PAGE.
Mill Holidays and Pay-days .. .. .	76
Minimum Demand charges—Tata Power Contracts .. .. .	24, 114
Muccadam's Association—Proposed amendments in the rules regarding weighments of cotton bales and allowances in case of burst bales .. .. .	41
Municipal Assessment :—	
Assessment of Cotton Mills for purposes of Municipal Taxation .. .. .	22, 106
Water Tax payable by Mills .. .. .	22
Nowrosjee Wadia Maternity Hospital—Association's representative on the Board of Management .. .. .	6
Opium—Measures to check the high consumption of .. .. .	7, 85
Penalty of incurable inadmissibility in evidence in the case of unstamped or insufficiently stamped Promissory Notes and Bills of Exchange payable otherwise than on demand .. .. .	68, 346
Profit and Loss Statement of the Bombay Cotton Mill Industry in 1927 .. .. .	74
Printing, Bleaching and Dyeing Factory near Bombay—Establishment of .. .. .	19, 94
Protection for the Indian Chemical Industry .. .. .	50, 226
Protection for the Indian Salt Industry .. .. .	51, 232
Punjab-American cotton—Mixing of—with Desi cotton .. .. .	45, 190
Purchases of Piecegoods by the Government of Bombay .. .. .	70, 348
Railway Rates Advisory Committee—Association's representative .. .. .	7
Raw Cotton Stocks held by Bombay Mills on 31st August 1928 .. .. .	74
Rebates for Sprinklered Cotton Mill Godowns .. .. .	30, 147
Revision of the Classification of Cotton piecegoods in the monthly Statistics of Spinning and Weaving in Indian Mills .. .. .	35, 159
Royal Institute of Science—Advisory Committee—Association's representative .. .. .	6
Salt Industry—Protection for .. .. .	51, 232
Samvatsari—Declaration of—as a Public Holiday .. .. .	73, 355
Settlement Days—Alteration in By-law 139 of the East India Cotton Association .. .. .	38, 167
Smoke Nuisances Commission—Association's representative .. .. .	6
Sprinklered Cotton Mill Godowns—Rebates for .. .. .	30, 147
Strike in Bombay Cotton Mills .. .. .	77, 356
Suggestions for obtaining increased output per operative—Recommendations of the Tariff Board .. .. .	16, 93
Supply of Indian Mill-made Yarn for Hosiery Factories .. .. .	73, 353
Stocks of Yarn and Cloth held by Bombay Mills in 1928 .. .. .	75
Tariff Board—	
Action taken by Association on certain recommendations made by .. .. .	11, 86
Suggestions for obtaining increased output per operative .. .. .	16, 93
Combined Bleaching, Dyeing and Printing Factory near Bombay .. .. .	19, 94
Tariff Valuations :—	
Tariff Valuations under the Indian Tariff Act .. .. .	47, 195
Import Duty on Jacquard Linen Thread .. .. .	49, 225
"    "    Liquid Fuel Oil .. .. .	47, 223
Tata Power Contracts—Minimum Demand Charges .. .. .	24, 114
Trade Disputes Bill .. .. .	55, 244
Trade Marks in India—Registration of .. .. .	63, 304
Trade Mission—Report of .. .. .	17
Trade Numbers—Registration of .. .. .	21, 98
Trading in Kutch Kandy .. .. .	38, 165
Water Tax payable by Mills .. .. .	22
Workmen's Compensation Act—Bill further to amend .. .. .	50, 278
Yarn and Cloth Stocks held by Bombay Mills in 1928 .. .. .	75
Yen Exchange—Depreciation in .. .. .	52, 240

# BOMBAY MILLOWNERS' ASSOCIATION

ESTABLISHED 1st FEBRUARY 1875.

## List of Members.

APOLLO MILLS, LIMITED.	MADHURAO SCINDIA MILLS, LIMITED.
ASSUR VEKRIE MILLS, LIMITED.	MADRAS UNITED SPINNING AND WEAVING MILLS COMPANY, LIMITED.
BENGAL LAKMI COTTON MILLS, LIMITED.	MADURA MILLS COMPANY, LIMITED (Madura, Tuticorin and Amal-samudram).
BENGAL-NAGPUR COTTON MILLS COMPANY, LIMITED.	MAHABOOB SHAHI KULBURGA MILLS COMPANY, LIMITED.
BENAR MANUFACTURING COMPANY, LIMITED.	MANOCKJEE PETIT MANUFACTURING COMPANY, LIMITED.
BHAGIRATH SPINNING, WEAVING AND MANUFACTURING COMPANY, LIMITED.	MATHRADAS MILLS, LIMITED.
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BOMBAY DYEING AND MANUFACTURING COMPANY, LIMITED.	MODEL MILLS (NAGPUR), LIMITED.
BRADBURY MILLS, LIMITED.	MOON MILLS, LIMITED.
BURHANPUR TAPTI MILL, LIMITED.	MORARJEE GOCULDAS SPINNING AND WEAVING COMPANY, LIMITED.
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COIMBATORE SPINNING AND WEAVING COMPANY, LIMITED.	NEW GREAT EASTERN SPINNING AND WEAVING COMPANY, LIMITED.
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COORLA SPINNING AND WEAVING COMPANY, LIMITED.	NEW KAISER-I-HIND SPINNING AND WEAVING COMPANY, LIMITED.
CRESCENT MILLS COMPANY, LIMITED.	PARBHANI GINNING AND PRESSING COMPANY, LIMITED.
CROWN SPINNING AND MANUFACTURING COMPANY, LIMITED.	P. D. PATEL GIN AND PRESS FACTORY.
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DAVID MILLS COMPANY, LIMITED.	PHOENIX MILLS, LIMITED.
DAWN MILLS COMPANY, LIMITED.	PRABHAT MILLS, LIMITED.
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EDWARD SASSOON MILLS, LIMITED.	PREMIER MILLS, LIMITED.
E. D. SASSOON UNITED MILLS, LIMITED.	PULGAON COTTON SPINNING, WEAVING AND MANUFACTURING COMPANY, LIMITED.
ELPHINSTONE SPINNING AND WEAVING MILLS COMPANY, LIMITED.	RAI BAHADUR HUNSILAL ABIRCHAND SPINNING AND WEAVING MILL.
FAZULBOY MILLS, LIMITED.	RAJA BAHADUR MOTILAL BOMBAY MILLS, LIMITED.
FINLAY MILLS, LIMITED.	RANCHAND GURSAHAI MAL COTTON MILLS COMPANY, LIMITED.
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GOKAK MILLS, LIMITED.	SASSOON SPINNING AND WEAVING COMPANY, LIMITED.
GOLD MOHUR MILLS, LIMITED.	SATYA MILL, LIMITED.
HINDOUSTAN SPINNING AND WEAVING MILLS COMPANY, LIMITED.	SHOLAPOUR SPINNING AND WEAVING COMPANY, LIMITED.
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JAM SHRI RANJITBHAIJEE SPINNING AND WEAVING MILLS COMPANY, LIMITED.	SWAN MILLS, LIMITED.
JUBILER MILLS, LIMITED.	TATA MILLS, LIMITED.
KASTOORCHAND MILLS COMPANY, LIMITED.	UNION MILLS, LIMITED. (IN LIQUIDATION.)
KHANDAISH SPINNING AND WEAVING MILLS COMPANY, LIMITED.	VICTORIA MILLS, LIMITED.
KHATAU MAKANJI SPINNING AND WEAVING COMPANY, LIMITED.	VISHNU COTTON MILL, LIMITED.
KOHINOOR MILLS COMPANY, LIMITED.	WESTERN INDIA SPINNING AND MANUFACTURING COMPANY, LIMITED.
LAKSHMI COTTON MANUFACTURING COMPANY, LIMITED.	
MADHURJI DHARAMSI MANUFACTURING COMPANY, LIMITED.	

## ASSOCIATION'S REPRESENTATIVES.

*Legislative Assembly*—H. P. MODY, Esq., M.L.A.  
*Bombay Legislative Council*—J. B. PETIT, Esq., M.L.C.  
*City of Bombay Improvement Trust*—HON'BLE MR. RATANSI D. MORARJI.  
*Bombay Port Trust*—A. GEDDIS, Esq.  
*Victoria Jubilee Technical Institute*—JHANGIR B. PETIT, Esq., M.L.C., AND THE HON'BLE SIR MUNMOHANDAS RAMJI, Kt.  
*Bombay Smoke Nuisances Commission*—H. H. LAKIM, Esq., AND W. A. SUTHERLAND, Esq.  
*Nordenham College of Commerce Advisory Board*—S. D. SAKLATVALA, Esq.  
*Indian Central Cotton Committee*—S. D. SAKLATVALA, Esq.  
*Empire Cotton Growing Corporation*—W. H. BRADY, Esq.  
*Development of Bombay—Advisory Committee*—JHANGIR B. PETIT, Esq., M.L.C.  
*G. I. P. Railway Advisory Committee*—A. GEDDIS, Esq.  
*B. B. & C. I. Railway Advisory Committee*—THE HON'BLE SIR MUNMOHANDAS RAMJI, Kt.  
*Excise Advisory Committee*—A. GEDDIS, Esq.  
*Nocturnal Wadia Maternity Hospital Board of Management*—A. GEDDIS, Esq., AND H. P. MODY, Esq.  
*Municipal Corporation*—H. P. MODY, Esq.  
*University of Bombay*—JHANGIR B. PETIT, Esq., M.L.C.  
*Royal Institute of Science*—H. P. MODY, Esq.  
*Opium Committee*—THE HON'BLE SIR MUNMOHANDAS RAMJI, Kt.

## COMMITTEE FOR 1929.

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LALJI NANANI, Esq., M.L.C. (*Deputy Chairman*).  
SIR DINSHAW M. PETIT, BART.  
SIR VICTOR SASSOON, BART.  
THE HON'BLE SIR DINSHAW B. WADIA, Kt.  
SIR FAZULBOY CURRIMBOY, Kt., C.B.E.  
SIR NILES WADIA, K.B.E., C.B.E.  
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T. WATTS, Esq.

T. MALONEY, Esq., M.C., *Secretary*.  
A. C. M. CURRIMBOY, Esq., *Asst. Secretary*.

## TRUSTEES OF ASSOCIATION'S FUNDS.

*General Fund* : - MR. H. P. MODY & MR. RATANSI D. MORARJI.  
*Provident Fund* : - MR. S. D. SAKLATVALA & MR. H. P. MODY.

## CHAIRMEN AND SECRETARIES OF THE BOMBAY MILLOWNERS' ASSOCIATION.

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### *Chairmen.*

H. MAXWELL, 1875, 1876-77, 1877-78.  
J. A. FORBES, 1878-79.  
SIR DINSHAW MANECKJI PETIT, 1879-80, 1880-81, 1881-82, 1882-83, 1883-84, 1884-85,  
1886-87, 1888-89, 1889-90, 1891, 1892.  
SIR GEORGE COTTON, 1893, 1894, 1895, 1896, 1897, 1898, 1899\*, 1900\*.  
JOHN R. GREAVES, 1899\*, 1900\*, 1901, 1902.  
BOMANJEE DINSHAW PETIT, 1903.  
SIR SASSOON J. DAVID, 1904, 1905.  
SIR VITHALDAS DAMODHER THACKERSEY, 1906, 1907.  
SIR FAZULBHOY CURRIMBHOY, 1908.  
SIR MANMOHANDAS RAMJEE, 1909.  
HERBERT R. GREAVES, 1910.  
SIR NESS WADIA, 1911.  
SIR DINSHAW M. PETIT, 1912.  
SIR J. F. BRADBURY, 1913.  
NAROTTAM MORARJEE, 1914.  
JEHANGIR B. PETIT, 1915.  
N. B. SAKLATVALA, 1916.  
SIR DINSHAW E. WACHA, 1917.  
C. N. WADIA, 1918.  
N. G. HUNT, 1919.  
RAHIMTOOLA CURRIMBHOY, 1920.  
SIR JOSEPH KAY, 1921, 1922.  
SIR VICTOR SASSOON, BART., 1923.  
S. D. SAKLATVALA, 1924.  
SIR NESS WADIA, 1925.  
A. GEDDIS, 1926.  
H. P. MODY, 1927.  
J. B. PETIT, 1928.  
H. P. MODY, 1929.

### *Secretaries.*

JOHN GORDON, 1875-84.  
DAVID WATSON (Acting), 1881-82.  
JOHN MARSHALL, 1884-98.  
FREDERICK NOEL-PATON, 1898-1905.  
J. B. LESLIE-ROGERS, 1905-11.  
R. E. GREGOR-PEARSE, 1912-20.  
C. B. SAYER, 1921-24.  
T. MALONEY, appointed 1924.

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\* Part Year.



# Bombay Millowners' Association.

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## *Section I.*

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PROCEEDINGS OF THE ANNUAL GENERAL MEETING  
HELD ON 12th MARCH 1929.

# Bombay Millowners' Association.

## ANNUAL GENERAL MEETING.

PROCEEDINGS of the ANNUAL GENERAL MEETING of Members of the BOMBAY MILLOWNERS' ASSOCIATION held in the rooms of the Association on Tuesday, the 12th March 1929, at 11-30 a.m. (S.T.), to transact the following business :—

- (1) To receive and adopt the Committee's Report for the year 1928 ;
- (2) To appoint Auditors of the Association's accounts for the current year and to fix their remuneration ;

And any other business that may be brought forward.

MR. JEHANGIR B. PETIT, M.L.C., Chairman of the Association, presided.

The following gentlemen were also present :—

Mr. T. W. Johnstone, Chief Inspector of Factories ; Mr. P. B. Advani, Director of Industries, Bombay ; Khan Bahadur J. B. Vachha, Commissioner of Income-tax ; Mr. G. L. Winterbotham, Chairman of the Bombay Chamber of Commerce ; Mr. L. R. Tairsee, President of the Indian Merchants' Chamber ; Mr. J. K. Mehta, Secretary, Indian Merchants' Chamber ; Sir Ness Wadia, K.B.E., C.I.E., and Mr. D. F. Batliwala, representing the Bombay Dyeing & Mfg. Co., Ltd. ; Mr. A. Geddis, representing the Swan Mills, Ltd., the Finlay Mills, Ltd., the Gold Mohur Mills, Ltd., and the Satya Mill, Ltd. ; Mr. Lalji Naranji, M.L.C., and Mr. Jivandas Purshotam Dutia, representing the Jamshri Ranjitsinghji Spg. & Wvg. Mills Co., Ltd., and the Khandeish Spg. & Wvg. Mills Co., Ltd. ; Mr. H. P. Mody, representing the Madhowji Dharamsi Mfg. Co., Ltd., and the Sir Shapurji Broacha Mills, Ltd. ; Mr. S. D. Saklatvala, representing the Central India Spg., Wvg. & Mfg. Co., Ltd., the Tata Mills, Ltd., and the Svadeshi Mills Co., Ltd. ; Mr. H. H. Sawyer, representing the Sassoon and Alliance Silk Mills Co., Ltd., the Sassoon Spg. & Wvg. Co., Ltd., and the Union Mills, Ltd. ; Mr. F. C. Annesley, Mr. E. C. Reid and Mr. F. F. Stileman, representing the Kohinoor Mills Co., Ltd. ; Mr. F. Stones, O.B.E., representing the Apollo Mills, Ltd., the David Mills, Ltd., the E. D. Sassoon United Mills, Ltd., the Edward Sassoon Mills, Ltd., the Elphinstone Spg. & Wvg. Mills Co., Ltd., and the Meyer Sassoon Mills, Ltd. ; Mr. Madhavji D. Thackersey, representing the Crown Spg. & Mfg. Co., Ltd., the Hindoostan Spg. & Wvg. Mills Co., Ltd., the Indian Manufacturing Co., Ltd., and the Western India Spg. & Mfg. Co., Ltd. ; Mr. C. N. Wadia, C.I.E., and Mr. J. G. Anderson, representing the Century Spg. & Mfg. Co., Ltd. ; Mr. T. Watts, representing the Bradbury Mills, Ltd., the Ceylon Spg. & Wvg. Co., Ltd., the Crescent Mills Co., Ltd., the Currimbhoy Mills Co., Ltd., the Indian Bleaching, Dyeing & Printing Works, Ltd., the Ebrahimbhoy Pabaney Mills Co., Ltd., the Fazulbhoy Mills, Ltd., the Indore-Malwa United Mills, Ltd., the Kastoorchand Mills Co., Ltd., the Madhorao Scindia Mills, Ltd., the Mathradas Mills, Ltd., the Pearl Mills, Ltd., and the Premier Mills, Ltd. ; The Hon'ble Mr. Ratansi D. Morarji, representing the Morarji Goculdas Spg. & Wvg. Co., Ltd., and the Sholapur Spg. & Wvg. Co., Ltd. ; Mr. V. N. Chandavarkar, representing the Mysore Spg. & Mfg. Co., Ltd. ; Mr. B. F. Madon, representing the Prabhat Mills, Ltd., Mr. V. R. Barve representing the Raja Bahadur Motilal Bombay Mills, Ltd. ; Mr. Osman Sobani representing the Pralhad Mills, Ltd. ; Mr. Ramrao Anandrao Venayecka, representing the Madras United Spg. & Wvg. Mills Co., Ltd. ; Mr. D. J. Registrar, representing the Berar Manufacturing Co., Ltd., and the Model Mills (Nagpur), Ltd. ; Mr. T. Maloney, Secretary, and Mr. A. C. M. Cursetjee, Assistant Secretary.

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

GENTLEMEN,—I beg to move that the report of the Association for the year 1928 be approved and adopted. In doing so, I shall try to deal as briefly as possible, with the main features of the activities of the Association during the period under review, and the state of the industry, in what has proved to be not only one of the most strenuous and momentous years in the life of the Association but also perhaps in the history of the industry. The most important incident of the year which immediately arrests our attention is, of course, the *unprecedented general strike*, with all its attendant evils, following in the train of its long-drawn-out and inordinate length of nearly six months. The unusual and weary protraction of this struggle, the manner in which it was carried on, the methods that were employed in maintaining and supporting it, the new forces that it was generating, the ideas that were acting as a propelling force behind the movement, the new outlook on labour question that it was slowly endeavouring to evolve, the revolution that it was gradually trying to bring about in the management and conduct of industrial organizations, and the numerous other issues of a far-reaching character that were involved in the struggle, all combined to monopolise the attention of your Committee during a very large portion of the year under review, to the exclusion of almost all other subjects concerning the industry, excepting a few questions of very great and pressing importance. With your permission I shall hurriedly speak of these first and revert to the discussion of the strike a little later.

#### THE CONDITION OF THE INDUSTRY IN THE YEAR UNDER REVIEW AND THE PROSPECTS FOR THE FUTURE.

The partial advantage that had been gained by the industry in the year 1927, even though of a purely adventitious character, very soon disappeared; and the first four months of the period under review, namely, the period before the strike broke out, were by no means favourable to the industry, owing to the unsatisfactory condition of the *cotton, cloth and yarn markets*. During the greater part of the year under review, local prices of *cotton* were high compared to Americans, and consequently the off-take was not good until a decline set in in August-September, when Indian spot cotton was sold very cheap; and since September, has been available below its American parity. But owing to the strike, local manufacturers could not take advantage of the drop in the market; and it is believed that the principal benefit of this cheap cotton has gone to Japan and Italy, thanks to our local labour leaders!!!

The position of the *yarn market* continued unsatisfactory throughout the year, with the result that the stocks at the mills at the beginning of the year 1928, were much larger than they were in the beginning of the year 1927. Of course, they diminished very rapidly during the continuance of the strike and reached their lowest figure at its close in October, since when until the end of the year under review, the demand and supply have balanced themselves and there has been no increase in stock.

The demand for *cloth* during the year was seldom active; and stocks during the first 3 months of the year, preceding the strike, reached a very high and unprecedented level. The continuation of the strike, however, brought about a gradual though welcome reduction, resulting in a distinct improvement in the tone of the market during the last month of the year; and large sales were effected by most of the mills, in many cases at remunerative rates. As everyone is aware, a stagnation has since followed and there is little or no movement at present. At the moment, the prospects of the industry, in the current year, though distinctly better than before cannot be said to be rosy—a circumstance which in view of the past events and having regard to future probabilities, requires cautious handling and must tax all the energies of your Committee during the remainder of the current year.

#### TRADE DISPUTES BILL.

Among the few important subjects to which your Committee was able to devote some attention between the preoccupations of the strike, was the *Trade Disputes Bill*, which, as you are aware, was introduced in the Legislative Assembly during the period under review.

Your Committee naturally supported the principle underlying the Bill, subject of course to the proviso that the powers to be conferred under it should be brought into operation only after all direct negotiations between the parties to the dispute in question for a mutual settlement of their differences, had been made and had failed. Another point on which your Committee laid special stress was the necessity of incorporating in the Bill, special provisions for controlling picketing. What is now erroneously called "*peaceful picketing*" does not really exist. Picketing is picketing at all stages and under all conditions, even though disguised under the more harmless terminology of "gentle persuasion." It is intimidation pure and simple, often accompanied by excesses which are as unfair in their nature as they are tyrannical in their effect. Your Committee have accordingly made a strong and emphatic recommendation for stopping it or at least for controlling it so as to prevent it from degenerating into coercion and intimidation.

#### MATERNITY BENEFITS BILL.

Another subject of importance, which engaged the earnest attention of your Committee during the year under review was the Maternity Benefits Bill which was introduced at the July session of the Bombay Legislative Council. It is a matter of great regret that the Bill was accepted by the Council in principle and referred to a Select Committee in spite of the opposition of the Government and of those who had first-hand knowledge of the conditions prevalent in factories and who were therefore competent to speak of the incidence of the proposed Bill on the industries concerned. As your representative in the Council, I considered it my duty to oppose the measure most vigorously during its introduction in the House and subsequently in the Select Committee when it had been referred to it after the first reading. I feel bound to point out that under the provisions of this Bill, there is the danger of the industry being called upon to contribute the whole of the cost of giving maternity benefit to its female operatives—a procedure which, as far as I am aware, is unheard of in any other country in the world except Russia.

#### EFFECT TO SOME FURTHER RECOMMENDATIONS OF THE TARIFF BOARD.

From a perusal of the many recommendations made by the Tariff Board for the reduction of the cost of production obtained in the Bombay mills, to which I have alluded in the earlier part of my remarks, you must have noticed that effect had already been given to some of them in previous years. The matter has, as you are aware, been still engaging the continued attention of your Committee, with the result that in the year under review, reductions were obtained in several important directions, as will be seen from the following facts.

#### REDUCTIONS IN THE MUNICIPAL WATER RATES.

A further reduction was obtained in the water charges during the year under review, thanks to the efforts of Mr. Mody, our able representative on the Municipal Corporation. The rate prevalent in 1927 was Re. 1 per 1,000 gallons, which was first reduced to annas 12, and has now been further reduced to annas 10.

Negotiations are still in progress between the special Sub-Committee of the Association and the Municipal Corporation, in regard to the "*reassessment of cotton mills.*"

#### HYDRO-ELECTRIC POWER CHARGES.

Efforts are similarly being made to obtain a substantial reduction in the charges made by the *Hydro-electric Power Companies* and negotiations are now in progress between the Power-Costs Sub-Committee of the Association and the agents of the companies concerned. Similarly, representations have been made by your Committee to the Government, asking for a reduction in the duty payable on the oil consumed in the factories, which request, if granted, will obtain a proportionate reduction in the prices now paid for oil. Reductions have, as you know, been already obtained in insurance rates; and also in coal freights (as recently announced by Sir George Rainy).

### TRADE MISSION'S REPORT.

The Committee have not yet finished fully, their deliberations on the Trade Mission's report. The principal findings of the Mission are summarized on pages 13-14 of the report. The report is still receiving the detailed consideration of the Committee. So far as the Government is concerned, we all do earnestly hope that at least this report will not share the fate of many other similar reports and be pigeon-holed in some remote corner of the Secretariat at Delhi.

The principal recommendation of the Trade Mission, namely, the appointment of Trade Commissioners, commands the unqualified support of the Committee. But the other recommendation regarding the formation of the *export combine* is still under their careful consideration.

#### ESTABLISHMENT OF A COMBINED BLEACHING, DYEING AND PRINTING FACTORY NEAR BOMBAY.

The Tariff Board stated in paragraph 82 of their report that Bombay mills should combine for the establishment of a bleaching, printing and dyeing factory at Ambernath. During the year under review, Messrs. James Finlay & Co. approached Government for financial assistance and other concessions in connection with the establishment of such a concern. Messrs. Finlays are prepared to guarantee the capital for the new company to the extent of £300,000 out of an estimated cost of £400,000 provided the Government of India take a financial interest in the proposed company. On a reference made to them by the Government of Bombay, the Committee of the Association stated that they had no objection to the grant of any concessions to Messrs. James Finlay & Co. for the purpose referred to, and further urged that, in view of the fact that the establishment of a combined bleaching, dyeing and printing factory on the lines suggested by the Tariff Board was not within the limits of practical politics for some years to come, Government should sponsor the scheme formulated by Messrs. James Finlay & Co. The attitude adopted by the Government of India is very disappointing, for they held that the scheme concerned the Government of Bombay and not the Central Government; and do not, therefore, propose to finance the same from their revenues. While the Government of Bombay think that everything possible should be done to assist the industry, they are unable to render any substantial aid in view of the already depleted condition of the Presidency's finances.

In view of the fact that the Trade Mission have also given their unequivocal support to the finding of the Tariff Board, namely, that the establishment of a combined bleaching, dyeing and printing factory in Bombay would undoubtedly accelerate the progress of India's exports in bleached, printed and coloured piecegoods, the Committee of the Association intend to review the whole position again.

#### JAPANESE EXCHANGE.

The Tariff Board had stated in their report that the depreciation in the Japanese exchange had the effect of stimulating imports from Japan into India. Early in the year 1928, the Committee of the Association accordingly drew the attention of the Government of India to the fall in the yen exchange, and urged the imposition of a special exchange duty on imports from Japan. Though the Government of India went so far as to admit to a certain extent the truth of the Association's arguments, it was unfortunate that they did not deem the grounds advanced by the Association for the imposition of an exchange duty on Japanese imports sufficiently strong to justify the action proposed.

#### FURTHER PROTECTION TO THE INDUSTRY.

The Committee are continuously making further efforts for obtaining a reduction in the cost of production and have by no means abandoned their determination to go on asking for the necessary protection to the industry, even to the halting extent recommended by the Tariff Board.

There are some other matters of importance, which had been dealt with by your Committee during the year under review. But as the gentlemen who are to follow me will speak of them, I will not go over the same ground again but will pass on to the discussion of the strike, as indicated in the earlier part of my remarks.

#### THE GENERAL STRIKE.

Coming back to the discussion of the strike, a consideration of the trade and industrial conditions prevalent during the period under review as set out in the report of the Committee which is in your hands, and to which I have already briefly alluded in the beginning of my remarks, must have made it clear to you all that the general strike was declared in April 1928 just when the industry was trying to consolidate the partial advantages of the favourable trade conditions prevalent during the end of 1927 and was endeavouring to successfully resist the effects of another period of depression that was showing slow but certain signs of setting in.

It is all the more regrettable and unfortunate that a strike should have broken out at a time like this before the operatives had even formulated their grievances, because of the fact that it was precisely at this period that the Committee of the Association was engaged in a consideration of the various recommendations of the Tariff Board, and particularly those relating to the standardization of wages and musters. Incidentally, I wish to call the attention of those present here and of the public at large interested in the question to pages 7-12 of the report under review, giving details of the action taken by the Association on certain recommendations made by the Tariff Board and in particular to the view expressed by them in paragraph 59 of their report to the effect "*that the only alternative to a reduction in the wages of the Bombay Mill Industry, was increased labour efficiency; and it is in this direction that the true line of advance lies.*"

When, however, the strike broke out, the Association expressed its willingness to recognise and treat with representatives of the various trade unions; but it was not until after the lapse of some months that negotiations could be opened, with the result that more than one effort was made to arrive at a settlement. All these, however, unfortunately proved abortive, and the strike continued to drag on its weary length, causing untold suffering to the operatives and enormous losses to the industry, and to hundreds and thousands of people dependent upon it. It was not until the 4th of October, after the strike had lasted 5½ months, that an agreement was reached through the good offices of Sir Ghulam Hidayatullah, General Member of the Government of Bombay, and a Committee of Inquiry with Justice Sir Charles Fawcett as President, was appointed with the following terms of reference:—

- (a) Whether the amended scheme of a standardized schedule of rates and of a standardized muster prepared by the Millowners' Association and also the scheme prepared by the Strike Committee is fair and reasonable.
- (b) Whether the Seventeen Demands advanced by the Strike Committee are fair and reasonable, and to what extent, if any, they should be met.
- (c) Whether the Standing Orders for Operatives as amended and presented by the Millowners' Association on the 4th October 1928 are fair and reasonable.

As the questions at issue are *sub judice*, I do not think it would be proper to comment on them in any way at this stage. The views of your Association have been very fully and ably put before the Fawcett Committee by a small Sub-Committee of your Association. This report will be in the possession of the members in due course. Meanwhile, I cannot allow this occasion to pass without saying that this Sub-Committee has done the most onerous and valuable work on behalf of the Association in this respect and in the matter of the formulation of the entire scheme of standardization with all its numerous details, at very considerable inconvenience and personal sacrifice, with a persistence and thoroughness all their own. They have patiently and laboriously worked at it for months and have served the interests of the Association and the industry at large in a manner in which they have rarely been served before. The best and the most cordial thanks of the Association are due to them for their very valuable services. I honestly feel that this Association ought to show their appreciation of their exceedingly fine work in a form more tangible than the passing of merely complimentary and flattering resolutions.

Coming back to the point, there are, however, certain aspects of the strike, not directly connected with the main issues, which have come to the forefront and which are likely to have a very close relationship with the trend of future events, even after the judgment of the Fawcett Committee has been delivered. These in my opinion are intimately bound up with the future well-being and even the existence of the entire industry ; and as they have no direct connection with the issues before the Fawcett Committee, I propose, with your permission and indulgence, to offer a few comments on them before I close my remarks.

It is a truism to say that all employers of labour, and our Association in particular, have always endeavoured and would always endeavour to settle all disputes arising between themselves and their employees in a manner which would not only satisfy the requirements of justice and equity but would also be productive of feelings of confidence, mutual goodwill and co-operation between the parties. This, it will be admitted by all impartial observers and critics, is a condition the attainment of which would be beneficial not only to labour but also to the employers. It is therefore safe to assume that, given ordinary and normal conditions, employers in their own interests, if for nothing else, would always endeavour to settle all disputes between themselves and their men in a manner which would be satisfactory to both sides, advantageous to the industry and productive of peace and goodwill. But when those claiming to represent labour and speak on its behalf, adopt methods which are destructive of discipline and are distinctly inimical to the advantage and progress of the industry which employs them, it is time that steps were taken to check the growth of this irresponsible and reckless spirit. There are occasions on which it has been noticed quite clearly that strikes have been fomented and engineered without the slightest justification and for purposes other than the advancement of the good of labour or the attainment of better terms of employment for those engaged in the work. There have been clear indications of the fact that those who are controlling the labour movement and claiming to speak on its behalf, are not always acting for the benefit of labour but with the ulterior objects of disorganising the entire industry, of destroying capital, of embarrassing the powers-that-be and of creating chaos throughout the country. It is hardly necessary to say that the industry will not tamely allow itself to be tied to the apron-strings of such people and that we shall resist these efforts to prostitute labour with all the strength and power that we can command. I do not desire to go into the details of the several strikes which have taken place from time to time, both individual and general, but I wish to say this, that if those who are in charge of the labour movement imagine that this state of affairs is going to continue for all times to the detriment of the industry and the ruin of the country and its industrial development, they are very much mistaken. I think it is fair to sound a note of serious warning to those engaged in this exhilarating game that if this process continues much longer, concerted measures will have to be thought out not only by those engaged in the several industries of the country but also by all the sober and thoughtful elements of society to strike at the root of the movement, which has for its object the purposes I have already described, and which if allowed to have an unfettered play of its programme, will ultimately succeed in ruining real trades unionism, the textile industry and all other industries of the country. The recent strikes have seriously injured the textile industry of Bombay, which is the largest indigenous industry of the country, and shaken it to its very foundations. It has irretrievably hurt the interests of the labourers themselves and created an atmosphere of distrust and uncertainty throughout the country in all engaged in industrial pursuits. If this policy is persevered in by those engaged in it, the proletariat will see that they are deprived of this power of hurting the country and of playing into the hands of those who are engineering the movement from behind the scenes, for purposes other than the advancement of the good and condition of labour.

A look at the balance-sheets of all the companies for the last year will convince even the most casual observer of the harmful effects of the last mill-strike ; and it is safe to assume that if the industry is to continue to exist, general strikes such as the one that occurred in the year under review, should be a thing of the past or be resorted to only in very extreme and unprecedented cases, after a most careful and searching inquiry, and only when all other means and avenues of conciliation and settlement have been exhausted. We all do hope and sincerely trust that the findings of the Fawcett Committee who are devoting considerable valuable time to the considerations of these questions, will be loyally accepted by both sides and given a fair trial to. If not, I feel, and feel most strongly, that we are in front of

a period of prolonged warfare which will inflict not only untold hardships on labour but may also irrecoverably shatter the greatest indigenous industry of the country, which has so materially added to the wealth and prosperity not only of the city of which we are all so justly proud, but also of the whole of India ; and which in its train will similarly affect other industries in the country with disastrous results. I repeat that we want peace and goodwill ; and that we don't want to fight. But, if in our own interests and for our very existence, we are forced to do so, we shall fight with our backs to the wall. We will not tamely allow an industry in which over 60 crores of rupees have been sunk and which we have taken half a century to build up with such labour and sacrifice to be ruined by the idiosyncracies and caprices of those who have set themselves up as labour leaders, but who apparently are guided and led by revolutionary organisations outside the country.

SIR CURRIMBHIOY EBRAHIM, BART.

The Committee regret to record the sad and untimely death that occurred during the year under review of Sir Currimbhoy Ebrahim (2nd Baronet) who was a prominent and useful member of the Association.

#### DOMESTIC AFFAIRS.

I cannot close my remarks without offering my best and most cordial thanks to the Committee for their very valuable assistance and co-operation rendered during my period of office. I am specially grateful to our worthy Vice-Chairman, Mr. Sawyer, for having acted on my behalf on more than one occasion ; and rendered the most valuable service to the Association. It is unfortunate that owing to his numerous preoccupations, he could not see his way to accept the Presidentship for the new year ; but we are comforted in the idea that our friend, Mr. Mody, has very kindly consented to be at the helm again and we may be sure of his safely guiding the destinies of the Association with his usual energy and care in the strenuous times that are ahead.

Early in the year, the Association released their Secretary, Mr. T. Maloney, for service with the Trade Mission, and during his absence, the secretarial work of the Association was performed first by Mr. J. P. Wadia and later by Mr. B. K. Mantri. The extremely satisfactory work, particularly of Mr. Mantri and of the junior staff of the Association during a very arduous year and a period of great stress and strain was highly commendable.

Before I resume my seat, I thank you all once again and particularly the members of the Committee for the uniform kindness, courtesy, co-operation and indulgence, invariably extended to me during the period of my office.

In seconding the motion for the adoption of the report, MR. H. H. SAWYER made the following remarks :—

The various matters which have been before us during the year under review have been dealt with largely by our Chairman, and few subjects remain for me to bring to your attention. I should like to say a word or two, however, on the question of :—

#### REGISTRATION OF TRADE NUMBERS.

In paragraph 78 of their report, the Tariff Board stated that the Millowners' Association should, on behalf of the cotton mill industry of India, undertake a system of registration of trade numbers used by mills. Though this subject was considered by the Committee of the Association on various occasions, it was hitherto thought that the difficulties connected with the scheme were insuperable. However, in view of the Tariff Board's remarks, the Association reviewed the whole position again and requested their Trade Marks Sub-Committee to submit their proposals for a detailed scheme for the registration of trade numbers. The proposals formulated by the Sub-Committee are already in the hands of members of the Association and the data collected showing the numbers at present used by mills, and those on which exclusive rights are claimed, are at present being tabulated by the Association. It is regretted that the scheme could not be put through during the past year as the Association's staff was preoccupied with the preparation of statistics for the Strike Enquiry Committee.



The next subject I would refer to is the question of :—

#### FIRE INSURANCE RATES FOR COTTON MILLS.

A brief summary of the correspondence which ensued between this Association and the Bombay Fire Insurance Association, as a result of certain remarks which were made at our last Annual General Meeting regarding reductions made in the premia charged by the Insurance Association, will be found on pages 24 and 25 of the preliminary report. The present position is that the Fire Insurance Association are not in favour of making any reductions in their rates until a 'fair trial' to their new Tariff has been given. It is evident from the attitude taken up by the Fire Insurance Association that further success in the matter of obtaining reduced rates purely rests upon the results of what they term a 'fair trial.'

I should also like to state upon this opportunity that this Association has collected certain statistics in connection with the premia paid, and claims preferred, during the last 10 to 15 years, and in the light of these particulars it may be that our Mutual Insurance system, which is at present in operation regarding Workmen's Compensation, would be worth while extending so as to embrace the general fire risk on mills who are members of this Association.

#### IMPORT DUTY ON JACQUARD LINEN THREAD.

Another matter to which the pointed attention of the Committee was drawn was in connection with the import duty on jacquard linen thread. This question arose out of a consignment of jacquard linen thread received by one of our members on which the Customs authorities levied a duty of 15 per cent. *ad valorem* on the ground that the goods under reference were linen ball thread as described in the invoice. The member contended that the consignment ought to be allowed duty free under item No. 97 of the Tariff Schedule, but the Assistant Collector stated that only jacquard linen cords which were cut into lengths, or were ready to be fitted, were passed duty free. An appeal was lodged by the firm concerned with the Collector of Customs who, evidently relying on Customs Ruling No. 12, upheld the finding of the Assistant Collector, and maintained that the word 'cords' in item No. 97 of the Tariff Schedule only referred to cordage cut into lengths ready for use.

The Committee were aware of the difficulties in regard to importing linen thread cut into lengths as different jacquard machines require different lengths of cords, and the matter was therefore placed before the Director-General of Commercial Intelligence when he visited the Association in November last, and a representation was also addressed to the Central Board of Revenue requesting that Customs Ruling No. 12 should be withdrawn.

With these few remarks I beg to second the adoption of the report.

In supporting the resolution, Mr. MODY said :—

In supporting the resolution, I shall briefly touch on some of the subjects dealt with by your Committee during the year, which have not found a place in the review given by the Chairman and Deputy Chairman.

#### MUNICIPAL ASSESSMENT OF COTTON MILLS.

A question of special interest at the present moment relates to the municipal assessment of cotton mills. The system under which we are taxed dates back to the year 1912, when, by common agreement, it was decided that the assessment should be arrived at by taking 4 per cent. on the book value of land and 6 per cent. on the book value of buildings used for *bona fide* mill purposes. In 1918, when the industry was in a highly prosperous condition, the assessment was increased by 50 per cent. by mutual consent. In a weak moment; we allowed it to be raised five years later by another 25 per cent., making in all an increase of 87½ per cent. on the 1912 assessment.

The last agreement with the Municipality expired in 1928, and your Committee after careful investigation came to the conclusion that the industry as a whole was paying an amount which was not justified by the existing conditions and that the rough-and-ready method by which mills were being assessed required to be changed. Your Committee have been in negotiation with the Municipal Commissioner for some considerable time, and as a result thereof, there is every reason to hope that a more equitable system of assessment may be agreed upon.

#### TOWN DUTY ON COTTON.

What is threatening to become a hardy annual with us is the town duty on cotton. We have been fighting for some years for its abolition, or at any rate for a substantial reduction, and like the lady of uncertain age, we have been living on hopes. The position at present is that Government and the Corporation are exchanging long and ingenious notes, each trying to establish that the other should bear the loss in revenue arising from the reduction of the duty to 8 annas per bale. Far be it from us to interfere with the normal course of such a constitutional struggle, but we may be permitted to inquire how it can possibly interest us who have been waiting for relief for some years. We have no objection whatsoever if Government can overcome the natural prejudice of the Corporation against parting with a source of revenue once assigned to them, but we are really not interested in the dispute, and it is necessary to remind Government that it is nearly two years since the Tariff Board made out a very strong case for a reduction of the duty. The Government of Bombay surely realise the position of the industry, and it is time they gave a practical demonstration of their sympathy in the troubles with which it is faced.

#### REPORT OF THE INDIAN TRADE MISSION.

Owing to preoccupation with the Fawcett Committee, the Committee of the Association have not yet had an opportunity of giving detailed consideration to the recommendations of the Indian Trade Mission, which, during the year, made a rapid but what seems to be a valuable survey of the export markets for India in Persia, Iraq, Syria, Turkey, Egypt, Aden, The Sudan, Kenya and Uganda, Tanganyika, Zanzibar, Portuguese East Africa and South Africa. Special attention was paid by the Mission to the possibilities for exporting Indian yarn and piecegoods to the countries visited.

The need for increasing Bombay's export trade in piecegoods and yarn is fully realised by your Committee, and a Sub-Committee has been appointed to consider the data collected and the suggestions made by the Trade Mission, and I have every hope that, as a result of their deliberations, it will be found possible to indicate the steps which should be taken by the industry to increase its markets overseas. The recommendation for the appointment of Trade Commissioners for India at Mombasa, Alexandria and Durban will necessarily receive the Association's cordial support. Their appointment is long overdue, and the cost to the country will be infinitesimal compared to the value of the trade which they may have an opportunity of developing. For the Alexandria and Mombasa appointments, a man with experience of the yarn and piecegoods trade ought to be appointed in view of the fact that the chief prospects of development are in cotton and cotton goods, and it is to be hoped that the Government of India will consult the Association when the appointments are made.

Valuable as the report is in its suggestions for the development of foreign markets, I cannot too strongly emphasise, as the Trade Mission have themselves indicated in more than one place, that the home market is far more important to India than the export market. The possibilities of expansion are less than a hundred million yards, and if we compare this with the figure of imports and the annual production of the Indian mill industry which together amount to 4,000 million yards, we obtain a proper perspective of the immediate possibilities in the export trade. His Excellency the Viceroy in his address to the Federation of Indian Chambers in December last spoke of the vital importance of the export trade. While it cannot be denied that the industry in Bombay at least would benefit greatly by an expansion of the overseas market, it is necessary for me to state in the most categorical terms that unless and until an adequate measure of protection is granted in the home market, the position of the industry must continue to be serious.

I am convinced that the only means of securing that return to prosperity which we have so long hoped and worked for is by ensuring that the importations of cotton piecegoods into this country are confined to qualities which India cannot economically produce. In this connection, we heartily welcome the assurance given by the new Finance Member, Sir George Schuster, of his desire to assist the industry, and we trust that in the fresh efforts which the industry proposes to make during the year to enforce a recognition of its just claims, it will receive the powerful backing of Sir George Schuster.

There is one remark, however, which the Finance Member let fall during his budget speech to which I must take exception. He stated that as regards the industrial position, his opinion was that cotton mills suffered because instead of husbanding a portion of their profits as reserves during the boom period, they had distributed them to shareholders. This is a hoary belief, and I am afraid it will not easily die. The facts, however, show, as we have repeatedly pointed out, that so far as the Bombay mill industry is concerned, the average distribution during the last ten years, including years of abnormal prosperity, has been no more than 6½ per cent., calculated on the real capital sunk in the industry. We do not deny we have made mistakes, but we console ourselves with the reflection that our record compares very favourably with that of other industries and organisations. If it were not too presumptuous, I would invite a comparison even with the Government of India! I have thought it necessary to give this reply because the issue of Protection which is so vital to the industry is apt to be obscured by generalisations such as the Finance Member unfortunately allowed himself to adopt without scrutiny.

Before I conclude, gentlemen, I desire to thank you for electing me your Chairman for a second time. During my term of office, I shall do all I can to advance the interests of the industry, and I hope you will extend to me the same measure of co-operation which I received from you during my first year of Chairmanship.

The motion was duly adopted.

On the motion of SIR NESS WADIA, K.B.E., C.I.E., duly seconded by MR. A. GEDDIS, it was resolved :—

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

MR. F. F. STILEMAN proposing and MR. MADHAVJI D. THACKERSEY seconding, it was also resolved :—

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

	Rs.
The Victoria Jubilee Technical Institute .. .. .	2,000
The Sydenham College of Commerce & Economics .. .. .	1,000
The Police Comforts Fund .. .. .	1,000
The Sir J. J. Hospital Nursing Association Fund .. .. .	750
The Bombay Textile and Engineering Association.. .. .	500
The Goculdas Tejpal Nursing Association Fund .. .. .	250
The Adams-Wylie Memorial Hospital .. .. .	250
The National Baby Week Celebrations .. .. .	250 ”

On the motion of MR. LALJI NARANJI, a vote of thanks was accorded to the retiring Chairman for his very able conduct of the Association's affairs.

# Bombay Millowners' Association.

## *Section II.*

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FOREWORD, PRELIMINARY REPORT AND ACCOUNTS  
OF THE ASSOCIATION.

for which buyers were scarce, the American crop which was then growing was reported to be very short, and hence in anticipation of a future rise in prices speculators were willing to pay heavy premia for new crop contracts. Another consequence of the heavy local stocks was that ready cotton could be had during September at very handsome discounts under contract quotations. Advantage of this, however, went practically wholly to the foreign exporter, as, owing to the unfortunate prolonged strike in the local Mill Industry, local spinners were almost out of the market. It is believed that the chief advantage of cheap cotton has gone to Japan and Italy.

Coming to the fluctuations in the cotton market, the lowest and highest prices of the 1928 contract were respectively Rs. 337-8 on 4th February and Rs. 407-8 on 8th May. The highest and lowest of the 1929 contract were Rs. 439-8 on 7th July and Rs. 310 on 15th September.

After the arrest of the decline in prices towards the middle of December 1927, it was expected that the market would open steady in the new year, if not go to higher levels—until at least the new crop became a market factor—in view of what was then known of the American and the Indian crop. The expectation was, however, not realized, for on the very first day of its opening, the New York market lost 58 points on the previous closing, only a small portion of which was regained. New York March closed on the 31st December 1927 at 19.67 and on the 3rd January 1928 at 19.14. After this, owing to a bearish sentiment, the market continued declining with small recoveries, and a very large short interest was created till the lowest rates were reached in New York on 2nd February when March was quoted at 16.87 cents. The local market opened at Rs. 389 for Broach April-May delivery contracts, and in sympathy with American, continued to decline until the lowest price, Rs. 337-8, was reached on 4th February. At this point several fundamental facts which were overlooked appear to have asserted themselves, namely, the small crop, the steady offtake of cotton with a probable reduction in balance at the close of the season, and the probability of the farmer not sowing a large acreage at unremunerative prices, and prices began to take an upward turn, and continued, with comparatively small set-backs, to advance on reports of better offtake by trade, unfavourable planting weather, anticipated increased weevil infestation and many other reasons which are always advanced to justify a rise in prices, until the highest quotation of 21.85 cents for May was reached in New York on the 2nd of that month, when the highest in the local market was Rs. 401. This, however, was not the highest price locally, for when New York in the course of the following six or seven days after losing about 150 points regained 120, the local market recorded its highest price of the year for the 1928 contract at Rs. 407-8 late on the night of the 8th May. The month of May saw comparatively steady prices with a slightly downward tendency, and the 1928 Broach contract ran out at Rs. 391.

Trading in 1929 crop contract was allowed from 2nd May, and prices opened Rs. 7 higher than those for July 1928 contract and the premium was in a short time run up to Rs. 14, but eventually kept in the neighbourhood of Rs. 9.

From the middle of June, prices again began to take an upward turn on reports of bad weather, lateness of crop, smaller acreage, heavier weevil infestation, and continued to rise until on 7th July October was quoted at 22.80 cents in New York, the highest price so far for the season, and Broach was quoted at Rs. 439-8 which is, so far, the highest price for the 1929 crop. The publication of the first Bureau Report put an end to all doubts about acreage, and the market began to talk of a 15-million bale crop as a certainty, as a consequence of which prices took a downward turn till the lowest rate of 19.10 cents for October was reached in New York on the day of the publication of the first crop estimate on 8th August. The local market showed great firmness, and while the July-August contract showed a relatively heavier decline, the new crop contract remained comparatively high. On the day of the publication of the report, however, there were wide fluctuations, and during the night of the 8th August the lowest and highest rates recorded were Rs. 352 and Rs. 387. The first estimate placed the crop at 14,291,000 bales and was considered bullish, as a consequence of which prices rose by about 165 points, but reacted later by about 90 points. The trade, however, had no confidence in this report, and prices fell heavily the very following day. Till the publication of the next report, the market, after this, kept comparatively steady in America, but the local market, which was higher on parity, was easier. The second report which showed an increase in the estimate of about 150,000 bales only was considered very bearish, and there was a further fall in prices, and within a week or so of the publication of the report, New York lost nearly 200 points, the lowest reached for the season being about 17.30 for January on 20th September. The lowest rates were reached in the local market on the 15th September when Broach sold as low as Rs. 310. Round about 17 cents was considered by the trade a safe level to buy at, and consequently there was a rapid recovery from this level, which was assisted by the Bureau confirming in subsequent reports its estimate of a comparatively small crop for the season. Prices have consistently risen, but near the 21 cents level they have met with strong resistance, and there have been many sellers. Round 20 cents the American market appears to have found its level in December, May being quoted at closing time at 20.20 cents. The local market while following American has not kept pace with it, and prices, compared to America, are now considerably cheaper. The mill strike is one of the contributory causes of this uneasiness, as owing to this, stocks in the local market have been large. The expectation of a big new crop and continued uneasiness with regard to the labour situation are other causes of the weakness of the local market. After the decline of early August while Americans were quoted near 18½ cents, Broach was quoted at Rs. 355. At the end of the year, while New York gained about 150 points, the local market was higher by only Rs. 5. Broach was quoted at the end of the year at Rs. 363 with a distinctly easy feeling.

During the greater part of the year, local prices were higher compared to Americans, and consequently the offtake was not good, until in the decline of August-September, Indian spot cotton was sold very cheap, and exporters took full advantage of this. Since September Indian cotton has sold below its American parity.

The position of the yarn market continued unsatisfactory throughout the year, and the stocks with the mills at the beginning of the year were

greater than at the same period in 1927. These stocks remained practically stationary till the commencement of the strike, when, owing to the complete cessation of production, they began to diminish gradually, reaching their lowest figure in October when the strike came to a close. From October until the end of the year the demand for yarn balanced the supply and there was no increase in stocks.

The price for 10s which in January stood at 9 annas 6 pies gradually fell to 9 annas in April, but rose to 9 annas 6 pies in May, by which time all mills had ceased to work. In July, stocks had reached a very low level, and the prices for 10s rose to 10 annas 3 pies, but this price was not maintained, and in October, in spite of the absence of stocks, quotations had again fallen to 9 annas. There was some improvement in the tone of the market in November and December, and, at the end of the year, the price had once more risen to 9 annas 9 pies.

The demand for cloth during the year was seldom active, and stocks during the first three months of the year reached an unprecedented level. The price of standard quality longcloth, which was 15 annas in January, remained at the same level till the middle of May. The continuation of the general strike brought about a gradual diminution in stocks, and from the middle of May, the price of standard longcloth remained round about 15 annas 6 pies till the end of the year. There was a distinct improvement in the tone of the market during the last month of the year, and large sales were effected by most of the mills.

In our last report, reference was made to the proposal of the East India Cotton Association to recognize "Option" contracts. This proposal has so far not been accepted by the trade, but, in the meantime, for somewhat similar reasons, the Directors of the East India Cotton Association are considering a proposal to reduce the "Unit" of contract which is at present 100 bales. Your Committee are of opinion that the reduction in the unit of contract is against the interests of trade and they, therefore, have opposed the proposal.

One of the outstanding events of the year was the publication of the report of the Trade Mission recently by the Government of India. The Mission, it will be remembered, was appointed by the Government of India, in consultation with this Association, to explore the possibilities of accelerating the progress of Indian export trade with certain countries in the Middle East and Africa. The report of the Mission contains particularly valuable suggestions for developing India's export trade in piecegoods and yarn, and these are now receiving the closest attention of the Committee.

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### ELECTION OF CHAIRMAN OF THE ASSOCIATION FOR 1929.

The annual ballot for the office of the Chairman of the Association was held on 23rd January 1929, and resulted in the election of **Mr. H. P. Mody**.

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### ELECTION OF DEPUTY CHAIRMAN OF THE ASSOCIATION FOR 1929.

The annual ballot for the above election took place on 24th January 1929, and resulted in the election of **Mr. Lalji Naranji**.

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### ELECTION OF COMMITTEE FOR 1929.

The ballot for the election of the remaining 18 members of the Committee was held on 31st January 1929, and the following members were duly elected :—

Sir Dinshaw M. Petit, Bart ; Sir Victor Sassoon, Bart ; Sir Ness Wadia, K.B.E., C.I.E. ; The Hon'ble Sir Dinshaw E. Wacha, Kt. ; Sir Fazulbhoy Currimbhoy, Kt., C.B.E. ; Sir Joseph Kay, Kt. ; The Hon'ble Sir Munmohandas Ramji, Kt. ; Mr. A. Geddis ; Mr. J. B. Petit ; The Hon'ble Mr. Ratansi D. Morarji ; Mr. N. B. Saklatvala, C.I.E. ; Mr. S. D. Saklatvala ; Mr. H. H. Sawyer ; Mr. F. F. Stileman ; Mr. F. Stones, O.B.E. ; Mr. Madhavji D. Thackersey ; Mr. C. N. Wadia, C.I.E. ; and Mr. T. Watts.

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### MEMBERSHIP OF THE ASSOCIATION.

The total membership of the Association on 31st December 1928 was 89 against 97 at the same time in 1927.

During the period under reference, the following mills ceased to be members of the Association :—

1. Birla Mills, Ltd.
2. Dharamsi Morarji Chemical Co., Ltd.
3. Dharamsi Morarji Woollen Mills, Ltd.
4. Emperor Edward Spinning and Weaving Co., Ltd.
5. Godavery Valley Ginning and Pressing Co., Ltd.
6. Kilachand Mills, Ltd.
7. Kalol Cotton Mills, Ltd.
8. Sri Gangaji Cotton Mills, Ltd.
9. Tinnevely Textiles, Ltd.

The Prabhat Mills, Ltd., were elected members of the Association.



THE G. I. P. RAILWAY ADVISORY COMMITTEE.

ASSOCIATION'S REPRESENTATIVE.

Towards the end of February **Mr. Geddis**, the Association's representative on the G. I. P. Railway Local Advisory Committee, applied for leave of absence from the Committee meetings, and the Association was therefore asked to appoint a substitute to serve on the Advisory Committee during **Mr. Geddis'** absence. The Committee accordingly appointed **Mr. Lalji Naranji**.

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ROYAL INSTITUTE OF SCIENCE ADVISORY COMMITTEE.

ASSOCIATION'S REPRESENTATIVE.

In response to a request received from the Secretary to the Government of Bombay, Education Department, the Committee appointed **Mr. H. P. Mody** to represent the Association on the Advisory Committee of the Royal Institute of Science for the three years commencing from 1st January 1929. At present the Association is entitled to alternate representation on the Advisory Committee with the Ahmedabad Millowners' Association.

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THE SMOKE NUISANCES COMMISSION.

ASSOCIATION'S REPRESENTATIVE.

About the middle of March **Mr. H. H. Lakin**, the Association's representative on the Smoke Nuisances Commission, resigned his seat as he was proceeding to England, and the Committee of the Association appointed **Sir Joseph Kay** to act in his place.

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BOARD OF MANAGEMENT OF THE NOWROSJEE WADIA  
MATERNITY HOSPITAL.

ASSOCIATION'S REPRESENTATIVE.

**Mr. A. Geddis**, the Association's representative on the Board of Management of the above Trust, having obtained leave of absence from the Board meetings, from 10th March to about the end of October, the Committee of the Association, in response to a request made by the Chairman of the Trustees of the Nowrosjee Wadia Maternity Hospital, appointed **Mr. N. B. Saklatvala** of Messrs. Tata Sons, Ltd., to serve on the Board of Management during **Mr. Geddis'** absence.

## MEASURES TO CHECK THE HIGH CONSUMPTION OF OPIUM.

Early in March the Government of Bombay, in a letter to the Association, stated that in view of the deliberations of the League of Nations and at the instance of the Government of India, they had decided to appoint local committees to make enquiries in the areas in which the average rate of consumption of opium exceeded 30 seers to 10,000 inhabitants, as also in large industrial centres, and to suggest measures for its reduction. It was proposed to appoint a Committee for Bombay City as follows:—

### *Chairman.*

The Collector of Bombay.

### *Members.*

- (1) One municipal councillor to be nominated by the Bombay Municipal Corporation.
- (2) The Health Officer, Bombay Municipality.
- (3) One member to be nominated by the Bombay Medical Council.
- (4) One member to be nominated by the Bombay Millowners' Association.
- (5) One non-official gentleman to be selected by the Collector.

Government accordingly requested the Association to nominate a representative to act on the proposed Committee, and the Committee of the Association appointed Mr. F. Stones to act as their representative.—(*Appendix 1*)

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## THE RAILWAY RATES ADVISORY COMMITTEE.

### ASSOCIATION'S REPRESENTATIVES.

Towards the end of October the Secretary, Railway Board, inquired of the Committee whether they desired to make any changes in the list of persons at present representing this Association on the Commercial Panel of the Railway Rates Advisory Committee. The Committee did not desire to make any alterations and informed the Railway Board accordingly.

The present representatives of the Association in the above panel are:—

Mr. H. P. Mody,  
 Mr. A. Geddis,  
 Mr. Narottam Morarji and  
 Mr. S. D. Saklatvala.

## THE EMPIRE COTTON GROWING CORPORATION.

### ASSOCIATION'S REPRESENTATIVE.

Towards the end of January 1928 the Secretary, Empire Cotton Growing Corporation, invited the attention of the Committee to the fact that the term of office of the Association's representative on the Administrative Council of the Corporation would expire at the end of February, and requested that a fresh nomination might therefore be made in consultation with the Ahmedabad Millowners Association.

Accordingly, in conjunction with the Ahmedabad Millowners' Association, the Committee nominated Mr. W. H. Brady, the Association's present representative, to hold office for a further term of three years, and the Empire Cotton Growing Corporation and Mr. W. H. Brady were informed accordingly.

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### AUDITORS.

At the Annual General Meeting of the members of the Association held on 12th March 1928, Messrs. A. F. Ferguson & Co. were appointed as Auditors of the Association's accounts for the current year on the remuneration hitherto paid to the Association's auditors.

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### DOUBLE-SHIFT WORKING IN BOMBAY COTTON MILLS.

*(See page 39 of Report for 1921.)*

At the Annual General Meeting of the members of the Association held on 12th March 1928, it was resolved :—

“ That the following resolution which was passed at a Special General Meeting of the members of the Association held on 8th September 1920, be and is hereby rescinded :—

‘ That no member shall work on two shifts, and if any member shall do so, such member shall render himself liable for expulsion in accordance with the provisions of Rule 91 of the Association's Rules.’ ”

It is interesting to recall the circumstances which resulted in the adoption of the resolution of September 1920 and the reasons which now led the Committee to recommend its rescission.

It will be remembered that, during the general strike of mill operatives in 1920, as a result of the negotiations which took place, the following statement previously approved by the Committee, as representing all millowners in Bombay, and by His Excellency the Governor, was posted on the premises of all mills on 23rd January 1920 :—

“ The Committee have decided to reduce the working hours to 10 hours per day from 1st February next. The Committee will request Government to amend the Factories Act accordingly.”

In pursuance of the foregoing undertaking, the Committee presented to His Excellency the Governor-General in Council a memorial for the amendment of the Indian Factories Act. The Committee pointed out that it was desirable that the reduction in working hours to which members of the Association had already voluntarily given effect since the beginning of January would probably involve an extension of the double-shift system upon a larger scale in Bombay. They admitted that an 8-hour day with two shifts would not only give employment to a larger population but would also reduce production costs, but at the same time held that Bombay which located more than half the number of spindles and looms in India would suffer from the disability—which it was then feared would not be removed for at least three to five years—of having no housing accommodation for the extra men required for the second shift. The Committee also considered that the sanitary conditions of Bombay would not permit of such an influx of men for some time to come. The Committee therefore requested that the Factories Act should be amended to confer upon the Local Government powers to refuse permission to any textile mill in Bombay to work more than one shift per day if, in the opinion of the Local Government, it was advisable to do so owing to the lack of housing accommodation. Though Government were willing to accept the principle of a 60-hour week, they considered that any amendment of the Indian Factories Act in regard to the question of double-shift working was undesirable. Notwithstanding the refusal of Government to intervene, the Committee of the Association, in the interests of the general body of members, but more particularly of the city as a whole, consistently opposed the introduction of double shifts in the case of members of the Association, and their policy was reaffirmed at a special meeting of members held on 8th September 1920 at which the following resolution was adopted :—

“ That no member shall work on two shifts, and if any member shall do so, such member shall render himself liable for expulsion in accordance with the provisions of Rule 38 of the Association's Rules.”

The Tariff Board also examined the question of double-shift working and came to the conclusion that, from every point of view, Bombay was an unsuitable centre for the adoption of the double-shift system. The Committee of the Association still agree with this view, but during recent years their attention had been frequently drawn to the serious inconvenience caused to those mills which wanted to work certain departments on double shift for very good reasons but were unable to do so in view of the resolution of 1920.

The question was carefully examined in all its bearings by a special Sub-Committee of the Association, and at their recommendation, the resolution of 1920 was rescinded at the Annual General Meeting held in March 1928.

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#### DEATH OF SIR CURRIMBHOY EBRAHIM, 2ND BARONET.

Sir Currimbhoy Ebrahim, 2nd Baronet, died in April, and at the first meeting of the Committee held after the sad event, resolutions were passed recording the Committee's sincere regret and expressing their condolences with the new Baronet, with Sir Fazulbhoy Currimbhoy, Kt., and with Messrs. Currimbhoy Ebrahim & Sons, Ltd., in the great and irreparable loss sustained by them.

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#### MEETING WITH THE HON'BLE SIR GEORGE RAINY.

The Hon'ble Sir George Rainy, Member for Commerce, Government of India, met the Committee in the Association's rooms on 24th April 1928 for a discussion of certain outstanding questions connected with the cotton textile industry. The proceedings were, by mutual consent, limited to an informal exchange of views only, and are not therefore published for general information.

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#### MEETING WITH THE DIRECTOR-GENERAL OF COMMERCIAL INTELLIGENCE AND STATISTICS.

In accordance with the undertaking given by the Government of India that the Director-General of Commercial Intelligence and Statistics should meet the Committee of the Association not less than once in every year for a mutual discussion of important matters connected with the cotton textile industry, the Director-General met the Committee on 6th November.

The proceedings, which were necessarily confidential, were full and frank and revealed an honest desire on the part of the Director-General to be acquainted with the industry's real difficulties. The Association appreciates such informal discussions with executive officers of Government which cannot but prove useful both to Government and the industry.

**ACTION TAKEN BY THE ASSOCIATION ON CERTAIN RECOMMENDATIONS MADE BY THE TARIFF BOARD.**

In October 1927, at the instance of the Government of India, the Collector of Bombay requested the Committee to furnish him with a statement showing the action taken by the Association in respect of certain recommendations contained in paragraphs 59-71 of the report of the Indian Textile Tariff Board.

For facility of reference, the recommendations made by the Tariff Board in the paragraphs referred to above are summarized below :—

*Paragraph 59* :—The only alternative to a reduction in wages in the Bombay Mill Industry is increased labour efficiency and it is in this direction that the true line of advance lies.

*Paragraph 60* :—The general adoption in Bombay of the system of maintaining a labour reserve to provide against absenteeism is desirable.

*Paragraph 61* :—The piecework system should be extended to spinners in Bombay and should be accompanied by an increase in the number of spindles allotted to each spinner.

The disparity between the wages of spinners and weavers is a matter which demands the attention of the industry.

An increase in the number of looms attended to by a weaver would tend to economy and give increased earnings to the weaver even when accompanied by a slight reduction in rate.

Economies similar to those suggested in the spinning and weaving departments can be effected in the preparatory departments.

If the efficiency of operatives is to be improved, it is essential that there should be an improvement in the standard of efficiency of jobbers.

Increased efficiency cannot be expected from operatives unless they are provided with suitable raw material. The existing tendency to spin higher counts of yarn than the quality of the cotton warrants causes breakages and increases the work of the spinner and the weaver.

*Paragraph 62* :—The fixation of a definite period of rest to enable operatives to take their morning meal is desirable.

*Paragraph 63* :—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.

*Paragraph 64* :—The practice of compelling weavers to take over cloth spoilt by defective workmanship at its full value should be abolished.

Fines levied should be used for the benefit of the operatives.

*Paragraph 65* :—The standardisation of wages throughout the Bombay mill industry would undoubtedly strengthen the position of the industry. A suitable scheme could only be drawn up in consultation with the representatives of labour.

*Paragraph 66* :—Blocks of the chawls built by the Bombay Development Department might be taken over and administered by groups of mills or by the Bombay Millowners' Association as a body.

The town duty of one rupee per bale should be reduced to eight annas per bale on all cotton consumed by the Bombay mills.

*Paragraph 67* :—More attention to welfare work on the part of the Bombay mill industry is desirable when financial conditions permit.

*Paragraph 68* :—Certain alterations in the courses in cotton textiles in the Victoria Jubilee Technical Institute are desirable.

The provision of more facilities for technical education of mill operatives especially jobbers is essential to any improvement in efficiency. The early establishment of Trade Schools in Bombay is, therefore, desirable.

The preparation and distribution of technical handbooks, in the vernacular, plentifully illustrated and drawn up on suitable lines, for the use of jobbers and operatives should be undertaken.

*Paragraph 69* :—The high labour costs in Bombay cannot be reduced by the introduction of the Northrop looms but the experiments with the Whittaker attachment should be continued.

*Paragraph 70* :—Bombay is not a suitable centre for the adoption of the double-shift system since the city is already very congested and the presence of the additional labour force which would be required would increase this congestion.

In submitting a statement as to the exact action taken by the Association in regard to the above recommendations, the Committee stated :—

*Paragraph 59* :—The Tariff Board suggested that the only alternative to a reduction in wages was increased efficiency though they were careful to state that improvement in efficiency *must be a slow and tedious process*. The Committee entirely agreed with this conclusion, and it was confirmed by the very slow progress which had been made hitherto in spite of the very strenuous efforts which mills had been making, individually and collectively, to increase efficiency since the reduction in hours of labour and the termination of the period of prosperity which followed the war.

*Paragraph 60*:—The Committee agreed that the high percentage of absenteeism in Bombay mills was admittedly one of the factors tending to reduce efficiency, but they were inclined to think that the engagement of extra men to the extent of 10 per cent. as suggested by the Tariff Board would not help to decrease absenteeism or increase efficiency, but on the contrary, might increase slackness for the reason that a greater number of men would often be employed than the actual work of the department required.

In this connection it was interesting to note that the Tariff Board themselves recommended that an operative should be put in charge of more spindles, looms, etc., than at present. The practice suggested by the Tariff Board of engaging extra men to take the place of absentee operatives certainly obtained in a few mills in Bombay, but inquiries made showed that there were special reasons for it, such as isolation from centres of industrial population, and there was reason to believe that even those mills which carried a complement of extra hands upon their muster-rolls were giving up the system as the difficulties caused by a permanent shortage of labour had been more or less overcome. In the Committee's opinion, absenteeism could only be reduced when the operatives learned to take a more complete interest in their work and devoted their full energies to it. It was thought that strict disciplinary measures might, to a certain extent, prove effective in reducing the extent and effect of absenteeism, especially when labour was plentiful; but the migratory habits of the workmen and the frequency with which they absented themselves from work were considerable handicaps.

*Paragraph 61*:—In paragraph 61, the Tariff Board put forward the following suggestions as means whereby the outturn per operative might be considerably increased:—(1) Extension of the piecework system to spinners, (2) increase in the number of spindles, looms and preparatory machines, (3) removal of the existing disparity in the wages of spinners and weavers, (4) provision of greater facilities for technical education, and (5) proper raw material for spinning particular counts of yarn and the elimination of the tendency to speed up machinery in order to secure increased production without any alteration in the character of the mixing.

With regard to the first four points, the Committee stated that a special Sub-Committee of the Association had, for some time, been considering the suggestions made by the Tariff Board, and before definite conclusions and recommendations could be made, the results of the experimental work which had been going on in several mills for some time, would need to be carefully examined. It was further stated that the problem before the industry was bristling with difficulties and anomalies, and though the final conclusions of the Association might eventually agree with those of the Tariff Board, there was no doubt that any hasty departure from the present system would meet with considerable opposition from the workpeople. The necessity and justification for the disparity between the wages of weavers and spinners had for a long time received the earnest attention of the Committee, and though it was an undoubted fact that this disability did not exist in other countries, it was agreed that the complete removal of the disability was not a practical proposition at the present moment. It was, however, possible



that some progress in this direction might possibly be made when it was found possible to increase the number of spindles attended to by one operative, but the complete solution of the problem would need more drastic measures than were then contemplated.

In the opinion of the Committee, there was little justification for the Tariff Board's view that there existed a tendency in Indian mills to spin higher counts of yarn from cotton than the quality of cotton warranted, and that there was also a tendency to speed up machinery in order to secure increased production without any alteration in the character of the mixing used. What evidently led Mr. Noyce and his colleagues to this conclusion was the knowledge gained during their inquiry that in certain mills a lower quality of cotton was being used at a higher machinery speed than in others when producing the same counts of yarn, but Mr. Noyce had failed to give due weight, in arriving at this conclusion, to the fact that the type of cotton used and the speed of machines depend to some extent on the purpose for which the yarn is to be used, and the age and condition of machinery on which it is produced. In so far as Bombay mills were concerned, inquiries made by the Association showed that the practices referred to by Mr. Noyce and his colleagues were by no means common.

*Paragraph 62* :—The Tariff Board's recommendation that half an hour should be given for meals in the morning was not a new one. The Committee had made a similar recommendation in 1920, but as there was opposition from the operatives themselves, the practice had been abandoned within a very short time of its adoption.

*Paragraph 63* :—The Committee pointed out that the results of an inquiry made by the Association after the publication of the Tariff Board's report with a view to ascertaining the exact practice in regard to recruitment of labour by jobbers definitely showed that the practice of direct recruitment was making progress throughout the Bombay mill industry. The inquiry had shown that so far as the daily replacement of absentees was concerned, operatives as a rule were not engaged by the jobbers. The final selection and appointment of operatives were made by the heads of the departments concerned, and in many mills even the preliminary assembling of applicants for replacement of casual vacancies was conducted by the heads of departments and not by jobbers.

*Paragraph 64* :—In paragraph 64, the Tariff Board expressed themselves in favour of abolishing the system of compelling a weaver to take over cloth spoiled by defective workmanship. The Committee pointed out that weavers themselves in many cases preferred purchasing damaged cloth to being fined, as they were able to sell the cloth. This system had acted smoothly without causing discontent among the workpeople, and the Committee did not therefore deem it advisable to disturb the existing arrangement.

*Paragraph 65* :—The Committee informed Government that the question of standardization of wages and musters in Bombay mills was receiving the attention of a special Sub-Committee of the Association.

*Paragraph 66* :—In paragraph 66, the Tariff Board stated : " The cotton industry in its present depressed condition should not be expected to finance these schemes which are for the benefit of the community in general." .

The Committee submitted that even if the industry was in a prosperous condition, it was not their duty, and the industry should not be expected to finance Government housing schemes and suburban development schemes. The case for the complete abolition of the town duty was very strong, and the Committee expressed their regret that even the modest suggestion of the Tariff Board for reducing the duty to 8 annas per bale had not yet been carried out. As regards the suggestion made by the Tariff Board that employers should take up Government chawls *en bloc*, it was stated that the Association had approached each mill individually with a view to get the mill to take complete chawls for its operatives at the advantageous rates which were then offered but, unfortunately, the operatives showed little desire to reside in these chawls, and very little success had attended these efforts.

*Paragraph 67* :—The Committee did not think that the Tariff Board were justified in saying that Bombay mills compared unfavourably with up-country mills as regards welfare work. The Tariff Board's statement was obviously based upon conclusions derived from their visits to a number of exceptionally well-placed up-country mills. The Shaw Delegation, however, had borne excellent testimony to the fact that a good deal of expenditure was incurred by Bombay mills in welfare work. Free medical attendance was provided by practically all the mills, and in other respects also, Bombay mills had on the whole a creditable record of welfare work. Unfortunately, it had been usual to find that mills which had contributed most generously to the welfare schemes had not benefited either as regards the discipline or the efficiency of their workers.

*Paragraph 68* :—The Committee entirely agreed with the Tariff Board's suggestion that Trade Schools should be established in two or three suitable centres in Bombay, and promised earnest consideration of any scheme which the Government of India or the Municipality might put forward with this object in view so far as the appropriateness of the course and the mechanical equipment suggested were concerned. They were, however, unable to pledge the Association or the industry to give financial support to such schools, as it was thought that the provision of suitable Trade Schools in any locality was the joint duty of Government and the Municipality, and the Association could not at the time promise more than to give facilities to students to attend the schools and encourage mills to employ the students trained in them in preference to persons without such technical training.

The Association had already done a great deal to advance technical education, as was evidenced by the annual contribution to the Victoria Jubilee Technical Institute and a special contribution of nearly Rs. 2 lakhs made to the Institute when it was in difficulties in 1923. The Social Service League schools had also received donations of money and machinery from members of the Association.

*Paragraph 69* :—The Committee agreed with the conclusion reached by the Tariff Board that in the present conditions, the introduction of Northrop looms would not prove helpful in reducing costs. As regards the Whittaker attachment, it was stated that further detailed and prolonged experiments had proved its unsuitability as a means of decreasing weaving costs or inefficiency in Bombay mills. The Committee, however, added that there was no reluctance on the part of Bombay mills to the introduction of any mecha-

nical devices which would lessen production costs or increase efficiency, and experimental work was constantly being done.

*Paragraph 70* :—The Committee agreed with the Tariff Board that the general adoption of double-shift working in Bombay was not a practical proposition.

In conclusion, the Committee entirely agreed with the Tariff Board as to the need for primary and technical education and for adult education, so that labour might be able to produce from its own ranks leaders who could speak with knowledge and authority on its own behalf. The difficulty had hitherto been that those who claimed to speak on behalf of labour were not real representatives of labour and in times of labour disputes they were unable to guide or control labour. That this Association was always anxious to get at the real views of labour was evidenced by the fact that it had always supported the development of trade unionism in this country on sound and healthy lines, and with such development the difficulty referred to above would be gradually overcome.—(*Appendix 2.*)

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#### SUGGESTIONS FOR OBTAINING INCREASED OUTPUT PER OPERATIVE.

In paragraph 61 of their report, the Tariff Board (Cotton Textile Industry Enquiry) made certain suggestions for obtaining increased output per operative. They wrote :—

“ 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 mixing. This, too, leads to the same result. The introduction of the changes we suggest in this paragraph will undoubtedly be very greatly facilitated if special attention is paid to the provision of cotton suitable for the counts spun and the speed at which the machinery is run.”

The Committee felt there was very little justification for the above view taken by the Tariff Board. Evidently what led Mr. Noyce and his colleagues to this conclusion was the knowledge gained during their inquiry 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 had failed to appreciate the fact when arriving at this conclusion that the type of cotton used and the speed of the machines depended to some extent on the purpose for which the yarn was to be used and the age and condition of the machinery on which it was to be produced. In so far as Bombay was concerned, inquiries showed that the practices referred to by Mr. Noyce and his colleagues were not by any means common.

The Committee, however, deemed it advisable that the points raised by the Tariff Board should be brought to the notice of all members. There could be no doubt that the practices complained of by the Tariff Board, if at all they existed in any mills, were most detrimental to the efficient working of those mills, and it was hoped that such mills in their own interests would take steps to carry out the necessary reforms. The Committee pointed out that there could be no justification whatever for spinning higher counts of yarn than the quality of cotton warranted, and urged that it was a short-sighted policy which reduced production and increased the work of the operatives.—(*Appendix 3.*)

### THE INDIAN TRADE MISSION.

(*See pages 24 and 174 of Report for 1927.*)

On page 27 of the Association's Report for 1927, reference was made to the appointment of a Trade Mission to survey the potentialities of certain countries in the Near East and in Africa as markets for Indian cotton goods, and to make recommendations for the encouragement of the export of cotton manufactures from India including the appointment of Indian Trade Commissioners where desirable.

The Mission assembled in Bombay on 27th January and proceeded to Bushire in Persia, Basra and Baghdad in 'Iraq and Damascus in Syria. At this point they were held up on account of heavy snowfalls in the mountains between Damascus and the Mediterranean, and to save time the Mission split forces, thus being able to examine the markets at Aleppo and Constantinople and those at Beyrout and Cairo before reassembling again at Alexandria. From Alexandria the Mission proceeded to Port Said, Port Sudan in the Anglo-Egyptian Sudan and Aden. At Aden they were not permitted to go ashore as there was an outbreak of plague in the town at the time of their visit. From Aden the Mission continued their tour down the east coast of Africa visiting Mombasa and Nairobi in Kenya, Zanzibar, Dar-es-Salaam in Tanganyika, Mozambique, Beira and Lourenco Marques in Portuguese East Africa, finally arriving in Durban in the Union of South Africa. In the Union of South Africa, arrangements were very kindly made by the Union Government for the Mission to visit Durban, Pietermaritzburg, Johannesburg, Pretoria, Rustenburg, Kimberley, Cape Town, Paarl, Port Elizabeth, East London, arriving back in Durban whence the Mission returned to India calling again on their return journey at Lourenco Marques, Beira, Dar-es-Salaam, Zanzibar and Mombasa. While in Kenya one of the members of the Mission had an opportunity of visiting Uganda to investigate the conditions affecting the purchase of Uganda cotton by India. The Mission arrived back in Bombay on July 7th, having been absent from India for five months and ten days, and having covered a distance of approximately 18,000 miles.

The report of the Mission, which was published by Government in December, contained, besides many suggestions for the development of India's exports in yarn and piecegoods to the countries visited by the Mission, a recommendation to the effect—

1. That millowners should consider the desirability of forming a powerful export selling organization to deal with the export trade in cotton piecegoods and yarn. It was suggested that such an organization should take the following form :—

(a) The formation of a single export selling organization with all millowners as members,

(b) All selling of cotton goods produced by members for the export market, should be done through this one organization,

(c) The head office of this organization should be in Bombay,

(d) There should be branch offices in those overseas markets in which the present trade or the potentialities are large, and agents in those places with smaller markets, or where there were means of distribution which could be utilized,

(e) The Mission suggested the need for such branch offices at : (1) Baghdad, (2) Alexandria, (3) Mombasa and (4) Durban, and for selling agents, appointed by the organization, at (1) Port Sudan, (2) Aden, (3) Zanzibar, (4) Dar-es-Salaam, (5) Mozambique, (6) Beira and (7) Lourenco Marques.

2. The Mission also recommended the appointment of three Trade Commissioners for India at (1) Alexandria, (2) Mombasa and (3) Durban.

After dealing with India's chief potential markets at present prices in the various lines of piecegoods, the Mission drew particular attention of exporters and millowners to the necessity of maintaining a high standard in respect of (1) Finish, (2) Folding and making up, (3) Stamping and ticketing, (4) Packing, (5) Deliveries, (6) Sampling, (7) Variety of designs, and (8) Uniformity. In these competitive times, all other producing countries were paying very great attention to these points, and the Mission were convinced that they were matters which had played a very decisive part in assisting India's competitors to obtain markets.

So far as the exports of coloured piecegoods were concerned, the Mission found that India was in a competitive position as regards prices for low and medium qualities, and further expressed the view that an extension of her market in this line depended chiefly on her progress in finish and design. With this end in view, the Mission recommended that the suggestion made by the Tariff Board for the establishment of a combined bleaching and printing factory in Bombay, should receive detailed technical examination.

During the course of their visit to the various markets, about 600 samples were collected by the Mission on behalf of the Association. These were exhibited in the rooms of the Association for the inspection of members, and it is very gratifying to note that a large number of mills in Bombay availed of the opportunity to inspect these samples. The principal recommendations made by the Tariff Board are at present receiving the consideration of the Association and the Government of India.

## ESTABLISHMENT OF A COMBINED BLEACHING, DYEING AND PRINTING FACTORY NEAR BOMBAY.

In January, the attention of the Committee was invited to the fact that Messrs. James Finlay & Co., Ltd., Bombay, had approached the Government of Bombay with a request for financial assistance and other concessions in connection with a proposal for the establishment of a bleaching, dyeing and printing factory at Ambernath or Badlapur. The principal request made on behalf of the company was that they should be given a concession for water-supply, equivalent to a free supply in perpetuity, of about 750,000 gallons per day from the tail waters of the Andhra Valley Power Supply Company flowing into the Ulhas River, the rights regarding which were vested in Government in the Development Department. The quantity of water required was only a small portion of the quantity available and the firm had agreed to restrictions regarding the quantity to be supplied, right of transfer of the concession, and the like. They desired, however, to be free from any liability for payment for the water in the future in the event of their being allowed to draw their supply direct from the Ulhas River. In the event of the water being supplied by Government from their water-works at Badlapur, the firm desired that the charge to be made by Government should be restricted to the actual extra cost incurred by Government for pumping, etc., without liability to any increase in the future.

In view of the recommendation made by the Indian Tariff Board in paragraph 82 of their report on the Cotton Textile Industry, viz., that the mills of Bombay should *combine* for the establishment of a printing, bleaching and dyeing factory at Ambernath, the Government of Bombay stated that they desired to consult the Association before coming to a decision regarding the terms of the concession asked for by Messrs. James Finlay & Co. The principal matter for settlement related to the conditions of water-supply to a firm which was inaugurating a pioneer industry and which contemplated the earning of profits for the shareholders of a limited liability company which it intended to float for the purpose. The request for a supply of water free of cost in perpetuity also raised a question of principle not dissimilar from that involved in a perpetual revenue-free grant of land in similar circumstances, and Government desired, therefore, to have the Association's views on Messrs. James Finlay & Co.'s proposals.

The Committee, in their reply, stated that they had no objection to a free supply of water being given to the proposed factory, provided that no monopoly was to be given to Messrs. James Finlay & Co., Ltd. The Committee also expressed the opinion that it was very necessary that arrangements should be made for the discharge of effluent from the proposed works in such a way as not to contaminate the sources from which industrial concerns springing up in the future might draw their supply of water.

As regards the recommendation made by the Tariff Board in paragraph 82 of their report on the Cotton Textile Industry, the Committee stated that the matter had been under their consideration for some time, and if in future they found that the establishment of a combined bleaching, dyeing and printing factory by the cotton industry of Bombay on the lines suggested by the Tariff Board was a practical proposition calculated to benefit the indigenous industry, they would approach Government for adequate assistance,

at least to the extent recommended by the Tariff Board. The Committee made it clear in their letter to Government that it was without prejudice to their right to approach Government in the matter at a later date that they had agreed to the grant of free supply of water to Messrs. James Finlay & Co., Ltd.

Towards the end of June, the Government of Bombay again wrote to the Association and requested the Committee to express an opinion as to whether the Association considered that the scheme would be beneficial not only to the local mill industry but to the textile industry throughout India, and if so on what grounds.

The letter further stated that the Government of India, to whom Messrs. James Finlay & Co. had applied for financial assistance in this project, did not think it permissible to incur any expenditure from Central revenues for the development of an industry unless that particular industry was declared to be a Central subject. According to the Government of India, it was difficult to make such a declaration in the present case, since the scheme suggested by the Tariff Board was designed chiefly to benefit the cotton mill industry of Bombay City only and not the cotton mill industry of other parts of India with which the Bombay mills to some extent competed.

The letter further added that the Government of India did not therefore think that the initiation of action on this particular recommendation of the Tariff Board rested with them and they were therefore unable to hold out hopes that they would be able to participate in the scheme. The Government of Bombay, however, took the view that in the depressed condition of the industry, everything should be done to help it, but it was very discouraging to note that owing to the present financial situation, it was not possible for them to support the scheme financially.

The question was carefully considered by the Technical Advisory Sub-Committee of the Association who had also had before them the full details connected with the scheme proposed by Messrs James Finlay & Co.

In addressing the Government of Bombay on the lines suggested by the Technical Advisory Sub-Committee, the Committee expressed their regret that a proposition intended to carry out one of the most constructive proposals of the Tariff Board and designed to assist the industry should stand the risk of being abandoned. The necessity of Government's financial assistance in the execution of a project of this nature had already been referred to by the Tariff Board in para 99 of their report and had also been mentioned in the application forwarded by Messrs. James Finlay & Co., and the Committee therefore held that it would be most unfortunate if the scheme were to fall through either on account of the Central Government's inability to finance a provincial and transferred subject or through the Bombay Government's financial stringency. The Tariff Board had duly recognized that large-scale operations in bleaching, dyeing and printing would materially assist the Bombay mill industry and they therefore recommended the establishment, with Government assistance, of a combined bleaching, dyeing and printing factory, if a satisfactory scheme could be put forward by the Bombay mill industry. But in view of the present depressed condition of the industry and the difficulty of concentrating under one management the many plants now existing in Bombay for bleaching and dyeing, and to a lesser degree

calico printing, the Committee were of the opinion that the establishment of a combined factory on the lines proposed by the Tariff Board would not fall within the limits of practical politics for some time to come, and they had, therefore, no hesitation in according their approval to the application made by Messrs. James Finlay & Co., subject of course to the reservations set forth in their previous letter to Government, and provided that the details of the scheme were placed before the Association for the consideration of the Committee before settlement so as to avoid all possibilities of creating a monopoly.

With regard to the specific points upon which Government requested the Committee's opinion, it was stated that the scheme proposed by Messrs. James Finlay & Co. was not only of provincial but of all-India importance for the following reasons :—

- (a) Any deflection of the products of Bombay mills to new styles of cloth, which the proposed scheme would do, must result in decreased competition between Bombay mills and up-country mills in styles which are now common to them, to the ultimate benefit of both.
- (b) The proposed scheme would introduce into this country a new industry the demand for which is indicated by the statement given below, and which, in the opinion of the Committee of the Association, fulfils the requirements of the Government of India as laid down in paragraph 97 of the Report of the Indian Fiscal Commission :—

#### PRINTED GOODS.

Year.	Total Imports. BOMBAY. (In Yds.)	Total Imports. INDIA. (In Yds.)	Value. (In £)
1926 .. ..	55,802,000	167,802,000	4,343,000
1927 .. ..	80,327,000	223,601,000	4,676,000

- (c) The scheme might also be considered of important national interest in that, if the Bombay experiment was successful, the development of similar works in other parts of India would be facilitated and capital would be readily forthcoming at other suitable sites in various parts of the country.—(*Appendix 4.*)

#### REGISTRATION OF TRADE NUMBERS.

(See pages 145 and 159 of Report for 1924.)

For some time past the Committee of the Association have had under consideration the advisability of formulating a scheme for the registration of trade numbers. The question, in one form or another, had been considered by the Committee on several occasions in the past, but hitherto it had not been found possible to devise a workable scheme.



In view of the fact that there were constant complaints by members that trade numbers introduced by them in the market were copied by others, and in view of the fact that the Tariff Board had also strongly urged the advisability of the Association inaugurating a scheme for the registration of trade numbers, the Committee of the Association, towards the end of November 1927, requested the Trade Marks Sub-Committee to consider this matter and formulate a scheme for the registration of trade numbers.

The Sub-Committee accordingly formulated a scheme which, however, evoked certain criticisms from some of the members of the General Committee, and the Sub-Committee were asked to submit a fresh report in the light of these criticisms. The second report came up for consideration before the General Committee at one of their meetings in January and the view taken by the Committee was that the scheme put forward by the Sub-Committee was a workable scheme, and that an earnest attempt should be made to put the scheme in work. It might become necessary at a later stage to make some modifications in details, but, for the present, and as a preliminary step, the Committee decided to obtain from the Bombay members particulars as to the numbers (a) to which they consider they already have an exclusive right for use on the particular class of goods on which the number is stamped and (b) the numbers which in their opinion should be made common numbers owing to the fact that they are at present being used by more than one mill.

Copies of the two reports referred to above were sent to all members of the Association with a request to supply the Association with a list of all numbers used by them showing separately the numbers on which they claimed exclusive rights and numbers which in their opinion were the common property of several mills.

Work on the particulars received has been suspended for the time being owing to the staff of the Association being fully engaged on the preparation of statistics for the Strike Enquiry Committee.—(*Appendix 5.*)

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#### WATER TAX PAYABLE BY MILLS.

(*See page 28 of Association's Report for 1927.*)

On page 28 of the Association's report for 1927 it was stated that the rate of water tax payable by cotton mills, which was hitherto at Re. 1 per thousand gallons, was reduced to 12 annas. During the year under review, through the efforts of Mr. H. P. Mody, the Association's representative in the Corporation, the rate was still further reduced to 10 annas per thousand gallons.

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#### MUNICIPAL ASSESSMENT OF COTTON MILLS.

(*See page 28 of Association's Report for 1927.*)

On page 28 of the Association's report for 1927 it was stated that a special Sub-Committee of the Association was investigating the desirability of submitting suggestions to the Municipal Commissioner for revising the method of assessment of mills at the expiry of the agreement made in 1923.

From certain figures placed before them, the Sub-Committee found that without making any allowance for sinking fund and depreciation charges, the present value on which certain representative mills were assessed were about 40 to 50 per cent. in excess of the cost at which such buildings could be re-erected. This fact was placed before the Municipal Commissioner at a conference held in February, and it was urged that assessments should be proportionately reduced.

The Municipal Commissioner, however, declined to consider any proposals for a wholesale reduction in the assessment of cotton mills. It appeared to the Sub-Committee that the Commissioner had got hold of the values of certain mills declared in insurance specifications, and from these he sought to infer that some of the mills were over-assessed and others under-assessed. Though the Sub-Committee explained that the values shown in insurance specifications were not the proper criteria to go by, the Commissioner explicitly stated that a general reduction was out of the question, and proposed that, either the present assessments should be continued, or each mill should be revalued for assessment purposes.

The Sub-Committee reconsidered the question in the light of the attitude taken up by the Municipal Commissioner and decided that the best course for the millowners to adopt was to agree to the revaluation of individual mills; at the same time, they recommended that the Municipal Commissioner should be persuaded to agree to the following points :--

- (1) From the present cost of mill buildings, a deduction of  $1\frac{1}{2}$  per cent. should be made each year as depreciation or sinking fund, which would mean that in about 60 years' time the life of the building would be wiped off. An objection might possibly be raised that the acceptance of this principle would mean that mills which are 60 years' old would not pay any assessment at all. In answer to this, it might be pointed out that such buildings being old would not have a great letting value, but there was no objection to a minimum assessment being fixed, and it was suggested that the minimum should be 25 per cent. of the cost of re-erecting another exactly similar mill.
- (2) The present rate of assessment of buildings, viz., 6 per cent., was much too high. In the case of the chawls and other buildings of the Bombay Improvement Trust, the gross return to the Trust, including cost of land, did not work out to more than 4.67 per cent. It was not fair that 6 per cent. should be charged on mill buildings, and the Sub-Committee suggested that a uniform rate of  $4\frac{1}{2}$  per cent. might be charged on both land and buildings.
- (3) The valuation that might be arrived at in the case of each mill should remain in force for three years, subject to the  $1\frac{1}{2}$  per cent. annual deduction for deterioration.
- (4) Mills which desired to be assessed on the letting value basis should have the option of settling with the Municipality on that basis.

A letter was accordingly addressed to the Municipal Commissioner who, however, turned down the suggestions put forward by the Association. Further correspondence ensued on the subject, but as it was not found possible to come to a satisfactory settlement, the Committee of the Association decided to obtain legal opinion from England on all points at issue.

However, the Municipal Commissioner suggested the appointment of an expert Municipal valuer to revalue mill buildings and land in consultation with any person nominated by the Association. He appointed Mr. N. D. Kanga, L.C.E., of Messrs. Contractor and Kanga as expert valuer of the mills on behalf of the Municipality and informed the Committee that, if the Association did not appoint a representative to work in consultation with the Municipal Valuer, the work of revising valuations of mills would be started by the Municipal Valuer alone. Under the circumstances, the Committee of the Association appointed Mr. Burjor S. J. Aga, F.R.I.B.A., M.I.E., to act as the Association's representative.

While communicating the appointment of Mr. Aga to the Municipal Commissioner, the Committee made it quite clear that they had not been able to undertake on behalf of the members of the Association that the valuations arrived at by Mr. Kanga and Mr. Aga would, even if unanimous, be binding upon any particular mill, and that, in addition, the Association reserved on behalf of its members, all their rights as to any conclusions which the Municipality might seek to draw from the valuations so arrived at as a basis for arriving at the rateable value of any mill. The Committee further made it quite clear that, even if the valuations arrived at were accepted, any conclusions to be derived therefrom must be the subject-matter of future discussions.

The Association has since obtained expert legal opinion on the main points at issue between the Committee and the Municipal Commissioner and the whole question is again being considered by the Sub-Committee in consultation with the Association's architect and solicitors.—(*Appendix 6.*)

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#### MINIMUM DEMAND CHARGES—TATA POWER CONTRACTS.

(*See page 28 of Report for 1927.*)

In the Association's report for 1927 it was stated that a special Sub-Committee of the Association were considering the question of the relative costs of power produced by self-contained power plants of various descriptions used in Bombay as compared with the cost of power supplied by the hydro-electric companies of Messrs. Tata Sons, Ltd., with a view to ascertaining whether the existing charges for electric power supplied by the hydro-electric companies were fair and equitable and for making recommendations as to the action which might advisedly be taken in future in any negotiations which might take place in this connection with the power supply companies.

The above Sub-Committee submitted their report towards the end of October in which they expressed their opinion that there was a distinct case for a reduction of the charges levied by the power companies for cotton mills. Nevertheless, they deemed it desirable to make further investigations on this subject before negotiating with Messrs. Tata Sons, Ltd.

During the course of these investigations, one of the members of the Association drew the attention of the Sub-Committee to the hardship imposed on the industry at the time of a general strike by the operation of the Minimum Demand clause in the Tata Power Supply Contracts, and the necessity of obtaining adequate relief for the mills from this heavy burden. The Sub-Committee's terms of reference were sufficiently comprehensive and involved a detailed survey of the whole question and further detailed investigations into the general problem of power costs, which would necessarily take some more time to complete. It was, therefore, thought that the question of obtaining relief from the operation of the Minimum Demand clause should be dealt with immediately as being the most urgent.

Under the Minimum Demand clause, a mill has to pay a minimum charge per month for units consumed in 131 hours based on the maximum power used within the preceding two years. The Sub-Committee thought that during prolonged strikes, like the present one, mills should not be held bound by this clause as, in their opinion, strikes of such long duration were never contemplated when the clause in question was originally drafted.

From certain figures collected by the Sub-Committee it appeared that the charges levied by Tatas under the existing clause were 4.59 times greater than those incurred by mills which relied on their own power; or, in other words, that, instead of 131 hours for which the charges are made, the actual charge should be for 28.5 hours only. But the Sub-Committee felt that the power companies would be fully justified in claiming the full charges on the 131 hours basis so long as the existing contracts last, and they therefore suggested that the matter should be placed before Tatas not as a matter of legal right, but should be regarded by them as an act of grace.

It was not, however, the intention of the Sub-Committee strictly to adhere to the figures they had worked out as they were aware that the charges made by Tatas included in a great measure capital charges also. It was, therefore, proposed that an allowance of 25 per cent. should be made for this purpose, and that the number of hours should accordingly be raised from 28.5 to 36 instead of 131 hours as at present.

It will be remembered that, at a time when the hydro-electric companies were in difficulties, mills readily came to their assistance by agreeing to pay increased rates, and when, in 1918-19, power companies were unable to supply full power for 12 hours, mills readily agreed to curtail their hours of working without claiming any indemnity from power companies in respect of such short time. The Sub-Committee, therefore, hoped that their present proposals would not be considered unreasonable by the power companies.

The General Committee were in complete agreement with the views expressed by the Sub-Committee, and a representation was addressed to Tatas in which the Committee expressed their hope that the Minimum

Demand clause would be modified in future, and that a refund would be allowed on the bills already paid by mills for the period the mills were closed during the year on account of the general strike.

In replying to this communication Messrs. Tata Sons, Ltd., argued to show that the data used by the Association in fixing the present relation between standing charges in mills which operated their own plant as against the power companies' minimum demand charge to mills which purchased power from the companies concerned were incorrect for the reason that :—

(1) The Association had compared very old steam plants with relatively new electrical apparatus ;

(2) The horse-power capacity of the steam plants which the Association had cited was only 77 per cent. of the horse-power scheduled in the case of electrically driven mills ;

(3) The charges assumed by the Association as covering all attendance and supervision under strike conditions in steam plants were very much less than was considered possible ;

(4) In calculating the standby charges for purchased electric power, the Association had used minimum monthly charges based on the .725 rate per unit, instead of using an average of the existing .65 and .725 rates affected by the proportion of power consumed by mills at these rates.

Making due allowances for the above shortcomings, the ratio of charges arrived at by Tatas as against the Association's figure of 4.59 was 2.39. However, the power companies offered the following concessions for the consideration of the Committee of the Association :—

(1) The time factor of the Minimum Demand clause to be reduced to 87 hours, during such periods of time when a minimum of 90 per cent. of the mills in Bombay were unable to operate because of *bona fide* labour strikes, lock-outs not included, this reduction being applicable only to such mills as were inoperative because of such strikes and for no other cause excepting those included in the general terms of the agreement.

(2) A reduction of the present Andhra and Tata power rate from .725 to .65 anna per unit, thus making the rates of all the three companies identical; or, in the alternative, a flat rate based on a yearly charge of Rs. 50 per K.W. of maximum demand, plus .425 anna per unit.

The companies further agreed to put these proposals into force at once if they were accepted by the Association and fresh agreements made with the power companies for a further period of 15 years.

In response to a request made by the power companies concerned, a Sub-Committee of the Association under the chairmanship of Mr. C. N. Wadia subsequently met a few representatives from Tatas and fully discussed the whole question.—(Appendix 7.)

LEVY OF FEES FOR THE INSPECTION OF ELECTRICAL  
INSTALLATIONS OF MILLS BY THE GOVERNMENT OF BOMBAY.

*(See pages 29 and 181 of Report for 1927.)*

In the Association's report for 1927 a reference was made to the case put up by the Association for a reduction in the fees levied by Government since January 1927 for electrical inspection. The Committee then pointed out that the inspections carried out by the Bombay Fire Insurance Association were of a most thorough nature calculated to ensure public safety satisfactorily, and there was therefore no necessity to supplement these by a further expensive inspection of a much less comprehensive nature by Government Inspectors.

Towards the end of February a reply to this representation was received from Government in which it was stated that the contention of the Association that the inspection and tests conducted by the Fire Insurance Association were more thorough, extensive and exacting than those conducted by Government Electrical Inspectors, was not at all germane to the question under discussion. Government emphasized that the responsibility of seeing that licensees and others complied with the obligations imposed by the Indian Electricity Act and Rules thereunder, rested with Government who acted through the electrical inspectors appointed by them. Government had to maintain a considerable establishment for this purpose and fees levied for the inspections were intended to cover a part of the cost of this establishment. Government further expressed their inability to accept the Association's proposal to exempt mills from inspection by Government Electrical Inspectors or to charge a nominal fee for such inspections, for the reason that if once the principle of allowing exemptions was conceded, it would clearly be impossible to resist applications from other industries for similar indulgent treatment.

In acknowledging this communication, the Committee expressed their keen disappointment at the fact that it had not been possible for Government to reconsider their decision to impose a fresh charge on the cotton mills of this Presidency at a time when the industry was passing through a period of great depression and when it was entitled to look for every possible assistance from Government. The Committee, however, urged that at least the reductions which were promised to Mr. Geddis at an interview which he had with the Hon'ble Mr. Rieu in August 1927 should be announced without further delay.

Early in April Government published a notification announcing certain reductions in these fees with retrospective effect from 1st January 1927. A copy of this notification was sent to all members of the Association with instructions that applications for refunds should be made to the Electrical Inspector to the Government of Bombay, Public Works Department, Bombay.—(*Appendix 8.*)

**LEVY OF FEES FOR THE INSPECTION OF ELECTRICAL  
INSTALLATIONS OF MILLS BY THE BOMBAY FIRE  
INSURANCE ASSOCIATION.**

Early in March the Bombay Fire Insurance Association announced that the maximum fees for the inspection of light or power installations in mofussil mills had been reduced from Rs. 250 (plus travelling and out-of-pocket expenses) to Rs. 150 (plus travelling and out-of-pocket expenses) for original inspections and from Rs. 75 to Rs. 50 for the inspection of alterations and additions, the fees being thus standardized for cotton mills throughout the Presidency. While expressing their gratification at this announcement the Committee of the Association emphasized the necessity of making substantial reductions in the fees payable by Bombay mills for electrical inspections, and the Bombay Fire Insurance Association promised to consider favourably the representation made by this Association.

In the course of correspondence which ensued, the Bombay Fire Insurance Association forwarded to this Association copy of a warranty recently adopted by them for insertion in policies covering manufacturing risks. The warranty appeared objectionable in certain respects and the Committee of the Association informed the Bombay Fire Insurance Association that they would revert to this subject on hearing from them about their decision regarding fees for electrical inspections. In the meanwhile the Bombay Fire Insurance Association was requested to see that this warranty was not inserted in policies issued by their members.

The Fire Insurance Association subsequently expressed their inability to make any further reductions in the fees charged for electrical inspections as they had already lost approximately Rs. 10,000 in the operation of the electrical department as a result of the large reductions which they had already made in the fees for the inspection of mofussil mills.—(*Appendix 9.*)

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**FIRE INSURANCE RATES FOR COTTON MILLS.**

*(See pages 33 and 196 of Report for 1927.)*

At the Annual General Meeting of the Association held on the 12th March 1928, Mr. H. H. Sawyer, in supporting the resolution for the adoption of the report of the Committee for the year 1927, said :—

“ The Bombay Fire Insurance Association in the early part of the year reduced their premium rates upon cotton mills by 15 per cent. but, I may add, only after they had first reduced their agency commission to a similar extent. If you figure this out you will find that the result is that the insurance companies themselves now receive more nett premium than they did before they were kind enough to extend to us this concession. This reduction in tariff was therefore entirely at the expense of their agents, many of whom were themselves also mill agents. Now, cotton mills are good risks and run into big figures so that this reduction, under the circumstances mentioned, is considered altogether unsatisfactory and inadequate, and your Committee insist upon a further reduction of at least 15 per cent.”

The Bombay Fire Insurance Association took exception to the above remarks, and in a letter addressed to the Committee in April they pointed out that these were hardly a just representation of the previous negotiations which had taken place between the two Associations. It was further added that Mr. Sawyer's speech contained no reference whatsoever to the reduction in rates of approximately 30 per cent. conceded in cotton tariffs in 1925 which was granted forthwith to give immediate relief to the cotton mill industry.

In reply, the Committee contended that the fact that fire insurance rates had always been inordinately high and therefore a reduction had to be made in 1925 did not in any way affect the justice of Mr. Sawyer's remarks in a speech which was reviewing the year 1927.

In the opinion of the Committee, however, the fire insurance rates for cotton mills were still very high, and they therefore urged that a further reduction of at least 15 per cent. should be made, and in support of this contention pointed out that the premia paid by Bombay mills compared very unfavourably with the premia paid by Lancashire mills.

The reply received to this communication was very disappointing, for the Fire Insurance Association were unable to agree with the Committee that either a good case had been made out for a further reduction in rates, or that the insurance rates had always been inordinately high. However, the Fire Insurance Association agreed that the loss experience during the last few years had been very good, but stated that neither their Committee nor the Committee of this Association could possibly forecast the period for which this state of affairs would continue. The Fire Insurance Association therefore urged that it was not unreasonable for them to suggest that the new rates which had been in operation for less than 15 months should be given a fair trial.

It was evident from the attitude taken up by the Fire Insurance Association that further success in the matter of obtaining reduced insurance rates purely rested on the results of what the Insurance Association termed a "fair trial." But in the meantime it was thought desirable that this Association should collect reliable data from all its members showing the premia paid and claims received by them during the last 10 to 15 years, so that the information may be used in any future discussions which the Association may have with the Fire Insurance Association, or in connection with formulating proposals for the establishment of a Mutual Insurance Association if such a course was deemed desirable in the interests of the industry.

A circular letter was accordingly addressed to all members of the Association early in August and as a result, valuable data have been collected by the Association.—(*Appendix 10.*)

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#### ALLOWANCE FOR FIRE-EXTINGUISHING APPLIANCES.

At one time during the course of the 1928 general strike, picketing and intimidation by strikers became so intense that even firemen and other staff who were engaged in mills for performing certain emergency services



were not allowed to attend to their duties. The result was that early in May, the Fire Insurance Association passed the following resolution :—

“ In the event of steam not being kept up in the boilers in mills owing to strikers preventing boilermen from entering the mill, the allowances for fire-extinguishing appliances would be withdrawn, but, under the circumstances, only on a *pro rata* basis as from the date steam is not maintained and not from the date of commencement or date of the last renewal of the policy as stated in Provision 7 of the Provisions applicable to Policies in respect of which allowances are made for fire-extinguishing appliances on Sheet 9 of Bombay Cotton Mills Tariff.”

In forwarding copies of the above resolution to all members of the Association the Committee stated that the Police Commissioner had promised to render effective assistance in cases where violent methods were resorted to by strikers to prevent boilermen and others from entering the mills and that all such instances should immediately be brought to the notice of the Police Commissioner.—(*Appendix 11.*)

#### REBATES FOR SPRINKLERED COTTON MILL GODOWNS.

Early in November 1927 the Simplex Mills Co., Ltd., invited the attention of the Association to the fact that, while under the Bombay Fire Insurance Association's tariff the allowances of 50 per cent. and 60 per cent. respectively were made for sprinkler installations and sprinkler installations with automatic regulators on the main blocks of mills, the allowances were only 25 per cent. and 15 per cent. in the case of cotton mill godowns according to warranties stipulated. It was pointed out that it was rather an anomaly that a higher rate should be allowed on blocks where there was a greater risk of fire than on godowns where the risk of fire was remote, and the Committee were therefore requested to take the matter up with the Fire Insurance Association with a view to inducing them to bring the rebates on sprinklered godowns in line with those on sprinklered blocks of mills.

A communication was accordingly addressed by the Committee to the Fire Insurance Association who, in their reply, whilst admitting that sprinkler protection was beneficial from certain points of view in minimizing the loss from fire in a protected risk, stated that the amount of benefit to be derived varied considerably in different types of risks, and this fact was taken into consideration when deciding what allowance was warranted. The Fire Insurance Association further pointed out that sprinkler protection of cotton godowns was not so reliable as sprinkler protection in the working departments of a mill for the following reasons :—

- (a) Fires in godowns usually originate at or about the third tier of bales as measured from the ground and owing to the dissipation of the heat as it rises through the various tiers of bales above, longer time is taken for sprinklers to open and to give the alarm.

- (b) Owing to the dissipation and deflection of heat due to the upper tiers of bales, it sometimes occurs that sprinklers away from, or not directly over, the seat of the fire open first, thus the water from such a sprinkler is not deflected over the seat of the fire.
- (c) Even if the sprinklers directly over the seat of the fire operated quickly, the water issuing therefrom is prevented from falling directly on to the seat of the fire by the upper bales, and merely trickles round and down through the spaces between the bales causing considerable water damage, and being of little use in checking the spread of fire.
- (d) The water damage loss in sprinkler godowns is usually very considerable and in the event of sprinklers working and not giving the alarm, due to alarm gong turbines not functioning or for any other reason, the loss sustained would be very severe.

For these reasons the Fire Insurance Association declared that they were unable to increase the existing allowance granted in respect of automatic sprinkler protection in cotton mill godowns.

The Committee of the Association were prepared to concede the force of the arguments advanced by the Fire Insurance Association in support of their contention that the rebates for sprinkler installations in the case of godowns in a mill could not be the same as the rebates for sprinkler installations in the case of the main working departments in a mill, but at the same time they held that the rebates in the case of sprinklered godowns were much too low and that there was a good case for increasing the rebates, though perhaps not to the level of the rebates in the case of the different working departments in a mill. A communication was accordingly addressed to the Fire Insurance Association requesting them to furnish this Association with full particulars as to the premia paid by cotton mills and claims paid by members of the Fire Insurance Association during the last five years in the case of (1) Sprinklered godowns and (2) Other sprinklered departments of cotton mills.

In reply, the Bombay Fire Insurance Association pointed out that, while their Committee were prepared to assist and to co-operate with this Association in matters relating to insurance of cotton mills in the area controlled by that Association, they could not accede to the Committee's request to be furnished with statistics of accident claims which were only intended for the Insurance Association's confidential information. It was further pointed out that 25 per cent. was the standard allowance for sprinkler protected warehouses throughout the world, and the five years' experience of Bombay risks would hardly justify any recommendation to the Fire Offices' Committee (Foreign), London, or to the Committees of other Fire Insurance Associations in India for an increase in the allowance which compared very favourably in relation to the protection afforded with the allowance on process departments.

The reply was deemed to be very evasive and unsatisfactory and the Committee thought that it would serve no useful purpose in pursuing the matter with the Fire Insurance Association unless the statistics in question were placed before them.—(*Appendix 12.*)

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#### FIRE TAX—PROPOSED AMENDMENT OF THE MUNICIPAL ACT.

The Municipal Secretary, Bombay, in a letter to this Association, stated that a proposal to amend the Municipal Act so as to empower the Corporation to levy a special tax not exceeding 2½ per cent. on the gross premia collected by all the Fire Insurance Companies doing business in Bombay—the fire tax levied at present on properties being abolished—was under the consideration of a special Committee of the Corporation, and requested the Association's views on the proposal.

After careful consideration, the Committee of the Association unanimously came to the conclusion that the proposed amendment of the Municipal Act was open to serious criticism. In the first place, a considerable percentage of properties in Bombay are uninsured, and it would be inequitable to transfer the burden of the maintenance of the Municipal Fire Service to the Fire Insurance Companies doing business in Bombay, and the present system under which all properties contribute towards the maintenance of the fire service, was therefore certainly more equitable. It was also pointed out that the Fire Insurance Companies in Bombay receive premia not only on properties in Bombay but also on properties out of Bombay, and it would be clearly unfair that a percentage of the premia collected by the Fire Insurance Companies on properties situated out of Bombay should go to the Bombay Municipality for its fire services. Further, the Committee held that the proposed amendment was calculated to act as a handicap to the development of Fire Insurance Companies in Bombay.

The Committee of the Association in their reply to the letter from the Municipal Secretary stated that they were strongly opposed to the proposed amendment of the Municipal Act on the grounds mentioned above.—(*Appendix 13.*)

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#### ANTI-MALARIAL MEASURES IN MILLS.

(*See pages 36 and 206 of Report for 1927.*)

Towards the end of August the attention of the Committee was drawn to a notice issued by the Municipal Health Officer calling on certain mills in Bombay to provide wrought iron or cement concrete covers over their cisterns and sprinkler tanks. As the expenditure involved by strictly complying with the Health Officer's requisition would have been considerable, the Committee consulted the Association's solicitors as to whether the Municipality had powers to make such a requisition, and if so whether they were also empowered to prescribe the material with which the work was to be executed.

The solicitors held the view that though the Municipality had no right to prescribe the material for the execution of the work, they were empowered to order that all mill tanks and cisterns should be covered in such a manner as to render them mosquito-proof.

Under the circumstances, the Committee considered that the position was one in which the Association should endeavour to come to the best arrangement possible by negotiating with the Municipality on behalf of the mills in Bombay as a whole, and Mr. H. P. Mody, the Association's representative in the Municipal Corporation, was appointed to discuss the position with the Health Officer. As a result of the discussions which ensued, Mr. Mody wrote to the Committee :—

“ The necessity of closing up these tanks cannot, I am afraid, be disputed. The Deputy Health Officer, however, is anxious to secure the co-operation of the millowners, and has no desire to dictate to the mills concerned that any particular type of material should be used. All he wants is that the tanks should be properly covered up, and if anything cheaper than wrought iron will serve the purpose, he has no objection to its adoption. In view of the fact that a Sub-Committee of the Malaria Advisory Committee is going into the question, I have asked the Deputy Health Officer not to proceed to enforce the municipal requisition until that Sub-Committee has reported. I understand Mr. Stones is a member of it ; and he may be trusted to represent the millowners' case adequately.

“ I expect to hear further in the matter from the Deputy Health Officer. *In the meantime, mills which have received the requisition might be informed that they should consult their architects with a view to find out the cheapest mode of covering up these tanks.*”

The Committee entirely agreed with Mr. Mody's remarks and informed all members accordingly, inviting their special attention to the advisability of consulting their architects with a view to finding out the cheapest mode of covering their sprinkler tanks.—(*Appendix 14.*)

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#### INTERNATIONAL LABOUR CONFERENCE—11TH SESSION: REPRESENTATIVES OF INDIA.

In pursuance of Article 389 of the Treaty of Versailles, the Government of India nominated the following officials and non-officials to represent the Government of India, the Employers and the Workers, respectively, at the Eleventh Session of the International Labour Conference which was opened at Geneva on 30th May 1928 :—

To represent the Government of India.

##### *Delegates.*

1. Sir Atul Chatterjee, K.C.I.E., High Commissioner for India till 8th June 1928.
2. Dr. R. P. Paranjpye, Member of the India Council.
3. Mr. J. C. Walton, M.C., India Office, London, from 8th June 1928.

*Advisers.*

1. Mr. J. C. Walton, M.C., India Office, London, till 8th June 1928.
2. Mr. H. J. Graham, O.B.E., of the G. I. P. Railway.
3. Dr. R. C. Rawley, M.A., M.Sc., D.Sc., Director of Industries, Punjab.

To represent the Employers.

*Delegate.*

Mr. Narottam Morarji, Chairman, Scindia Steam Navigation Company, Limited, Bombay.

*Advisers.*

1. Mr. D. P. Khaitan, Calcutta.
2. Mr. Shanmukham Chetty, M.L.A.

To represent the Workers.

*Delegate.*

Diwan Chaman Lall, M.L.A.

*Advisers.*

1. Mr. Mahbubul Huq, M.A., B.L., Calcutta.
2. Mr. P. C. Bose, Secretary, Indian Colliery Employees' Association, Jharia.

Dr. Rawley was also appointed to act as Secretary to the delegation.

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DEFINITION OF THE WORD "MANUFACTURED" IN THE  
COTTON INDUSTRY (STATISTICS) ACT, 1926.

(See pages 72 and 316 of Report for 1926.)

The word "manufactured" occurring in the Cotton Industry (Statistics) Act, 1926, was defined by Government in the first instance, as follows :—

"Goods shall be deemed to be manufactured when the manufacturing processes which the goods are intended to undergo have been completed and the goods are finally stamped and marked and made ready for sale though not necessarily baled, boxed or packed."

The above definition was based on the lines suggested by the Committee of the Association, but it was subsequently felt that as mills did not as a rule keep daily records of goods stamped and marked, considerable

difficulty would be experienced in submitting figures other than those relating to goods baled during the day. The Committee therefore suggested the following definition :—

“ Goods shall be deemed to be manufactured when all manufacturing processes which the goods are intended to undergo have been completed and the goods are baled, boxed or packed.”

Towards the end of March, a letter was received from the Government of India stating that Government had decided to define the term “ manufactured ” as follows :—

“ Goods shall be deemed to be manufactured when all manufacturing processes, which the goods are intended to undergo, have been completed and the goods are baled, boxed or packed, or issued out of the mill premises without being baled, boxed or packed.”

Government explained that the slight addition made to the definition suggested by the Committee was due to the fact that certain mills issued cloth without it being baled, boxed or packed.—(*Appendix 15.*)

#### REVISION OF THE CLASSIFICATION OF COTTON PIECEGOODS IN THE MONTHLY STATISTICS OF COTTON SPINNING AND WEAVING IN INDIAN MILLS.

In para 87 of their report, the Tariff Board suggested that “ the Commercial Intelligence Department should examine the possibility of compiling 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,” and they further recommended that “ in view of the increasing importance of bleached goods, . . . . . these should be shown separately from grey goods.”

The monthly Statistics of Spinning and Weaving in Indian Mills at present published by the Government of India gives the quantities of cloth produced under the following fourteen different heads, including sub-headings, viz :—

##### GREY AND BLEACHED PIECEGOODS (combined).—

Chadars.  
Dhutis.  
Drills and Jeans.  
Cambrics and Lawns.  
Printers.  
Shirtings and Longcloth.  
T-cloth, Domestic, and Sheetings.  
Tent Cloth.  
Khadi, Dungri or Khaddar.  
Other Sorts.

COLOURED PIECEGOODS (including Woven, Coloured and Dyed in the piece).

GREY AND COLOURED GOODS OTHER THAN PIECEGOODS.

HOSIERY.

MISCELLANEOUS.

COTTON GOODS MIXED WITH SILK OR WOOL (mixed goods).

The suggestion of the Tariff Board would therefore involve further amplification of the statistics under the following five main headings with the necessary sub-headings :—

GREY,  
BLEACHED,  
PRINTED,  
WOVEN COLOURED PIECEGOODS,  
GOODS DYED IN THE PIECE, ETC.,

so that the statistics of cloth production might be easily comparable with import statistics.

Towards the end of August, the Director-General of Commercial Intelligence requested the Committee to express their opinion on certain suggested changes in the existing method of compiling cloth production statistics.

On a careful examination of all the suggestions made it was evident that the very valuable recommendations made by the Tariff Board in this connection were not included therein. The Committee therefore addressed the Director-General inviting his attention to the Tariff Board's recommendation and requested to be informed as to whether Government intended to give practical effect to these suggestions.

It is understood that the matter is receiving the attention of the Government of India.—(*Appendix 16.*)

#### HEDGE CONTRACTS.

(*See pages 64 and 276 of Report for 1927.*)

It was stated on page 64 of the Association's report for 1927 that the Association had addressed a letter to the Board of Directors of the East India Cotton Association urging the advisability of again bringing up before the Representative Committee the proposals formulated by Messrs. Forbes, Forbes, Campbell & Co., Ltd., for widening the existing Hedge contracts. The Board of Directors of the East India Cotton Association forwarded to the members of the Representative Committee a copy of this Association's letter for an expression of opinion thereon. Towards the end of February 1928, at the request of the Committee of this Association, some of the members of the Representative Committee of the Millowners' Panel of the East India Cotton Association met in the office of Sir Ness Wadia to consider this subject. It appeared to them that the following proposals made by Mr. I. I. Mashruwalla, a member of the East India Cotton Association, were an improvement on the proposals made by Messrs. Forbes, Forbes Campbell & Co.

1. *Fully Good M. G. Bengal*, to be retained as it is. Months of delivery: (1) October, (2) December, (3) January/February, (4) April, (5) June, (6) August. Trading in new year's crop for this contract be allowed from February 1st or January 1st., i.e, 12/13 months ahead. Half grade off as at present.

2. *Fully Good Broach Contract*:—(1) Broach, (2) Sawginned and Dharwar, (3) Punjab-American, Surat, Navasari, Rajpipla, Cutch, (4) \*Kadi-Viramgaon, (5) Dholleras, Kalagin, Tinnavellies, Cambodia, Kurungunny, (6) Nizamabad and Warangal, (7) White Northern, and (8) C. P. (including Harda and Bhopal) *half grade off only*. Delivery: (1) March/April, (2) May, (3) June/July, (4) August, (5) September. Descriptions: staple 1 to 8,  $\frac{7}{8}$  inches; the rest  $\frac{7}{8}$ .

Trading in new contract be permitted from 1st April instead of 1st May as at present.

3. *Fine M. G. Oomra*:—C. P. Berar, Khandesh, Central India, Moglai (Hyderabad), North of Latur and Karakali Oomra Mathia (and option to sellers to tender nice Cawnpore, Harpalpur, Banda and Kalpi cotton if agreeable). *Half grade off from November to June, and from July to October up to full grade off*. Months of delivery: November, December/January, March, May, July, September. Trading in new contracts be permitted from 1st January or 1st February.

4. *F. G. M. G. Southern Contract*:—(a) Westerns, Northern (excluding red), Bijapore, Bagalcote, Dhollera, Kadi-Viramgaon, F. G. Punjab Scind/American; (b) Coomptah, Miraj, Kalagin, Cutch, Nanded and Latur, Ujjain. Months of delivery: February/March, April, May/June, July/August, September/October (either single or double but believe double would be preferable). Trading in new contracts be allowed from 1st April or 1st May. (a) staple to be  $\frac{3}{4}$ " and (b)  $\frac{7}{8}$ ".

The members of the Millowners' Panel who met in Sir Ness Wadia's office, carefully considered Mr. Mashruwalla's suggestions and decided to recommend their acceptance subject to the following modifications:—

- (a) *Contract No. 2*.—The Committee were against Mr. Mashruwalla's proposal that Kadi-Viramgaon, Dholleras and Kalagin cottons should not be included in Contract No. 2. They were of the opinion that these descriptions of cottons should remain in the contract as at present.
- (b) *Contract No. 3*.—The Committee were against Mr. Mashruwalla's proposal to include in this contract the words "and option to sellers to tender nice Cawnpore, Harpalpur, Banda and Kalpi cotton, if agreeable." It was also thought that Ujjain cotton should be placed under this contract.
- (c) *Contract No. 4*.—Ujjain cotton should be removed from the list of cottons deliverable under Contract No. 4 and should be included under Contract No. 3 as stated above.

The Committee of the Association agreed with this view, and in March a letter was addressed to the East India Cotton Association urging the acceptance of Mr. Mashruwalla's proposals with the modifications made by this Association's representatives. Opportunity was also taken in this letter to suggest to the Board of the East India Cotton Association that tenders certified against any Hedge contract should be tenderable for three months without a further survey.—(*Appendix 17.*)

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\* Mr. Mashruwalla suggested that Kadi-Viramgaon, Dholleras and Kalagin should, if possible, be deleted from this contract.



### TRADING IN KUTCHA KANDY.

Towards the end of November Sir Ness Wadia invited the attention of the Committee to the fact that there was a move amongst certain members of the East India Cotton Association to accommodate members of the Kutcha Kandy market either by lowering the entrance fees or by reducing the basis of the standard of delivery from 100 bales to a figure low enough to make it possible for these people to trade under the auspices of the East India Cotton Association. Sir Ness further suggested that the proposed move would, in his opinion, lower the standard of the Bombay Cotton Market, and that the Association should therefore instruct its representatives on the Board of the East India Cotton Association strongly to oppose the measure.

The matter was carefully considered by the Committee who were unanimously of the opinion that the changes contemplated by the East India Cotton Association were incompatible with the prestige of the cotton trade as a whole and the objects with which the East India Cotton Association was originally inaugurated, and they further held that the lowering of the standard of delivery and the entrance fees would undoubtedly tend to demoralise the cotton trade and considerably widen the scope for speculation. The Association's representatives on the Board of the East India Cotton Association were, therefore, instructed to oppose the proposal.—(*Appendix 18.*)

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### SETTLEMENT DAYS—ALTERATION IN BY-LAW No. 139 OF THE BY-LAWS OF THE EAST INDIA COTTON ASSOCIATION.

It is provided in the by-laws of the East India Cotton Association that settlements of differences due on open contracts and of other liabilities to be settled through the Clearing House should be made twice monthly on days which would be notified in a calendar to be published annually.

Towards the end of October, the Board of Directors of the East India Cotton Association proposed, among other things, to amend the above by-law so that the Board would be relieved from the obligation to fix settlement days twice a month. On a careful consideration of the proposals made by the Board of Directors, the Committee of the Association were of the opinion that the idea underlying the suggested alteration was to empower the Board to provide for more than two cash settlements every month. According to the amendment proposed there would be nothing to prevent the Board from only having cash settlements on those days on which contracts ran out, namely the 25th of a month, and it was thought that it would not be possible to achieve the ideal of a weekly settlement.

The Committee therefore suggested that the by-law proposed should be so amended as to provide for *at least two monthly settlements*.

The Board of the East India Cotton Association was addressed accordingly. But both the original amendment proposed by the East India Cotton Association and the additions thereto suggested by this Association were negatived by an overwhelming majority of members present at a general meeting of the East India Cotton Association on the 5th November.—(*Appendix 19.*)

BY-LAW 86 OF THE EAST INDIA COTTON ASSOCIATION—  
INCLUSION OF MILL GODOWNS IN THE LIST OF PLACES  
WHERE COTTON MIGHT BE TENDERED UNDER  
HEDGE CONTRACTS.

*(See pages 54 and 282 of Report for 1924.)*

On page 54 of the Association's report for 1924, a reference was made to certain negotiations carried on with the East India Cotton Association for the inclusion of mill godowns in the list of places where cotton might be tendered under Hedge contracts. Before amending the by-law as suggested by the Committee, the East India Cotton Association desired an assurance from the Committee that mills would agree to conform to and abide by the rules of the East India Cotton Association relating to sampling for arbitration and weighment of cotton, and also rules pertaining to surveys and appeals and to treat a mill's cotton godown on a par with the ordinary seller's godown at Sewree Depot and in no way restrict the purchaser's staff in a mill godown. Though the requisite assurance was given by the Association as far back as 1924, nothing further was done in the matter by the East India Cotton Association.

One of the members of the Association, early in May, addressed a letter to the Committee stating that, in view of the negotiations which had taken place between the Board of the East India Cotton Association and this Association, the former would no longer be justified in excluding mill godowns from places where cotton might be tendered against Hedge contracts. The matter was again taken up with the East India Cotton Association, and it was pointed out that, especially after the correspondence of 1924, their action in still seeking to exclude mill godowns from the scope of the By-law No. 86 was unjustifiable.

In reply, the Committee were informed that the Board of Directors of the East India Cotton Association had considered the Association's suggestion, namely, that para 3 of By-law 86 should be amended with a view to permitting tenders of cotton being made against Hedge contracts from mill godowns, and decided that if a millowner or agent decided to tender cotton from mill godowns against a Hedge contract, he must apply to the Board of the East India Cotton Association for permission at least one week before he intended to tender provided at the same time he agreed to conform to and abide by the rules of the East India Cotton Association relating to sampling for arbitration, weighment of cotton, etc. It was also understood that in the event of permission being granted the Board would fix a charge for extra cartage.

While the Committee of the Association were gratified at the Board's decision to include mill godowns within the scope of By-law 86, they were of the opinion that taking the permission of the Board beforehand every time would probably lead to considerable inconvenience, inasmuch as a member desirous of tendering cotton would have to make an application and await the Board's permission every time he wished to tender. The East India Cotton Association was addressed accordingly.

The Association's letter had the desired effect and the East India Cotton Association has now consented to withdraw the above condition, and in its stead, has agreed to amend the by-law as desired subject to the following new proviso :—

*“ Provided millowners arrange to receive the samples back at Sewri and that the same shall not be required to be delivered at the mill godowns from which samples may have been drawn.”*

The matter was carefully considered by the Committee, and they saw no objection to the proposal made by the East India Cotton Association.—(*Appendix 20.*)

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### CONTRACT FORMS FOR THE PURCHASE AND SALE OF READY COTTON.

Towards the end of February, the Secretary to the East India Cotton Association, Limited, addressed the Committee and stated that a report had been made to his Directors to the effect that certain millowner members of his Association were using special Forms of Contract for the sale and purchase of ready cotton, containing the following stipulation :—

*“ If after weighing, cotton bales are found to be inferior to stamped bales, the seller shall be bound to take back the whole lot from the mill.”*

It was pointed out that this stipulation was in contravention of By-laws 104, 105, 106, 107 and 111 of the East India Cotton Association, and at the same time subversive of the terms of Section V of Bombay Act No. XIV of 1922, which read as under :—

*“ Any contract (whether either party thereto is a member of the Association or not) which is entered into after the date on which by-laws under this Act are sanctioned by the Governor-in-Council and published in the *Bombay Government Gazette*, and which contravenes any such by-law shall be void.”*

The by-laws of the East India Cotton Association no doubt prescribed special Contract Forms for ready and forward purchases and sales of cotton but there were no statutory provisions forcing their members to use these forms. It was therefore suggested that the following by-law should be inserted in the by-laws of the East India Cotton Association ; but before placing the proposal before the Representative Committee of the East India Cotton Association the Board of Directors desired to have this Association's views thereon :—

*“ Contracts for the sale and purchase of ready cotton shall be subject to the by-laws. They may be verbal or in writing, and when in writing shall be in one or other of the forms given in the appendix.”*

On due consideration, the Committee felt that there could be no objection to the adoption of the new by-law, and the Secretary of the East India Cotton Association was informed accordingly.—(*Appendix 21.*)

**PROPOSED AMENDMENTS BY THE COTTON MERCHANTS' AND  
MUCCADUMS' ASSOCIATION IN THE RULES REGARDING  
WEIGHMENTS OF COTTON BALES AND ALLOWANCE  
IN CASE OF BURST BALES.**

*(See pages 71 and 294 of Report for 1927.)*

It was mentioned in the Association's report for 1927 that the Bombay Cotton Merchants' and Muccadums' Association had passed the following two resolutions at their Extraordinary General Meeting held on 26th November 1927 :—

- “(1) That with effect from the 1st January 1928, no allowance should be allowed as stone allowance either by deducting in the weighment figures or by putting a stone in the scales, and
- (2) That on sales made from the 1st of January 1928, no extra lbs. should be allowed in consideration of burst and re-pressed bales. That this should apply only to those of the burst or re-pressed bales which the buyer is liable to take under By-laws Nos. 119 and 96 of the East India Cotton Association, Limited.”

It was also stated that as a result of the protest made by this Association, the Bombay Cotton Merchants' and Muccadums' Association had agreed not to enforce these rules until they had been considered by all sections of the trade represented on the East India Cotton Association.

The East India Cotton Association subsequently appointed a special Sub-Committee to consider the proposals of the Muccadums' Association, and Mr. F. F. Stileman, who represented this Association on the Sub-Committee of the East India Cotton Association, requested the Committee of this Association to communicate their views to him.

The Committee did not think the Muccadums' Association had made out any case for doing away with the stone allowance in weighments of cotton bales. In the first place, it should be remembered that the interests of the purchasers were not adequately attended to when the present allowance of half a pound per bale during the dry season and one pound per bale during the monsoon was fixed; and it was thought the allowance should have been much more. It might be conceded that the weather at Sewri being drier than at Colaba, the allowance now required would be less than was the case when the Cotton Exchange was situated at Colaba, but, as already pointed out, the allowance was previously fixed without ascertaining the exact facts, and now that the question had been reopened, the Committee held that proper experiments should be made to ascertain the exact amount of allowance to be given and the present system should be continued till this was ascertained.

From a letter addressed by the Muccadums' Association to the East India Cotton Association, it appeared that the former desired that necessary amendments should be made in the by-laws of the East India Cotton Association to give effect to the following three suggestions :—

- (1) Burst bales allowances should be done away with.
- (2) No pucca samples should be drawn unless the kutchha samples for the lot are shown to and approved by the buyer.
- (3) For purposes of final inspection and sampling, the number of bales to be opened should be only 3 per cent."

The Committee's considered views on these suggestions as communicated to Mr. Stileman were as below :—

- (1) Buyers should have adequate protection against pressing charges for burst bales, and the proposal of the Muccadums' Association that the allowance for burst bales should be done away with, should be strongly opposed by this Association.
- (2) It was not clear how the second proposal of the Muccadums' Association could be enforced, as it depended entirely on the wishes of the buyer who might insist on pucca samples without approving of the kutchha samples.
- (3) Under By-law 117 of the East India Cotton Association, the buyer was entitled, for the purpose of final inspection and pucca sampling, to open 5 per cent. of the bales offered for sale. The rule was fair and equitable, and the proposal to reduce this number to 3 per cent. should not be agreed to.  
—(*Appendix 22.*)

#### MARKING OF COTTON BALES.

Under Rule 7 of the Ginning and Pressing Factories Rules, cotton press marks are to be punched or stamped on any part of the central hoop of the bale ; provided that if the bale is lashed with less than three hoops, the marks are to be punched on either of the hoops, if two hoops be used, or near the middle of the hoop if only one hoop be used.

Mr. F. F. Stileman, the Association's representative on the Board of the East India Cotton Association, requested the Committee's views on a suggestion made by the Central Cotton Committee to the East India Cotton Association that the above rule should be amended so as to require the press marks to be punched on every hoop. The object of the Central Cotton Committee in proposing the above amendment was to remove the difficulty experienced in finding the marks.

The Committee, after due consideration, and after consulting some ginning and pressing factories, thought the proposed amendment unobjectionable, and informed Mr. Stileman accordingly.—(*Appendix 23.*)

## MALPRACTICES IN COTTON GINNING AND PRESSING FACTORIES.

(See pages 74 and 301 of Report for 1927.)

In the Association's report for 1927, it was stated that special Sub-Committees of the East India Cotton Association and the Indian Central Cotton Committee were considering certain suggestions for checking malpractices such as watering of cotton, etc., extensively resorted to by sellers. Early this year, the question came up for discussion before the Committee who had also before them a special note prepared by Mr. S. D. Saklatvala, the Association's representative on the Indian Central Cotton Committee, giving a resume of the results of the inquiries made by the special Sub-Committee of the Indian Central Cotton Committee in connection with this question.

From Mr. Saklatvala's note it appeared that the main abuses to which attention had been directed and which required to be remedied as early as possible were three in number :—

- (1) Excessive damping or watering of cotton in pressing factories.
- (2) Mixing of cotton of different growths, specially short with long stapled cotton.
- (3) Adulteration of cotton with seed and kapas in ginning factories.

The investigations made by a special Sub-Committee of the Indian Central Cotton Committee had led them to conclude :—

- (1) That there was a recrudescence of the practice of fraudulent watering which showed that the Cotton Ginning and Pressing Factories Act had done little to check this malpractice.
- (2) That the mixing of different growths of cotton was also continuing at least in those areas where more than one variety of cotton was grown. The Cotton Transport Act had to a great extent checked this abuse in other areas as cotton from one zone could not be transported into another, but this Act could not be used to prevent the mixing of cotton grown in the same area. Such areas were :—
  - (a) The Punjab Canal Colonies where both Desi and Punjab-American cottons were grown.
  - (b) The Kumpta-Dharwar area where both Dharwar-Upland (American) and Kumpta cottons were grown.
  - (c) The Coimbatore District of Madras where Cambodia was grown as an irrigated crop and Karunganni or Uppam as a dry crop.

- (3) The third malpractice was the mixing of seed and/or kapas with ginned cotton. This no doubt was a ginning or pressing factory malpractice for which there was no reasonable excuse.

The Sub-Committee were unanimous as to the necessity and desirability of taking prompt action to check these evils, but opinion was divided as to whether legislation should be resorted to or whether the abuses could be effectively checked by organized action of recognized cotton trade associations. The majority favoured the latter procedure, and accordingly made certain suggestions to the East India Cotton Association for more adequate penalization of watered, mixed or seedy cotton. The representatives of the East India Cotton Association who met the Sub-Committee of the Central Cotton Committee could not, however, see their way to accept these suggestions as it was feared that the adoption thereof would affect particular sections of the trade inequitably, and expressed the opinion that the malpractices could only be dealt with by special legislation.

The Sub-Committee of the Central Cotton Committee, therefore, examined the feasibility of introducing a licensing system, but for various reasons they came to the conclusion that licensing of gins and presses was not a practicable proposition and would not prove an effective check on the abuses in question.

Subject to it being found possible to design the necessary machinery, the proposals of the Sub-Committee of the Central Cotton Committee might be summarised as below :—

- (1) The abuse which it was desired to check could be better dealt with by defining and forbidding them by law than by the introduction of licences for ginning and pressing factories.
- (2) Offences will have to be established by the examination of the cotton affected by impartial arbitrators and traced back to offenders, where necessary, by the system of bale-making and press-records already enforced by law. The establishment of offences by inspection of factories was impracticable. The principle proposed was that the seller of the cotton and not the factory owner should be held liable.
- (3) In dealing with the prevention of mixing, action should be restricted to certain growths which it was specially desired to protect and in which admixture could be detected with certainty; the most practical procedure was to prohibit the sale (or tender against a contract) of mixed cotton if described by a growth, name or description. The onus would here be placed on the seller; the press marks and records enable the cotton to be traced back to the owner at the time of pressing. It was for consideration who should be proceeded against first when an offence was established.

- (4) The factory malpractices of watering, excessive seed (and/or kapas) and false packing would be prohibited by law. Here again a seller was to be proceeded against, but it was suggested that the liability could at once be placed on the owner of the cotton at the time of pressing—but, if the press records were in default, on the press owner.
- (5) Punishment would be by fine only.

The Sub-Committee's report was considered at a full meeting of the Central Cotton Committee, when a resolution was passed to the effect that if on further investigation it was found that adequate action by organized cotton trade associations was not feasible at the present juncture, legislative measures should be taken for checking the malpractices.

The Committee of this Association were inclined to the view that the best course for checking the malpractices prevailing in the ginning and pressing factories was by organized action by the leading cotton trade associations. They, however, left it to Mr. Saklatvala's discretion to support or oppose any scheme that the Indian Central Cotton Committee might formulate for checking these malpractices.—(*Appendix 24.*)

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#### MIXING OF DESI COTTON WITH PUNJAB-AMERICAN COTTON.

(*See pages 70 and 311 of Report for 1925.*)

The Secretary, Indian Central Cotton Committee, in a letter to the Association drew attention to certain conflicting opinions expressed in the course of discussions in his Committee in connection with the question of mixing of Indian cottons generally, and more particularly, the mixing of Desi cotton with Punjab-American cotton in the Punjab. It had been stated that cotton was mixed because the demand existed for 'mixed' and not for 'pure' cotton, but the representatives of the Millowners' Association in the Central Cotton Committee had declared that they had to buy 'mixed' cotton because they could not obtain it 'pure', and if it were possible to get the cotton in a pure state they would be prepared to buy it.

The Secretary of the Indian Central Cotton Committee therefore stated that it would be of considerable advantage to his Committee if they obtained an authoritative statement from this Association as to whether mills generally preferred pure cotton to mixed cotton, and added that if the demand of the millowners was for mixed cotton, it rendered the position of the Indian Central Cotton Committee, which was endeavouring to purify the staple cottons of the country, rather insecure.

In their reply to the Indian Central Cotton Committee, the Committee of the Association stated that as far as the members of this Association were concerned, they always preferred pure unmixed varieties of cotton and that it was not true that cotton was mixed because mills asked for and were willing



to buy mixed cotton only. The fact was, as stated by the Association's representatives in the Central Cotton Committee, that mills in Bombay experienced great difficulty in buying pure Punjab-American cotton in the open market and were often compelled to buy mixed cotton as no other variety was available. It might be possible, the Committee stated, that some mills in other centres in India might not be keen on buying longer stapled or pure cotton, but it would not be correct to generalize that millowners as a class required mixed cotton. On behalf of the mills in Bombay, the Committee assured the Indian Central Cotton Committee that there was always a genuine demand for pure long-stapled cotton and that this Association would whole-heartedly support the efforts of the Indian Central Cotton Committee to prevent mixing of cotton.

Towards the middle of August, the Secretary of the Indian Central Cotton Committee again invited the attention of the Committee of the Association to the fact that the mixing of Punjab-American cotton had grown to such an alarming extent that it was almost impossible to obtain it pure, and stated that the difficulty of detecting small percentages of mixture had made the trade look with suspicion on all samples of pure cotton with the result that it did not fetch the price which its intrinsic value deserved. The Central Cotton Committee felt that the practice of mixing was not likely to diminish until pure cotton obtained the premium it fetched some years ago, and requested the Association to instruct its members to give encouragement by paying the full price whenever pure cotton was available, as it was thought that considerable headway could be made with the co-operation of the trade without resorting to drastic measures which were bound to meet with considerable opposition.

The Committee of the Association were pleased to note that the Indian Central Cotton Committee were alive to the serious consequences of mixing cotton but were not sure whether the payment of a premium for pure cotton would by itself sufficiently counteract this growing evil. They reiterated the assurance of their support to the efforts of the Indian Central Cotton Committee in checking this practice, and addressed all members of the Association in regard to the advisability of co-operating as far as possible with the Indian Central Cotton Committee in helping to put a stop to this malpractice which would otherwise lead to the deterioration of the quality of American cotton in the Punjab and its ultimate abandonment.—  
(Appendix 25.)

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#### PUBLICATION OF THE MONTHLY COTTON PRESS RETURNS IN THE "INDIAN TRADE JOURNAL."

The number of bales of cotton pressed in factories in British India and in those Native States which furnish the returns, is published weekly in the *Indian Trade Journal*. It appears that in order to allow a comparison between this figure and Government crop forecasts (which are given in bales of 400 lbs. each) the provinces agreed to report weekly to the Director-

General of Commercial Intelligence, the approximate weight of the bales pressed during the week. The number of running bales pressed converted into the statistical bale of 400 lbs. is now published monthly in the *Indian Trade Journal*. Early in December the Secretary of the Indian Central Cotton Committee invited the Committee to express an opinion as to whether these monthly statements were of any use to the trade and whether their publication should be discontinued.

The Committee were of the opinion that the monthly statements in question were of considerable value to the cotton textile industry and to the cotton trade in general, and informed the Secretary of the Indian Central Cotton Committee that their publication should be continued.  
—(Appendix 26.)

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#### FUMIGATION OF AMERICAN COTTON.

On the recommendation of the Indian Central Cotton Committee the Government of India sanctioned, during the year under review, a refund on fumigation fees at the rate of seven annas per bale on all American cotton fumigated between November 1, 1926 and July 11, 1927. The refund was granted because the imports for the fair season 1926-27 were large and the receipts from fees exceeded the cost of fumigation. The fair season normally terminates on May 31, but the concession was extended to cotton fumigated between that date and July 11 as the latter date was that on which the fumigation of cotton from the s.s. "Roseric" was completed; the "Roseric" was the last steamer of the heavy import period, and after July 11 imports fell to a nominal figure.

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#### TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT.

For purposes of record the Indian Customs Tariff, Schedules II and III, appended to the Indian Tariff Act, VIII of 1894 (as in operation on 1st January 1929) showing the rates of customs duties levied on goods imported into and exported from British India, together with tariff values assigned to certain articles for the purpose of assessment of customs duties during the 12 months January to December 1929 are reproduced in full in the appendix.  
—(Appendix 27.)

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#### IMPORT DUTY ON LIQUID FUEL.

The present rate of import duty levied on liquid fuel oil is  $7\frac{1}{2}\%$  *ad valorem* which, based on a tariff value of Rs. 53-5-4 per ton (in 1928) amounted to a duty of Rs. 4 per ton approximately, while imported coal paid a duty of 8 annas per ton only. The commercial value of liquid fuel as compared with that of imported Natal coal worked out approximately in the ratio of 2 : 1 ; or, in other words, one ton of fuel oil produced power equivalent to that produced from 2 tons of coal. The import duty levied on fuel oil was thus out of all proportion to the duty on coal, as the rate levied on the former was nearly four times that of the latter when the ratio of their respective commercial values was only 2 : 1.

The attention of the Committee was invited to the above anomaly by one of the members of the Association and the Committee decided, in consultation with the Technical Advisory Sub-Committee of the Association, to address a representation to the Government of India submitting their case for a reduction in the present rate of import duty on liquid fuel or, in the alternative, for the fixation of a special tariff value for furnace oil.

The Committee pointed that the disparity in import duties mentioned above was affecting those mills which used liquid fuel in competition with those relying upon imported coal, and it was therefore requested that the import duty on liquid fuel should be lowered so as to make it more comparable with that of coal. With this end in view, it was suggested that the rate of duty on liquid fuel should be fixed at Re. 1 per ton, or twice the rate levied on coal, instead of  $7\frac{1}{2}$  per cent. *ad valorem*.

The Committee further suggested that if there were insuperable difficulties in the way of reducing the existing rate of duty on fuel oil to the figure mentioned above, the advisability of fixing a separate tariff value for "furnace oil" based on the current ruling prices should be considered as, in their opinion, this would considerably reduce the cost of production of mills which, as a general rule, used furnace oil in large quantities. The Committee were aware that the adoption of this suggestion would entail the institution of sufficient safeguards whereby Customs authorities could easily distinguish this product from similar other oils at the time of importation. They had consulted the most important wholesale oil distributors in the city on this point and the latter were agreeable to keep all furnace oil supplies in a bonded warehouse or tank and to make all issues therefrom under the supervision of a Customs officer permanently established at the company's Wadi Bunder Storage Depot, so that the correct duty might be paid when supplies were actually issued from the storage tank.

The existing value of furnace oil was in the neighbourhood of Rs. 35 per ton ex installations and inclusive of the following charges:—

	Rs.	a.	p.
Import duty .. .. .	4	0	0
Port Trust wharfage .. .. .	1	15	3
Oil installation charges .. .. .	0	8	0
Total ..	6	7	3
or, say ..	6	8	0

or about Rs. 28-8-0 delivered at the Bombay Harbour. It was hardly necessary to point out the wide disparity between this rate and the tariff value of Rs. 53-5-4 fixed by Government, and the Committee of the Association hoped that the tariff value of furnace oil would be reduced to this level if a general reduction in the duty was not feasible—(Appendix 28.)

### IMPORT DUTY ON JACQUARD LINEN THREAD.

The attention of the Committee was invited by a member of the Association to certain difficulties experienced by the industry as a result of a recent decision given by the Collector of Customs, Bombay, assessing Jacquard linen thread imported in bulk at 15 per cent. *ad valorem* for purposes of import duty.

The facts of the case were:—On 9th April 1928 Messrs. Currimbhoy Ebrahim & Sons imported 3 cases of Jacquard linen thread on which the Customs authorities levied a duty of 15 per cent. *ad valorem* on the ground that the goods under reference were "Linen ball thread" as described in the invoice. The firm contended that the consignment ought to be allowed duty-free under item No. 97 of the Tariff Schedule, but the Assistant Collector, in reply, stated that only Jacquard linen cords which were cut into lengths, or were ready to be fitted, were passed duty-free.

Messrs Currimbhoy Ebrahim & Sons again addressed the Assistant Collector pointing out that it was impossible to import Linen thread cut into ready sizes as different Jacquard machines required different lengths of cords, and that the only convenient and economical way of importing linen thread was in balls. The Assistant Collector, however, refused to reconsider his decision with the result that the firm filed an appeal with the Collector of Customs: The appeal was unsuccessful as the Collector of Customs, relying upon Customs Ruling No. 12, held that the assessment had been correctly made and that the word "cords" in Item No. 97 of the Tariff only applied to cordage cut into lengths ready for use.

The Committee were not surprised at the decision of the Collector of Customs because Ruling No. 12 mentioned above did not permit of any other interpretation than the one which the Collector had given to it, but they were inclined to think that, when the Central Board of Revenue issued the ruling in question, they probably overlooked the special difficulties which had been so clearly brought out by Messrs. Currimbhoy Ebrahim & Sons, Ltd., in their communications to the Assistant Collector of Customs in the first instance, and afterwards with the Collector of Customs.

This perhaps had a parallel in the case of imported heald yarn where also duty was charged if not imported cut into sizes. The Committee were aware that the jute mills of Bengal got heald yarn free of duty by importing it in cut lengths, but it was not possible to import heald yarn for the cotton trade cut to lengths. As far as the Committee were aware, heald yarn and Jacquard linen thread could not be used for any other purpose but knitting of healds and building of Jacquard harness, and there could not therefore be any chance of Government's concessions being misused or the articles in question being utilized for any other purpose than those already mentioned above.

In addressing the Central Board of Revenue accordingly, the Committee expressed the hope that Customs Ruling No. 12 of the Central Board of Revenue would be withdrawn and heald yarn and Jacquard thread be allowed to be imported free of duty, whether they were cut into lengths or imported in bulk.—(*Appendix 29.*)

## PROTECTION FOR THE INDIAN CHEMICAL INDUSTRY.

In July 1928 the Government of India issued a *Press communique* directing the Tariff Board to inquire into and report on the application for protection in regard to the following chemicals made by Messrs. The Eastern Chemical Company and the Dharamsi Morarji Chemical Company:—

Sulphuric Acid,  
 Hydrochloric Acid,  
 Nitric Acid,  
 Magnesium Sulphate,  
 Ferrous Sulphate,  
 Potash Alum,  
 Aluminium Sulphate,  
 Sodium Sulphide,  
 Zinc Chloride,  
 Copper Sulphate,  
 Glauber Salt.

In making its inquiry, the Tariff Board was requested to consider :—

- (1) Whether the conditions laid down in paragraph 97 of the Report of the Indian Fiscal Commission were satisfied in each case ;
- (2) To what extent, if any, and in respect of what articles or class or description of articles protection should be afforded, and
- (3) How its recommendations, if any, would affect industries using these articles.

The Government of India *communique* further stated that the removal of the import duties on materials of industry was recommended by the Fiscal Commission and was in accordance with the principle of the resolution adopted by the Legislative Assembly on 16th February 1923. Chemicals are utilized as raw materials in certain industries, and the Government of India therefore decided that, along with the question of extending protection to the manufacture of particular chemicals referred to in the application for protection, the Tariff Board should also examine the question of the removal of the import duties on those chemicals which were used as materials in Indian industries.

This matter was considered by the Committee in consultation with the Technical Advisory Sub-Committee of the Association, and they were satisfied that though the grant of protection by the imposition of protective duties to those chemicals specifically mentioned in the application would, to a certain extent, increase the cost of cloth manufacture, such an increase would only be negligible in view of the fact that the cost of such chemicals used in the cotton textile industry was very small. The Committee were, therefore, strongly of the opinion that the Association should support the application for protection made by the chemical companies concerned, pro-

vided of course that the conditions laid down in paragraph 97 of the Report of the Indian Fiscal Commission were satisfied. From the information at the disposal of the Committee, they were not, however, in a position to judge whether the industry applying for protection completely fulfilled all these conditions but they were of the opinion that the development of the chemical industries in India would ultimately confer certain advantages to certain industries using these chemicals.

Another consideration which the Committee could not overlook in support of this view was that, since the cotton textile industry was itself in need of protection as a national industry, they did not see how the Association could possibly refuse its support to protection asked for by another national industry.

In response to a request made subsequently by the Tariff Board, Mr. J. Tinker of Messrs. W. H. Brady & Co., Ltd., appeared before the Board to tender oral evidence on behalf of the Association.—(*Appendix 30.*)

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#### PROTECTION FOR THE SALT INDUSTRY.

In para 179 of their report, the Indian Taxation Enquiry Committee recommended, *inter alia*, "that it is desirable that India should be made self-supporting in the matter of salt supply, if this end can be secured by the granting of a strictly temporary advantage to the local manufacturer whether by way of rebate of duty or of a differential duty on imports, or both, and that an inquiry should be made into this aspect of the question by the Tariff Board."

It would appear that the Government of India subsequently conducted a departmental inquiry into this question and held that there were no *prima facie* grounds for the submission of the Salt Industry's case for protection to the Tariff Board as suggested by the Taxation Enquiry Committee. This finding of the Government of India (Central Board of Revenue) evoked a lengthy representation from the Indian Chamber of Commerce, Calcutta, which examined and criticised in great detail the main arguments advanced by Government in support of their decision referred to above. The Indian Chamber of Commerce forwarded a copy of their representation to this Association and requested the Committee to accord their support in urging Government for an immediate reference of the case of the Salt Industry to the Tariff Board.

After a careful consideration of the whole matter, the Committee of the Association were of the opinion that the Salt Industry had a very good case for an immediate reference of its claims to the Tariff Board, and the Indian Chamber of Commerce was informed accordingly.—(*Appendix 31.*)

**ALLOWANCE FOR DEPRECIATION IN RESPECT OF BUILDINGS,  
MACHINERY, ETC., USED IN INDUSTRIES WHICH CAUSE  
SPECIAL DETERIORATION.**

Section 10 (2) (vi) of the Income-tax Act lays down that the profits or gains of an assessee in any business carried on by him should be computed after making an allowance for depreciation in respect of buildings, machinery, plant or furniture used by the assessee for the purpose of his business. Rule 8 of the Income-tax Rules prescribes the amount of allowance admissible in regard to various classes of buildings and machinery, and further provides for an allowance equivalent to about double these rates in respect of buildings and machinery used for industries which cause special deterioration:

The special allowance referred to in the above paragraph also applies to buildings, machinery and plant used in connection with the dyeing and bleaching industry, and Messrs. The Elphinstone Spinning and Weaving Mills Co., Ltd., who had a dyeing and bleaching department, raised this question with the Income-tax authorities early in August, and claimed the extra allowance as provided for in Rule 8 for their dyeing and bleaching departments. During the course of the negotiations which ensued between the mill company concerned and the Income-tax authorities on this question, the latter appeared to have laid special stress on the advisability of correctly completing the statutory return prescribed under Rule 9 of the Income-tax Rules which provides that the value of the buildings and machinery of the bleaching and dyeing department should be shown separately from the values of other mill buildings and machinery in the published accounts of the company.

A careful perusal of the income-tax law and procedure showed that the onus of proving the entries made in the return submitted under Rule 8 entirely rested with the assessee, and it appeared that mills would find it advantageous if they specified the values of their dye-house and machinery separately in their annual balance-sheets. The information was passed on to all members of the Association, as, in many cases, the special allowance admissible under Rule 8 had been refused by the Income-tax authorities, on the ground that the mills concerned had failed to show the particulars referred to in their audited balance-sheets.—(*Appendix 32.*)

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**DEPRECIATION IN JAPANESE EXCHANGE.**

In May 1927 the Committee had occasion to draw Government's attention to the depreciation in the yen exchange, and its disastrous effects upon the cotton textile industry of this country, and the Government of India were good enough to assure the Association that they had the matter "under observation."

Towards the end of May 1928, in view of the further fall in the rupee value of the yen, the Committee felt constrained to address Government once again on this subject. It was pointed out to Government that the enormous difficulties which the indigenous textile industry of this country, and the Bombay mills in particular, had to contend against were augmented

by this depreciation in Japanese exchange, which was calculated to enable Japan to reduce their prices and export their goods in increased quantities to this and other countries, including British colonies, to the incalculable detriment of the Indian textile industry, and the Committee hoped that Government would realize the necessity of rendering some assistance to the Indian cotton mill industry in order to offset the unfair advantages enjoyed by Japan, owing to a depreciated exchange.

A reply to this representation was received early in July in which Government argued that the fall in the exchange value of the yen affected the Japanese mills unfavourably as well as favourably owing to the increase in the cost of raw cotton. In the case of Japanese piecegoods imported into India, Government argued, the cost of raw cotton, on the basis of a price of Rs. 400 a candy for Broach cotton, would constitute approximately 50 per cent. of the landed cost, inclusive of duty, of the manufactured article and hence the nett advantage accruing to the Japanese manufacturer was only one-half of the gross advantage deducible from the fall in exchange

Evidently, Government did not sufficiently appreciate the real gravity of the issue, and it was regrettable to note that they even endeavoured to minimize its importance by emphasizing the fact that the nett advantage accruing to the Japanese manufacturer was only half of the gross advantage deducible from the fall in exchange. In this connection, what Government really failed to appreciate was that even this one-half was sufficient to divert trade to Japan which 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 would be worth from Rs. 500 to Rs. 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 would be bought where Manchester would otherwise have come in. In the case of piecegoods, in which Indian mills were affected more directly, the effect would be similar. If this was the result of fair competition, the Association would have nothing to say, but when it was the effect of Japan's refusing to adopt a gold standard, Government should see that Indian and other gold standard countries should have a fair deal.

The correct parity of exchange between India and Japan on the basis of the present (middle of August) gold value of the rupee should be:—

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

whereas the rate quoted was only about Rs. 126½. It was admitted even by Government that the advantage to Japan was one-half of the exchange depreciation. As the full depreciation in August was Rs. 10, the advantage enjoyed by Japan was only to the extent of Rs. 5, or one-half of the exchange depreciation. In other words, *Japan was able to sell cheaper than any*



*of her competitors, including both Manchester and India to the extent of Rs. 5 per every yen 100 of her yarn and piecegoods, or about Rs. 25 cheaper per every package of yarn or piecegoods.*

The Committee maintained that this was a great and unwarranted handicap to the Indian industry, and suggested that Government should take action in fairness not only to India, but to all gold standard countries trading with India including England, the most important of such countries.

It was further urged that a short Bill should be introduced at the earliest possible date to provide that :—

- (1) an additional exchange duty should be levied at the rate of half the difference between the correct rate of exchange on Japan and the parity rate, the former to be based on the average of the three previous months ;
- (2) for the purpose of levying of import duties, the rupee value of all yen invoices should be calculated at the gold value of the yen (Rs. 137 for every Y. 100).

The Committee regarded Japan's refusal to go back to the gold standard as deliberate, and intended to help its exports, as was openly admitted by Mr. Mitsuchi, the Finance Minister, in a recent speech at Tokio. If Japan really wanted to go back to the gold standard, she would have had less difficulty than any other country, as, during the past four years, her holdings of gold assets (in the hands of Government and of the Bank of Japan) had been more than ample to satisfy the requirements of a central bank of issue in a country that was on the gold standard. The Committee therefore urged that Government should no longer ignore this issue as a temporary phase. It had gone on for years. The advantage Japan got by allowing its currency to depreciate was to get a foothold in markets where, but for such advantage, she could not have got in, and to enable her to drive out competitors. Such foothold was then more or less permanent, as trade in textiles was largely a matter of the established "chaps and trade marks." Once Japanese goods had driven out the "chaps and trade marks" of its competitors in particular lines or particular territories and established itself there, it would be very difficult to dislodge it without very onerous sacrifices on the part of its competitors. Every day that Government delayed in taking action, therefore, meant further opportunities given to Japan to establish herself in markets where, but for such unfair methods, she would never have got a footing.

A reply to this communication was received from Government in October in which it was stated that, though they had given careful consideration to the grounds urged by the Association for the imposition of an additional duty against Japan to compensate for the depreciation of the yen, Government did not consider that these afforded sufficient justification for the action proposed.

Government's reply was entirely unsatisfactory and unsympathetic but the Committee thought that no useful purpose would be served by pursuing the matter further.—(*Appendix 33.*)

## TRADE DISPUTES BILL.

(See pages 90 and 370 of Report for 1924.)

In pursuance of a motion adopted by the Legislative Assembly on 21st September 1928, the Government of Bombay, at the instance of the Central Government, requested the Association to express an opinion on the provisions of a draft Bill to provide for the investigation and settlement of Trade Disputes.

In the Statement of Objects and Reasons which accompanied the draft Bill it was stated that the outbreak of industrial unrest on a large scale was a feature of the period succeeding the close of the war and led the Government of India to explore the possibility of providing some machinery for the settlement of industrial disputes. The inquiries made with this purpose in 1920 led to the conclusion that in the conditions then existing legislation was not likely to be effective. The succeeding years, however, saw a distinct change in the position by reason of the growth of organizations of industrial workers and of the increasing influence exercised by public opinion on the course of disputes, and in 1924 the Government of India prepared a draft Bill 'to enable the investigation and settlement of Trade Disputes' and circulated it to ascertain the views of those directly interested and of the public generally. As a result of the inquiries made in 1924-25 and the experience which had since then become available, the Government of India came to the conclusion that legislation for the prevention and settlement of trade disputes was likely to prove of considerable value.

The Bill was divided into three parts. Clauses 3 to 14 referred to the establishment of tribunals for the investigation and settlement of trade disputes. This part was based generally on the British Industrial Courts Act of 1919, and its detailed provisions were based generally on the sections of that Act. The main difference was that whereas the British Act set up a Standing Industrial Court, Conciliation Boards which this Bill sought to establish were intended to be appointed *ad hoc* in order to deal with different disputes as they arose.

The object of a Court of Inquiry, which would be composed of persons having no direct interest in the dispute, would be to investigate and report on such questions connected with the dispute as might be referred to them. Boards of Conciliation, which would ordinarily include representatives of both parties to a dispute, would endeavour to secure a settlement of the dispute. Both Courts of Inquiry and Boards of Conciliation would be empowered to enforce the attendance of witnesses and the production of documents, and their reports would be published. Neither party to the dispute would be under any obligation to accept the finding of the Court or the advice of the Board; and in cases where the dispute was not brought to an end during the deliberations of the tribunal appointed for the purpose, reliance was placed on the force of public opinion which would be enabled by the publication of the report of the tribunal to arrive at just conclusions on the merits of the dispute.

The second part of the Bill contained provisions which made it a penal offence for workers employed on monthly wages in public utility services to strike without previous notice, and also provided penalties for persons abetting such an offence.

Clauses 16 to 20 contained provisions in regard to illegal strikes and lockouts and followed closely the provisions of Sections 1, 2 and 7 of the British Trade Disputes and Trade Unions Act, 1927, according to which a strike or lockout would become illegal if (1) it had other objects than the mere furtherance of a trade dispute within the industry to which the strikers or employers belonged, and (2) if it was designed to coerce Government either directly or by inflicting hardship on the community. Persons furthering such a strike or lockout were liable to punishment, and were deprived of the protection granted to them by the Trade Unions Act.

The question of introducing legislation to facilitate the settlement of trade disputes has, on several occasions, been before the Committee and the Association has never been averse—as will be noticed from its criticisms of previous Bills—to the introduction of Courts of Inquiry or Boards of Conciliation having for their object the settlement of trade disputes, but has always maintained that Government should not intervene in any way in a dispute—

- (1) unless the dispute was of a major nature,
- (2) unless all reasonable means to bring about a settlement by direct negotiations between the parties concerned had been tried and failed, or were convinced :
- (3) that peace, order and good government were endangered.
- (4) The Association also held that a Court of Inquiry should not be instituted unless at least one party to the dispute demanded such an inquiry and that a Board of Conciliation should not be appointed except on the application of both parties to the dispute.

The insertion of such a provision as that indicated in (4) was considered desirable for the reason that the Association had always maintained, and two previous Committees had upheld the same view, that Government intervention was undesirable and should not take place unless direct negotiations between the parties concerned had failed, and the Committee therefore suggested that Clause 3 of the draft Bill should be amended so as to ensure this. In 1924 the Association, while not opposed to Boards of Conciliation, held the view that the time was not ripe for their introduction and that the scope of the legislation introduced should, on account of certain insuperable difficulties connected with the formation of Boards of Conciliation, be limited in the first place to the establishment of Courts of Inquiry. The Committee were now inclined to resile from this view, for the growth of trade unionism in this country during the last two years had given ground for hope that in a very short time these difficulties might possibly be overcome and that agreements made on behalf of labour by responsible representatives would be recognized by the workmen themselves.

Another point of importance to which the Committee made pointed reference in their reply to the Government of Bombay was the necessity of special provisions to control picketing. Government's attention was invited to the view expressed by this Association in 1924 when the Trade Union Registration Bill was on the anvil in the Assembly, and it was pointed out that the bitter experiences of the public during the Indian strikes of 1928 more than supported the observations then made as to the urgent need for further restrictions on picketing in India. The absence of any special provisions regarding picketing in the proposed legislation was probably accounted for by the fact, as the Hon'ble Member for Industries and Labour recently stated in the Assembly, that, in the opinion of the Government of India, the provisions of the Indian Penal Code gave ample powers for the prevention of picketing with intimidation and were more severe than the corresponding laws in the United Kingdom. Legal opinion taken by this Association (which is summarized below) did not, however, uphold the views expressed by the Hon'ble Member :—

“ In India there must be intimidation to make picketing illegal. In England, there must be intimidation to make picketing illegal at or near the workman's place of employment ; but picketing is illegal *without intimidation* at or near a workman's house if its object is to induce him to abstain from working. In India this would not be an offence and it is precisely this type of picketing that it is most desirable to prevent. Presumably, the motive which led to this distinction in the English Law was that a workman when leaving or entering his place of employment would probably be in company with others, and under police protection. At home he would be alone and without protection. On the other hand, to bring Section 503 of the Indian Penal Code into play, substantial threats must be employed before a charge of criminal intimidation can be employed. A common threat in this country that the workman will be outcasted will not fall within this section because Courts have always declined to interfere in caste disputes and any description of peaceful picketing is therefore permissible under this Code. While, therefore, the law in the United Kingdom prohibits even peaceful picketing at or near the workman's house to induce him to abstain from working, it is no offence in India if the charge of intimidation cannot be substantiated.”

During the last strike in Bombay, picketing was employed to such an extent that even private residences and mill chawls were systematically spied upon to prevent those who actually desired to resume work from doing so. The difficulty of adducing proof of intimidation in such cases combined with the moral influence it exercised in the minds of illiterate workmen, the Association contended, was more than sufficient justification for steps being taken to prevent what in reality amounted to picketing with intimidation. At one time during the recent mill strike in Bombay picketing of workmen's houses prevented even essential emergency services in mills from being carried out and under the existing law Government were powerless to take any action.

The other minor amendments proposed by the Committee in connection with the various clauses of the Bill will be found in the appendix.  
—(Appendix 3A)

AMENDMENT OF THE INDIAN PENAL CODE—IMMUNITY FROM  
LEGAL PROCEEDINGS TO UNREGISTERED TRADE UNIONS.

On 31st January 1927 Mr. N. M. Joshi introduced, in the Legislative Assembly, a Bill further to amend the Indian Penal Code with the following Statement of Objects and Reasons :—

“ 1. The Trade Unions are now organized all the world over as a legitimate method of protecting and furthering the cause of labour. The Trade Unions Act of 1926 is only an instance of the recognition of this principle in India, though only to a limited extent. The said Act, however, protects only such of the Trade Unions, their members and office-bearers as are ‘registered’ under the said Act. It affords no protection to Trade Unions which are not registered.

2. In the infant state of the Trade Union movement in India and even afterwards some Trade Unions may not get themselves registered under the Act. It is, however, absolutely necessary to protect the members and office-bearers of such Trade Unions from the criminal liability for their acts done in contemplation or furtherance of a trade dispute or in restraint of trade. Moreover, under the present unorganized condition of labour in India there will be many cases when two or more persons may combine themselves without forming a Trade Union in furtherance or for the protection of the interests of labour. The actions of such persons also require to be protected from the consequences of Section 120B of the Indian Penal Code.

3. Under the existing criminal law, as contained in Section 120B of the Indian Penal Code, an agreement between two or more persons to do an illegal act is an offence. The word illegal as defined in Section 43 of the Indian Penal Code includes, *inter alia*, anything which affords a ground for civil action. And an act done by two or more persons in contemplation or furtherance of a trade dispute or in restraint of trade may afford a ground for civil action and thereby would be ‘illegal’ and would come under the criminal conspiracy as defined in Section 120B of the Indian Penal Code. Such an act was not considered to be an offence before the Indian Penal Code was amended in 1913. Further, such an act is not an offence under the English law. It is true that under Section 196A of the Criminal Procedure Code the previous complaint or authority from the Governor-General in Council, the Local Government or some officer empowered by the Governor-General in Council is necessary to start the prosecution. But it cannot be denied that under some circumstances it may become difficult for the authorities giving sanction for prosecution to resist the pressure brought to bear upon them by influential employers. Moreover, in this country Government themselves are large employers of labour.

4. It is, therefore, necessary for the protection of the members and office-bearers of unregistered Trade Unions and unorganized workers to amend the existing criminal law and to bring it into line with the English law and with the Indian Criminal Law as it stood before 1913.”

The Bill came up for discussion in the House on 22nd March 1928, and Mr. Joshi moved that it should be circulated for the purpose of eliciting

opinions thereon. This motion was adopted, and accordingly, at the instance of the Government of India, the Government of Bombay requested the Association's views on the proposed amendment.

Mr. Joshi's Bill was one more instance of the manner in which over-enthusiastic champions of Labour endeavoured to graft on the Indian Statute Book legislation on the lines prevailing in industrially-advanced countries of the West without giving any consideration to the peculiar needs and conditions of this country.

It will also be remembered that, when Government first discussed the question of introducing legislation for registration of Trade Unions, they expressed themselves in no uncertain terms against countenancing picketing in any form and rightly held that a definite responsibility should be laid on the Unions or their executive Committees for the prevention of the issue of any orders authorizing picketing in any form by the members of the Union. It was unfortunate that subsequently Government were led to modify their views with the result that the Trade Union Act, as finally passed, contained provisions granting immunity from legal proceedings to registered Trade Unions. It has, however, been abundantly proved that Indian labour is not sufficiently educated to make good and proper use of this privilege, and violent methods have been resorted to by strikers in the course of the recent strike to prevent willing workers from performing essential services in mills, e.g., keeping steam in boilers to comply with fire insurance regulations, cleaning and oiling machines, etc. It was, therefore, a matter of considerable regret that a person like Mr. Joshi should have taken it upon himself to draft the present Bill in the face of hard and undisputed facts so patently brought home during the present and previous strikes.

Mr. Joshi's Bill not only sought to protect the members and office-bearers of unregistered Trade Unions, but also any group of workers who were engaged in a trade dispute, and, in other words, the Bill would tend to encourage irresponsible persons to intimidate with impunity industrial operatives from attending to their work without any fear as to the consequences of their action. The Committee were, therefore, at a loss to understand how Mr. Joshi could seriously advocate such legislation in a country like India.

In communicating the above views to Government, the Committee invited Government's attention to the fact that the Trade Disputes and Trade Union Bill passed by the British Parliament last year contained important provisions for protection of non-strikers and for prevention of intimidation, and strongly urged upon Government the urgent necessity for including similar provisions in the Trade Union legislation of India.  
—(*Appendix 35.*)

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#### THE WORKMEN'S COMPENSATION ACT (AMENDMENT) BILL.

On 21st September 1928 the Hon'ble Mr. A. C. MacWatters moved that the Bill further to amend the Workmen's Compensation Act for certain purposes be circulated for the purpose of eliciting public opinion thereon. The Bill, as pointed out by the Hon'ble Member, was merely an attempt

on the part of Government to correct certain defects which had been discovered in the working of the Workmen's Compensation Act, during the four years in which it had been in operation, and was based mainly on the suggestions made by the Commissioners of Workmen's Compensation. The motion was adopted, and towards the end of October the Association was invited by the Government of Bombay to express an opinion on the principal provisions in the amending Bill. The Committee had no criticisms to offer on the proposed Bill in view of the fact that the amendments which Government sought to introduce were only intended to rectify certain legal defects which existed in the law as it then stood, and the Government of India was informed accordingly.—(*Appendix 36.*)

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**BILL FURTHER TO AMEND THE INDIAN MERCHANDISE  
MARKS ACT, 1889.**

On 9th February 1928 Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural) moved in the Legislative Assembly that his Bill further to amend the Indian Merchandise Marks Act, 1889, with the following Statement of Objects and Reasons, be circulated for the purpose of eliciting opinions thereon :—

“ There is no provision in the existing law in India which can compel the application of a trade description to imported goods. The result is that articles made in foreign countries, without any indication as to their local origin, are sometimes palmed off as Indian manufactures. It is a well-known fact that a kind of piecegoods especially manufactured abroad is sometimes sold in India as hand-woven khaddar. Again, cheap hosiery, particularly cotton undershirts, are imported from Japan without any trade description and sold in this country as local manufacture. In such cases, the local origin of goods should be indicated so as to prevent fraud on the consumers, and protect some of the struggling industries of India from unfair competition. It is proposed in this Bill to arm the Governor-General in Council with power to specify any imported goods in respect of which the importer, or the wholesale or retail dealer, shall be called upon to affix a trade description giving the place of origin thereof. It may be mentioned that the provisions are mainly adapted from the recommendations of a Departmental Committee of the British Government regarding legislative action in the United Kingdom in the interest of certain British Empire goods.”

The motion was adopted, and about the middle of March, the Government of Bombay forwarded a copy of the Bill to the Association for an expression of its views.

The Committee, in their reply, expressed the opinion that there was an urgent necessity in this country for legislation on the lines of Mr. Neogy's Bill. It was quite rightly pointed out in the Statement of Objects and Reasons attached to the Bill that owing to the absence of such legislation, articles of foreign manufacture were sometimes palmed off as Indian manufacture to the detriment of the indigenous industries of this country, and the Committee unanimously held that effective steps should be taken to stop this practice.

The only criticism which the Committee had to offer against Mr. Neogy's Bill was that it would not be practicable to apply trade descriptions to goods at the time of sale. This could be done more conveniently at the time of importation, and the Committee suggested that Clause 2 of the Bill should be amended accordingly.

Mr. Neogy's Bill was only a permissive measure to enable Government to specify particular classes of goods on which the country of origin must be shown. If it was deemed impracticable to make it *compulsory* that *all* imported goods should show the country of origin, then the Committee urged that so far as cotton piecegoods were concerned, it was absolutely necessary in the interests of the cotton textile industry of this country that all imported piecegoods should show the country of origin. The Committee hoped Government would, as soon as the necessary legislation was passed, take steps to prevent piecegoods manufactured in other countries from being palmed off on the unwary consumer as the manufacture of Indian mills.—(*Appendix 37.*)

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#### BILL FOR THE RESERVATION OF THE COASTAL TRAFFIC OF INDIA TO INDIAN VESSELS.

(*See page 93 of Report for 1923.*)

In pursuance of a resolution adopted by the Legislative Assembly on 22nd March 1928, the Government of Bombay, at the instance of the Government of India, requested the Committee to express an opinion on Mr. Haji's Bill for the Reservation of the Coastal Traffic of India to Indian Vessels.

According to Mr. Haji, the object of the Bill was—

“to provide for the employment of Indian tonnage in the coastal traffic of British India and of the Continent of India. This Bill is intended to serve as a powerful aid to the rapid development of an Indian Merchant Marine. Several attempts made in this direction in the past have all practically failed, owing, it is believed, to the existence of powerful non-Indian interests in the coasting trade of India. There can be no doubt that the growth of an Indian Merchant Marine would prove a powerful factor in the employment of Indian talent and the further extension of Indian trade in various directions in a manner calculated to advance the national interests of India.”

In their reply, the Committee stated that they were generally in sympathy with the object underlying the Bill which was to provide for the employment of Indian tonnage in the coastal traffic of India, and they were unanimously of the opinion that, as laid down in the preamble to the Bill, it was expedient to provide for the rapid development of an Indian Merchant Marine.

It was not, however, deemed necessary to examine the provisions of the Bill in detail as it was hoped that the Government of India and the Indian Legislature would carefully consider how the different provisions of the Bill, if passed into law, would affect the trade of this country and make the necessary modifications so that the trade of this country was not handicapped in any way.—(*Appendix 38.*)



**BILL TO LIMIT INTEREST CHARGED ON LOANS  
IN BRITISH INDIA.**

On 9th February 1928 Moulvi Muhammad Yakub (Rohilkund and Kumaon Divisions) moved in the Legislative Assembly that his Bill "to limit the Interest charged on loans of various kinds in British India and to bring the law in conformity with the needs of the people" be circulated for the purpose of eliciting opinions thereon.

The main object of the Bill, as explained by the Honourable Member, was to prevent the accumulation of interest for long periods, and thereby save many a debtor from the clutches of covetous and clever creditors. It was further pointed out :—

"The object of this Bill is to regulate the money-lending business in such a manner that it will not bring ruin on the debtor and dislocate his business and also may guarantee the creditor a just and proper amount of interest on the money advanced by him. The Bill seeks to stop the accumulation of interest for long periods as well as unconscionable and usurious rates charged by the speculating money-lender. The provisions of this Bill are not a new invention. They provide for the recognition of that sound and businesslike rule of Hindu Law known as *Damdapat* by which a creditor cannot claim interest more than the principal money advanced by him. This rule is even now applicable in the Bombay Presidency and in Berar in cases in which the debtors are Hindus, while in the town of Calcutta it applies to cases where both the parties are Hindus. My Bill aims at making the rule universal and applicable to all classes and communities throughout the whole country."

In the discussion which followed in the Assembly, Mr. F. W. Allison (Bombay : Nominated Official) observed :—

"The most important part of this Bill is Clause 2, which is practically a universal extension of the rule of *Damdapat* which is still effective in some parts of India. I may say in passing that in some important particulars the Honourable Member seeks to extend the rule beyond the limits to which it is confined even in its present operation in limited areas to Hindus. For my present purpose it will suffice if I indicate with extreme brevity some of the principal objections to this proposal of the Honourable Member. The rule of *Damdapat* in fact is a primitive expedient suited only to primitive communities and introduced in primitive times, when it afforded the only form of protection to the debtor against his creditor. In modern times it is out of place. It is contrary to the generally accepted idea of sanctity of contract. It undoubtedly tends to restrict the flow of credit, and from that point of view is objectionable. In practice it may and frequently does cause real injustice to the honest money-lender; and what is perhaps the greatest objection of all, it is easily evaded by the dishonest money-lender and affords him the strongest temptation to become dishonest. Experience shows us that even within the present limits of its operation

it fails to attain the objects which the honourable the mover has in view. For these reasons, which have been repeatedly stated in this House, the Government would have opposed the motion if the motion had been to advance the Bill containing this clause to a further stage."

Early in March 1928, the Government of Bombay, at the instance of the Government of India, requested the Association to express an opinion on the provisions of the Bill. On a careful consideration of the Bill, the Committee were of the opinion that the legislation sought to be introduced was objectionable for the reasons set forth in Mr. Allison's speech, and they informed the Government accordingly.—(*Appendix 39.*)

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## REGISTRATION OF TRADE MARKS IN INDIA.

(*See pages 135 and 534 of Report for 1926.*)

The Committee of the Association have on more than one occasion expressed themselves against any legislation being introduced for the registration of trade marks in India. The last occasion on which they expressed an opinion on the subject was in 1926, when it was considered that no useful purpose would be served by the enactment of a Trade Marks Registration Act, in India. But it was thought that if, in future, India became a great exporting country of proprietary brands of goods and it was found that owing to the absence of a Trade Marks Registration Act adequate protection against piracy of Indian trade marks was not possible in foreign countries, the position might need reconsideration.

Early in July the Government of Bombay requested the Committee to express an opinion on a suggestion received from the Prothonotary and Registrar, Original Jurisdiction, Bombay High Court, to move the Government of India for the purpose of enacting legislation in India corresponding to the Trade Mark Act of 1905 in England.

It was stated in the letter from the Prothonotary :—

" It has often been noticed by their Lordships that in the absence of a Trade Mark Act in India, honest traders and manufacturers have to rely upon the common law for their rights to trade marks and trade names, and accordingly must sue infringers upon that basis. The result is a costly action because usually many witnesses have to be called to establish the common law right. Also it not unfrequently happens that the infringer is a man of no substance, who is put up by others, and consequently no costs can be recovered from him "

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" I am to add that the object of the proposed legislation would be twofold. First, it would diminish the difficulty and cost of, or remove altogether the necessity for the proof of title by use and reputation

which casts so great a burden upon the owners of trade marks in proceedings to restrain infringement ; and second, it would secure the publication of marks which have been appropriated as trade marks and would define the rights of their proprietors for the information of traders and would limit the classes of marks which are capable of being so appropriated.

“ In this connection, I am to point out that though some remedy does exist in the criminal Courts in this respect, it does not necessarily meet all needs. Moreover, it is usually preferable to try suits of civil nature in the civil as opposed to the criminal Courts.”

The question was referred to a special Sub-Committee for consideration and report. A careful review of the previous history of this question revealed that the Indian mercantile community and other premier industrial associations of India had consistently opposed the proposal on the following grounds :—

- (1) The existing law in India being sufficiently comprehensive, the enactment of an Indian law on the lines of the English Act would involve certain positive disadvantages ;
- (2) The difficulty of finding an expert staff to scrutinize the trade marks prior to registration and decide about their admissibility ; and
- (3) The expenditure involved in establishing a system of registration of trade marks with the necessary elaborate and cumbersome regulations and an unnecessarily expensive staff would be considerable.

The Sub-Committee considered that the above objections could not even to this day be sufficiently overcome, and while they agreed that any attempt to ensure a system of scientific registration of trade marks in India would be generally welcomed by the commercial community of India as a whole, they held, that, having regard to the difficulty presented by the complexity of cotton marks, such legislation would be difficult to introduce and the expense involved would not be commensurate with the benefits which such legislation might confer upon the industry.

The General Committee agreed with this view and Government was informed accordingly.—(*Appendix 40.*)

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#### PROPOSED ESTABLISHMENT OF AN ACCOUNTANCY BOARD IN INDIA.

Early in November, at the instance of the Government of India, the Secretary, Accountancy Diploma Board, Bombay, addressed the Committee and requested them to express an opinion on a memorandum outlining a scheme for the establishment of an All-India Accountancy Board.

From a lengthy Government of India communication which the Committee had before them, it appeared that the question of reviewing the existing arrangements under Section 144 of the Indian Companies Act for the grant of Auditors' Certificates, had been considered by the Government of India on various occasions in consultation with Local Governments. It was pointed out by Government that in the last few years there was such a vast increase in the number of limited liability companies in India and also in their size, importance, and range of activities that the necessity for some form of central control over the existing arrangements was necessary. Government were of the opinion that the main object of any scheme for the grant of Auditors' Certificates should, in view of the large stake involved, be the fixation of a high standard of professional qualifications and the maintenance of that standard at a uniformly high level throughout India. A further and equally important object which Government had in view was the maintenance amongst certified auditors of a high and uniform standard of discipline and professional conduct. The Government of India had always held that the ideal system would be to build up in India an Association or Associations of Chartered Accountants of the same standing and reputation as those in the United Kingdom and whose members should be entitled to be appointed as auditors of companies throughout India, and the same ideal had also been aimed at in paragraph 12 of the report of the External Capital Committee.

With this object in view, it had been suggested that the Government of India should begin by establishing an All-India Accountancy Board. Government were of the opinion that the suggestion was an attractive one, and in November 1925 they addressed all Local Governments on the proposal and requested a preliminary expression of their views. It was at the same time proposed to call a small informal conference of persons specially interested in the subject and specially qualified to advise on it and representatives of Local Governments to explore the whole subject. The opinions received indicated a general agreement in the view that the time was ripe for some measure of Central control on the present system of granting Auditors' Certificates and the subject was further examined at an informal conference which was held in Delhi on 20th March 1926. Opinion at the conference was almost unanimous that the preparation of a scheme for the establishment of an All-India Accountancy Board should be proceeded with, but the formation of an autonomous Association of Accountants should be kept in view as the ultimate aim. The conference therefore appointed a Sub-Committee to consider the details of the scheme, and the memorandum upon which the Association was requested to express an opinion embodied the lines laid down by the above Sub-Committee at their meeting held in Delhi on 19th March 1927.

From a perusal of Government's communication, it appeared to the Committee of the Association that the establishment of an All-India Accountancy Board was only a first step towards building up in India of an Association or Associations of Chartered Accountants of the same standing and reputation as those which exist in the United Kingdom and elsewhere. It was therefore thought that the proposal made was an attractive one and the Committee were inclined to support it, provided the establishment of an Accountancy Board did not indefinitely postpone the attainment of the ultimate ideal of the scheme, namely, the formation of an Institute of Accountants.—(*Appendix 41.*)

## ARBITRAL AWARDS IN COMMERCIAL CONTRACTS.

*(See pages 112 and 486 of Report for 1923.)*

In 1923, the Government of Bombay consulted this Association as to whether it would be desirable for the Government of India to sign the League of Nations Protocol, 1923, which sought to provide for the recognition of arbitral clauses voluntarily inserted in commercial contracts between nationals of different countries. The Committee of the Association then stated that the principle enunciated in the Protocol should be endorsed by the Government of India, and further agreed that, as far as India was concerned, the application of the Protocol should be restricted to contracts relating to the sale of goods in the export and import trade of India and contracts relating to freight, insurance, commission, etc.

Certain objections were, however, raised by certain other bodies consulted in this connection by the Government of India. The Bengal Chamber was prepared to recommend the acceptance of the Protocol "with a reservation to the Indian Courts of their present discretionary powers to deal with matters which they may not consider to be fit subjects for decision by lay arbitrators." The Madras High Court held the same view, and a considerable body of opinion was also doubtful whether, in view of the absence of any provision for the reciprocal enforcement of awards in different countries, any real benefit would accrue to the trade and industry of this country by Government's adherence to the Protocol in question. In view of these objections, the Government of India did not deem it desirable to become a signatory to the Protocol, and the Secretary of State was advised accordingly.

The Protocol of 1923 was subsequently ratified on behalf of Great Britain and various other parts of the British Empire, but the number of accessions on the whole was very disappointing, probably due to the absence of any arrangements for the enforcement of arbitral awards made in foreign countries. With a view to remedy this defect, the Economic Committee of the League of Nations closely studied the possibility of supplementing the provisions of the Protocol, and the result of their labours was published in the form of a draft supplementary Protocol. Subsequently, a Sub-Committee of Jurists examined this question, and in view of the representations made by the British Government that a Protocol might give rise to difficulties due to the peculiar constitution of the British Empire, the draft was given the form of a Convention enumerating in its preamble the heads of States participating therein and their plenipotentiaries.

Towards the end of May, the Government of Bombay informed the Association that the Protocol and the Convention were now open for signature and again requested the Committee to express an opinion as to the desirability of India becoming a signatory thereto.

In a lengthy Government of India communication, which accompanied the Bombay Government's letter, it was pointed out that some of the principal objections originally raised by important public bodies in India had been rendered nugatory by the Convention drawn up by the League of Nations for

the enforcement of arbitral awards in foreign countries. Government were generally in favour of co-operating with other countries in international agreements of this kind if such a course was possible without serious detriment to Indian interests, and they hoped that in view of the explanation offered above, the objections previously taken in India to signing the 1923 Protocol might now be withdrawn. Further, there was a tendency to make the adoption of the provisions of the Protocol on arbitration clauses a condition precedent to the adherence to bilateral commercial treaties and one of the obstacles experienced by the Government of India to the accession to such treaties had been their attitude towards this Protocol.

The matter was carefully considered by the Committee, and it was thought advisable that the Government of India should adhere to the Protocol and the Convention subject to the reservation that the application of the Protocol should be limited to contracts relating to the sale of goods in the export and import trade of India and contracts relating to freight, insurance, commission, etc., and the Government of Bombay were informed accordingly. (*Appendix 42.*)

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#### TRANSFER OF THE ACTIVITIES OF THE BOMBAY IMPROVEMENT TRUST TO THE BOMBAY MUNICIPALITY.

Towards the end of May the Government of Bombay invited the Committee of the Association to express an opinion on a proposal made by the Municipal Corporation for the dissolution of the Board of Trustees under Section 83 of the City of Bombay Improvement Trust Transfer Act, 1925.

It appeared from a representation addressed to Government in this connection on 30th March by Dr. S. S. Batliwala, President of the Municipal Corporation, that, under the law as it stands at present, "the Corporation alone have to discharge the primary responsibility of determining whether the Board of Trustees should have a separate existence or not." It was further stated in the representation that "the Board of Trustees constituted by the present Trust Transfer Act, 1925, are not the kind of body which the Corporation wanted to have."

Under the Improvement Trust Transfer Act of 1925, the duty of carrying out the provisions of the Act was vested in the Municipal Corporation, but the powers conferred under the Act were exercised by the Improvements Committee subject to the *general* control of the Corporation. The representation stated that "this control is nominal in many respects, and the Improvements Committee are all-powerful in the administration of the Act."

The other reasons advanced in favour of the dissolution of the Board, by the President of the Corporation, were :—

- (1) The Trust finances continue to show a deficit—estimated at about Rs. 25 lakhs a year—and "it is impossible to contemplate with equanimity the condition of the Trust finances in the years to come or its repercussions on the municipal rates and taxes as the ultimate solvency of the Trust is guaranteed by the Municipality."

(2) " It is impossible for the Trust to remain in a solvent condition if it is to continue as a separate entity without a drastic reduction in the cost of management and establishment and the only solution of the problem lies in the amalgamation of the Trust with the Municipality."

In conclusion, the representation pointed out that, in asking for the dissolution of the Trust, it was not the intention of the Corporation to stop the Trust activities altogether. It was, therefore, suggested that suitable amendments should be made in the Municipal Act, whereby the execution of all work hitherto initiated by the Board of Trustees should be one of the *obligatory* duties of the Corporation.

After due consideration of all the facts mentioned in the representation, the Committee of the Association stated that they were not opposed to the suggested dissolution of the Trust, and the transference of their duties to the Corporation.—(*Appendix 43.*)

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PENALTY OF INCURABLE INADMISSIBILITY IN EVIDENCE IN  
THE CASE OF UNSTAMPED OR INSUFFICIENTLY STAMPED  
PROMISSORY NOTES AND BILLS OF EXCHANGE PAYABLE  
OTHERWISE THAN ON DEMAND.

About the middle of April the Government of Bombay addressed a letter to the Association asking for its opinion on the recommendation made in paragraph 311 of the Indian Taxation Enquiry Committee's report regarding the advisability of continuing the penalty of incurable inadmissibility in evidence in the case of promissory notes and bills of exchange payable otherwise than on demand which are unstamped or insufficiently stamped.

The remarks of the Taxation Enquiry Committee, referred to above, are reproduced below :—

" *Exclusion from Evidence.*—A disability of a different nature attached to (a) bills of exchange and promissory notes and (b) instruments (other than bills of exchange, promissory notes and receipts) chargeable with a duty of one anna or half an anna. In the case of these documents the Act contains, in lieu of the provision for validation on payment of a penalty, one to the effect that none of them can be admitted in evidence if they are not duly stamped. The justification for so drastic a measure is that otherwise the duty would be extensively evaded. It is possible that a measure of this nature is necessary in the case of bills of exchange and promissory notes, but it does not appear to the Committee that, in the case of other documents liable to so small a duty as one anna or half an anna, there is justification for so heavy a penalty. So far as bills of exchange and promissory notes are concerned, the Committee do not recommend any change in the law, but they think that the provision should cease to apply to the other documents at present covered by it."

On due consideration, the Committee of the Association approved of the view taken by the Taxation Enquiry Committee regarding the advisability of continuing the penalty of incurable inadmissibility in evidence in the case of promissory notes and bills of exchange payable otherwise than on demand, as it was thought that the removal of this penalty would lead to extensive evasion of the stamp duty. The Government of Bombay were also informed to this effect.—(*Appendix 44.*)

#### LEAKAGE IN THE REVENUE DERIVED FROM COURT FEES AND GENERAL STAMPS.

The Government of Bombay, Finance Department, requested the Committee's opinion on the suggestion to provide for the periodical inspection (by a special staff appointed for the purpose under the Superintendent of Stamps) of the records of joint stock, insurance companies and banks with a view to seeing whether documents such as transfer deeds of shares, insurance policies, foreign bills, etc., were properly stamped and the stamps cancelled.

It was stated in a letter received by Government in this connection from the Superintendent of Stamps:—

“Leakage by reuse of stamps is possible in the case of all documents which can be stamped with adhesive labels such as insurance policies, transfers of shares, foreign bills of exchange, etc. These documents seldom, if ever, come before any public officer and whether they are, or are not, properly stamped cannot be known. Instances have, however, come to notice in which adhesive stamps were abstracted and reused and prosecutions successfully instituted. Documents such as insurance policies, foreign bills, shares, transfers, agreements and brokers' notes are executed mostly in Presidency Towns and very rarely if at all in the districts. To guard against loss of revenue it would be necessary to set up a check such as periodical inspection by a staff under the Superintendent of Stamps appointed for the purpose, of offices of joint stock, insurance companies, and banks with a view to seeing whether transfer deeds of shares, insurance policies, foreign bills accepted by banks and agreements and brokers' notes executed by brokers are properly stamped and the stamps cancelled in accordance with the provision of section 12 of the Indian Stamp Act.”

After careful consideration of the matter, the Committee were unanimously of the opinion that no case whatsoever had been made out for the proposed periodical inspection. It was thought that the moral obligations in respect of stamping of documents were regularly carried out by the commercial community, and so far as the Committee were aware, there had been only very rare instances of prosecutions of the type mentioned by the Superintendent of Stamps. The adoption of the proposal, the Committee apprehended, would eventually lead Government calling upon joint stock companies and banks to contribute towards the expenses of the clerical staff proposed to be engaged for the purpose.

The Government of Bombay were therefore informed that the Association was opposed to the proposed measure.—(*Appendix 45.*)



PURCHASE OF PIECEGOODS BY THE GOVERNMENT  
OF BOMBAY.

(See pages 108 and 467 of Report for 1927.)

In the Association's report for 1927, it was stated that the Committee were negotiating with the Government of Bombay in regard to the publication of a six-monthly statement showing the quantity of Indian and foreign cloth purchased by Government, stating the reasons in each case for purchasing foreign cloth. What the Committee really desired was that Government should give full details as to quality, etc., as far as the purchases of piecegoods of non-Indian make were concerned, to enable them to judge whether similar material could not be manufactured by Indian mills. The Committee were also of the opinion that the publication of only the quantities purchased without the details asked for by them, would not be of any practical use to the Association.

The Government of Bombay agreed to publish a six-monthly statement showing the *quantity* of cloth of Indian and foreign manufacture purchased by the officers and departments of Government, but expressed their inability to amplify the statement to the extent desired by the Committee as, in the opinion of Government, purchasing officers would not be in a position to supply the precise details mentioned by the Association. Government therefore inquired whether it would serve the purposes of the Association if the reporting officers were required to specify the general purposes for which their purchases had been made.

In view of the difficulties pointed out by Government, the Committee did not deem it advisable to press for further amplification of the statement and informed Government that the purposes for which each purchase was made might be included in the statement.—(*Appendix 46.*)

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EXHIBITS FOR THE COMMERCIAL MUSEUM OF  
THE CALCUTTA UNIVERSITY.

About the end of last year the Registrar of the University of Calcutta addressed a letter to certain members of the Association asking for samples of cotton yarn and fabrics for the Commercial Museum established by the University of Calcutta. One of the members forwarded this letter to the Committee and suggested that the Association should make a joint exhibit. The letter was duly considered by the Committee who agreed that it would not be advisable for individual members to send samples direct to Calcutta. It was therefore decided that the Association should make a joint effort, as was done in the case of exhibits collected for the Indian Gallery of the Imperial Institute, and accordingly, representative samples of piecegoods were collected from members and forwarded to the Registrar of the Calcutta University with the request that they should be displayed as effectively as possible.

**PROPOSED ESTABLISHMENT OF AN ELECTROLYTIC ALKALI  
PLANT IN BANGALORE BY THE GOVERNMENT OF  
MYSORE FOR THE PRODUCTION OF CAUSTIC  
SODA AND BLEACHING POWDER.**

The Director of Industries, Bangalore, informed the Committee that with a view to take advantage of the low cost of electric energy in Bangalore, the Government of Mysore had decided to put up an electrolytic alkali plant in Bangalore. The prospects for the proposed plant, according to the Director of Industries, seemed very favourable for, in addition to cheap power, the Government of Mysore had also arranged to obtain salt duty free from the Madras Presidency. It was estimated that the annual output of the proposed factory would be about 250 tons of bleaching powder of which the local market was expected to consume 50 tons and the entire output of caustic soda. The Director of Industries, therefore, inquired from the Committee whether Bombay mills would take the remaining quantity of bleaching powder.

In reply, the Committee pointed out that if the bleaching powder that was expected to be produced at the proposed factory was cheaper than the imported article and at the same time good in quality and suitable to mills' requirements, Bombay mills could easily purchase the total quantity of bleaching powder available.—(*Appendix 47.*)

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**EMPLOYMENT OF DEPRESSED CLASSES IN WEAVING  
DEPARTMENTS.**

Towards the end of July, the President of the Kurla Young Men's Non-Brahmin Association requested the Committee to consider the advisability of throwing open the weaving and other departments of cotton mills for the employment of the depressed classes.

In reply, the Committee stated that, as far as they were aware, neither this Association nor employers individually had ever objected to members of the depressed classes working in any department of the mills including weaving. On the other hand, the objection had come from workers themselves. Mention was also made of the fact that there was no response whatsoever from the depressed classes when, some time ago, Messrs. E. D. Sassoon & Co., Ltd., offered to give them a chance to work on the blanket looms of their Jacob Sassoon Mills.

The Committee were aware that Messrs. E. D. Sassoon & Co., Ltd., were still prepared to grant requisite facilities to depressed classes, and the Non-Brahmin Association was therefore directed to communicate with this firm.—(*Appendix 48.*)

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**MR. HARTSHORN'S ATTACK ON THE TATAS—THE ASSOCIA-  
TION'S PROTEST.**

Towards the middle of May, the attention of the Committee was invited by the Secretary, Indian Chamber of Commerce, London, to certain false and reckless allegations against the firm of the Tatas made by Mr. Vernon

Hartshorn, M.P., one of the members of the Indian Statutory Commission, at a meeting of the miners at Blaengarw, South Wales, on May 8th. The Indian Chamber of Commerce, London, cabled as follows:—

“ Hartshorn, M.P., Member, Simon Committee, in speech delivered Cardiff made unjustified and unjustifiable attack on Indian capitalists generally and on member of Chamber Tatas particularly. Reported having said ‘ there is no worse capitalism in the world than Indian capitalism. You talk about strikes and lockouts in India but when you get into Bombay it is not British capital and not Britons that are creating the present conditions. The workers there are struggling against the Parsees—the Saklatvala crowd—who own the mills. The Tatas with whom Saklatvala was associated were known to be the worst employers of labour in the world.’ Indian Chamber London have entered strong protest and also addressing protest Monday, to Prime Minister. Request take up matter strongly at your end.”

The Committee decided to make an emphatic protest against the false aspersions cast on Indian capitalists in general and on Tatas in particular by Mr. Hartshorn, and the following cable was sent to the Secretary of State for India on 22nd May 1928:—

“ The Millowners’ Association strongly protest against the reckless allegations made by Mr. Vernon Hartshorn against Bombay industrialists generally, and particularly against one of their number, the Tatas, who were among the best employers of labour in this country. The Millowners’ Association rebut these baseless allegations *in toto* and regret that one occupying an important public position calling for the exercise of more than ordinary tact and judicial outlook at the present juncture, should show himself so utterly wanting in a sense of responsibility as to make statements which are grossly offensive and without any foundation whatsoever.”

A copy of the cable was also sent to the Government of India for their information.

The popular agitation and resentment at Mr. Hartshorn’s unwarranted attack on Indian capitalists had perhaps their desired result for, speaking again at Blengarw, Mr. Hartshorn made the following personal explanation:—

“ Last time I spoke in this hall I was led to making observations which reflected seriously upon the treatment of employees of Tata Companies. A few days later I made similar statements at a meeting at Ogmorvale. These speeches were given great prominence in the Indian Press. Consequently, people concerned felt deeply aggrieved. I thought at the time I was giving utterance to actual facts. I since have examined the matter very closely and have satisfied myself that my reflections have no foundation in fact and should not have been made. I very sincerely regret that I made statements which cannot be substantiated. In the circumstances there is only one manly and straightforward course. It is my duty to withdraw the reflections I made.

In availing myself of this opportunity I publicly and unreservedly withdraw what I said on the occasion referred to. I would also express my hope that the same prominence would be given in the Indian Press to the statement I am now making as my previous speeches received and that any unpleasantness which my criticisms might have evoked would be forgotten by all parties concerned. This is a statement due from me and I make it ungrudgingly."—(*Appendix 49.*)

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#### SUPPLY OF INDIAN MILL-MADE YARN TO HOSIERY FACTORIES.

The Director of Industries, Bengal, in a letter to the Collector of Bombay, stated that on an investigation made by his department into the hosiery industry of Bengal, it appeared that the yarns used by the hosiery factories as raw materials were invariably of foreign make, and no serious attempt had been made by the Indian cotton mills to supply their requirements. It appeared that the owners of the hosiery factories in Bengal were quite alive to the grave danger to which they were exposed on account of their depending upon foreign raw materials, and they were willing to try and use Indian yarn if it was suitably made. What they wanted was soft, mule-twisted yarn without neps, made of long-stapled cotton, suitable for knitting purposes. There was a demand for various grades of yarn and as the further development of the industry depended upon its successful competition with the cheap Japanese hosiery goods, the industry badly needed cheap raw materials.

The Director of Industries, Bengal, also forwarded samples of the yarn generally used for the purpose to the Collector of Bombay.

At the request of the Collector of Bombay, the contents of the letter from the Director of Industries, Bengal, were communicated to all members of the Association with a request to send samples of their productions and quotations to the Collector of Bombay in the first instance and also to inform the Collector whether they could supply the yarn wound up in the form of cones instead of in bundles.—(*Appendix 50.*)

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#### DECLARATION OF "SAMVATSARI" AS A SEPARATE PUBLIC HOLIDAY.

Towards the end of March the Government of Bombay forwarded to the Association a copy of a letter received by them from the Bombay Shroff Association suggesting that "Samvatsari" should be declared an additional public holiday on 18th September 1928 under the Negotiable Instruments Act. While asking for the Association's views on this suggestion, Government pointed out that the special Holidays Committee of 1912 had unanimously recommended that the Jain holiday "Samvatsari," Sud 4th, should be reckoned with the Hindu holiday "Ganesh Chaturthi" and that the day chosen for the joint holiday should be the actual holiday of "Ganesh Chaturthi." The Committee of the Association, in their reply to Government, stated that they were not in favour of the proposal that "Samvatsari" should be treated as a separate public holiday.—(*Appendix 51.*)

## RESULTS OF THE WORKING OF THE COTTON MILLS OF BOMBAY IN 1927.

In accordance with the usual practice, an annual statement showing the results of the working of the cotton mills of Bombay was prepared by the Association and audited by Messrs. A. F. Ferguson & Co. Seventy-five mills out of the 82 submitted returns. The statement showed a total loss of Rs. 7,36,309 after providing for depreciation on machinery and buildings, in spite of the fact that during the year the managing agents gave up their commission to the extent of Rs. 9,04,810.

Copies of the statement were sent to all members of the Association for their confidential information.

### DONATIONS.

At the Annual General Meeting of the Members of the Association held on 12th March 1928, the following donations were sanctioned and paid out of the Association's funds :—

	Rs.
1. The Victoria Jubilee Technical Institute .. ..	2,000
2. The Sydenham College of Commerce and Economics ..	1,000
3. The Police Comforts Fund .. .. .	1,000
4. The Sir J. J. Hospital Nursing Association Fund ..	750
5. The Bombay Textile and Engineering Association ..	500
6. The Goculdas Tejpal Nursing Association Fund ..	250
7. The Adams Wylie Memorial Hospital .. .. .	250
8. The National Baby Week Celebrations .. .. .	250

### RAW COTTON STOCKS HELD BY BOMBAY MILLS ON 31ST AUGUST 1928.

In accordance with the usual practice, stocks of raw cotton held by Bombay cotton mills were collected by the Committee and the following summarized statement was subsequently issued :—

Quantity of raw cotton in stock on 31st August, 1928.					
Cotton actually on hand in Mill Godowns.		Ready cotton bought but not taken delivery of.		Total.	
Actual number of bales.	Actual weight of bales. (In candies of 784 lbs.)	Actual number of bales.	Actual weight of bales. (In candies of 784 lbs.)	Actual number of bales.	Actual weight of bales. (In candies of 784 lbs.)
303,822	160,682	13,723	6,886	317,545	167,568

## STOCKS OF YARN AND CLOTH HELD BY BOMBAY MILLS IN 1928.

The figures in the following tables give a very close approximation of the stocks of yarn and cloth held by all mills in the city and island of Bombay from month to month in 1928.

The general strike in Bombay which commenced in April and lasted till about the first week of October stopped production entirely, and the sales effected during this period, though unremunerative, resulted in a very considerable and much needed reduction in the huge stocks of yarn and cloth held by mills at the end of March.

Though for all practical purposes the general strike ended in the first week of October, in virtue of an agreement signed by both parties at the Secretariat, sporadic strikes were by no means uncommon with the result that normal working conditions were not obtained till long afterwards and production suffered considerably.

The total uncleared stocks of yarn at the end of the year was 6,000 bales as against 39,000 bales in 1927 and of cloth 50,000 bales against 152,000 bales at the end of 1927.

YARN.

TABLE I.  
STOCKS IN BALES.

*From Mills submitting Returns.* *Approximation for all Mills in  
Bombay City and Island.*

Date of Return.	No. of spindles represented.	Sold but delivery not taken.	Unsold.	Total uncleared.	Sold but delivery not taken.	Unsold.	Total uncleared.
1928							
31st January .. ..	3,466,826	13,100	20,185	33,285	13,000	20,000	33,000
29th February .. ..	3,466,826	10,474	20,707	31,181	10,000	21,000	31,000
31st March .. ..	3,466,826	10,710	19,490	30,200	11,000	19,000	30,000
30th April .. ..	3,466,826	9,819	13,277	23,096	10,000	13,000	23,000
31st May .. ..	3,466,826	4,822	10,128	14,950	5,000	10,000	15,000
30th June .. ..	3,466,826	2,858	7,350	10,208	3,000	7,000	10,000
31st July .. ..	3,466,826	1,721	6,245	7,966	2,000	6,000	8,000
31st August .. ..	3,466,826	1,235	5,706	6,941	1,000	6,000	7,000
30th September .. ..	3,466,826	919	3,611	4,530	1,000	4,000	5,000
31st October .. ..	3,466,826	2,218	3,034	5,252	2,000	3,000	5,000
30th November .. ..	3,466,826	2,871	1,911	4,782	3,000	2,000	5,000
31st December .. ..	3,466,826	3,977	1,908	5,885	4,000	2,000	6,000

CLOTH.

TABLE II.  
STOCKS IN BALES.

*From Mills submitting Returns.* *Approximation for all Mills in  
Bombay City and Island.*

Date of Return.	No. of looms represented.	Sold but delivery not taken.	Unsold.	Total uncleared.	Sold but delivery not taken.	Unsold.	Total uncleared.
1928							
31st January .. ..	74,545	52,758	91,482	144,240	53,000	91,000	144,000
29th February .. ..	74,545	47,652	106,649	154,301	47,000	107,000	154,000
31st March .. ..	74,545	46,726	117,208	163,934	47,000	117,000	164,000
30th April .. ..	74,545	42,727	116,399	159,126	43,000	116,000	159,000
31st May .. ..	74,545	32,626	101,242	133,868	33,000	101,000	134,000
30th June .. ..	74,545	41,003	68,448	109,451	41,000	68,000	109,000
31st July .. ..	74,545	32,196	53,519	85,715	32,000	54,000	86,000
31st August .. ..	74,545	26,711	47,628	74,339	27,000	47,000	74,000
30th September .. ..	74,545	18,632	38,774	57,406	18,000	39,000	57,000
31st October .. ..	74,545	15,702	36,946	52,648	16,000	37,000	53,000
30th November .. ..	74,545	16,846	31,715	48,561	17,000	32,000	49,000
31st December .. ..	74,545	19,074	31,311	50,385	19,000	31,000	50,000

## MILL HOLIDAYS AND PAY-DAYS, 1929.

The following mill holidays, which are in accordance with the provisions of the Indian Factories Act, were fixed by the Committee of the Bombay Millowners' Association for adoption by the members of the Association, during the year 1929:—

MONTH.	DATE OF HOLIDAY.	DAY OF WEEK.	FESTIVAL.	*SUGGESTED MONTHLY PAY DAY	DAY OF WEEK.
JANUARY	1st	TUESDAY	<i>New Year Day.</i>	} 13th	.. SUNDAY.
	6th	SUNDAY			
	14th	MONDAY	<i>Makar Sanhanti.</i>		
	20th	SUNDAY			
	27th	Do.			
FEBRUARY	3rd	SUNDAY	} 9th	.. SATURDAY.	
	10th	Do.			
	17th	Do.			
	24th	Do.			
MARCH	3rd	SUNDAY	} 15th	.. FRIDAY.	
	9th	SATURDAY			
	17th	SUNDAY			
	25th	MONDAY			
	26th	TUESDAY			
	27th	WEDNESDAY			
	31st	SUNDAY			
APRIL	10th	WEDNESDAY	<i>Gudi Padwa</i> <i>Ram Navmi</i>	} 9th	.. TUESDAY.
	17th	WEDNESDAY			
	21st	SUNDAY			
	28th	Do.			
MAY	5th	SUNDAY	<i>Solar Eclipse.</i>	} 15th	.. WEDNESDAY.
	9th	THURSDAY			
	19th	SUNDAY			
	26th	Do.			
JUNE	2nd	SUNDAY	} 15th	.. SATURDAY.	
	9th	Do.			
	16th	Do.			
	23rd	Do.			
	30th	Do.			
JULY	7th	SUNDAY	<i>Ashadi Ehadashi.</i>	} 15th	.. MONDAY.
	17th	WEDNESDAY			
	21st	SUNDAY			
	28th	Do.			
AUGUST	4th	SUNDAY	<i>Nag Panchami</i> <i>Narli Purnima</i> <i>Gocul Astami</i>	} 15th	.. THURSDAY.
	9th	FRIDAY			
	19th	MONDAY			
	28th	WEDNESDAY			
SEPTEMBER	1st	SUNDAY	<i>Ganesh Chaturthi.</i> <i>Gowri Visarjan</i> <i>Anant Chaturdashi.</i>	} 11th	.. WEDNESDAY.
	7th	SATURDAY			
	12th	THURSDAY			
	17th	TUESDAY			
	22nd	SUNDAY			
OCTOBER	2nd	WEDNESDAY	<i>Sarva Pitra Amavasa.</i>  <i>Dasra</i>	} 11th	.. FRIDAY.
	6th	SUNDAY			
	12th	SATURDAY			
	20th	SUNDAY			
	27th	Do.			
NOVEMBER	1st	FRIDAY	<i>Devali</i>	} 9th	.. SATURDAY.
	2nd	SATURDAY			
	3rd	SUNDAY			
	10th	Do.			
	17th	Do.			
	24th	Do.			
DECEMBER	1st	SUNDAY	} 14th	.. SATURDAY.	
	8th	Do.			
	15th	Do.			
	22nd	Do.			

\*Note.—The dates shown in Column 5 are recommended by the Committee of the Association as Pay-days for general adoption by members of the Association.

### STRIKE IN BOMBAY COTTON MILLS.

During the year under review, Bombay cotton mills experienced the longest strike on record in the history of the industry. The strike commenced in the Currimbhoy group of mills in the middle of April and gradually affected other mills, with the result that, before the end of the month, all mills in the City and Island of Bombay except those which are situated outside the limits of the so-called "mill area" were affected.

As all matters connected with the strike are at the time of writing *sub judice* pending announcement of the decisions of the Fawcett Committee of Enquiry, it is not proposed to refer to these at any great length except when a reference is absolutely necessary for the purpose of recording a connected history of the principal events connected with the strike and the various efforts made by this Association, the Government of Bombay, and other persons to bring about a speedy termination of the deadlock.

Even at the very beginning, when only a dozen mills were affected, exaggerated reports appeared in the Press regarding the causes of the strike, and certain alleged grievances of the workmen, but the situation was one in which it was impossible to understand the reasons which prompted the operatives to strike work, as no complaints were made, and no grievances formulated until the strike had become general and had persisted for a considerable period. Some of the labour leaders freely alleged that wages had been reduced in various indirect ways, but from minute inquiries made by this Association, this appeared to be incorrect.

On 27th April, the Committee had a discussion with His Excellency the Governor regarding the strike situation, and in a Press *communiqué* issued subsequently, Government stated:—

"His Excellency was informed by the Millowners' Association that no grievances had been brought to the notice of the Association. When any such grievances came to their knowledge, through recognized representatives of registered trade unions, the Association would consider them."

In the meantime what was called a "Joint Mill Strike Committee" was formed consisting of labour leaders of all shades of opinion, and this body submitted to the Association a list of 17 demands and offered to open negotiations on behalf of the strikers. Though the Association was quite willing to meet representatives of registered trade unions—and it was customary wherever organized bodies existed to endeavour to settle industrial disputes by discussion between recognized representatives of both employers and the men—immediate negotiations were impossible as most of the members of the "Joint Strike Committee" were not at the time members of any registered trade unions. However, the Committee considered the 17 demands formulated on behalf of labour, and published categorical replies in the Press on 12th May.

On the 16th May, a General Meeting of the members of the Association was held at which proposals for the standardization of wages, revision of muster-rolls, and uniform standing orders for the industry were agreed to. Immediately after this meeting a Sub-Committee of the Association met the Hon'ble Sir Cowasji Jehangir, General Member with the Government of Bombay, and thereafter a Press *communiqué* was issued



pointing out the Association's willingness to meet the recognized representatives of registered trade unions to discuss the terms on which work in the mills should be resumed.

A Sub-Committee of the Association then sat from day to day and carefully worked out proposals for standardizing wages and musters in Bombay cotton mills, and the scheme was ultimately accepted by all Bombay mills at a Special General Meeting held on 23rd June. On 30th June, the Association issued a statement to the Press explaining the chief features of the Standardization Scheme, and printed leaflets in Marathi were posted up at all mill gates to explain the scheme to the workmen.

Several joint conferences were also held with representatives of registered trade unions with a view to finding a way out of the impasse. The question of alleged wage cuts, Seventeen Demands, and the Standardization Scheme were all discussed, but unfortunately the representatives of labour took up an uncompromising attitude on most points, their slogan being "no efficiency measures and the highest possible wage for as little work as possible, no matter what the state of the industry."

The Committee of the Association then attempted to re-open mills in small groups, but no operatives turned up on account of the intense picketing and intimidation which prevailed in the mill area. Dr. Deshmukh, President of the Municipal Corporation, thereafter made attempts to bring about a settlement of the deadlock but these proved fruitless. In the meantime, in accordance with a promise given to the Legislative Council at the Poona session, Government again invited the Association and labour leaders to attend a joint conference.

This conference which was held at the Secretariat on 15th August, proceeded to consider the terms and conditions under which a Committee should be appointed by Government to inquire into the points at issue in the dispute. Though the conference succeeded in arriving at a solution on various points, negotiations had to be brought to an abrupt termination as the labour representatives refused to call off the strike as a condition precedent to the appointment of a Committee of Enquiry.

Though all official negotiations were broken off about the middle of August, a Sub-Committee of the Association held informal conversations with labour leaders at a private conference arranged by Mr. H. M. Chowna, with the result that an understanding was possible on most of the points at dispute, including even those on which a breakdown had occurred previously. The strike leaders, however, refused to accept the 7½ per cent. average cut in weavers' wages as the basis for the revision of the Standardization Scheme, but offered to agree to a 2½ per cent. cut. Negotiations were again broken off at this stage. However, the ground was cleared, and as there was a certainty of both sides agreeing to terms of payment, etc., for an *interim* period if the strike was called off and an Enquiry Committee set up, Government was approached again with the result that the present Strike Enquiry Committee was duly constituted, in pursuance of an agreement signed by both parties and the Hon'ble Sir Ghulam Hussain Hidayatullah, General Member with the Government of Bombay, on 4th October. The terms of reference of the Committee of Enquiry are printed in the appendix.

—(Appendix 52.)

## BOMBAY MILLOWNERS' ASSOCIATION.

*Balance-sheet as at 31st December 1928.*

LIABILITIES.	Rs.	a.	p.	Rs.	a.	p.	ASSETS.	Rs.	a.	p.	Rs.	a.	p.
<b>SUNDRY CREDITORS—</b>							Interest accrued on Association's Investment of General Fund and Travelling Agency Fund up to 31st December 1928, but not received, and Income-tax paid on securities, Arbitration fees paid, etc. ....				6,838	10	7
For Imperial Bank of India (Overdraft) .. .. .	64,441		0 4				Advance payments made on account of Books, Periodicals, Telephones, Salary of Clerk at Calcutta and other sundry items .. .. .				500	15	3
For Establishment, Auditors' Fees, Printing, Stationery, Advertisements, Electric Lights and Fans, etc., unpaid ..	1,716	13	0	66,157	13	4	<b>ASSOCIATION'S INVESTMENTS—</b>						
<b>TRAVELLING AGENCY FUND—</b>							Government 3½ per cent. Promissory Notes of 1865, 1854/55 and 1900.01 for Rs. 92,000 at cost .. .. .	7,670	10	0			
Balance on 31st December 1927 .. .. .	6,346	1	4				Do. 4½ per cent. Bonds 1934 for Rs. 33,100 at cost ..	32,272	8	0			
Add—Interest on Government Paper for the year .. .. .	105	0	0				Do. 5 per cent. Indian War Loan, War Bonds 1929/47 for Rs. 25,000 at cost .. .. .	24,156	4	0			
Less—Amount transferred to Trade Mission Account ..	6,451	1	4				Do. 6 per cent. Indian War Loan, War Bonds 1930 for Rs. 15,000 at cost .. .. .	15,000	0	0			
	6,451	1	4				Do. 6 per cent. Indian War Loan, War Bonds 1932 for Rs. 5,500 at cost .. .. .	5,500	0	0			
<b>ASSOCIATION'S GENERAL FUND—</b>							Do. 3½ per cent. Indian Sterling Stock (Bearer Bonds) 1931 for £8,500 at cost .. .. .	79,748	9	6	2,24,347	15	6
Balance on 31st December 1927 .. .. .	1,59,560	11	11				<b>CASH—</b>						
Add - Excess of Income over Expenditure .. .. .	7,610	11	11	1,67,171	7	10	Cash in the Imperial Bank of India, Secretary's Account ..	247	8	0			
							Cash in hand .. .. .	1,394	3	10	1,641	11	10
<b>TOTAL Rs.</b> .. .. .				2,33,329	5	2	<b>TOTAL Rs.</b> .. .. .				2,33,329	5	2

79

Examined and found correct.

A. F. FERGUSON & Co.,  
Chartered Accountants,  
AUDITORS

T. MALONEY,  
Secretary.

BOMBAY, 5th February 1929.

**BOMBAY MILLOWNERS' ASSOCIATION.**

*Dr.*

*Income and Expenditure Account for the Year ended 31st December 1928.*

*Cr.*

EXPENDITURE.		Rs. a. p.	Rs. a. p.	INCOME.		Rs. a. p.	Rs. a. p.
To Establishment		35,366 6 0		By Subscriptions for the year ended 31st December 1928.		82,556 0 0	
Conveyance Allowance to Secretary		100 0 0		Miscellaneous Receipts		1,542 3 0	
Preparation of Monthly Import & Export Statistics for 1928		2,468 0 0		Interest on Investments of General Fund		9,508 5 0	
Preparation of Statistics for the Bombay Cotton Mill Industry for 1927		575 0 0		Profit on sale of Government Securities		1,500 0 0	
Office Rent		3,600 0 0					95,106 13 0
Printing Statistical Returns, Annual Report for 1927, etc.		6,001 9 0					
Stationery		1,776 3 0					
Advertisements		371 8 0					
Books & Periodicals		767 5 2					
Auditors' Fees		200 0 0					
Telephones		492 8 0					
Electric Lights and Fans		464 3 0					
Law Charges		1,741 14 6					
Passage Money to Secretary		2,345 10 0					
Petty Charges, Sundry Expenses including Postage & Telegrams		2,041 2 9					
Association's Contributions to Provident Fund and Interest		3,119 2 4					
Expenses in connection with Indian Trade Mission	Rs. a. p.	17,259 10 2					
Less—Amount transferred from Travelling Agency Fund	6,451 1 4						
		10,808 8 10					
Expenses in connection with Standardisation of Wages Scheme		6,272 8 0					
Expenses in connection with Mill Strike Propaganda & Mill Strike Inquiry Committee		2,543 8 0					
Expenses in connection with the Association's Annual Dinner & Association's Farewell Dinner to H. E. the Governor.		441 0 6					
		81,496 1 1					
ASSOCIATION'S CONTRIBUTIONS FOR THE YEAR TO—							
	Rs. a. p.						
The Victoria Jubilee Technical Institute	2,000 0 0						
The Sydenham College of Commerce and Economics	1,000 0 0						
The Police Comforts Fund	1,000 0 0						
The Sir J. J. Hospital Nursing Association Fund	750 0 0						
The Bombay Textile and Engineering Association	500 0 0						
The Goculdas Tejpal Hospital Nursing Association Fund	250 0 0						
The Adams-Wylie Memorial Hospital Fund	250 0 0						
The National Baby Week	250 0 0						
		6,000 0 0					
			87,496 1 1				
Balance being excess of Income over Expenditure transferred to Association's Balance-sheet		.....	7,610 11 11				
TOTAL Rs.		.....	95,106 13 0	TOTAL Rs.		.....	95,106 13 0

Examined and found correct.

A. F. FERGUSON & Co.,

T. MALONEY,

## BOMBAY MILLOWNERS' ASSOCIATION PROVIDENT FUND.

*Statement of Funds as at 31st December 1928.*

RECEIPTS.	Rs. a. p.	Rs. a. p.	EXPENDITURE.	Rs. a. p.	Rs. a. p.
By Amount of Funds as at 1st January 1928 .. ..	....	25,816 13 4	To Claims Paid .. .. .	4,838 6 11	
Subscriptions Paid :—			<i>Less—Forfeitures</i> .. .. .	2,419 9 8	
By the Members of the Bombay Millowners' Association .. .. .	3,066 10 8			2,418 13 3	
.. the Members of the Bombay Millowners' Mutual Insurance Association.. .. .	495 0 0	3,561 10 8	<i>Add—Expenses during the year</i> .. .. .	4 1 0	2,422 14 3
Contributions Paid :—			<i>Investments.</i>	:	
By the Bombay Millowners' Association .. ..	3,016 10 8		Government 3½ per cent. Promissory Notes 1900-01 and 1854-55 for Rs. 2,200 at cost .. .. .	1,482 4 0	
.. the Millowners' Mutual Insurance Association .	495 0 0	3,511 10 8	Government 4 per cent. Promissory Notes 1960-70 for Rs. 5,000 at cost .. .. .	4,406 4 0	
Interest (including interest accrued to date —Rs. 423-14-8) .. .. .	....	1,367 13 11	Government 5 per cent. Tax Free War Bonds 1933 for Rs. 5,000 at cost .. .. .	4,892 8 0	
			Government 5 per cent. Tax Payable Bonds 1929-47 for Rs. 6,000 at cost .. .. .	6,097 8 0	
			Government 5 per cent. Tax Payable Bonds 1935 for Rs. 9,000 at cost .. .. .	8,987 8 0	
				25,866 0 0	
			Interest accrued and due on the above securities ..	423 14 8	
			Cash with the Imperial Bank of India in current account .. .. .	5,545 3 8	31,835 2 4
TOTAL Rs. ..	....	34,258 0 7	TOTAL Rs. ..	....	34,258 0 7

Examined and found correct.

A. F. FERGUSON & Co.,

*Chartered Accountants,*

AUDITORS.

BOMBAY, 5th February 1929.

T. MALONEY,

*Secretary.*

**Report for the year 1928.**

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*Section III.*

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**CORRESPONDENCE.**

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**APPENDICES 1—52.**

**APPENDIX 1.**

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MEASURES TO CHECK THE HIGH CONSUMPTION OF OPIUM.

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No. 7702-C/24.

REVENUE DEPARTMENT.  
BOMBAY, 7th March 1928

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :—*Opium.—Measures to Check High Consumption of—.*

I am directed by the Government of Bombay (Transferred Departments) to state that, in view of the deliberations of the League of Nations, they have, at the instance of the Government of India, decided to appoint local committees to make inquiries in the areas in which the average rate of consumption of opium exceeds 30 seers to 10,000 inhabitants, as also in large industrial centres, and to suggest measures for its reduction. It is proposed to appoint the gentlemen named below on the committee which will be formed for Bombay City :—

*Chairman.*

The Collector of Bombay.

*Members.*

- (1) One Municipal Councillor to be nominated by the Bombay Municipal Corporation.
- (2) The Health Officer, Bombay Municipality.
- (3) One member to be nominated by the Bombay Medical Council.
- (4) One member to be nominated by the Bombay Millowners' Association.
- (5) One non-official gentleman to be selected by the Collector.

I am therefore to request that you will be so good as to state whether the Association will depute a representative on the proposed Committee, and, if so, to communicate to Government the name of their representative. The favour of an early reply is requested.—I have, etc.,

S. R. DAVAR,  
For Secretary to the Government of Bombay,  
Revenue Department.

86

No. 505/88.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 20th March 1928.

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,  
REVENUE DEPARTMENT, BOMBAY.

SIR,

SUBJECT:—*Measures to Check High Consumption of Opium.*

I have the honour to acknowledge receipt of your letter No. 7702-C/24, dated the 7th instant, under the above heading, and to inform you that Mr. F. Stones of Messrs. E. D. Sassoon & Co., Ltd., will act as the Association's representative on the Committee proposed to be appointed by Government.—I have, etc.,

J. P. WADIA,  
*Acting Secretary.*

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No. 506/88.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 20th March 1928.

F. STONES, Esq., O.E.E.,  
BOMBAY.

DEAR SIR,

I beg to inform you that as arranged at to-day's meeting of the Committee, I have informed the Secretary to the Government of Bombay, Revenue Department, that you will act as the Association's representative on the Committee appointed by Government to make certain inquiries into the consumption of opium.

A copy of the letter received from Government is enclosed herewith.—Yours, etc.,

J. P. WADIA,  
*Acting Secretary.*

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## APPENDIX 2.

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### ACTION TAKEN BY THE ASSOCIATION ON CERTAIN RECOMMENDATIONS MADE BY THE TARIFF BOARD.

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No. I.A. 41/2836.

DEPARTMENT OF INDUSTRIES,  
BOMBAY, 4th October 1927.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I forward herewith extract paragraph 1 of the letter from the Government of India, No. L./1522, dated 1st August 1927, addressed to the Government of Bombay, regarding the recommendations of the Indian Tariff Board, contained in paragraphs 59 to 71 of their report of the Cotton Textile Industry.

I request you to be so good as to let me know the action taken by the millowners in respect of the recommendations contained in the paragraphs referred to above as I am directed by Government to report to them the action taken by the millowners in this direction.— I have etc.,

G. A. THOMAS,  
Collector of Bombay  
(Department of Industries).

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*Extract paragraph 1 of the letter from the Government of India, No. L/1522, dated the 1st August 1927.*

\* \* \* \* \*

" I am directed to invite the attention of the local Government to the recommendations of the Indian Tariff Board contained in paragraphs 59 to 71 of their report of the Cotton Textile Industry. The majority of the recommendations contained in these paragraphs do not appear to the Government of India to call for any official action as the initiative in these matters must be taken by the millowners themselves. The Government of India would, however, be glad to receive, in due course, a report of the action taken by the millowners in respect of these recommendations "

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No. 49/166 of 1927.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 10th January 1928

THE COLLECTOR OF BOMBAY,  
DEPARTMENT OF INDUSTRIES, BOMBAY.

SIR,

I have the honour to refer to your letter No. I.A. 41/2836, dated 4th October 1927, forwarding an extract from the Government of India's letter No. L./1522, dated 1st August 1927, asking for a report of the action taken by the millowners in respect of the recommendations contained in paras 59-71 of the report of the Indian Tariff Board.

2. 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'ble 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 summarized 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."

Taken together, these two opinions, expressed, it should be noted, by men with a lifelong experience of the cotton industry, ought, in the opinion of my Committee, to go far in counteracting any impressions that the Bombay mill industry is in any way lacking in the matter of the adoption of labour-saving devices, or in the efficiency of its mills or of its management. Nevertheless, it will be of interest to the Government of India to learn that each and every recommendation and suggestion made by the Tariff Board is receiving careful consideration by the Committee of the Association and in respect of the paragraphs regarding which information was desired in your letter No. I.A. 41/2836, the present position is as under:—

3. Para 59 of the Tariff Board's report must, in my Committee's opinion, be read in conjunction with para 45 (page 115) where it is stated:—

"The burden of high wages in a period of falling prices is felt until matters adjust themselves either by a reduction in wages or by an increased output. There has been no adjustment in Bombay, except for the abolition of the annual bonus, as there has been in other centres and to that extent the maintenance of wages at the level of the boom period must be held to have added to the difficulties manufacturers had to face in a period of depression. The higher wages in Bombay cannot therefore be said to have caused the present depression, though they have undoubtedly accentuated it."

There is little doubt that the maintenance of wages at the level of the boom period, notwithstanding the fall in prices of food-stuffs, has entailed on the industry a serious burden, and this burden has undoubtedly been accentuated owing to the fixation of the gold value of the rupee above its pre-war gold parity handicapping the indigenous industry when competing for trade, either in India or abroad, against countries whose currencies are still below or have been fixed at their pre-war parities in gold. The Tariff Board suggests that the only alternative to a reduction in wages is increased efficiency, though they are careful to state that improvement in efficiency "must be a slow and tedious process." With this conclusion of the Board my Committee generally agree and it is confirmed by the very slow progress which has been made in spite of the very strenuous efforts which mills have been making individually and collectively to increase efficiency since the reduction in hours of labour and the termination of the period of prosperity which followed the war.

4. Para 60—The high percentage of absenteeism in Bombay mills is admittedly one of the factors tending to reduce efficiency, but my Committee have come to the conclusion that the engagement of extra men to the extent of 10 per cent. as suggested by the Tariff Board, will not help to decrease absenteeism or increase efficiency but on the contrary might increase slackness for the reason that a greater number of men would often be employed than the actual work of the department requires. In this connection it is interesting to note that the Tariff Board themselves recommend that more spinning frames, looms, etc., should be put in charge of one operative than at present. The practice suggested by the Tariff Board of engaging extra men to take the place of absentee operatives certainly does obtain in a few mills in Bombay, but enquiries made show that there are special reasons for it, such as isolation from centres of industrial population and there is reason to believe that even those mills which now carry a complement of extra hands upon their muster rolls are giving up the system, now that the difficulty caused by a permanent shortage of labour has been more or

less overcome. In my Committee's opinion, absenteeism can only be reduced when the operatives learn to take a sufficient interest in their work and devote all their energies to it. Strict disciplinary measures might, to a certain extent, prove effective in reducing the extent and effect of absenteeism especially at present when labour is plentiful, and the results of special measures which have recently been taken in certain mills are being carefully recorded. The migratory habits of the workman and the frequency with which he absents himself from work are considerable handicaps.

5. *Para 6r.*—In para 6r, the Tariff Board put forward the following suggestions as means whereby the outturn per operative might be considerably increased.

1. Extension of piecework system to spinners.
2. Increase in the number of spindles, looms and preparatory machinery hitherto attended to by one operative.
3. Removal of the existing disparity in the wages of spinners and weavers.
4. Provision of greater facilities for technical education.
5. Proper raw material for spinning particular counts of yarn, and the elimination of the tendency to speed up machinery in order to secure increased production without any alteration in the character of mixing.

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 standardization of wages rates and muster rolls throughout the Bombay mill industry, and before definite conclusions and recommendations can be made, the results of the experimental work which for some time has been going on in several mills will need to be carefully examined. The Government of India will realize 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 workpeople. As stated above, the Association's final decisions in the matter cannot be expected for some time.

The second suggestion of the Tariff Board, that the number of operatives in various departments should be reduced by putting one workman in charge of more machines or more spindles than at present, is also being studied and a certain amount of experimental work has already been done to test the feasibility of reductions in various departments. My Committee are agreed as to the value of this important suggestion of the Tariff Board which is calculated both to increase the workers' earnings and to reduce manufacturing costs, if and when successfully applied, but progress must necessarily be slow as has been abundantly proved by the recent unfortunate strikes in certain mills consequent upon an attempt on the part of the management to carry out the suggestions of the Tariff Board.

The necessity and justification for the disparity between the wages of weavers and spinners has for a long time had the earnest attention of my Committee and though it is an undoubted fact that this disparity does not exist in other countries—in Japan the average wage of weavers is less than that of spinners, despite the fact that he looks after a greater number of looms than the Indian weaver—my Committee are agreed that the complete removal of the disparity is not a practical proposition at the moment. Some progress in this direction will be made when it is found possible to increase the number of spindles attended to by one operative, but the complete solution of the problem would need more drastic measures than are at present contemplated.

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 for which the yarn is to be used and the age and condition of the machinery 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.

6. *Para 62.*—The Tariff Board's recommendation that half an hour should be given for meals in the morning is not a new one. My Committee had made this recommendation to members of the Association in 1920, and effect was given to it by several members, but there was opposition from the operatives themselves, and the practice had to be abandoned within a very short time of its adoption.

My Committee, in view of the Tariff Board's recommendations and in consultation with other industrial bodies are considering the advisability and possibility of making another attempt to introduce this reform which it should be noted has not hitherto been opposed by employers.

7. *Para 63.*—A special enquiry has been made by the Association since the publication of the Tariff Board report with a view to ascertaining the exact practice in regard to recruitment of labour and the results definitely prove that the practice of direct recruitment is making rapid strides throughout the Bombay mill industry and this movement is receiving every encouragement from the Association and from the management of individual mills. The days when the jobber had almost complete power over the labour force working under him in the mills and the management had perforce to accept whatever labour the jobber thought fit to bring, are fast coming to a close owing to the growth of a more independent spirit among the workers. The enquiry just completed has shown that so far as the daily replacement of absentees is concerned, operatives as a rule are not finally engaged by the jobber. They may, it is true, be brought to the mills by the jobbers, but even this practice is becoming more rare and it is now the more general rule for the jobber to obtain replacements for his absentees from the applicants for work who daily attend at the mills. Whatever the method adopted by the jobber to obtain the workpeople necessary for replacing absentees, the final selection and appointments are made by the heads of the departments concerned, and in many mills even the preliminary assembling of applicants for replacements of casual vacancies is conducted by the heads of departments and not by jobbers.

There may in the future still be occasions when, owing to an extraordinary shortage, jobbers will be still required to recruit labour, but these revivals of the power of the jobbers are likely to be temporary and infrequent.

The millowners have always strongly discountenanced the practice of extorting commission from workpeople by jobbers, and where charges of this nature are substantiated, the most severe disciplinary action is taken against the jobbers concerned.

8. *Para 64.*—As regards the subject of fines, my Committee's views were expressed in their letter No. 933/93 dated the 1st June 1927 addressed to the Director of Information and Labour Intelligence, a copy of which is herewith enclosed.\* My Committee's views, it will be noticed, were based on investigations carried on by the Director of Labour with the fullest collaboration of the Millowners' Association. It was made clear in the Labour Office report that fines levied in cotton mills formed an infinitesimal percentage of the total wage-bill, and were always *bona fide* fines inflicted as correctives and not with a view to recompense the employers for damage sustained. The practice of selling damaged cloth to weavers is disapproved by the Tariff Board, and they recommend that this should be substituted by the system of fining. My Committee, however, would point out that weavers themselves in many cases prefer purchasing damaged cloth to being fined as they are able to sell the cloth. The present system has acted smoothly and without causing discontent among the workpeople, and my Committee do not deem it advisable to disturb the existing arrangement.

\*Not printed. (Please see page 365 of Report for 1927).

9. *Para 65.*—Several serious attempts have been made during the past 25 years to standardize wages but without success. The vastness and the difficulties of the problem will be recognized 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. A serious attempt to devise an equitable scheme is now being made by a Sub-Committee of technical experts and despite previous failures, my Committee wish to assure the Government of India that if standardization of even partial standardization of wages is found to be feasible and in the interests of efficiency, it will eventually be introduced.

10. *Para 66.*—On the subject of housing, the Tariff Board have confined their remarks to an examination of the present position with regard to the chawls erected by the Development Department. My Committee deem it unfortunate that no reference should have been made to what several millowners have done in regard to housing their operatives. The Rt. Hon. Tom Shaw, in his report, has stated :—

“ I have already referred to the fact that in many cases the employers themselves are doing more to educate the people and to deal with evil conditions than the authorities, *whose work it ought to be*. I now desire to enlarge on what I said about the housing of the people. Wherever the great employers of labour, either companies or individuals, have built houses in connection with their firms, there appears to have been a laudable attempt to give greater cleanliness, more air space, and better conditions than are found outside. . . . I am quite satisfied that the worker who is working for the large firms of which I have spoken is generally better housed, better treated, and lives under more hygienic circumstances than the countless millions of workers who have to rent their chawls or bustees from private individuals, work generally for less wages, and without the amenities of which I have just spoken.”

As regards the Town Duty on cotton levied to defray the expenses of the Development Department chawls and to finance Bombay Municipal schemes and suburban development schemes, the Tariff Board states : “ The Cotton industry in its present depressed condition should not be expected to finance these schemes, which are for the benefit of the community in general.” My Committee submit that even if the industry were in a prosperous condition it is neither the duty nor should the industry be expected to finance Government housing schemes and suburban development schemes. The case for the complete abolition of the Town Duty on cotton is very strong (as will be seen from the enclosed copies of letters addressed by the Association to the Government of Bombay) and it is a matter of great regret to my Committee that even the modest suggestion of the Tariff Board that the Duty on cotton consumed by mills should be reduced to 8 annas per bale, has not yet been carried out. As regards taking up the Government chawls, ‘en bloc,’ I am directed to state that the Association has approached each mill individually with the view to getting them to take complete chawls for their operatives at the advantageous rates which are now offered ; unfortunately there appears to be little desire on the part of the workpeople themselves to reside in these chawls and very little success has attended these efforts. Greater success might have been attained in this direction were it not for the fact that certain labour leaders are opposed to employers controlling the housing of their workers, as in their opinion, it affects the workers’ freedom of action during industrial disputes. There are few if any real grounds for such a view point, but as long as it exists, it will prejudice the success of any efforts which the mill-owners make in the direction indicated as advisable by the Tariff Board.

11. *Para 67.*—My Committee do not think the Tariff Board are justified in saying that Bombay mills compare unfavourably with up-country mills as regards welfare work. The Tariff Board’s statement is obviously based upon conclusions derived from their visits to a number of exceptionally well placed mills up-country. The Shaw Delegation has borne testimony to the fact that a good deal of expenditure is incurred by Bombay mills in regard to welfare work. Free medical attendance is provided by practically all the mills, and in other respects also Bombay mills have, on the whole, a creditable record of welfare work as is evidenced by the account given in the January number of the *Labour Gazette* published by

the Bombay Labour Office. Unfortunately, it has been usual to find that mills which have contributed most generously to schemes of welfare have not benefited either as regards the discipline or efficiency of their workers. Indeed as a matter of fact it has so far proved the rule that where most has been done in the way of welfare, strikes and labour troubles have been more frequent. In England, the operatives themselves contribute partly towards the expenditure on welfare work, and my Committee are of the opinion that until labourers in India can be persuaded to contribute a share, no matter how small, towards the expenditure on welfare schemes introduced for them, the beneficial effects of such schemes are likely to be inadequate and disappointing.

12. *Para 68.*—My Committee are in agreement with the Tariff Board's suggestion that Trade Schools should be established in two or three convenient centres in Bombay and any scheme which the Government of India or the Bombay Municipality put forward with this object in view will receive my Committee's earnest consideration in so far as the suitability of the courses and the mechanical equipment suggested are concerned. My Committee cannot, however, pledge the Association or the industry to give financial support to such schools as in their opinion the provision of suitable Trade Schools in any locality is the joint duty of Government and the Municipality. The most that the Association could do at this time would be to promise to give facilities to students to attend the schools and encourage mills to employ students trained in them in preference to persons without such technical training. The Association has already done a lot to advance technical education as is evidenced by the annual contribution to the Victoria Jubilee Technical Institute and also the contribution of nearly Rs. 2 lakhs made to the Institute in 1923. The Social Service League Schools have also received donations of money and machinery from members of the Association. As regards the Tariff Board's remarks about the courses in the Victoria Jubilee Technical Institute, my Committee are going into the matter in conjunction with the Board of the Institute. My Committee would here like to commend to Government's careful consideration the following observations made by the Rt. Honble. Tom Shaw on this subject :—

“ It is precisely the great employers of labour in the textile trade who appear to be doing more for the education of the masses than either national or local governments. Over and over again, in the huge concerns that we saw in different parts of India, we noticed in the mill grounds, or compounds, schools that were being maintained by the employers for the purpose of giving instruction, first to the young persons—boys and girls—who were employed in the mills, and secondly, in many cases, to the younger children of the workpeople employed. The same thing applied to the provisions of sickness benefit and medical treatment. Over and over again we found that there seemed to be absolutely no provision—or very meagre provision indeed—made by the authorities, but, judged by Indian standards, a remarkably good provision made by the employers.”

13. *Para 69.*—My Committee agree with the conclusion reached by the Tariff Board that, in present conditions, the introduction of Northrop looms will not prove helpful in reducing costs. As regards the Whittaker attachment, I am directed to say that further detailed and prolonged experiments have proved its unsuitability as a means of decreasing weaving costs or inefficiency in Bombay mills. My Committee desire me to add that there is no reluctance on the part of Bombay mills to the introduction of any mechanical devices which lessen production costs or increase efficiency and experimental work is constantly being done. In this respect, it should be noted that Bombay mills were found by the Shaw Delegation to have nothing to learn from Lancashire or other European countries.

14. *Para 70.*—Although double-shift working might become necessary in certain cases, it appears to my Committee that the Tariff Board are right in their opinion that for the present, at any rate, the general adoption of double-shift working in Bombay is not a practical proposition.

15. My Committee entirely agree with the Tariff Board as to the need for primary and technical education and for adult education so that labour might be able to produce from its own ranks leaders who can speak with knowledge and authority on its own behalf. The difficulty hitherto has been that those who claim to speak on behalf of labour are not real

representatives of labour, and in time of labour disputes they are unable to guide or control labour. That this Association is always anxious to get at the real views of labour is evidenced by the fact that it has always supported the development of trade unionism in this country on sound and healthy lines and with such development, the difficulty referred to above will be gradually overcome.—I have, etc.,

T. MALONEY,  
*Secretary.*

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### APPENDIX 3.

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#### SUGGESTIONS FOR OBTAINING INCREASED OUTPUT PER OPERATIVE

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No. 158/44 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 30th January 1928.

TO ALL MEMBERS OF THE ASSOCIATION.

DEAR SIRS,

Members are aware that the Tariff Board in para 61 of their report made certain "suggestions for obtaining increased output per operative," and at the end of the paragraph they wrote:—

"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 connexion, 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 mixing. This, too, leads to the same result. The introduction of the changes we suggest in this paragraph will undoubtedly be very greatly facilitated if special attention is paid to the provision of cotton suitable for the counts spun and the speed at which the machinery is run."

2. Some time back, Government asked the Committee for their views on the recommendations made in paras 59-71 of the Tariff Board's report, and as regards the extract quoted above, the Committee pointed out in their reply that there was little justification for the view taken by the Tariff Board, and further stated:—

"What led Mr. Noyce and his colleagues to this conclusion was the knowledge gained during their inquiry 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 for which the yarn is to be used and the age and condition of the machinery 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."

3. The Committee, however, deem it advisable that the points raised by the Tariff Board should be brought to the notice of all members. There can be no doubt that the practices complained of by the Tariff Board, if they at all exist in any mills, are most detri-

mental to the efficient working of those mills, and it is hoped that such mills in their own interests will take steps to effect the requisite reforms in their working. There can be no justification whatever for spinning higher counts of yarn from cotton than its quality warrants. It is a short-sighted policy which reduces production and increases the work of the operatives and in view of the remarks made by the Tariff Board, it is hoped that steps will be taken to eradicate this practice wherever it exists.—Yours etc.,

J. P. WADIA,  
*Acting Secretary,*

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**APPENDIX 4.**

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ESTABLISHMENT OF A COMBINED BLEACHING, DYEING AND PRINTING  
FACTORY NEAR BOMBAY.

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No. S.B./178.

DEVELOPMENT DEPARTMENT,  
BOMBAY, 27th January 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT:—*Establishment near Bombay of a combined Bleaching, Dyeing and Printing Factory.*

I am directed to say that Messrs. James Finlay & Co., Ltd., of Bombay, have approached Government with a proposal for establishing a bleaching, dyeing and printing factory at Ambernath or Badlapur. The principal request of the firm is that they should be given a concession for water-supply, equivalent to a free supply in perpetuity, of about 750,000 gallons per day from the tail waters of the Andhra Valley Power Supply Company flowing into the Ulhas River, the rights regarding which are vested in Government in the Development Department. The quantity of water required is only a small portion of the amount that is available and the firm agree to restrictions regarding the quantity to be supplied, right of transfer of the concession, and the like. They desire, however, to be free from any liability for payment for the water in the future in the event of their being allowed to draw their supply direct from the Ulhas River. In the event of the water being supplied by Government from their water-works at Badlapur, the firm desire that the charge to be made by Government should be restricted to the actual extra cost incurred by Government for pumping, etc., without liability to increase in the future. In view of the recommendation made by the Indian Tariff Board in paragraph 82 of their report on the Cotton Textile Industry, viz., that the mills of Bombay should, in some form, *combine* for the establishment of a printing, bleaching and dyeing factory at Ambernath, Government desire to consult your Association before they come to a decision regarding the terms of the concession asked for by Messrs. James Finlay and Company. The principal matter for settlement relates to the conditions of water-supply to a firm which is inaugurating a pioneer industry and which contemplates the earning of profits for the shareholders of a limited liability company which it intends to float for the purpose. The request for a supply of water free of cost in perpetuity raises a question of principle not dissimilar from that involved in a perpetual revenue-free grant of land in similar circumstances. I am, therefore, to request that you will be so good as to place the matter before your Association and communicate their views to Government at an early date.—I have, etc.,

R. D. BELL,  
*Secretary to the Government of Bombay,*  
*Development Department.*

No. 234/36 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 10th February 1928

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,  
DEVELOPMENT DEPARTMENT, BOMBAY.

SIR,

I have the honour to acknowledge receipt of your letter No. S. B. 178 dated 27th January 1928 regarding a proposal made by Messrs. James Finlay & Co., for the establishment of a bleaching, dyeing and printing factory at Ambernath or Badlapur.

2. My Committee have no objection to a free supply of water being given to the proposed factory, it being understood, of course, that no monopoly is to be given to Messrs. James Finlay & Co. They are further of the opinion that it is very necessary that arrangements should be made for the discharge of effluent from the proposed works in such a way as not to contaminate the sources from which industrial concerns springing up in the future may draw their supply of water.

3. As regards the recommendation made by the Tariff Board in paragraph 82 of their Report on the Cotton Textile Industry, I am directed to state that the matter has been under the consideration of my Committee for some time. If in future my Committee find that the establishment of a combined bleaching, dyeing and printing factory by the cotton industry of Bombay on the lines suggested by the Tariff Board is a practical proposition calculated to benefit the indigenous industry, they will approach Government for adequate assistance (at least to the extent recommended by the Tariff Board), and it is understood that it is without prejudice to their right to approach Government in the matter at a later date that they have agreed to the grant of free supply of water to Messrs. James Finlay & Co., Ltd.—I have, etc.

J. P. WADIA,  
*Acting Secretary.*

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No. 4861/6487/D.

GENERAL DEPARTMENT,  
BOMBAY CASTLE, 28th June 1928.

THE SECRETARY.

THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :—*Industries.—Establishment of a combined Bleaching, Dyeing and Printing Factory near Bombay.*

I am directed by the Government of Bombay (Transferred Departments) to invite your attention to paragraphs 82 and 99 of the Report of the Indian Tariff Board regarding the establishment near Bombay of a combined bleaching, dyeing and printing factory at an estimated cost of Rs. 50 lakhs with financial assistance from Government.

2. Messrs. James Finlay and Company, Bombay, have considered the matter carefully and satisfied themselves that it will be possible to open such a factory in or near Bombay, provided that certain local difficulties which are likely to come in the way are overcome. They have therefore come forward with a proposal to undertake this work on certain conditions. The capital required for such a concern is rather large and the firm thinks it



hazardous to finance the scheme on its own responsibility. Moreover, owing to the unparalleled trade depression in Bombay the firm has been advised that, it would be unlikely to get support to any great extent from the public, should a limited liability proposition be put forward. The directors of the firm are, however, prepared to put up a capital of £3,00,000 out of the estimated cost of £4,00,000, required for this purpose on the understanding that the Government of India take a financial interest in the concern.

3. In their application, dated the 31st October 1927, to the Government of India for financial help Messrs. James Finlay and Company quoted the following Board of Trade returns, from which it will be seen that there is sufficient scope for the development of the industry of calico printing in India :—

		<i>Whites.</i>	<i>Printed.</i>	<i>Dyed.</i>
		£	£	£
1925	.. .. .	1,23,18,000	54,80,000	52,35,000
1926	.. .. .	1,03,66,000	43,43,000	49,46,000
1927	.. .. .	1,05,62,000	46,76,000	43,45,000

The above figures are sufficiently striking to support the view that the volume of existing import business affords very ample scope for the introduction of calico printing as an Indian industry. The following statistics also show how much printed cloth was imported into Bombay and India during the years 1926 and 1927 :—

<i>Total Imports in Bombay.</i>		<i>Total Imports in India.</i>	
1926	.. Yards 55,802,000.	1926	.. Yards 167,802,000
1927	.. .. 80,327,000	1927	.. .. 223,601,000

It will be seen that the possibility of producing such goods in India may be of great interest to manufacturers of cloth and others connected with this business. Further, the Company feels no doubt that such a concern in India can turn out satisfactory work and make a good profit. It is also thought that when this fact is realised factories would be started in various parts of the country probably in conjunction with groups of mills. It is expected that capital will then be forthcoming for the new industry.

4. Under the present constitution "Development of Industries" is a provincial transferred subject and the Government of India do not think it permissible to incur any expenditure from Central Revenues for the development of an industry unless that particular industry is declared to be a Central subject. According to them it would be difficult to make such a declaration in the present case since the scheme suggested by the Tariff Board is designed to benefit the cotton mill industry of Bombay City only and not the cotton mill industry in other parts of India with which the Bombay mills to some extent compete. The Government of India therefore think that the initiation of action on this particular recommendation of the Tariff Board rests with the Government of Bombay and they are thus unable to hold out hopes that they would be able to participate in the scheme. They have, however, expressed a desire to be furnished with the views of the Government of Bombay on the subject, after consulting the millowners.

5. There can be no doubt that the proposed scheme would be beneficial to the Bombay mill industry and in view of its depressed condition at present Government think that anything possible should be done to help it. I am to point out that owing to the present financial situation it will not be possible for Government to support such a scheme financially. I am, however, to request that you will be so good as to ascertain the views of your Association in regard to the proposed factory and to state specifically for the information of Government whether the Association considers that the scheme would be beneficial not only to the local mill industry but to the textile industry throughout India as contended by Messrs. Finlay and Company. If the Association agrees that the scheme referred to is of all-India importance I am also to request you to give clear reasons in support of such views.—I have, etc.,

S. W. THENGE,  
For *Officiating Secretary to the Government of Bombay,*  
*General Department.*

No. 1756/36 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 15th October 1928.

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,  
GENERAL DEPARTMENT, BOMBAY.

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SIR,

SUBJECT :—*Establishment of a combined Bleaching, Dyeing and Printing Factory near Bombay.*

I am directed to acknowledge the receipt of your letter No. 4861/6481/ D, dated the 28th June 1928, in regard to an application made by Messrs. James Finlay & Co., Ltd., for financial assistance and other concessions for the establishment of a bleaching, dyeing and printing factory near Bombay. The specific point upon which Government request my Committee to express an opinion is :—

“ Whether the Association considers that the scheme would be beneficial not only to the local mill industry but to the textile industry throughout India ; and if so, on what grounds.”

The letter further states that “the Government of India do not think it permissible to incur any expenditure from Central Revenues for the development of an industry unless that particular industry is declared to be a Central subject,” and further adds that “ according to them (the Government of India) it would be difficult to make such a declaration in the present case since the scheme suggested by the Tariff Board is designed to benefit the Cotton mill industry of Bombay City only and not the cotton mill industry of other parts of India with which the Bombay mills to some extent compete.” “ The Government of India,” it is further added, “ therefore think that the initiation of action on this particular recommendation of the Tariff Board rests with the Government of Bombay and they (Government of India) are thus unable to hold out hopes that they would be able to participate in the scheme.” My Committee are pleased to note that the Government of Bombay, however, think that, in view of the present depressed condition of the industry, everything possible should be done to help it, but it is very discouraging to note that, owing to the present financial situation, it will not be possible for them to support the scheme financially.

In the opinion of my Committee, the present position therefore is that a proposition based on one of the most constructive proposals of the Tariff Board and designed to assist the industry, stands the risk of being abandoned. The necessity of Government financial assistance in the execution of a project of this nature has already been referred to by the Tariff Board in para 99 of their report, and has also been mentioned in the application forwarded by Messrs. James Finlay & Co., Ltd., and it would be therefore most unfortunate if the scheme were to fall through either on account of the Central Government's inability to finance a provincial and transferred subject, or through the Bombay Government's present financial stringency. The Tariff Board duly recognized that large-scale operations in bleaching, dyeing and printing would materially assist the Bombay mill industry and they therefore recommended the establishment with Government assistance of a combined bleaching, dyeing and printing factory if a satisfactory scheme could be put forward by the Bombay mill industry. But in view of the present depressed condition of the industry and the difficulty of concentrating under one management the many plants now existing in Bombay for bleaching and dyeing, and to a lesser degree calico printing, my Committee are of the opinion that the establishment of a 'combined' factory on the lines proposed by the Tariff Board is not within the limits of practical politics for some time to come, and they have therefore no hesitation in according their approval to the application made by Messrs. James Finlay & Co., Ltd., subject of course to the reservations made in this office letter No. 234/36 dated 10th February 1928.

With regard to the specific point upon which Government request my Committee's opinion, I am desired to inform you that the scheme proposed by Messrs. James Finlay & Co., Ltd., is of provincial as well as of all-India importance for the following reasons :—

- (a) Any deflection of the products of Bombay mills to new styles of cloth, which the proposed scheme would do, must result in decreased competition between Bombay mills and up-country mills in styles which are now common to them, to the ultimate benefit of both.
- (b) Introduction of a new industry into India, the volume of which is indicated by the statement given below, and which, in the opinion of the Committee of the Association, fulfils the requirements of the Government of India as laid down in paragraph 97 of the report of the Indian Fiscal Commission :—

PRINTED GOODS.—

	Total Imports, Bombay. (In Yards)	Total Imports, India. (In Yards)	Value, (In £)
1926 .. .. .	55,802,000	167,802,000	4,343,000
1927 .. .. .	80,327,000	223,601,000	4,676,000

- (c) It may be also considered of important national interest in that, if the Bombay experiment is successful, the development of similar works in other parts of India will be facilitated and capital will be easily forthcoming for any sound enterprise at other suitable sites in various parts of the country.

The above explanations will, my Committee earnestly hope, sufficiently convince Government that the matter is not one which concerns the Provincial Government only, and they therefore desire to state that this much-needed assistance should not be denied to the Industry. My Committee, however, desire to point out that, though they desire the Government to help the scheme generally, further details should be placed before them for their final consideration before settlement with a view to avoiding the creation of a monopoly.—I have, etc.,

B. K. MANTRI,  
*Acting Secretary.*

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APPENDIX 5.

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REGISTRATION OF TRADE NUMBERS.

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BOMBAY, 4th June 1927

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We beg to invite the attention of your Committee to the matter of quality "Numbers" and to suggest that in view of the confusion prevailing, it is very desirable the Association should form a register of proprietorial numbers.

It is no exaggeration to say that in the Manchester cotton piecegoods trade even more value is attached to a standard "Number" on cloth than is attached to the value of a ticket or stamp, and the deliberate copying of a number (on a similar class of cloth to that upon which the original number is used) is punished more promptly and drastically than is the infringing of a ticket. The same conditions apply in the Bradford trade and to a perhaps slightly lesser extent in the case of the Continental piecegoods trade.

The import cotton piece-goods trade in Calcutta has for years, by common consent, agreed that all new "Numbers" used shall differ from standard numbers by at least two digits, even though the stamp, ticket, and general make-up of the new quality differ entirely from that of an older quality. There is at least one case on record in which the Calcutta High Court instructed that a large consignment of cloth be opened and the stamping of every piece be defaced solely because the letters used were the same letters, although in a different sequence, to those used on a well-known standard.

It is an old custom, we believe, among reputable piecegoods importers to decline to adopt new numbers suggested by dealers.

In contradistinction to this attitude of the imported piecegoods trade, the attitude of our local industry towards their valuable numbers has been one almost of apathy. Importance has been attached to tickets while numbers have been copied wholesale. A mill spends money and labour in standardizing a quality under a particular number only to have the number copied immediately it is of value.

We do not suggest that any mill deliberately uses another mill's number. The deliberate copying is done by dealers, the offending mill's selling agent fails to draw attention to the fact that his dealer is asking for a standard number while the selling agent of the mill whose number has been copied seldom calls his principal's attention to the infringement until it has been on the market for a year or two.

During the past year we declined to adopt certain numbers which we recognized as being the property of a well-known mill in Central India. The Calcutta dealer who asked for the numbers offered to indemnify us if we would use them, as, to use his own words, "it is a well-known fact that there are no private numbers on country-made goods."

The position is steadily becoming worse as more looms are installed and as new mills outside Bombay come into operation. A new mill in, say, Cawnpore, might easily and unknowingly, adopt a Bombay mill's most valuable numbers on qualities for sale in out-districts of the U. P., and the infringement remains unknown.

In view of the fact that there are now many numbers which are used commonly by a score of mills (1616, 913, 1147 etc., etc.) and very many more numbers which are used by two or three mills, our suggestion is that all members be invited to submit a list of the numbers (or letters) they regularly use, together with a general description of the cloth used on. To secure full co-operation it would be necessary that mills agree to recognize each other's right to the continued use of all numbers used regularly prior to date. The list would bring to light hitherto undetected infringements, some of these it should be possible to settle quite amicably, but unless a prior agreement were reached providing that no mill would be challenged on a number voluntarily registered, we fear there are mills who would decline to register rather than invite disputes and unpleasantness.

A mill registering would have to be prepared to prove conclusively that all numbers proffered for inclusion in the list had actually been used on their cloths.

If a list of this nature were once compiled, printed, and made available (at a price to cover cost) to all mills in India, the further regulation of the use of numbers should not be difficult. Members would consult the list before adopting numbers new to them, or better still, numbers would be circulated (as in the case of new tickets) for information, and adopted if no objection were made within one week. This latter course is preferable as

apart from the risk of too near approach to numbers on the "Existing Numbers List," this circulation would be the only safeguard against quite new numbers again being inadvertently copied.

We would suggest that the "List of Existing Cloth Numbers" might remain a permanent unchanged record. It would form a line of demarcation. The record of new numbers adopted would commence this year and all subsequent numbers would be added to a new record.

Rules for the use of numbers would necessarily have to be drawn up and they should provide, *inter alia*, for the minimum differences to be observed between new numbers and the existing numbers on the same cloths, and for the forfeiture of numbers not used by a mill for a reasonably long period.

Should your Committee consider this matter of sufficient importance to be taken up seriously, we would finally suggest that it would add very greatly to the value of the register if the co-operation of the Ahmedabad Association and of the Upper India weaving mills could be secured, and if their standard numbers could be incorporated in the list of existing numbers.—We are, etc.,

For The Simplex Mills Co., Ltd.,  
ALLEN BROS. & Co. (India), LTD.,  
T. V. BADDELY,  
Director.  
Agents.

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THE MILLOWNERS' ASSOCIATION

BOMBAY, 20th October 1927

TO THE COMMITTEE.

SUBJECT:—*Registration of Trade Numbers—Report by the Trade Marks Sub-Committee.*

In a letter dated 4th June 1927, the Simplex Mills addressed the Association regarding the registration of quality numbers and suggested that the Association should form a "Register of Proprietorial Numbers." The Simplex Mills pointed out that in the Manchester trade more value was often attached to a number than to a ticket, and that deliberate copying of numbers was severely dealt with. The letter also stated that in Calcutta, importers have, by common consent, agreed that all new numbers used should differ from standard numbers by at least two digits and that it was the custom among reputable importers to decline to adopt new numbers suggested by dealers.

The Simplex Mills further stated that the copying of numbers on Indian piecegoods was rapidly increasing in India, and in order to lessen this evil and to protect the rights of mills which had established rights to certain existing numbers suggested that all members of the Association be invited to submit a list of the letters which they regularly used together with a general description of the cloth on which the letters and numbers were used. After the settlement of all disputes as to rights to existing numbers, a list could be compiled and printed and sold at a price to cover cost to all mills in India. Thereafter, it was stated, the regulation of the use of numbers should not prove difficult.

The Tariff Board also recognized the desirability of protecting the rights of individual mills to the use of particular numbers and pointed out that the wholesale copying of numbers which existed in the country led to the reductions in the qualities of goods bearing a particular number from year to year to the detriment of the good name of Indian piecegoods.

The words of the Tariff Board on this subject are well worthy of weighty consideration and are reproduced in full as an appendix to this report.

The letter of the Simplex Mills and the Tariff Board's remarks on the subject of registration of trade numbers were referred to us for consideration.

We unanimously agree that the practice of copying numbers and the reduction of the quality of a cloth bearing a particular number are detrimental to the true interests of the Indian cotton piecegoods trade, and we are at one with the Tariff Board in our desire to put an end to the malpractices now common.

The subject is no new one to the Association. In one form or another during the last 30 years it has been considered by the Committee on many occasions, but up to the present time it has not been found possible to devise a workable scheme, and after due consideration, we have come to the conclusion that neither the Simplex Mill's nor the Tariff Board's suggestions offer a prospect of a solution of the enormous difficulties which would be involved in allocating the rights to existing numbers.

For instance, the Simplex Mill's suggestion rules out the rights to existing numbers of all non-members of this Association and the Tariff Board's scheme limits the utility of the scheme to the defence of numbers on new cloths, and provides no means of dealing with mills who are not affiliated to any recognized Employers' Association or Chamber of Commerce. The Tariff Board seem to take for granted that the Chambers of Commerce and the Mill-owners' Associations in the country would readily fall in with their suggestions that numbers should be registered, but past experience seems to indicate that this would not be the case though tentative suggestions might be put forward to other associations.

Just imagine for a moment the confusion and difficulties which would arise in allocating exclusive rights to the thousands of numbers already used. Any registration scheme would be likely to fizzle out during the years it would take to settle the exact rights of the 330 mills concerned.

The Tariff Board suggest that a definite series of numbers should be allotted to each mill. Any mill of a reasonable size would require at least 1,000 numbers. Suppose for a moment that numbers 1-10,000 were allowed to become common property to overcome the difficulties of existing numbers. It is doubtful whether any mill would care to use their specially allocated numbers of five and six figures. The first step that can, in our opinion, usefully be undertaken is to reduce the magnitude of the general problem and to make it possible to identify a particular mill's production from the number stamped on a piece of cloth. The proposal which we desire to recommend to the Committee's consideration with this object in view is that the Association should place before the Legislature a definite scheme and rules providing that in respect of all cotton piecegoods (and yarn) produced in Indian mills and intended for sale in India, there shall be stamped immediately above, below or alongside any trade number, a special mark indicating the place of origin of the goods and the factory in which they have been made. The exact form of these marks would have to be laid down by the Government of India.

In order to convey a more exact idea as to what we have in mind, the following tentative scheme is put forward.

That, commencing with the number 101, every mill in India should be given a special number. The Association's Mill Statement could be taken as the basis for this numbering of mills—in which case the Alliance Mill, Bombay, would be the first mill on the list and would receive the number 101, the Apollo Mills No. 102 and so on. The locality of the mill would be indicated on some settled basis: for instance, Bombay could be represented by Bom. or Bombay: Ahmedabad by Ahm. and so on.

Suppose the Alliance Mill, Bombay, had a cloth with a number 1956. In such a case the exact stamping would be something like  $\frac{\text{BOM}101\text{BAY}}{1956}$  or  $\frac{\text{BOMBAY}}{101}$  It is fully recog-

nized that this suggestion does not provide an adequate solution of the difficulties attending the use of existing numbers, but it would provide among other things a means of protecting

the stamps on the productions of Bombay mills against exact imitation by mills in other centres. For instance, the nearest imitation which an Ahmedabad mill could make of a Bombay trade number would be as below :—

$\begin{array}{c} \text{B O M B A Y} \\ \hline \text{101} \\ \hline \text{1956} \end{array}$	$\begin{array}{c} \text{A H M E D A B A D} \\ \hline \text{201} \\ \hline \text{1956} \end{array}$
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The adoption of this scheme will prove beneficial to the industry inasmuch as infringements of rights would be made difficult and the very fact that one mill would not be allowed to imitate another mill's stamp at all closely would do away almost entirely with the incentive which dealers now have to ask mills to stamp particular numbers on their goods, which may possibly infringe the rights of other parties. (The upper part of the stamp would definitely rule out the possibility of deceiving a buyer.) In other words, quality reduction would not be gradually brought about by competitors placing lower qualities of the same class of goods on the market with exactly the same number as established qualities.

We recommend that a representation on the above lines be made to the Government of India. If the scheme in its entirety was unacceptable to the Government of India, a great step forward could be made if the Government of India would agree to give protection to the mills in Bombay against infringement of a special device or devices for each or all of the mills in Bombay. If such protection were granted by the Government, Bombay mills would get an inalienable right to the special stamp above a number, BOM101BAY, and copying the lower number in mills in the City and Island could be prevented by a simple system of registration.

<p>T. MALONEY, Secretary.</p>	<p>H. P. MODY, F. STONES, LALJI NARANJI, MADHAVJI D. THAKERSEY, F. F. STILEMAN,</p>	<p>} Members of Sub-Committee.</p>
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THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 11th January 1928.

TO THE COMMITTEE.

SUBJECT:—*Registration of Trade Numbers.—Second Report by the Trade Marks Sub-Committee.*

At the meeting of the Committee held on 21st November 1927, the original report framed by the Sub-Committee was considered, and we were requested, in view of the criticisms which had been made against the original scheme, to frame a further report after consideration of the minutes made by Sir Ness Wadia, K.B.E., C.I.E., Mr. S. D. Saklatvala, Sir Victor Sassoon, Bart., and Sir Munmohandas Ramji, Kt.

Sir Ness Wadia's objection concerns the lack of protection which would be given by the scheme to the lower part of the quality number and he suggests that a series of 1,000 quality numbers should be allotted to each mill, such numbers to commence with 12,000. The great objection which can be urged against Sir Ness Wadia's proposals is that all numbers below 12,000 would be common. As Mr. S. D. Saklatvala points out in his minutes, "No scheme can succeed which does not protect well-known existing numbers." Mr. S. D. Saklatvala's and Sir Munmohandas Ramji's criticisms appear to be based upon a misconception of the scope of the proposals made in our original report. As was pointed out in the last sentence of that report, the scheme set forth merely prevented exact imitation of Bombay's quality numbers by up-country mills. The aim of our suggestion was clearly stated on page 3 of the report: "The first step that can, in our opinion, usefully be undertaken is to reduce the magnitude of the general problem," by devising a system of stamping which would

separate cloths made in Bombay City and Island mills from cloths of lower qualities but somewhat similar appearance made in other centres, and after further consideration, we are strongly of opinion that it would be greatly to the advantage of Bombay mills if all cloths manufactured and sold in India were stamped with simple marks which would adequately distinguish the exact place and mill in which the goods were manufactured. Adequate protection against infringement of the special mark stamped on piecegoods made in Bombay could only be obtained by legal sanction and we therefore propose that the Association should place before the Government of India a definite scheme and rules' ' providing that in respect of *all cotton piecegoods produced in Indian mills and intended for sale in India*, there shall be stamped, immediately above, below or alongside any trade number, a special mark indicating the place of origin of the goods and the factory in which they have been made." (For further details see original report enclosed\*.)

The logical corollary to the acceptance of these proposals by the Association and the Government of India would be the initiation of a system of registration which would protect both existing and future quality numbers against imitation by other mills in *Bombay*. In our opinion, there are no insuperable difficulties to be overcome if the problem of registration is confined to mills in *Bombay*. In the first place, it would be necessary to separate the various classes of piecegoods which are produced in *Bombay* mills into their main classification, for, there could, we think, be no serious objection to one mill using the same quality number as another mill on an entirely different type of cloth, e.g., there would be no question of infringement if the same number was used by one mill on dyed longcloth and by another mill on grey drill or grey longcloth. It is only when the cloth is more or less exactly similar in appearance that the use of the same number by another mill becomes really objectionable. The exact classification of cloths would be a matter for discussion, but we make the following tentative suggestion :—

**PLAIN GREY Group :—**

1. Grey longcloth, Shirtings, Sheetings, T-cloths, Mexicans and Domestics, Printers, Khadi, Chadars (of plain weave).
2. Grey Twills and Drills, Jeans, Duck.
3. Dhories, Saries and Scarves.
4. Grey Dosuti, matting weaves and canvas.
5. Grey Fancies.

**BLEACHED Group :—**

6. Bleached longcloth, Shirtings, Sheetings, T-cloths, and Domestics, Printers, Khadi, Chadars.
7. Bleached Twills and Drills.
8. Dhories, Saries and Scarves.
9. Dosuti, matting weaves and canvas.
10. Nainsooks, Mulls and Jaconets Voiles, Muslins, Madapollams, Cambrics.
11. Dorias and Fancies (all white).

**PIECE DYED GOODS Group :—**

12. Longcloth, Shirtings, Sheetings T-cloths and Domestics, Khadi, Chadars.
13. Dyed Twills and Drills.
14. Brocades.

**WOVEN COLOURED Group :—**

15. Coatings and Trouserings (including Sholapuri, Madras cloth, Sunproof cloth, Cashmere cloth, Serges, Than cloth and Tweeds).
16. Striped Drills, Twills, Jeans, Bel Tickings.
17. Striped Shirtings, Sasis, Zephyrs.
18. Checks (as above).
19. Lungis, Saries, Scarves, Sarongs, Cholas and Kumchas.
20. Artificial Silk striped and checks, white and grey grounds.
21. Artificial Silk—Brocades and all other styles,
22. Terry Towels.
23. Huckaback, Honeycomb Towels.



Having decided upon a definite classification, which would include all the various types of goods now made in Bombay mills, it would be necessary to acquaint all the mills in Bombay of the Association's intention to proceed with the registration of numbers, and, as an initial step, they might be asked to supply particulars as to the numbers (a) to which they considered they already had an exclusive right in each classification given in the list (this information will, in each case, have to be accompanied by particulars as to the number of years they have been using that number), and (b) the numbers in each classification which, in their opinion, should be made common numbers owing to the fact that they are at present used by more than one mill. On receipt of replies from all members of the Association, the results should be tabulated in order to ascertain the amount of overlapping in numbers over which mills had claimed exclusive rights. Where overlapping occurred, the cases would be separately submitted to arbitration. In three months' time, provided always that a reasonable spirit of give and take could be inculcated amongst our members, the registration of existing numbers should be complete and a definite procedure for the registration of all future numbers could be inaugurated under definite rules which would prevent anything like a close imitation of a number already registered. As a basis for these rules, we have the following suggestions to make:—

1. Quality numbers are generally understood to include not only simple numbers, but also combinations of letters and numbers and fractions, and it would, therefore, be necessary to make special rules for dealing with all possible combinations.

2. *Simple numbers.*—In regard to simple numbers, by which we mean combinations of figures which do not include fractions or letters, it might be laid down:—

- (a) Where a number consists of two digits, one digit must differ from any number of two figures already registered;
- (b) Where a number consists of three digits, at least one figure should differ from any three-figure number already registered;
- (c) Where the number consists of four figures, it must differ in one figure from other four-figure combinations already registered;
- (d) Where the number consists of five figures, it must differ from any five-figure number already registered in at least two digits;
- (e) Where the number consists of six figures, it must differ in at least two digits from any number, already registered, with six figures.

3. Special rules should, in our opinion, be laid down in the case of what might be described as "balanced" numbers. By a "balanced number" we mean a number in which all the figures are the same, for instance, 777. In such cases there would be considerable resemblance between a three-figure number and a four-figure number, for instance, 777 could be considered as an imitation of 7777.

4. *Combinations of letters alone.*—We consider it ought to be laid down:—

- (a) That no combinations of more than four letters should be registered;
- (b) Two-letter combinations should differ in one letter from two-letter combinations already registered;
- (c) Three-letter combinations should differ in one letter from three-letter combinations already registered;
- (d) Four-letter combinations should differ by two letters from four-letter combinations already registered;



2. In view of the fact that there has been constant complaints by members that trade-numbers introduced by them in the market are copied by others, and also in view of the fact that the Tariff Board have strongly urged the advisability of the Association inaugurating a scheme for the registration of trade-numbers, the Committee of the Association, some time back referred the matter to the Trade Marks Sub-Committee, for consideration and report.

3. I am directed to forward you herewith copies of the two reports\* prepared by the Trade Marks Sub-Committee, dated respectively 20th October 1927 and 11th January 1928. The scheme outlined in the first report evoked certain criticisms from some of the members of the General Committee, and the Trade Marks Sub-Committee were asked to submit a fresh report in the light of these criticisms. The second report came up for consideration by the General Committee at their last meeting and the view taken by the Committee was that the scheme put forward by the Sub-Committee was a workable scheme, and that an earnest attempt should be made to put the scheme in execution. It might become necessary at a later stage to make some modifications in details, but for the present and as a preliminary step, the Committee have decided to obtain from the Bombay Members particulars as to the numbers (a) to which they consider they already have an exclusive right for use on the particular class of goods on which the number is stamped and (b) the numbers which in their opinion should be made common numbers owing to the fact that they are at present used by more than one mill.

4. Will you kindly return at your earliest convenience the enclosed form after writing all the numbers used by you for the different classes of goods mentioned therein. In the left-hand column please mention the numbers to which, in your opinion, you should have an exclusive right, and in the right-hand column please mention the numbers which, in your opinion, might be treated as the common property of all mills.

5. On receipt of replies, the results will be tabulated in this office and the matter will thereafter be considered further by the Committee.

6. It is hoped, in view of the extreme importance of this matter, members will kindly forward the requisite particulars to this office as early as possible.—Yours, etc.,

T. MALONEY,  
Secretary.

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## APPENDIX 6.

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### MUNICIPAL ASSESSMENT OF COTTON MILLS.

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THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 24th February 1928.

#### REPORT OF THE MUNICIPAL ASSESSMENT SUB-COMMITTEE.

TO THE COMMITTEE.

SUBJECT:—*Municipal Assessment of Cotton Mills.*

At a meeting of the Committee held on 19th December 1927, the following resolution was passed:—

“That a Sub-Committee consisting of the Chairman, Deputy Chairman, Sir Ness Wadia, Mr. S. D. Saklatvala, Sir Munmohandas Ramji and Mr. C. N. Wadia be appointed to investigate and report on the desirability of submitting suggestions to the Municipal Commissioner for revising the method of assessment of mills on the expiry of the present agreement in March 1928.”

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\* Already printed.

† Not printed.

In accordance with the above resolution, we have carefully considered the present system of assessing cotton mills for municipal taxation, and have discussed the subject with the Municipal Commissioner, and now beg to submit a report as under :—

Prior to 1912, cotton mills were assessed by taking the floor area available and charging the estimated letting value per square yard. In 1912, it was decided by mutual agreement between the Municipal Commissioner and the Association to assess cotton mills by taking 4 per cent. on the book value of the land and 6 per cent. on the book value of the buildings.

In 1918, the assessments fixed in 1912 were changed by taking the value of the land at the market rates prevailing at the time, and by increasing the book value of buildings by 50 per cent. The rates of assessment continued to be the same, namely, 4 per cent. on land and 6 per cent. on buildings. In 1923 the assessments of 1918 both as regards land and buildings were increased by 25 per cent., the rates of assessment remaining the same. The arrangement made in 1923 was to last for five years and will terminate on 31st March 1928.

It will be noticed from the above that the cost value basis of assessment on buildings has been increased by 87½ per cent. since 1913, when this system was first introduced in place of the letting-value system, and, in case of land which was taken at market rate in 1918, by 25 per cent. On comparing the present value of some of the mills, i.e., the cost at which such mill buildings could be re-erected, with the value for which they are assessed for the purposes of municipal taxation, we find that without making any allowance for sinking fund or depreciation charges, the present assessments are about 40 per cent. to 50 per cent. in excess of the present cost, and should be reduced to that extent.

We placed the above facts before the Municipal Commissioner at a meeting we (with the exception of Sir Ness Wadia and Sir Munmohandas Ramji) had with him on 16th February 1928, but the Municipal Commissioner declined to consider any proposals for a wholesale reduction in the assessments of cotton mills. It appears that he has got hold of the values of certain mills as declared in insurance specifications, and from this he infers that some of the mills are over-assessed, and others are under-assessed. We explained to him that the values mentioned in insurance specifications were not the proper criteria to go by. The Commissioner, however, stated explicitly that a general reduction in the basis of assessment was out of the question. His proposals were that either the present assessments should be continued or each mill should be revalued for assessment purposes.

After the meeting with the Municipal Commissioner, we have given further consideration to the subject, and we have reached the conclusion that in view of the attitude taken up by the Municipal Commissioner the best course for the Millowners to adopt is to agree to revaluation of each individual mill.

Before, however, agreeing to revaluation of individual mills, we think we should get the Municipal Commissioner to agree to the broad principles mentioned below :—

- (1) We should agree to have all mill-buildings revalued at present cost but we should insist on 1½ per cent. deduction for each year as depreciation or sinking fund, so that in about 60 years' time the life of the building will be wiped off. For revaluing the mill-buildings, we suggest the appointment of an architect by mills and one by the Municipal Commissioner. An objection might be raised by the Municipal Commissioner that the acceptance of this principle would mean that mills which are 60 years old would not pay any assessment. Such buildings being old would not have much of a letting value and therefore it might be necessary to fix a minimum. We propose that the minimum should be 25 per cent. of the cost of re-erecting another exactly similar mill.
- (2) The Improvement Trust now distinctly state that their gross return for their chawls and other buildings, including cost of land, does not work out to more than 4.67 per cent. We do not think it is fair that the Municipality should charge 6 per cent. on buildings. We think that a compromise might be effected

and the Municipal Commissioner might be asked to charge 4½ per cent. or at most 5 per cent. on both land and buildings, instead of 4 per cent. on land and 6 per cent. on buildings. The higher assessment on land will be more than compensated by the saving in the assessment on buildings.

- (3) In revaluing the mills, we think it desirable that the cost of building materials should be the same for all mills. For this purpose we recommend that the present rates for building a new mill be called for from some responsible contractors. To ensure uniformity, we also recommend that the work of revaluing mills should be entrusted to some leading firm of engineers on behalf of mills. We are of the opinion that the valuation submitted by each mill, in the first instance as worked out by its own engineer, will, in all probability, be accepted by the Commissioner, but if any differences arise, the services of the engineering firm appointed by the Association may be placed at the disposal of the member concerned, the fees for services rendered being of course payable by the member concerned.
- (4) The valuation fixed in the above way should remain in force for three years subject to the 1½ per cent. annual deduction for deterioration.

Mills which desire to be assessed on the letting-value basis which was in force prior to 1912 should have the option of settling with the Municipal Commissioner on that basis.

Before meeting the Commissioner again, we should like to know whether the Committee approve of the above proposals, or they would like these proposals to be modified or supplemented in any way.

J. P. WADIA,  
*Acting Secretary.*

H. P. MODY,	} <i>Sub-Committee.</i>
F. STONES,	
S. D. SAKLATVALA,	
N. N. WADIA,	
C. N. WADIA.	

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No. A & C/9184/D of 1927-28.

BOMBAY MUNICIPALITY,  
BOMBAY, 3rd March 1928.

THE SECRETARY,

THE MILLOWNERS' ASSOCIATION, BOMBAY.

RE. *Mill Assessments for the year 1928-29.*

SIR,

I have the honour to forward herewith for your information a copy of the minutes\* of the meeting of the representatives of your Association with me held on 16th February 1928 on the subject noted above.—I have, etc.,

H. B. CLAYTON,  
*Municipal Commissioner.*

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\* Not printed.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 9th March 1928.

THE MUNICIPAL COMMISSIONER,  
BOMBAY MUNICIPALITY, BOMBAY.

SIR,

SUBJECT :—*Mill Assessments for the Year 1928-29.*

I have the honour to inform you that the Sub-Committee of the association which met you in your office on 16th February 1928 to discuss the question of Municipal Assessment of cotton mills have given further consideration to the matter in the light of the views expressed by you, and have submitted a report which was considered by the General Committee at the meeting held on the 5th instant. I am now directed to communicate to you the considered views of my Committee which are as below.

2. My Committee are agreeable to the proposed revaluation of individual mills, but before proceeding with the revaluation, they desire to draw your attention to the following points, and they are confident that you will agree, in fairness and equity, to the suggestions made below :—

- (a) My Committee submit that from the present cost of mill-buildings, a deduction of  $1\frac{1}{2}\%$  should be made each year as depreciation or sinking fund, which would mean that in about 60 years' time the life of the building would be wiped off. An objection will possibly be raised by you that the acceptance of this principle would mean that mills which are 60 years old would not pay any assessment at all. I am directed to point out that such buildings, being old, would not have much of a letting value, but my Committee are agreeable to a minimum assessment being fixed, and they suggest that the minimum should be 25% of the cost of re-erecting another exactly similar mill.
- (b) My Committee are strongly of the opinion that the present rate of assessment of buildings, viz., 6% is much too high. In the case of the chawls and other buildings of the Bombay Improvement Trust, the gross return to the Trust, including cost of land, does not work out to more than 4.67%. My Committee trust you will agree that it is not fair that 6% should be charged on mill-buildings, and they have directed me to suggest that a uniform rate of  $4\frac{1}{2}\%$  might be charged on both land and buildings.
- (c) The valuation that may be arrived at in the case of each mill should remain in force for three years, subject to the  $1\frac{1}{2}\%$  annual deduction for deterioration.

3. I am directed to add that mills which desire to be assessed on the letting value basis should have the option of settling with the Municipality on that basis.

4. Your letter No. A & C/9184/D, dated the 3rd instant, enclosing a copy of the of the meeting held on 16th February, is duly to hand and is receiving attention. In the meanwhile, I am directed to request you kindly to favour my Committee, as early as possible, with a reply to this letter.—I have, etc.,

J. P. WADIA,  
*Acting Secretary.*

No. A & C/9184/D of 1927-28.

BOMBAY MUNICIPALITY,  
BOMBAY, 9th March 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to refer to my letter No. A & C/9184/D of 3-3-1928 forwarding for your information the notes of the interview which the representatives of your Association had with me on 16th February 1928 and to state that as decided on that occasion I have arranged to appoint Mr. N. D. Kanga, L.C.E., of Messrs. Contractor and Kanga, as Expert Valuer of the mills on behalf of the Municipality and desire that Mr. N. D. Kanga should start work at once. If therefore your Association desires to adopt the suggestion made for the appointment of a Valuation Expert on its behalf work with Mr. N. D. Kanga I would request you to arrange and communicate to me the name of that expert at an early date in order that he may meet me and Mr. Kanga and discuss the principles and means to be adopted in carrying out the valuation.—I have, etc.,

H. B. CLAYTON,  
*Municipal Commissioner.*

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No. 489/31 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 17th March 1928.

THE MUNICIPAL COMMISSIONER,  
BOMBAY MUNICIPALITY, BOMBAY.

SIR,

Your letter No. A&C/9184/D dated 9th March 1928, regarding appointment of Expert Values in connection with the assessment of cotton mills will be placed before my Committee at the meeting to be held on Tuesday, the 20th March 1928, and, in the meanwhile, I have the honour to request you kindly to favour them with a reply to this office letter No. 425/31 dated 9th March. It is hoped you will kindly let me have a reply by Tuesday morning so that it may be considered along with your letter under reference at the meeting to be held in the afternoon.—I have, etc.,

J. P. WADIA,  
*Acting Secretary.*

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No. Anc/9184/D of 1927-28.

BOMBAY MUNICIPALITY,  
BOMBAY, 20th March 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to acknowledge the receipt of your letter of the 17th instant., and have in reply to state that I note that your Committee are agreeable to the re-valuation of the mills. As to suggestions (a) (b) (c) made in the second paragraph of your letter, I have to remark as follows:—

*Para 2 (a).*—I cannot agree to make any deductions such as suggested, as under Section 154 (1) of the Municipal Act, the 10 per cent. deduction already allowed covers all such claims and after referring to the standard authorities on the subject of rating. I find that no such deduction is ever allowed on the cost of land and building. In some cases, depreciation has been allowed on machinery, but as in Bombay machinery is not taken into consideration at all in fixing the rateable value, this cannot be quoted as a precedent. The system which has been adopted in arriving at the present cost of the mill buildings in Bombay, has been to take the cost as estimated in 1912 increased by 50 per cent. in 1918 and again by 25 per cent. in 1923 and the reason why individual re-valuation is now necessary is that the cost so arrived at does not appear in many cases to be even approximately correct. The method of taking a percentage on the cost of construction as a means of fixing the rateable value is a well-recognized method of rating which has stood many tests in the English Courts with the result that all the main principles as well as side issues it involves are more or less beyond the realms of dispute. I cannot therefore agree to any further deduction being made on account of depreciation as suggested in para 2 (a) of your letter.

*Para 2 (b).*—The rates of six per cent. on the cost of buildings and 4 per cent. on the cost of land have not only stood since 1912 in the case of mill properties but they have also been in force in connection with the assessment of Government properties in Bombay to the Municipal General Tax for a much longer period. There can be no question of reducing these rates: on the contrary it is very questionable whether they should not be enhanced. You will understand that this is a reasonable position in so far as the system employed which is technically known as the "Contractors Test" is an endeavour to discover the rent at which a property might be expected to let by supposing that a contractor is called upon to re-construct the property and receive an adequate return on the capital so invested. It will, I am sure, be admitted that few contractors would be found to invest money in buildings and lands which would produce returns of six per cent. and four per cent. only on the understanding that out of such six per cent. and four per cent. the contractor would have to pay for the repairs and maintenance of the property. The rates were fixed when the returns from investments in public securities was much lower than at present and it has been recognized in recent publications by authorities on the subject, that an increase in the rates previously approved would be perfectly reasonable (see Ryde on "Rating" page 242, 1920 edition). I would note particularly the remark that "whatever be regarded as a reasonable return for capital outlay, in the writer's opinion it should be taken as the rateable and not the gross value." Other authorities agree with this view for obvious reasons. In Bombay, however, we have taken the figure so arrived at and allowed a subsequent deduction of ten per cent., i.e., we have treated it as the gross value whereas, we might reasonably have added two or three per cent. before making any deduction. We have also allowed the full deduction of ten per cent. on the estimated value of the land though no cost for repairs, insurance, etc., is incurred in connection therewith. I would state, however, that for the current year at least I do not intend to make any increase in the percentages which have been in force since 1912, though liberty to increase them in the future must be understood to be reserved. As to the analogy of the City Improvement Trust quoted in para 2 (b) of your letter, I would point out that this cannot be equitably applied in the case of mill properties as it is generally recognized that public bodies have the advantage of being able to borrow capital at a far more favourable rate of interest than private individuals and can therefore afford to realize lower returns on the capital invested. You will find this principle enunciated on page 244 of Ryde's book already quoted. Turning now to item (c) of your second para. I would state that it is improbable that a fresh valuation will be made during the next three years. The only justification for doing so would be an excessive rise or fall in the cost of building construction, but, as already stated, liberty must be reserved to alter the percentages at present in force should that course appear proper. As to para 3 of your letter, I would note that the system in force is a recognized method of estimating the letting value of such properties as mills, and the profits which any individual concern or the industry as a whole might be making cannot be taken into consideration in a time of depression any more than they can be during a boom period. I cannot therefore agree to any other system of estimating the annual rent of mill properties than that now in force. The admitted fact, that under the present condition of the industry there are certain mill properties in Bombay which the



owners would be glad to let on rent even at a nominal figure but can find no market for even at that figure, is not really relevant,—I have, etc.,

H. B. CLAYTON,  
*Municipal Commissioner.*

No. 694/31 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 20th April 1928.

THE MUNICIPAL COMMISSIONER FOR THE CITY OF BOMBAY,  
BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter of the 20th ultimo.

With reference to the points made by you on the Association's letter of the 9th ultimo I am directed to say as follows :—

With reference to the deduction of 10% the Section to which you refer may well apply in cases where the rateable value can be arrived at without any difficulty such as residences, but my Committee submit that the case of mills is a special case and that the deduction of 10% does not apply in cases where the rateable value is arrived at by the some what arbitrary methods now under discussion. There can, my Committee submit be no doubt whatever that the rateable value of mills, whatever may be the case when residential properties are concerned is affected by the age of the mill and that it is not unreasonable to suggest that in arriving at the rateable value an allowance for depreciation should be allowed. My Committee state that it is obvious that an old mill would not bring in nearly the same rent as a mill recently erected though other factors would be the same and that this consideration can only be given effect to by the deduction from year to year of a certain percentage for depreciation.

The method of rating suggested by you has no doubt met with approval in many cases in England but they are mainly cases where it has been impossible to arrive at the rateable value by any other method, and where other methods are possible the value so arrived at is evidence of rateable value only and no more.

My Committee cannot agree that the percentages you have fixed are at all reasonable.

The difference which exists between my Committee and yourself is that you take the figures arrived at by certain arithmetical calculations as the rateable value whereas my Committee contend as already stated that such results at the highest are only evidence of rateable value, which can be displaced or modified by other factors.

The Contractors test to which you refer has been incorrectly applied by you. The test is not as you say, what the Contractor would demand, but what he would be likely to get. What interest would a Contractor at the present time be likely to get if he provided the land and buildings for the occupier of certain mills in Bombay.

That a Contractor would at the present day get 6% on the cost of buildings is a proposition which my Committee cannot for a moment accept.

As regards the author cited by you, my Committee cannot agree that anything he writes would justify the statement made by you that an increase in the rates previously approved would be reasonable.

My Committee are further advised that your comments on the analogy of the City Improvement Trust cited in my previous letter of the 9th ultimo are at variance with the latest decisions on the subject. I am directed to point out that the case of the Metropolitan Water Board *vs.* Chertsey Union 1916 1 A. C. disposes, conclusively of that argument.

With regard to the concluding remarks in your letter, my Committee cannot agree that the profits the industry or individual mills may make can have no bearing on their rateable value.

Profits must be regarded as affecting rateable value just so far as these profits would as a matter of fact affect the rent which may reasonably be expected.

The Corporation do to some extent appear to have paid regard to the profits earned by the mills by increasing the figure on which the rateable value was fixed in 1918 by 50%.

The difference which exists between my Committee and yourself is that you propose to arrive at the rateable value of mills on a certain set of figures. My Committee while not accepting this calculation as being in every case a fair imposition are prepared to accept it if certain allowances are made, which they say the factors now applying to the mill industry necessitate. They contend that the basis of your calculations makes no allowance for such factors.

You have to arrive at the rateable value. I am instructed to submit that an allowance for depreciation and a reduction of the rate of 6% and 4% to the levels mentioned by me is justified by the factors mentioned above.

My Committee trust that you will see your way to modify the views you have formed in the light of the further arguments herein contained. They will be glad to hear from you after a consideration of this matter.—I have, etc.,

(Sd.) J. P. WADIA,  
*Acting Secretary.*

No. A & C/9184/D of 1928-29.

BOMBAY MUNICIPALITY,  
BOMBAY, 8th May 1928.

To  
THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :—*Revaluation of Mills for purposes of Assessment.*

I have the honour to acknowledge the receipt of your letter No. 694/31 dated 20th April 1928 and to state that the arguments advanced therein differ little if at all from those previously expressed in your letter dated 17th March 1928. As regards your request

- (1) to make an annual allowance for depreciation and
- (2) to reduce the rate on the cost of construction I can only refer you again to my letter No. A & C/9184/D dated 20th March 1928, and repeat that as this is not allowed in any other case, I cannot see my way to grant any preferential treatment to the Mill Properties.

I am, however, agreeable to act up to the suggestion made by Mr. C. N. Wadia at the meeting held on the 16th February 1928, namely, to appoint an expert Municipal Valuer to revalue all Mill Buildings and lands in consultation with any person nominated by the Association. As this work will take some length of time to complete and must be taken in hand at an early date so as to enable me to determine the rateable value of Mills complained against for the year 1928-29, I again invite your attention to my letter No. A & C/9184/D dated 9th March, 1928 to which I request the favour of an early reply.

I would add that if the Association do not nominate their representative to work in consultation with the Municipal Valuer within 15 days from the date of receipt of this letter, the work of revising the valuations of the mills will be started by the Municipal Valuer alone.—I have, etc.

(Sd.) H. B. CLAYTON,  
*Municipal Commissioner.*

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No. 1000/31 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 23<sup>rd</sup> May 1928.

THE MUNICIPAL COMMISSIONER FOR THE CITY OF BOMBAY,  
BOMBAY.

SIR,

I have the honour to acknowledge the receipt of your letter of the 8th instant which has been placed before the Committee of this Association.

Whilst my Committee are not prepared to accept your contentions, they have no objection in appointing a Valuer of the Mills on behalf of this Association. They accordingly nominate Mr. Burjor S. J. Aga, F.R.I.B.A., L.C.E., to act as such on behalf of the Association.

I am instructed by my Committee to state that they are so far unable to undertake on behalf of the members of the Association that the valuations arrived at by Mr. Kanga and Mr. Aga will, even if unanimous, be binding upon any particular mill, and that, in addition, the Association reserves on behalf of its members all their rights as to any conclusion which the Municipality may seek to draw from the valuations so arrived at as a basis for arriving at the rateable value of any mill.

Even if the valuation arrived at is accepted, any conclusion to be derived therefrom must be the subject matter of future discussion.—I have, etc.,

(Sd.) J. P. WADIA,  
*Acting Secretary.*

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## APPENDIX 7.

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### MINIMUM DEMAND CHARGES—TATA POWER CONTRACTS.

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THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 10<sup>th</sup> August 1928.

*Report of the Power Costs Sub-Committee.*

TO THE COMMITTEE,

Towards the end of 1927, we were requested "to consider the question of the relative costs of power produced by self-contained power plants of various descriptions now in use in Bombay mills as compared with the cost of power supplied by the hydro-electric companies of Messrs. Tata Sons, Ltd., with a view to ascertaining whether the present charges for electric power supplied by hydro-electric companies are fair and equitable and of making recommendations as to the action which might advisedly be taken in the future in any negotiations which might take place with the power supplying companies."

In accordance with the above terms of reference, we submitted an *interim* report on 21st October 1927 in which we expressed our opinion that there was a distinct case for a reduction of the charges which are now made for electric power. We further considered it advisable that an immediate inquiry should be addressed to the Andhra Valley Power Co. (contracts with which are to expire in 1932) soliciting information as to the rates at which they proposed to supply power to the industry after the expiry of the existing contracts in order that early steps might be taken by all the mills concerned to ascertain the desirability or otherwise of generating their own power after 1932.

This report was considered at a meeting of the Committee held on 21st November 1927, and it was resolved "that the Technical Advisory Sub-Committee be authorized to pursue their inquiries upon receipt of the information asked for from Messrs. Tata Sons, Limited."

On 2nd December 1927, the Hon'ble Sir Munmohandas Ramji gave notice of a resolution as under :—

"A Committee to be named at the meeting be appointed to consider and find out the best and the cheapest means by which motive power can be generated for driving the mills whether by steam, electricity, oil fuel or pulverized coal and also to negotiate terms with any syndicate or company (including Messrs. The Tata Power Co.) for future supply of power to the mills when the Tata Power Contracts with the different mills expire with a view to obtain uniform rates for those mills whose electrical contracts expire simultaneously."

At a meeting of the Committee held on 19th December 1927, we were requested to consider Sir Munmohandas Ramji's motion "and the subject of power costs at present paid by mills and the possibility of making a reduction therein."

The subject was again raised on 13th June 1928 when, in a letter addressed to the Association, the New Kaiser-i-Hind Mills drew the attention of the Committee to the hardship imposed upon the industry by the operation of the Minimum Demand Clause in the Tata Power Contracts. At a meeting of the Committee held on 9th July, it was resolved "that a Sub-Committee consisting of Mr. F. Stones, Mr. S. D. Saklatvala and Sir Munmohandas Ramji be appointed to draft a representation to Messrs. Tata Sons, Ltd., pointing out the hardship entailed at the time of a general strike by the Minimum Demand Clause in the contracts of the hydro-electric companies and the necessity of giving adequate relief to mills from this heavy burden." The last-mentioned Sub-Committee thought that it would perhaps not be advisable to make a representation to Messrs. Tata Sons, Ltd., on the Minimum Demand Clause only, and they therefore suggested that the Technical Advisory Sub-Committee should include the Minimum Demand Clause in any representation which they may send to Tatas in connection with the general question of power costs.

It will be seen from the above that our terms of reference are sufficiently comprehensive and involve a detailed survey of the whole question and further investigations into the general problem of power costs, which will necessarily take some more time to complete. We have therefore deemed it advisable to take up the last of the terms of reference as being of urgent necessity, and have much pleasure to submit our report as below on the Minimum Demand Clause incorporated in the Power Supply Contracts.

#### MINIMUM DEMAND CLAUSE.

Under this clause, a mill has to pay a minimum charge per month for units consumed in 131 hours based on the maximum power used within the preceding two years. In our opinion, it is neither fair nor equitable that, during prolonged strikes, mills should be held bound by this clause. But we beg to record our opinion here that, when the above clauses were originally drafted, such prolonged strikes as the one which we are now experiencing were never contemplated. We are therefore of the opinion that a representation should be sent immediately to Messrs. Tata Sons, Ltd., requesting them, as an act of grace, to change their basis of charging the mills during the present strike.

What we have in view is that, in view of the depressed state of the industry, Tatas should not enforce the application of the Minimum Demand Clause during the present strike, but claim from the mills a charge based on the actual losses which a mill would have to sustain if they were generating their own power.

Appended herewith are figures of three sets of mills which are comparable in size and working conditions illustrating the difference in strike losses in the case of a mill taking power from Tatas and a mill generating its own power :—

					Rs.	Ratio.
* (1)	Elphinstone—Own power	..	..	..	2,584	} 1 : 5
	Edward—Tata power	..	..	..	13,027	
* (2)	Manchester—Own power	..	..	..	1,750	} 1 : 4.77
	Rachel Sassoon—Tata power	..	..	..	8,295	
* (3)	Indian Manufacturing Co.—Own power	..	..	..	2,875	} 1 : 4
	Hindustan—Tata power	..	..	..	11,502	
<b>AVERAGE</b>					..	<b>1 : 4.59</b>

Charges made by the Tatas under this clause are therefore 4.59 times greater than those incurred by mills relying upon their own power. We of course recognize that the hydro-electric companies are in a very difficult position in that their charges are chiefly made up of heavy capital charges. Our figure works out at 28.5 hours instead of 131 hours charged and we suggest to Messrs. Tatas that our figures be increased by 25 per cent., making 36 hours instead of 131 hours'.

We also suggest that the following letter be sent to the hydro-electric companies.

B. K. MANTRI,  
*Acting Secretary.*

MUNMOHANDAS RAMJI.  
FRED STONES,  
JAS. TAYLOR.  
T. WATTS.  
S. D. SANLATVALA,  
D. F. BATLIWALA.

#### STATEMENT No. 1.

#### STRIKE LOSSES.

#### *Our Plant versus Hydro Contract Power.*

#### *Elphinstone Mill.*

#### Approximate present-day value of plant.

Main engine .. .. .	Rs.	1,00,000
7 Boilers at Rs. 12,000 each	"	84,000
Pipework and accessories	"	10,000
Economiser	"	10,000
2nd motion shafting, pulleys and supports	"	16,000
	<b>Rs.</b>	<b>2,20,000</b>
Interest, depreciation and repairs at 12½%		2,292 per month.

\* Detailed calculations submitted from these mills will be found in statements 1, 2 and 3 respectively.

*Edward Sassoon Mills.*

## Approximate present-day value of plant.

Transformer house, transformers and full electrical equipment	..	Rs.	3,08,000
Interest, depreciation and repairs at 12½%	.. ..	per month	3,208
Minimum monthly charges	.. -- -- -- --		9,628
		Rs.	<u>12,836</u>

Mill.	Standing charges.	Minimum power bill.	Power attendants' wages on strike basis of curtailment of staff.	TOTAL.
Edward .. ..	.. Rs. 3,208	Rs. 9,628	Rs. 191	Rs. 13,027
Elphinstone .. ..	.. " 2,292	" ..	" 292	" 2,584
Excess expenditure on power per strike month at Edward	.. ..			<u>10,443</u>

## STATEMENT No. 2.

## STRIKE LOSSES.

*Our Plant versus Hydro Contract Power.**Manchester Mills.*

## Approximate present-day value of plant.

Main engine	.. ..	Rs.	65,000
4 Boilers at Rs. 12,000 each	.. ..	"	48,000
Pipework and accessories	.. ..	"	6,000
Economiser	.. ..	"	6,000
2nd motion shafting, main bevel gears and supports	.. ..	"	15,000
		Rs.	<u>1,40,000</u>

Interest, depreciation and repairs at 12½% .. .. Rs. 1,458 per month.

*Rachel Sassoon Mills.*

## Approximate present-day value of plant.

Transformer house, transformers and full electrical equipment	..	Rs.	3,18,800
Interest and depreciation and repairs at 12½%	.. ..	Rs.	3,321 per month

Mill.	Standing charges.	Minimum power bill.	Power attendants' wages on strike basis of curtailment of staff.	TOTAL.
Rachel .. ..	.. Rs. 3,321	Rs. 4,783	Rs. 191	Rs. 8,295
Manchester .. ..	.. Rs. 1,458	..	Rs. 292	Rs. 1,750
Excess expenditure on power per strike month-Rachel	.. ..			<u>6,545</u>

## STATEMENT No. 3.

## STRIKE LOSSES.

*Own Plant versus Hydro Contract Power.*

Own :—

*The Indian Manufacturing Co. :*

## Approximate present-day value of plant.

Originally Rs. 3,72,000, assumed to be worth — Rs. 2,48,000.  
Interest, depreciation and repairs 12½% — Rs. 2,584 per month.

*Hindustan Mill,*

Approximate present-day value of plant including Transformers and transformer house specially put up .. .. . Rs. 2,84,000  
Interest, depreciation and repairs at 12½% .. .. . Rs. 2,370 per month.

Mill.	Standing charges.	Minimum power bill.	power attendants wages on strike basis of curtailment of staff.	TOTAL.
Hindustan .. .. .	Rs. 2,370	Rs. 8,941	Rs. 191	Rs. 11,502
Indian .. .. .	„ 2,584	..	„ 292	„ 2,876

No. 1454/100 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 22nd August 1928.

MESSRS. TATA SONS, LTD.,

*Agents* :—Tata Hydro-Electric Power Supply Co., Ltd., Andhra Valley Power Supply Co., Ltd., Tata Power Co., Ltd.,

BOMBAY.

DEAR SIRS,

My Committee have, for some time, been considering the question of reduction in power charges. It is now felt that the charges so readily agreed to by the mills previously are pressing very heavily on all concerned. My Committee have obtained figures to show that the mills are justified in asking yourselves for a reduction in the present rates charged by you, and also a revision of some of the terms of the contracts. I shall be addressing you shortly on this subject, but, in the meantime, I am directed to bring to your notice that the Minimum Demand Clause under which the mills are made to pay certain charges during the present strike is putting our members to heavy losses. I am therefore to request you, that specially in view of the fact that the Minimum Demand Clause was agreed to when strikes of such long duration were never contemplated, to alter your basis of making the charge in the manner following, and give the necessary refund for the period already charged. My Committee hope that you will be in agreement with them that the fair basis should be what the mills would have actually lost owing to stoppage of the mills, had such mills been developing their own power.

\*Appended hereto are three statements giving figures of three sets of mills, which are comparable in size and working conditions, illustrating the difference in strike losses in case of mills taking power from your good selves and mills generating their own power.

\* Already printed.

From these statements you will observe that the charges at present levied by you, of course under the terms of the existing contract, are 4.59 times greater than those incurred by mills which are not under contract with you.

Calculating on this basis, it will be seen that instead of 131 hours for which the charges are made, the actual charge would be for 28.5 hours only.

My Committee are aware that you will be fully justified in continuing the existing charge so long as the contract lasts." It is, therefore, not as a matter of legal right that I am directed to place before you the following proposal but it will be looked upon by my Committee as an act of grace. I need not remind you that, at a time when the hydro-electric companies were in difficulties, the mills readily came to their assistance by agreeing to pay the increased rates. It will also be remembered that, when, on account of shortage of rains in 1918-19, the power companies were unable to supply power for 12 hours, mills readily agreed to curtail their hours of working without claiming any indemnity from the power companies in respect of such short time. My Committee therefore hope that their proposal will not be considered unreasonable.

It is not the intention of my Committee to strictly adhere to the figures quoted above, as they are aware that the charges made by you include in a great measure capital charges. The proposal of my Committee therefore is that an allowance of 25 per cent. should be made for this purpose and that the number of hours to be charged be raised from 28.5 to 36 hours instead of 131 as at present.

I trust you will be good enough to agree to this proposal and inform our members that not only will this clause be modified in the future, but that a refund will be allowed over the bills already paid by them during the present strike.—Yours, etc.,

B. K. MANTRI,  
*Acting Secretary.*

BOMBAY 11th October 1928.

THE ACTING SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We beg to acknowledge receipt of your letter dated 22nd August 1928.

In the letter you state that the charges under the Minimum Demand Clause are putting your members to heavy losses and you, therefore, request us to alter the basis of making the charge in the manner set out in your letter and also to give the necessary refund for the period already charged. You further are good enough to state that it is not as matter of legal right that you make your request, but that complying with your request will be looked upon as an act of grace.

The various conversations which the present writer had with some of the big millowners will have convinced them that there is every desire on the part of these companies to meet the consumers of their power in every way possible. With this object in view, we have for a long time been engaged in considering the extent of the concessions notwithstanding their rights under the agreements these companies are prepared to make to their consumers. You will admit that the extent of these concessions should be compatible with the safety and financial position of these companies, and we are sure that your Committee has no desire that in making these concessions our companies should suffer such losses as to make them impotent for carrying on the objects and purposes for which they were started. Some of the members of your Association are already aware of the financial position of these companies



and the following figures will convince your Association how any large concessions either in rates or in the minimum charges will weaken further the position of these companies.

The Hydro Company began to pay dividends to its ordinary shareholders from 1916 and the figures for 1916 and subsequent years are as follows :—

5%, 7½%, 8%, nil, 7%, 6%, 6½%, 6½%, 7%, 7%, 7% and 3% for half-year ended December 1927.

Andhra has paid only 4% for 1926-27 to its ordinary shareholders and nil for half-year ended December 1927.

Tata Power has not only not paid yet any dividend to its ordinary shareholders but has not been able to pay any dividend to its preference shareholders which at 7½% has accrued from 1st April 1927 and is cumulative. Compared with the position of these companies, your Association will admit that the mill companies are much better off and the mill companies made huge profits in 1919, 1920, 1921 and 1922.

We set down in the latter part of this letter the concessions both in the way of minimum charges and in the way of rates and other matters which these companies are prepared to make consistently with their very existence.

Your proposal with regard to minimum charges reduced to figures amounts to this, that we give up practically three-fourths of our minimum charges, and you give reasons for making your demand. We have studied your letter carefully and you will permit us to give our reasons for not agreeing with the ratio of 1 : 4.59 which you give as the present relation between standing charges in mills which operate their own plant as against our minimum demand charge to mills which purchase power from us.

In brief, the reasons for our inability to agree with your ratio figure, are based on the following salient facts :—

- (1) You have compared very old steam plants with relatively new electrical apparatus.
- (2) The H.P. capacity of the steam plants you have cited for comparison is but 77% of that of the scheduled H.P. in the electrically driven mills.
- (3) The charges you have used as covering all attendance and supervision under strike conditions in steam plants is very much less than we consider possible.
- (4) In calculating the stand by-charges for purchased electric power you have used minimum monthly charges based on the .725 anna per unit rate instead of using an average of the existing .65 and .725 rates affected by the proportion of power consumed by mills at these rates.

These points of difference between your method of comparing steam plant and purchased power standing charges are explained in detail as below :—

POINT NO. I.

Mill.	Steam plants. Year built.	Present age	Average age.
Elphinstone .. .. .	1897	31	} 43½
Manchester .. .. .	1874	54	
Indian Manufacturing Co. .. .. .	1882	46	

*Electrical Apparatus.*

Mill.	Year installed	Present age	Average age.
Edward Sassoon .. .. .	1920	8	} 6½
Rachel Sassoon .. .. .	1922	6	
Hindustan .. .. .	1922	6	

## POINT No. 2.

*Steam Plants.*

Mill	H.P.
Elphinstone .. .. .	2,000
Manchester .. .. .	1,200
Indian Mfg. Co. .. .. .	1,800
Total ..	<u>5,000</u>

*Electrical Apparatus.*

Edward Sassoon .. .. .	2,762
Rachel Sassoon .. .. .	1,439
Hindustan .. .. .	2,300
Total ..	<u>6,501</u>

## POINT No. 3.

We are of the opinion that the figure of Rs. 292 per month for attendants' wages must be purely theoretical and not obtainable in practice. We are unable to see how you could possibly reduce your power plant labour and supervision costs to the figures you give unless you discontinued the salaries of the superintending engineers, assistant engineers and other permanent employees immediately after the strike started.

While this may have been accomplished to a considerable extent at this late date of the strike, it was probably not done immediately when the strike started and would always be difficult to do for the reason that when a strike occurs the uncertainty of its duration makes it undesirable to disperse the power plant forces immediately. Further, under the law, an employee paid monthly may not be dismissed without a calendar month's notice or a month's pay in lieu thereof, therefore, the amount of wages that would have to be paid to him would vary from one to two months depending upon the day of the month on which the strike started and notice of dismissal was given.

In the case of the present strike, which started on 16th April, practically all power plant employees that were superfluous under strike conditions must have been paid to the end of May at least which is approximately one-third of the period of strike up to the date of your communication,

The same conditions, of course, hold true for the mills which purchase power from us, but with a difference in their favour that the number of men in the power department is much smaller.

We estimate that the average standing charge for supervision and attendance in the steam plants you mention has not been less than Rs. 1,000 per month for the 4½ months up to September 1st instead of Rs. 292 as given in your figure.

#### POINT NO. 4.

We feel certain that you will subscribe to the equity of the principle that when discussing calculations, rates, charges and revisions of any costs that affect the cotton mill industry as a whole (and your letter is written on behalf of all the members of your Association), all data should be based on average conditions and not on either high or low extremes depending on whether or not it is desirable that some particular point be proven or refuted. It is for this reason that for the purpose of comparison of standing charges we object to the use of minimum charges based on the .725 anna per unit rate instead of on the average of the two present rates at which we supply power.

To illustrate :

Of the total consumption by mills to which we supply energy

54.7% is at the Hydro .65 (or lower) rate

45.3% ,, ,, Andhra & Tata Power .725 rate.

Therefore, the average rate that should be used when figuring on any power subject that concerns the mills collectively should be .684 and not .725.

We think that the use of average figures is not only permissible but proper for the reason that the questions under discussion can only be considered as applying to all mills collectively, which purchase power from us, and not to individual cases.

We will now proceed to advance what we consider as being a fair analysis of the question of comparison of standing charges between steam-driven and purchased power-mills, dealing with the six mills you have cited.

#### STEAM PLANTS.

Total H.P. of steam plants cited .. .. .	5,000
Original cost per H.P. based on cost you give for Indian Manufacturing Company, plant which is considerably less than present-day cost ..	Rs. 206
2nd motion shafting, pulleys and supports included.	
Total original cost .. .. .	10,03,000
Total present-day valuation (your figures) .. .. .	6,08,000
Total depreciation .. .. .	3,95,000
Present-day valuation per H. P. .. .. .	122
Average age of plant (see point 1) .. .. .	43- $\frac{2}{3}$ years.
Average rate of depreciation per year .. .. .	0.90%
Total rate that plants have been depreciated .. .. .	39.4%

This is a very low rate of depreciation when compared with that which would normally be used for plant of this sort, i.e., 3½% per year. It may be argued that the fact that the plants under question are still in service and capable of operation for some years to come is proof that a yearly depreciation of 3½% is too high.

But it must be remembered that the general term 'depreciation' includes obsolescence. Obsolescence is almost entirely a matter of relative efficiency between old and new types of apparatus. The obsolescence of the steam plants you have taken for comparison is now infinitely more pronounced than that of the electric plants will be by the time they have been entirely written off. The actual efficiency of electric motors and transformers has improved but little in the past 15 years and will probably improve less in the next 15.

However, notwithstanding the fact that these plants are already very old, let it be assumed that they can be made to serve for another 10 years, giving a total life of  $53\frac{2}{3}$  years, at the end of which they are scrapped. Allowing a scrap value of 2% of their original cost would leave a total—based on your present valuation of them—of Rs. 5,88,000 to be written off in the next 10 years or at the rate of 10% per year or about Rs. 4,900 per month.

In the case of plants as old as these are, 2% per year would not be too much to allow for maintenance.

Total charges per year exclusive of operation would therefore be :—

Interest .. .. .	6%
Depreciation as figured above ..	10%
Repairs and maintenance .. ..	2%
	<u>18%</u>

On your present valuation of Rs. 6,08,000 for the three plants, the standing charges would, therefore, be Rs. 8,937 per month instead of Rs. 6,334 as you estimate.

We believe you will concede the above on the basis that in the case of plants now  $43\frac{2}{3}$  years old and still valued at 60% of their original costs, the rate of  $12\frac{1}{2}$ % per year which you have used for interest, depreciation and repairs is not sufficient to cover the rapid diminution of value that must be accomplished in the remaining few years of their useful life.

From all the above, our estimate of standing charges for these three steam plants, using the same present valuation you have used, is as below :—

Total valuation .. .. .	Rs. 6,08,000
Interest, depreciation and repairs at 18% per month .. ..	Rs. 8,937
Attendants' wages and miscellaneous .. .. .	„ 3,000
	<u>Rs. 11,937</u>
Or average per plant per month .. .. .	Rs. 3,979
Less credit for scrap value per month .. .. .	„ 101
	<u>Rs. 3,878</u>

#### PURCHASED ELECTRIC POWER.

Following through in the same way, our analysis of the figures you give for electrically driven mills, we find :—

Total H.P. of electrically equipped mills cited .. .. .	6,501
Total present valuation (your figures) .. .. .	Rs. 9,10,800
Present valuation per H.P. .. .. .	„ 140
Average age of apparatus (see point 1) .. .. .	6- $\frac{2}{3}$ years.
Fair average depreciation per year for electrical apparatus such as used in mills .. .. .	5%
Total depreciation to date .. .. .	33 $\frac{1}{2}$ %
Therefore, original capital cost per H.P. installed based on original valuation .. .. .	Rs. 210
Compared with present-day costs, this figure is excessive and we cannot accept it for the comparison of standing charges. Instead, we will use :—	
Present-day cost per H.P. of mill electrical apparatus complete installed .. .. .	Rs. 80
Revised original total capital cost of apparatus totalling 6,500 H. P. at Rs. 80 per H.P. .. .. .	Rs. 5,20,000
Revised present total value on basis of 5% depreciation for 6- $\frac{2}{3}$ years .. .. .	„ 3,46,300

Therefore, on basis of the above calculations, our estimate of standing charges for the three electrically-driven mills under consideration is as follows :—

Total present value .. .. .	Rs.	3,46,300
Interest, depreciation and repairs at 12½% per month .. .. .	Rs.	4,329
Attendants' wages and miscellaneous per month .. .. .	Rs.	1,500
	Rs.	5,829
Or average per mill .. .. .	Rs.	1,943

Under present Minimum Demand Clause, the minimum bills for the three electrically-driven mills are :—

Edward Sassoon .. .. .	Rs.	9,628
Rachel Sassoon .. .. .	Rs.	4,783
Hindustan .. .. .	Rs.	8,941
	Total Rs.	23,352

Average per mill per month (your figure) .. .. .	Rs.	7,784
But this reduced to the average rate of .684 is .. .. .	Rs.	7,343
Average charge per mill for interest, depreciation, repairs and attendants' wages per month .. .. .	Rs.	1,943
	Rs.	9,286

As against average standing charge for steam plants per month

of .. .. .	Rs.	3,878
Ratio .. .. .	Rs.	1 : 2.39
Instead of ratio which you give of .. .. .	Rs.	1 : 4.59

Your attention, however, is invited to the error of using this ratio in the way you have, i.e., dividing the figure 4.59 into 131—the present-time factor of the Minimum Demand Clause—to arrive at a new time factor which would bring the standing power charge of a mill which purchases its power down to those of a mill which operates its own steam plant.

It will be seen from the following tabulations that this is arithmetically impossible for the reason that according to your figures, the capital charge plus labour in a motorized mill is higher than the total standing charges of a steam plant by some Rs. 754 per month, therefore, to accomplish the result you have in mind, it would not only be necessary that our minimum charge be wiped out entirely, but in addition the capital charges you have used for electrical apparatus in motorized mills would have to be reduced somehow by Rs. 754.

The figures in the tabulations are your own :—

#### MOTORIZED MILLS.

Mill.	Fixed standing charges.	Minimum power bill.	Power attendants' wages on strike basis.	Total charges during strike.
E. Sassoon ..	Rs. 3,208	Rs. 9,628	Rs. 191	Rs. 13,027
R. Sassoon ..	Rs. 3,321	Rs. 4,783	Rs. 191	Rs. 8,295
Hindustan ..	Rs. 2,370	Rs. 8,941	Rs. 191	Rs. 11,502
Totals..	Rs. 8,899	Rs. 23,352	Rs. ....	Rs. 32,824
Avg. per Mill.	Rs. 2,966	Rs. 7,784	Rs. 191	Rs. 10,941

## OLD STEAM PLANTS.

Mill.	Fixed standing charges.	Minimum power bill.	Power attendants' wages on strike basis.	Total charges during strike.
Elphinstone ..	Rs. 2,292	....	Rs. 292	Rs. 2,584
Manchester ..	.. 1,458	....	.. 292	.. 1,750
Indian .. ..	.. 2,584	....	.. 292	.. 2,876
Totals..	Rs. 6,334	....	Rs. 292	Rs. 7,210
Avg. per Mill.	.. 2,111	....	.. 292	.. 2,403

But, in considering this matter of a reduction of our minimum charge, we cannot but feel that you have based your opinion as to its equity largely, if not wholly, on only the relative direct cost of the two classes of power and have not given full consideration to their relative advantages and disadvantages.

The far from prohibitive difference in direct costs as shown by the ratio of 1 : 2.39 which we have worked out and submitted above is easily nullified by the many advantages and indirect savings attendant on the use of purchased power.

That is especially true in industries such as yours where the cost of power is so small a percentage of the total cost of your manufactured commodity, being in the neighbourhood of 5%.

As regards the justice and economic necessity of our minimum demand charge, the matter of its relative importance and effect on your industry and ours should be given due consideration.

In other words, the cost of your power is so small an item in the cost of your finished product that a reduction, say, of 10% of its cost would reduce your finished product cost but about 0.5% while to us it is a full 10% loss of revenue on the energy sold to you.

This coupled with the fact with which you of course are familiar that during strike periods we can make no reduction whatever in our costs because of the necessity for our being in constant readiness to supply you with power at the moment it is required, shows that a reduction of minimum charge would cause a much greater proportionate loss to us than it would be a gain to you.

Further, it will undoubtedly be of interest to you to know that our revenue, under the present Minimum Demand Clause, from mill load under strike conditions, is only about half sufficient to cover fixed charges and operation expense on that portion of our generating plant, transmission and distribution systems required for your load.

From this it is apparent that a downward revision of our charges will introduce financial complications which will be difficult of re-adjustment.

You give as one of the reasons for your request for a reduction that at the time the power contracts were entered into such prolonged strikes as the present one were not contemplated. This is undoubtedly true, but power companies when providing capacities to carry its consumers' contracted loads must protect themselves for purely financial reasons against the possibility of non-use of that capacity for one reason or another.

We have thought it right to place on record our point of view of the matter, but since we are prepared to make our offer of concessions and if we can come to an agreement on the basis of our offer, all further discussion on our respective methods will be useless.

The revision of Minimum Demand Clause which we can offer at the present time is :—

That during such periods of time when a minimum of 90% of the cotton mills in Bombay are unable to operate because of *bona fide* labour strike—lock-outs not included—the time factor of the Minimum Demand Clause be reduced to 87 hours and that this reduction be applicable only to such mills as are inoperative because of such strikes and for no other cause excepting those included in the general terms of the agreement.

As regards any alteration of contract terms being made retroactive to the beginning of the present strike and refunds being made on that basis, we regret we cannot agree to this and we trust that considering the financial position of our companies indicated above, you will not press for it.

You mentioned in your letter that you intended addressing us shortly on the subject of a reduction of rates and a revision of some of the conditions of the present contracts.

For some time past we have understood in a general way that you were contemplating making certain representations and requests pertaining to this subject and we have given it very thorough study and analysis with the idea of determining definitely what we could do in the way of reducing present rates and also removing from the contracts certain restrictions and conditions which your members have found burdensome and we believe this is the opportune time to acquaint you with the result of our investigations.

In the discussion of this subject, it seems to us that the intelligent procedure to be adopted is for both parties to "put all their cards on the table" and deal only with facts as they actually are and not as we individually prefer them to be.

The subject is too large and of too far-reaching importance to your members and ourselves to permit unsupported personal opinion or mistaken conclusions to influence or decide results.

As pointed out in the previous part of this letter, the Hydro Company is the only one of the three that is in a satisfactory condition as regards earnings. The other two, even with their higher rates for power, are not yet in a condition to reduce rates without interference with their ability to handle their financial obligations.

Therefore, in considering the subject of rate reduction it should be kept firmly in mind that any revision should be so gauged that the rate which consumers pay for their power requirements is equivalent, all things considered, to what their power would cost them if they developed it themselves.

This principle can hardly be considered as other than eminently just and fair when it is remembered that under its application, customers would purchase their power as cheaply as they could make it and the power companies would not be deprived of the possibility of earning, in the case of the Hydro Company, a fair return on its investment, and in the cases of the Andhra and Tata Power Companies, the opportunity of carrying their projects through to the stage where increased load will earn reasonable returns on their investments.

The logic of this being granted, the one question of real importance to which the answer must be found is—At what price can mills develop their own power?

Realizing that this is the crux of the whole matter, we have made an exhaustive study and compilation of plant capital costs and capital and running charges.

Our data were obtained from such authoritative technical publications as the *Financial Times*, *Power*, *Electrical World*, *Manchester Guardian*, *A.I.E.E. Journal*, *Engineer*, also from reports by various power companies, and we believe it to be a dependable synopsis of representative plant costs in England and America as of the present time.

This data has been translated into Indian conditions as regards labour and fuel costs, transportation and duty charges, etc., and to it has been added the cost statistics of our Nagpur Mills and such others in Bombay from which we have been able to get reliable figures

The volume of all this data is too large for reproduction here as it is largely of a technical character; it is suggested that its detailed examination and discussion be made a matter for our respective technical representatives to handle.

The gist of it is contained in the following :—

We have averaged the foreign cost figures and have taken the average as the basis for computing the capital and running costs of a 1,500-K.W. steam turbine plant under Bombay mill operating conditions. This averaging of foreign costs is somewhat favourable to the ultimate unit cost in Bombay because the list contains a number of plants that are much larger than 1,500 K.W. capacity and the K.W. cost is usually somewhat lower in large installations than it is in small ones.

We have assumed that our hypothetical Bombay plant generates 4,200,000 units per year at 32% yearly load factor and that there is bled from the turbine 8,000 lbs. of steam per hour at 30 lbs. gauge pressure. These operating conditions would apply to the average Bombay plant of this size. Coal is taken at Rs. 20 per ton for 10,000 B.T.U. quality.

The charges in our hypothetical plant are :—

Total approximate running and maintenance charges for a 1,500-K.W. plant generating 4,200,000 units per year and supplying 8,000 lbs. of process steam for 2,700 hours per year .. .. . per unit		.648
Capital charges .. .. .		.208
		<hr/>
Total of all charges in a typical 1,500-K.W. steam-turbine plant in Bombay .. .. .		.856
The portion of above cost per unit that is occasioned by generation of process steam at rate of 8,000 lbs. per hour -- .. ..		.221
		<hr/>
		.635

*The above capital charges do not contain those for land, buildings and chimney.*

It is, therefore, apparent that in general, the present Hydro rate of .65 is decidedly in line with that at which mills can generate their own electric power. The difference of .015 anna per unit would be much more than offset by the numerous advantages attendant on the use of purchased power.

As intimated earlier in this discussion, we quite appreciate that conditions in mills differ to a considerable extent and no general analysis will exactly apply to all cases. But in view of the necessity that our rates to the cotton mill industry cannot be made to suit individual cases, we can see no other way to cover the situation than that of dealing with average conditions.

From all the foregoing we have decided that a reduction of our present Andhra and Tata Power rate from .725 to .65 is in order, thus making the rates of the three companies identical.



Further, in order that it may be made possible for improvement of load factor to earn a lower rate, we believe that certain mills in which the load factor could be improved either now or in the future should be afforded the opportunity of making this saving.

We offer, then, the option of two rates, the flat rate of .65 anna per unit, or a two-part rate based on a yearly charge of Rs. 50 per annum per K.W. of maximum demand plus .425 anna per unit, subject, however, to the condition hereinafter mentioned.

If we can come to an agreement on the basis of this offer, we are prepared to put them into force at once, even before the expiration of the agreements with Andhra. The condition referred to is that the Andhra consumers whose agreements expire in or about 1932-33 enter into agreements with our companies for a period of 15 years from the date of the reduced rates coming into force. This reduction in rates makes serious loss to Andhra, which we can to some extent make up if Andhra can get new mills who are not taking power at all. We send you a list of the mill companies who are not working by electrical power and we request your Committee's good offices in inducing these companies or some of them to contract to take power from Andhra.

It is our understanding that certain of your members have found the clauses about schedule of machinery to be troublesome and as having a tendency towards restricting the freedom of operation.

The removal of these clauses is not simple of solution because many of the mills have contracts with two of our Companies and as power is supplied over cables which are common to these companies and also is metered jointly and further, is distributed in the mills without sectionalizing or separation of any sort, the mill machinery schedule is the only means available for pro-rating the total consumption between the two companies with which the contracts exist.

Another difficulty occurs in those mills which use our motors under a rental charge. In these cases the schedule of machinery enables us to exercise supervisory control over the loading of motors and prevent injury to them and loss of time to the consumer. This same condition obtains with respect to the maintenance agreement.

But, if we can find a solution for the difficulties cited above, we will be favourably inclined towards the abrogation of the clauses and the substitution of a K.V.A. demand limiting clause for the protection of our cables and apparatus from injury by overloading. You will hear further from us on this subject in the near future.

In conclusion we suggest that a small Committee appointed by your Association may meet a Committee appointed by our Boards to discuss this matter in order to arrive at a decision which may be mutually satisfactory.—Yours etc.,

THE TATA HYDRO-ELECTRIC P. S. CO., LTD.,  
THE ANDHRA VALLEY P. S. CO., LTD.,  
THE TATA POWER CO., LTD.,  
TATA SONS, LIMITED, Agents,

J. D. GHANDY,  
Director.

*List of Mills which are not working by Electric Power or have available Extra Load.*

Spring and Textile	..	..	..	..	..	..	7,000	Horse-power.
Imperial	..	..	..	..	..	..	1,500	" "
Kasturchand	..	..	..	..	..	..	2,400	" "
Currimbhoy	..	..	..	..	..	..	1,500	" "
Maneckji Petit	..	..	..	..	..	..	3,000	" "
Dinshaw Petit	..	..	..	..	..	..	1,700	" "
Framji Petit	..	..	..	..	..	..	1,300	" "
Indian Manufacturing Co.	..	..	..	..	..	..	1,800	" "
Carried over	..	..	..	..	..	..	20,200	Horse-Power,

						Brought over..	26,200	Horse-Power.
Khatau Makanji ..	..	..	..	..	..	2,300	..	..
Jivraj Baloo ..	..	..	..	..	..	1,500	..	..
Indian Engineering ..	..	..	..	..	..	1,300	..	..
Bombay Industrial ..	..	..	..	..	..	1,600	..	..
Elphinstone ..	..	..	..	..	..	2,000	..	..
Manchester ..	..	..	..	..	..	1,200	..	..
Atlas ..	..	..	..	..	..	2,000	..	..
Pralhad ..	..	..	..	..	..	1,500	..	..
Presidency ..	..	..	..	..	..	1,100	..	..
Coorla ..	..	..	..	..	..	1,300	..	..
New China..	..	..	..	..	..	1,100	..	..
Shapurji ..	..	..	..	..	..	900	..	..
Miscellaneous ..	..	..	..	..	..	5,000	..	..
						<u>43,000 Horse-power.</u>		

No. 141/100 of 1929.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 16th January 1929.

MESSRS. TATA SONS, LTD.,

Agents :- THE TATA HYDRO-ELECTRIC P. S. CO., LTD.,  
THE ANDHRA VALLEY P. S. CO., LTD.,  
THE TATA POWER CO., LTD.,  
BOMBAY.

DEAR SIRS,

I am directed to acknowledge receipt of your letter, dated 11th October 1928, in regard to the question of power costs and to inform you that, as suggested by you in the last paragraph of your letter, a special Sub-Committee of the Association will be pleased to meet representatives of your firm on Tuesday, the 22nd January 1929, at 4.30 p.m. (S.T.) in the rooms of the Association (Sohrab House, Hornby Road), if the time and date suggested is convenient to you.

I may kindly be informed of the names of your representatives who will be present at the meeting.—Yours, etc.,

T. MALONEY,  
Secretary.

BOMBAY, 16th January 1929.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are in receipt of your letter of to-day's date in regard to the question of power costs. We note that your Association have appointed a Sub-Committee to meet the representatives of our companies on Tuesday, the 22nd January 1929, at 4.30 p.m. in the rooms of the Association.

The time and the date suggested by you are convenient to us and our representatives will be Mr. Willis, Mr. Richardson and Mr. Cursetjee.

Our Mr. Ghandy will also attend.—Yours, etc.,

TATA SONS, LTD., Agents,  
J. D. GHANDY,  
Director.

**APPENDIX 8.**

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LEVY OF FEES FOR THE INSPECTION OF ELECTRICAL INSTALLATIONS OF  
MILLS BY THE GOVERNMENT OF BOMBAY.

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No. 940/M.

PUBLIC WORKS DEPARTMENT,  
BOMBAY, 25th February 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

*Levy of Fees for Electrical Inspections.*

With reference to your letter No. 2301/21, dated 25th November 1927, I am directed by the Governor in Council to state that your Association does not appear to realize fully the view-point of Government in the matter. The inspections and tests conducted by the Fire Insurance Association may be, as your Association contends, more thorough, extensive and exacting than those conducted by the Government Electrical Inspectors, but whether this is so or not is not germane to the question under discussion. The point is that the responsibility of seeing that licensees and others comply with the obligations imposed on them by the Indian Electricity Act and Rules rests on Government who act through the Electrical Inspectors appointed by them. To admit of this obligation being satisfactorily fulfilled the Indian Electricity Rules authorize an Electrical Inspector to enter any place mentioned in the Rules and carry out inspections and tests—*vide* Rule 4 of the Indian Electricity Rules. Furthermore, in certain cases it is obligatory on the part of the Electrical Inspectors to carry out such inspections—*vide* Rule 55 of the Indian Electricity Rules. Government have accordingly to maintain a considerable establishment and the fees levied for the inspections are intended to cover a part, though only a small part, of the cost of this establishment. Seeing that it is incumbent on Government to maintain this establishment for duties which are obligatory it cannot be considered unreasonable that Government should recoup to themselves a portion of the cost of this establishment by means of the fees in question.

2. I am to express regret that Government cannot see their way to accepting your proposal to exempt the mills from inspection by the Electrical Inspectors; nor can they agree to charge a nominal fee for such inspections. If once the principle of allowing exemptions were conceded, it would clearly be impossible to resist applications from other industries for similar indulgent treatment.

3. With regard to your remark that the proposed fees, even after the reductions have been officially notified, will still be inordinately high, I am to state that Government are unable to agree that this is the case. I am further to point out that the comparison of the fees drawn in paragraph 8 of your letter under reply is inconclusive owing to the two scales being on different bases. Moreover, in the case of the fee for an electric installation of 50 lights, your Association have not adopted the reduced Government rate, for the purpose of comparison, as the amount of Rs. 100 is not the rate for a 50-light installation but is the *maximum* fee leviable. The scale of fees previously notified has been revised as far as possible, and a copy of the revised order will be furnished to you separately in due course.

4. In view of the circumstances explained in the foregoing paragraphs, I am to inform you that Government very much regret that they are unable to do anything further in the matter.—Yours, etc.,

N. N. AYYANGAR,  
*Under Secretary to the Government of Bombay.*  
*Public Works Department.*

No. 540/21 OF 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 27th March 1928.

THE UNDER SECRETARY TO THE GOVERNMENT OF BOMBAY,  
PUBLIC WORKS DEPARTMENT, BOMBAY CASTLE.

SIR,

SUBJECT:—*Levy of Fees for Electrical Inspections.*

I have the honour to refer to your letter No. 940/M, dated 25th February 1928, under the above heading.

2. It is a matter of keen disappointment to my Committee that it has not been possible for Government to reconsider their decision to impose a fresh charge on the cotton mills of this Presidency at a time when the industry is passing through a period of great depression, and when it is entitled to look for every possible assistance from Government.

3. I am directed to add that so far back as August last, Mr. Geddis of this Association was promised certain reductions in these fees at an interview he had with the Hon'ble Mr. Rieu. By your letter No. 940/M, dated 19th October 1927, this Association was informed that a notification regarding these reductions would be issued "in the course of the next two or three weeks," but the notification has not been issued so far. My Committee trust Government will be pleased to issue the notification as early as possible, and that the reductions will have retrospective effect as from 1st January 1927, as promised.—I have, etc.,

J. P. WADIA,  
*Acting Secretary.*

No. 940/M.

PUBLIC WORKS DEPARTMENT,  
BOMBAY, 30th April 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

*Levy of Fees.*

I am directed by the Governor in Council to forward herewith for your information a copy of Government Notification No. 940, dated 3rd April 1928. From this notification you will see that under the revised orders the scales of fees have been modified with effect from 1st January 1927 in a manner which it is considered will meet, in a suitable and satisfactory manner, the objections raised against the previously sanctioned scales. I am to add that refunds will be made of any excess fees paid over those laid down in the revised scale in the case of fees paid up to the date of the issue of the revised orders.—Yours, etc.,

N. N. AYYANGAR,  
*Under Secretary to the Government of Bombay,*  
*Public Works Department.*

## PUBLIC WORKS DEPARTMENT.

BOMBAY CASTLE, 3rd April 1928.

The Bombay Government Order No. 940-I, dated 15th November 1926, for the levy of fees for the services of the Electrical Inspectors, etc., which was notified under Government Notification, No. 940-I, dated 15th November 1926, at pages 2538-2539 of Part I of the *Bombay Government Gazette* dated 18th November 1926, has since been revised and the revised order is published below for general information. This order will have effect retrospectively from 1st January 1927 :—

*Bombay Government Order No. 940, dated 3rd April 1928.*

## LEVY OF FEES FOR THE SERVICES OF ELECTRICAL INSPECTORS

In exercise of the powers conferred by Rule 5 (2) of the Indian Electricity Rules, 1922, and of all other powers enabling him in this behalf, the Governor in Council is pleased to direct by this order that fees for testing and inspection and generally for the services of electric inspectors under the Indian Electricity Act, 1910 (IX of 1910), shall be levied in accordance with the following rules, namely :—

1. *Levy of Fees.*—The fees leviable under this order shall be levied in accordance with the scale of fees hereinafter mentioned ; Provided that if there shall be more than one inspection, examination or test in any period of twelve calendar months, only one fee shall be levied during that period.

Provided farther that if during the said period of twelve months any subsequent inspection or test shall, in the opinion of an electric inspector, have become necessary in any case owing to the neglect or failure of the licensee or owner to carry out within a reasonable time any written instructions of the electric inspector for any alteration in any generating station, receiving station, or tramway system or in any installation, appliance or apparatus previously inspected, the fee for a second inspection during any such period shall be one-fourth of the fees hereinafter prescribed therefor and for a third inspection and subsequent inspections one-half of such fees for each inspection.

*Explanation.*—In this order 'owner' means the owner or occupier of any building, place, carriage or vessel in which electrical energy is generated, received, or used or is about to be generated, received or used.

## SCALE OF FEES.

A. For any inspection, examination or test in pursuance of Rules 51 to 57 of the said Rules where energy is or is about to be supplied or used at high and medium pressure except in those cases to which the items B to H specifically refer, namely :—

<i>Capacity.</i>	<i>Fees.</i>
1 to 5 kilowatts .. .. .	Re. 1 to Rs. 5 according to the number of kilowatts,
5 to 20 kilowatts .. .. .	Rs. 7-8-0,
21 to 50 kilowatts .. .. .	Rs. 10,
51 to 100 kilowatts .. .. .	Rs. 20,
101 to 150 kilowatts .. .. .	Rs. 30,

and so on up to 1,000 Kilowatts at Rs. 10 for each 50 Kilowatts or fraction thereof.

Above 1,000 Kilowatts .. .. . Rs. 250.

The fee shall be paid by the owner to whom the electrical energy is or is about to be supplied.

B. For the inspection, examination or test of any generating station, receiving station or other place in which electrical energy is generated or distributed at medium or high pressure :—

<i>Capacity.</i>	<i>Fees.</i>
1 to 50 kilowatts .. ..	Rs. 20.
51 to 250 kilowatts .. ..	Rs. 20 <i>plus</i> Rs. 5 for every 50 kilowatts over 50 kilowatts.
251 to 1,000 kilowatts .. ..	Rs. 40 <i>plus</i> Rs. 10 for every 50 kilowatts over 250 Kilowatts.
Above 1,000 kilowatts .. ..	Rs. 300.

In the case of a generating station or other place in which electrical energy is generated the fee shall be paid by the licensee or other person generating electrical energy. In the case of a receiving station, the fee shall be paid by the owner.

C. For the inspection, examination or test of any electrical installation, appliances or apparatus in any place or premises used or intended to be used for a theatre or for a cinematograph exhibition or for a public entertainment or amusement or any other public place :—

	<i>Rs.</i>
(i) a. For the initial inspection .. .. .	100

b. For the initial inspection, examination or test of electric installations in theatres, cinemas or other places of public amusement to which licenses are granted for a temporary period .. .. .	50
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(ii) For any inspection, examination or test in any subsequent period of twelve calendar months.—Rs. 50 and Rs. 25 for (i)a and (i)b respectively.

D. For the inspection, examination or test of any electrical installation, appliances or apparatus in any factory within the meaning of the Indian Factories Act, 1911 (XII of 1911) :—

(i) In any factory in which there is any installation, appliance or apparatus for lighting or for purposes other than power, whether electrical energy is supplied by a licensee or other person or generated in the premises of the factory.	Rs. 10 per kilowatt or part thereof, provided that no other scale of fees has been charged and subject to a maximum of Rs. 100.
(ii) In any factory supplied with electrical energy by a licensee for power.	The fee leviable under A above.
(iii) In any factory in which electrical energy is generated in the premises of the factory for power.	Seventy-five per cent. of the combined fees in A and B above according to the number of kilowatts.

The fees shall be paid by the owner.

E. For the inspection, examination or test of the electrical appliances or apparatus in any lifts worked by electrical energy. Rs. 15.

The fee shall be paid by the owner.

- F. For the inspection and examination of any electric traction system including trolley wires and overhead equipment and tests of bounding and leakage currents. Rs. 100 per day with a minimum fee of Rs. 150.

The fee shall be paid by the licensee or the owner of the electric traction system.

- G. For the testing of disputed energy meters :—

	Rs.
For testing a single meter of any description in the Laboratory up to 50 amperes capacity .. .. .	10
Exceeding 50 amperes but not exceeding 200 amperes .. .. .	15
Exceeding 200 amperes but not exceeding 500 amperes .. .. .	20
Exceeding 500 amperes .. .. .	25

If the disputed meter is to be tested on a consumer's premises the above fees to be increased by Rs. 5 each.

The fees shall be paid by the party raising the dispute or by the owner of the meter according as the meter is found to be correct or not within the meaning of Rule 2 (U) of the Indian Electricity Rules, 1922.

- H. For the inspection, examination or test of any main, distributing main or service-line for the existence of leakage thereof which may result in electrolysis or any other injury to any water, gas or other pipes or any appliances in connection therewith. Rs. 15 per hour according to the time occupied but not less than Rs. 30.

If leakage is discovered in any such main or service-line, the fee shall be paid by the licensee or the owner of the main or service-line. If leakage is not discovered, the fee shall be paid by the owner of any such water, gas or other pipes or of the appliances in connection therewith.

2. *Fees for inspection, etc., to whom to be paid.*—The fees leviable under this order for inspection, examinations or tests under Rule 4 of the said Rules shall, unless otherwise specified, be paid to the electric inspector by every licensee or every other person, firm, or company generating, supplying, transmitting, receiving or using electric energy.

3. *Fees : When to be paid.*—The fees levied under this order should be paid at the time that the inspection is made. A receipt for the payment will be given by the Electrical Inspector in the prescribed form. If for any reason the owner of the installation fails to pay the prescribed fees at the time of inspection, he will be responsible for making the payment at the office of the Electrical Inspector within ten days from the date of inspection. Failure to do so will render the owner of the installation liable to action under Section 54 of the Indian Electricity Act, 1910, in accordance with which the fee may be recovered on application to a Magistrate by the distress and sale of any movable property belonging to him.—By order, etc.,

D. R. H. BROWNE,  
*Joint Secretary to Government.*

No. 860/21 OF 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 14th May 1928.

THE UNDER SECRETARY TO THE GOVERNMENT OF BOMBAY,  
PUBLIC WORKS DEPARTMENT, BOMBAY.

SIR,

*Levy of Fees.*

I have the honour to acknowledge with thanks the receipt of your letter No. 940/M, dated 30th April 1928, and a copy of Government Notification No. 940, dated 3rd April 1928.—I have, etc.,

J. P. WADIA,  
*Acting Secretary.*

No. 648/21 OF 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 17th April 1928.

TO ALL MEMBERS OF THE  
BOMBAY MILLOWNERS' ASSOCIATION.

DEAR SIRS,

In the Association's Preliminary Report for 1927 (pages 29-33), a reference is made to the case put up by the Association for a reduction in the fees levied by Government since January 1927 for electrical inspections.

2. From the enclosed copy of a notification published by the Government of Bombay, it will be noticed that certain reductions have been made in these fees, and that these reductions are to have retrospective effect from 1st January 1927.

3. Members who have paid these fees since January 1927 are requested to apply for refunds to the Electrical Inspector to the Government of Bombay, Public Works Department, Bombay. While applying for refunds, the number and date of the "chalan" received from Government should be quoted.—Yours, etc.,

J. P. WADIA,  
*Acting Secretary.*

No. 1486/21 OF 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 27th August 1928.

THE UNDER SECRETARY TO THE GOVERNMENT OF BOMBAY,  
PUBLIC WORKS DEPARTMENT, BOMBAY.

SIR,

SUBJECT :—*Levy of Fees for Electrical Inspections.*

I have the honour to invite reference to the correspondence on the above subject ending with this Association's letter No. 540/21, dated 27th March 1928.



Since this Association last addressed you on the subject, Government have issued a notification announcing a reduction in fees for electrical inspections, but my Committee, after careful consideration, are constrained to point out that even the revised rates are still very high, and should be substantially reduced if Government cannot see their way to abolish the fees altogether.

As regards the term "kilowatts" used in the notification, I am directed to point out that it is very vague, and my Committee would like to know the exact meaning Government put upon that term, and also would like to know how these kilowatts are assessed in the following cases :—

Scale A :—Where power is purchased from an outside source ;  
 Scale B :—Where own power is generated ; and  
 Scale D :—Where lighting sets are used to be used with own power.—I have, etc.,

B. K. MANTRI,  
*Acting Secretary.*

No. 940/M.

PUBLIC WORKS DEPARTMENT,  
 BOMBAY, 8th January 1929.

THE SECRETARY,

THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

*Levy of Fees for Electrical Inspections.*

With reference to your letter No. 1486/21, dated 27th August 1928, I am directed by the Governor in Council to observe that the question of levying fees for the services of Electrical Inspectors has already been discussed at considerable length at the interview which your Association's representative had with the Hon'ble Mr. J. L. Rieu, Member of Council, on 27th August 1927, and I am to state that Government are definitely not prepared to reduce the rates any further.

With regard to paragraph 3 of your letter under reply I am to observe that as regards the meaning of the term 'kilowatt', the output of a plant is taken from the manufacturer's particulars of the plant as placed on the machines themselves and is, in the majority of cases, kilo-volt amperes, that is to say, one thousand times the product of volts and amperes.

As regards the specific cases mentioned by you, in scale "A" the fees are assessed on the aggregate capacity of the plant installed.

In scale "B" the fees are assessed on the capacity of the generating plant or receiving plant installed, and where this scale applies, scale "A" is excluded.

As regards scale "D" sub-section (i) of the rules for fees states the amount to be charged per kilowatt of plant installed, whether lighting energy is bought or generated ; but this is subject to the proviso that fees under scale "A" or scale "B" have not already been charged—*vide* Notification No. 940, dated 13th August 1928, and also sub-scale "D (iii)".—Yours, etc.,

C. E. AITKEN,  
*Deputy Secretary to the Government of Bombay,*  
*Public Works Department, Roads and Buildings.*

**APPENDIX 9.**

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**LEVY OF FEES FOR THE INSPECTION OF ELECTRICAL INSTALLATIONS OF MILLS BY THE BOMBAY FIRE INSURANCE ASSOCIATION.**

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No. 201.

THE BOMBAY FIRE INSURANCE ASSOCIATION,  
BOMBAY, 22nd March 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

*Electrical Installations Inspection Fees.*

We beg to refer you to our letter No. 201 of the 17th November last wherein reference was made to the fact that our Committee was considering a reduction in maximum charges for the inspection of electrical installations in cotton mills.

We are now directed to advise you that the maximum fees for the inspection of light or power installations in mofussil mills have been reduced from Rs. 250 (plus travelling and out-of-pocket expenses) to Rs. 150 (plus travelling and out-of-pocket expenses) for original inspections and from Rs. 75 to Rs. 50 for the inspection of alterations and additions.

Our Association's inspection fees are thus standardized for cotton mills throughout the Presidency and our Committee feel that in granting this concession they can rely upon a continuation of the co-operation and assistance they receive from your members in one of the most useful branches of this Association's work.

We are directed to enclose for your records a copy of our rules as regards electrical installations in cotton mills.

Our Committee will be interested to learn the outcome of your negotiations with Government in regard to the fees levied for their inspections.—Yours, etc.,

A. F. FERGUSON & Co.,  
Secretaries.

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*XXIV.—Electrical Installations.*

All electrical installations must be erected strictly in accordance with the Association's Wiring Rules. With the exception of installations in shops and private residences and Offices (otherwise provided for hereafter), all installations must be passed by the Committee, and a certificate to the effect that same are so erected must be furnished by the Association's Electrical Inspector before permission is granted for the installations to be used. In applying for an inspection the insured must furnish through the Leading Office a schedule (as supplied by the Association) filled up by the contractor giving particulars of the installation, also a wiring plan to scale showing the positions and sizes of lights, motors or other apparatus, switch and distribution board, and positions and sizes of all conductors in connection with the installation.

In the case of all manufacturing risks, intimation must be given to the Committee before the contractors commence work either on the original installations or an extension or alteration thereof, and the fee of the Electrical Inspector (as per schedule following) must be deposited with the Secretaries of the Association. The Committee will then arrange for the Inspector to visit and report on the installation whilst in course of erection.

All installations which have been passed by the Committee and for which the necessary certificates have been granted, must be inspected annually, or triennially, and fees paid as provided in the following schedules :—

All inspection fees and expenses payable under this rule must be borne by the insured.

1. *Cotton Mills*.—(All installations under this heading must be inspected annually. In case of additions and/or alterations same must be notified as provided.)

The following is the scale of charges for inspection to obtain the Association's certificate that all is in order :—

*In Bombay*.—Original inspection (for either light or power), fee not to exceed Rs. 150.

*In Mofussil*.—Fees not to exceed Rs. 150, *plus* travelling and out-of-pocket expenses.

*Special Cases*.—In the case of mills where the original inspection would probably occupy some days, special fees to be fixed.

*Alterations and Additions*.—Fees in accordance with the amount of time occupied in connection with the inspection of alterations and additions, especially when carried out on a large scale, should not be less than Rs. 50 in Bombay and Rs. 50 in the mofussil *plus* travelling and out-of-pocket expenses.

On minor alterations and additions the fee charged should not exceed Rs. 50 in Bombay and Rs. 50 in the mofussil *plus* travelling and out-of-pocket expenses.

*Annual Inspections*.—Annual inspections to be made without any fee, but in the event of defects being discovered at the time of such annual inspection, or any other inspection undertaken by this Association, then—

(a) The mill is to obtain a certificate from this Association that the defects have been remedied and pay the fee for the inspection or inspections required to ascertain whether all is in order.

(b) In the event of such defect or defects being of such nature as to make the use of the installation dangerous the use of the installation (whether light or power) is to be discontinued immediately, and prohibited until certified to be in order after a further visit or visits by the Association's inspector.

(c) In case of a dispute arising as to whether an installation is defective or not, the Electrical Engineer to Government should be consulted and the cost of the reference is to be defrayed by the party against whom the Government Electrical Inspector decides.

(d) The following is the scale of charges for inspection to obtain the Association's certificate that all is in order when installations have been found defective :—

*In Bombay*.—(1) Fees according to time—Rs. 40 per day with a minimum of Rs. 15.

*In Mofussil*.—(2) Fees according to time—Rs. 40 per day with a minimum of Rs. 15 *plus* travelling and out-of-pocket expenses.

\* \* \* \* \*

2. Theatres, Hotels and Places of Public Amusement.

\* \* \* \* \*

3. Shops, Private Residences and Offices.

\* \* \* \* \*

4. Manufacturing and other Risks (unless mentioned elsewhere)—

Fees for the inspection of installations in Risks other than those mentioned will be advised on application to the Association. Certificates will be issued and the fees for same will be determined by the Committee.

Risks under this heading must be inspected annually.

The Committee may at any time call for the inspection of any risk rateable under these Tariffs and in such cases the rules as given above will apply.

The following clause must be inserted in all policies covering electrical installations :—

“ This Company is expressly declared to be free from liability for loss of, or damage to, any Electrical Machine, Apparatus, or any portion of the Electrical Installation arising from or occasioned by over-running, excessive pressure, short-circuiting, self-heating or leakage of Electricity from whatever cause (lightning included) arising.

“ Provided that this exemption shall only apply to the particular electrical machine, apparatus, or portion of electrical installation so affected, and not to other machines, apparatus or electrical installation destroyed or damaged by fire set up by such particular machine, apparatus, or other electrical installation.”

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No. 727/21A of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 25th April 1928.

THE SECRETARIES,  
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

*Electrical Installations—Inspection Fees.*

I am directed to acknowledge receipt of your letter No. 201 dated the 22nd March 1928.

My Committee are pleased to note the reductions made in the fees payable for electrical inspections by mofussil mills. They are, however, of the opinion that substantial reductions are urgently called for in the fees payable by Bombay mills as well. These fees undoubtedly are very high, and, at the present moment when mills are endeavouring to economize in every direction with a view to minimize their losses, they expect your Association to give them as much relief as you possibly can. It is, therefore, hoped this matter will meet with the very careful consideration of your Committee, and that they will see their way to effect substantial reductions in these fees.

As regards the last para of your letter, you must be aware by this time of the notification No. 940 of 3rd April, which was published in the *Bombay Government Gazette* dated the 5th of April 1928, announcing certain reductions with retrospective effect from 1st January 1927.—Yours, etc.,

J. P. WADIA,  
*Acting Secretary.*

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No. 201.

THE BOMBAY FIRE INSURANCE ASSOCIATION,  
BOMBAY, 9th May 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

*Electrical Installations—Inspection Fees.*

We are directed to acknowledge receipt of your letter No. 727/21A of the 25th ultimo.

Our Committee is examining the reductions conceded by Government in their notification No. 940 to which you refer and, in the light of the views you have expressed, the whole question is to receive the Committee's consideration.

We are also directed by this opportunity to enclose copy of a warranty very recently adopted for insertion in all policies issued by our members covering manufacturing risks. We have to explain that the conditions of this warranty have always been implied. The embodiment of the warranty in the policy only serves to protect the Insurance Companies in cases where a policy-holder shows a wilful neglect to remedy dangerous defects in his installation or refuses to comply with requirements of the Wiring Rules or declines to pay for the services of our inspectors.—Yours, etc.,

A. F. FERGUSSON & Co.,  
Secretaries.

*Copy of Warranty.*

The following Standard Tariff Warranty must be inserted in all policies covering manufacturing risks (as also risks where the electrical installation is covered specifically and periodical inspections are carried out at the request of the insured):—

It is understood and agreed that any electrical installation used in connection with power, lights and fans shall be erected and maintained to comply with the requirements of the Wiring Rules of the Bombay Fire Insurance Association and that such installations shall be subject to inspection from time to time by the Electrical Inspectors of the said Association for which nominal fees payable by the insured, shall be charged.

A breach of this warranty shall in no way qualify the validity of this Policy but shall only confer upon the Company the right to withdraw permission to use the Electrical Installation or to charge an additional premium if a defective installation shall continue to be used.

The Committee of the Bombay Fire Insurance Association are to be the sole judges as to whether the condition of the installation warrants the withdrawal of permission to use the installation or whether the extra premium should be imposed.

No. 1024/21A of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 28th May 1928.

THE SECRETARIES,  
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

*Electrical Installations—Inspection Fees.*

With reference to your letter No. 201 of the 9th instant my Committee are pleased to note that your Committee are going into the whole question of fees for electrical inspection, and they trust your Committee will see their way to make substantial reductions in these fees.

As regards the warranty sent with your letter, my Committee hold that it is objectionable in certain respects. They will revert to this subject at a later date on hearing from you your Committee's decision regarding fees for electrical inspections. In the meanwhile, my Committee request you to be good enough not to insert this warranty in policies issued by your members.—Yours, etc.,

J. P. WADIA,  
Acting Secretary.

No. 201.

THE BOMBAY FIRE INSURANCE ASSOCIATION,  
BOMBAY, 31st May 1928.

THE ACTING SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

\* \*  
*Electrical Installations—Inspection Fees.*

In continuation of our letter dated the 9th instant, we are directed to send you herewith copy of a report made by the Assistant Electrical Inspector in the above connection, for your information.

We are now in receipt of your letter of the 28th idem and the same is being circulated to our Committee. We shall advise you in the matter at a later date.—Yours, etc.,

A. F. FERGUSSON & Co.,  
Secretaries.

16th May 1928.

*Inspection Fees for Electrical Installations.*

The latest Government notification regarding the levy of fees for electrical inspections has been drafted on much the same lines as the one issued in November 1926.

POWER INSTALLATIONS.

A reduction of Rs. 100 has been made for the inspection of installations with capacities of 1,000 kilowatts and over, and proportionate amounts (Rs. 10 per 50 kilowatts) are charged for capacities ranging from 150 to 1,000 kilowatts.

A point which I would particularly like to bring to the notice of the Committee is the extreme vagueness of the term "kilowatts."

If the Millowners' Association propose going further into this matter it would perhaps be advisable to suggest that the Electrical Engineer to the Government of Bombay be asked to state whether:

- (a) The reference is to kilowatts of maximum demand, or
- (b) Kilowatts of installed motors.

The load in the case of (a) would be one-third to one-fourth that of (b).

An example would perhaps make the point clearer.

In a mill of 1,000 *kilowatts* capacity of installed motors the maximum demand load may perhaps only be 600 *kilowatts*.

The fee for the inspection of this installation at the new rate would therefore be Rs. 120 for 600 kilowatts as against Rs. 200 if the full capacity (1,000 kw.) was taken as a standard.

This proves conclusively that the term "kilowatts" should be clearly defined before any payments are made by the mill agents, particularly in the case of mills having such high capacities as 2,500 or 3,500 kilowatts.

## LIGHTING INSTALLATIONS.

The reduction in fees with regard to lighting installations is as under :—

<i>Original Tariff.</i>	<i>Revised Tariff.</i>
Any size of installation Rs. 100.	Rs. 10 per kilowatt subject to a maximum of Rs. 100.

Here again the same question arises regarding the definition of a kilowatt, as it has the same importance in this case as in that of power installations.

The comparison of the charges made by this Association with those of the Government of Bombay for the inspection of mill and factory installations has already been referred to by Mr. Greensted in his report dated 8th November 1927, in which he makes it sufficiently clear that the B.F.I.A. fees are very much lower in spite of the fact that three or four days are spent in the inspection of certain mill installations. This is interesting in view of the fact that the Government Inspectors usually take a few hours to test out similar installations.

The sub-division of the maximum fee of Rs. 40 per day according to the time spent on inspections has been one of the contributory causes of a loss of revenue to this Association during the past year.—Yours, etc.,

H.A. RICKWOOD,  
*Assistant Electrical Inspector.*

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No. 201.

THE BOMBAY FIRE INSURANCE ASSOCIATION,  
BOMBAY, 13th June 1928.

THE ACTING SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

*Electrical Installations—Inspection Fees.*

With reference to your letter dated the 28th May and in continuation of ours of the 31st idem, we are now directed to revert to the report dated 16th ultimo by our Assistant Electrical Inspector on the latest Government notification regarding the levy of fees for Electrical Installations forwarded with your letter of the 25th April.

The report dated 8th November 1927 by Mr. Greensted, the Electrical Inspector to our Association, referred to by the Assistant Electrical Inspector, was sent to you under cover of our letter of the 17th November.

In replying to your request that substantial reductions be made in this Association's fees, we are directed to draw your attention to the fact that whilst the work of our inspectors is of a very much more thorough nature than that of the Government Inspectors, our fees notwithstanding are considerably lower.

Our Committee also desire us to point out that as a result of the large reductions which have already been made in the fees for the inspection of mofussil mills, the Association, last year, made a loss of approximately Rs. 10,000 in the operation of the Electrical Department.

Upon due consideration of the above factors, our Committee think that you cannot now reasonably hold that further reductions from this Association are called for.—Yours, etc.,

A. F. FERGUSON & Co.,  
*Secretaries.*

## APPENDIX 10.

## FIRE INSURANCE RATES FOR COTTON MILLS.

No. 2263/A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,  
BOMBAY, 25th April 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

*Fire Insurance Rates—Cotton Mills.*

The attention of our Committee has been drawn to the remarks reported to have been made by Mr. H. H. Sawyer at the Annual Meeting of your Association.

We are directed to state that our Committee feel that the remarks are hardly a just representation of the negotiations which took place between our two Associations. There is no reference to the reduction in rates of approximately 30 per cent. conceded in the Cotton Mills Tariffs in 1925; this reduction was granted forthwith to give immediate relief to the mill industry although the process of remodelling all the tariffs and revising our rules regarding agency commission presented many difficulties and their adoption in fact was delayed until 1927. For two years, therefore, the mills agents who were also insurance agents were receiving the benefit of reduced rates and their remuneration remained at the higher level. Fortunately experience continued favourable during those two years. The insurance companies, to meet the accusation that they were pocketing the difference in agency commission and were making more out of cotton mill business than they were receiving during the two years in question, gave a further special reduction of 15 per cent.

The foregoing is a brief outline of the whole negotiations and we do not think it is your Committee's desire that there should be any possibility of your members being given to understand that the reduction in rates has only been one of 15 per cent. at the expense of the agents.

As your Committee are aware, the present rates for cotton mills in the Bombay Presidency compare very favourably with those ruling in other parts of India and they can only be maintained at the present level if the fortunate experience of the past five years continues.—Yours, etc.,

A. F. FERGUSON & Co.,  
Secretaries,

No. 1005/117 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 24th May 1928.

THE SECRETARIES,  
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to reply to your letter No. 2263/A/dated 25th April 1928.

2. In the first place, I am directed to remind you that, on 13th December 1927, this Association addressed a letter to you urging a reduction of at least 15 per cent. in the fire insurance rates payable by mills. On 22nd December 1927, by your letter No. 2265/A, you were good enough to inform this Association that the letter of the 13th December was receiving the attention of your Committee, and would be dealt with shortly. My Committee regret they have not been favoured with a reply to the letter of 13th December so far.



3. The remarks made by Mr. Sawyer at the last Annual General Meeting were perfectly justifiable. The fact that the insurance rates have always been inordinately high, and therefore a reduction had to be made in 1925, does not in any way affect the justice of Mr. Sawyer's remarks in a speech reviewing the year 1927.

4. It is my Committee's considered opinion that the insurance rates for cotton mills are still very high, and a reduction of at least 15 per cent. is urgently called for, as pointed out in the Association's letter of 13th December. A comparison of the premia paid by the Bombay mills and by the mills in Lancashire should satisfy your Committee that this Association is justified in asking for this reduction.

5. My Committee will be pleased to be favoured with a very early reply to this letter.—Yours, etc.,

J. P. WADIA,  
*Acting Secretary.*

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No. 2265/AA.

THE BOMBAY FIRE INSURANCE ASSOCIATION,  
BOMBAY, 20th June 1928.

THE ACTING SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We beg to acknowledge receipt of your letter of the 24th ultimo which has had the consideration of our Committee and to which we are directed to reply as follows :—

We are to express the sincere regret of our Committee that your letter of the 13th December last should not have been replied to before this and to assure you that the omission was due solely to misadventure. It appears to our Committee, however, that the point made in this letter, viz., that the additional reduction of 15 per cent. sanctioned as from the 31st March last year did not adversely affect the premium incomes derived from the business of your members by the fire insurance companies, was dealt with in our letter of the 25th April last.

Our Committee much regret that they are unable to agree with your Committee that a good case has been made out for a further reduction in rates and they note, with regret, that your Committee consider that the remarks made by your Deputy Chairman at your last Annual Meeting were " perfectly justifiable."

Our Committee cannot accept as accurate the statement that " insurance rates have always been inordinately high." They are asked to compare the rates charged here with those payable in Lancashire but are of the opinion that if comparisons can, fairly, be made (which, they consider, is very doubtful) the Bombay rates compare favourably with those charged anywhere else. Conditions differ so vastly that analogies cannot readily be drawn.

In recent years the loss experience has been very good but neither your Committee nor ours can possibly forecast the period for which this state of affairs will continue.

It is hoped that your Committee will agree that this good loss experience can reasonably be attributed, partially at any rate, to the work done by this Association's inspectors—both of fire appliances and of electrical equipment. As will be appreciated, the ratio of cost of providing these inspectors is now infinitely heavier than it was before the rates were reduced: this is mentioned merely because it seems that this (aspect it is one of a purely domestic nature) may not have received the consideration of your Committee. Our Committee realize that it might be argued that the inspections referred to are carried out for the sole benefit of the insurance offices but such an argument would be fallacious if it were admitted that the work of our inspectors had led to improvement, or had had the effect of maintaining the " standard," in cotton mill risks.

Our Committee trust that your Committee will not think it unreasonable for them to suggest that the new rates, which have been in operation for less than fifteen months, be given a fair trial.—Yours, etc.,

A. F. FERGUSON & Co.,  
*Secretaries.*

No. 1336/117 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 2nd August 1928.

TO ALL MEMBERS OF THE ASSOCIATION  
WHOSE MILLS ARE SITUATED WITHIN THE CITY AND ISLAND OF BOMBAY.

DEAR SIR,

For some time past negotiations have been going on between the Committee of the Association and the Bombay Fire Insurance Association with a view to obtaining lowest possible rates for fire insurance of cotton mills, but in spite of all their efforts in this direction, the Committee regret to note that insurance rates in Bombay are even now inordinately higher than what are actually warranted by the fire experience of the last few years. This point has been repeatedly urged by the Committee before the Bombay Fire Insurance Association, but it appears from the last communication received from that Association that the present rate could not be further reduced without giving it a fair trial.

It will, therefore, be seen that further success in the matter of obtaining reduced insurance rates purely rests on the result of what the Insurance Association terms a "fair trial." Some time, therefore, must necessarily elapse before the results of the trial are available to the Committee for further discussion, but, in the meantime, it is thought desirable that this Association should collect reliable data from its members showing the premia paid and claims received by mills during the last fifteen years, if possible, or ten years at the least

The data collected will, it is thought, eventually assist the Committee in formulating their proposals for the establishment of a "mutual," if such a course is necessary or desirable in the interests of the industry, and I am therefore directed to request you kindly to issue necessary instructions to your staff to supply the particulars mentioned in the attached questionnaire\*, for the information of my Committee.—Yours, etc.,

B. K. MANTRI,  
*For Acting Secretary.*

## APPENDIX 11.

### ALLOWANCE FOR FIRE EXTINGUISHING APPLIANCES.

No. 971.

THE BOMBAY FIRE INSURANCE ASSOCIATION,  
BOMBAY, 3rd May 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Our Committee have had inquiries from offices as to the position with regard to allowances for fire extinguishing appliances arising from non-maintenance of steam in the boilers of mills owing to strikers preventing boiler-men from entering the mill and we are directed to pass on to you, for your information, the following decision recorded by our Committee :—

\* Not printed.

" In the event of steam not being kept up in the boilers in mills owing to strikers preventing boiler-men from entering the mill the allowances for fire extinguishing appliances would be withdrawn but, under the circumstances, only on a *pro rata* basis as from the date steam is not maintained and not from the date of commencement or date of the last renewal of the policy as stated in Provision 7 of the Provisions applicable to Policies in respect of which allowances are made for fire extinguishing appliances on Sheet 9 of Bombay Cotton Mills Tariff."—Yours, etc.,

A. F. FERGUSON & Co.,  
Secretaries.

No. 846/126 of 1928.

THE MILLOWNERS' ASSOCIATION  
BOMBAY, 10th May 1928.

TO ALL MEMBERS OF THE ASSOCIATION IN THE  
CITY AND ISLAND OF BOMBAY.

DEAR SIRs,

I beg to forward herewith, for your careful attention, a copy of a letter received from the Bombay Fire Insurance Association stating that the allowances for fire extinguishing appliances would be withdrawn on a *pro rata* basis for the period the boilers could not be kept working owing to boiler-men being prevented by strikers from entering the mills.

2. The Police Commissioner has promised to render effective assistance in cases where violent methods are resorted to by strikers to prevent boiler-men and others from entering the mills, and all such instances should be immediately brought to the notice of the Police Commissioner.—Yours, etc.,

J. P. WADIA,  
Acting Secretary.

No. 849/126 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 11th May 1928.

THE SECRETARIES,  
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRs,

I am directed to acknowledge receipt of your letter No. 971 of the 3rd instant, and to state that a copy of your letter has been forwarded to all members of the Association for their information.—Yours, etc.,

J. P. WADIA,  
Acting Secretary.

No. 1181.

THE BOMBAY FIRE INSURANCE ASSOCIATION,  
BOMBAY, 23rd May 1928.

THE ACTING SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are directed to acknowledge, with thanks, receipt of your letter No. 849/126 of the 11th instant, contents of which have been noted by our Committee.—Yours, etc.,

A. F. FERGUSON & Co.,  
Secretaries.

## APPENDIX 12.

## REBATES FOR SPRINKLERED COTTON MILL GODOWNS.

BOMBAY, 1st November 1927.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

*Rebates for Sprinklered Cotton Mill Godowns.*

We find that under the Bombay Fire Insurance Association's tariffs, allowances of 50 per cent. and 60 per cent. respectively are made for Sprinkler Installations and Sprinkler Installations with automatic regulators on the main working blocks of mills, whereas, in the case of cotton mill godowns the allowance is only 25 per cent. and 15 per cent. according to warranties stipulated.

It seems to us rather an anomaly that a higher rebate should be allowed on blocks where there is a greater risk of a fire than on godowns where the risk of fire is so remote, and we should be obliged if you would approach the Bombay Fire Insurance Association on the subject and endeavour to induce them to bring the rebates on sprinklered godowns in line with those on sprinklered blocks of mills.—Yours, etc.,

For *The Simplex Mills Co., Ltd.*,  
*p.p. Allen Bros. & Co. (India), Ltd.*,  
P. L. RIDSDALE,  
For *Director*,  
*Agents.*

No. 2275/189 of 1927.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 23rd November 1927.

THE SECRETARIES,  
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to invite your attention to the fact that under your Association's tariffs, allowances of 50 per cent. and 60 per cent. respectively, are made for Sprinkler Installations and Sprinkler Installations with automatic regulators on the main working blocks of mills, whereas, in the case of cotton mill godowns the allowance is only 25 per cent. and 15 per cent. according to warranties stipulated.

In my Committee's opinion it is rather an anomaly that a higher rebate should be allowed on blocks where there is a greater risk of a fire than on godowns where the risk of fire is so remote, and they trust that on due consideration your Association will recognize that a much higher rebate should be granted for sprinkler installations in cotton godowns than is the case at present.

The favour of an early reply to this letter will be appreciated.—Yours, etc.,

T. MALONEY,  
*Secretary*

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION  
BOMBAY, 21st December 1927.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

The subject-matter of your letter dated 23rd ultimo has had the careful consideration of our Committee and we are directed to inform you that they cannot see their way clear to increase the present allowances in respect of Automatic Sprinkler protection in cotton mill godowns.

Whilst admitting that Sprinkler protection is beneficial from certain points of view in minimizing the loss due to fire in a protected risk, the amount of benefit to be derived varies considerably in different types of risk, and this fact is taken into consideration when deciding what allowance is warranted.

Sprinkler protection of cotton godowns is not so reliable as Sprinkler protection in the working departments of a mill for the following reasons:—

- (a) Fires in godowns usually originate at or about the third tier of bales as measured from the ground and owing to the dissipation of the heat as it rises through the various tiers of bales above, longer time is taken for sprinklers to open and to give the alarm.
- (b) Owing to the dissipation and deflection of heat due to the upper tiers of bales, it sometimes occurs that sprinklers away from, or not directly over the seat of, the fire open first, thus the water from such a sprinkler is not deflected over the seat of the fire.
- (c) Even if the sprinklers directly over the seat of the fire operate quickly, the water issuing therefrom is prevented from falling directly on to the seat of the fire by the upper bales, and merely trickles round and down through the spaces between the bales causing considerable water damage, and being of little use in checking the spread of fire.
- (d) The water damage loss in sprinkler godowns is usually very considerable and in the event of sprinklers working and not giving the alarm, due to alarm gong turbines not functioning or for any other reason, the loss sustained would be very severe.

Our Committee's considered opinion is that the existing sprinkler allowances for godowns are compatible with the protection afforded and they regret they cannot see their way to enhance the discount.—Yours, etc.,

A. F. FERGUSON & Co.,  
*Secretaries.*

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No. 39/189 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 11th January 1928.

THE SECRETARIES,  
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to acknowledge receipt of your letter of the 21st ultimo on the subject of the rebates allowed at present in respect of Automatic Sprinkler protection in cotton mill godowns.

My Committee are prepared to concede the force of the arguments advanced by you in support of your contention that the rebates for Sprinkler Installation in the case of godowns in a mill cannot be the same as the rebates for Sprinkler Installations in the case of the main working departments in a mill. At the same time my Committee hold that the rebates in the case of sprinklered godowns are much too low and there would appear to be a good case for increasing the rebates though not to the level of the rebates in the case of the different working departments in a mill. My Committee will feel obliged if you will be so good as to furnish them with full particulars as to the premia paid by cotton mills and the claims paid by your members during the last five years in the case of (1) Sprinklered godowns and (2) other Sprinklered departments of cotton mills.

It will be better if in both the cases you will give separate figures for (1) mills fitted with automatic regulator and self-starting device and (2) mills not so fitted.

It is hoped you will kindly furnish the above particulars to my Committee as early as possible.—Yours, etc.,

T. MALONEY,  
*Secretary.*

No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,  
BOMBAY, 20th February 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are directed to state that your letter No. 39/188 of 1927 dated the 11th ultimo, has now received the careful consideration of our Committee and we are to reply thereto as follows :—

“ Our Committee is always prepared to assist and to co-operate with your Association in matters relating to the insurance of cotton mills in the area controlled by this Association; they regret, however, that they cannot accede to your request to furnish statistics which even when called for from our members can only be seen and summarised as private and confidential information by the undersigned.

We are to point out that 25 per cent. is the standard allowance for sprinkler-protected warehouses throughout the world and that five years' experience of Bombay risks would hardly justify any recommendation to the Fire Offices' Committee (Foreign), London, or to the Committees of our sister Associations in India for an increase in the allowance which compares very favourably, in relation to the protection afforded, with the allowance on process departments.

We think you will appreciate that there is not very much room for any further reduction in godown rates.

The present rate for a fire-proof sprinklered godown is

$$2\frac{1}{2} \text{ as. \%} - 15\% - 25\% = 1\frac{1}{2} \text{ as. \%}$$

which is the lowest rate charged in any of the Bombay tariffs.—Yours, etc.,

A. F. FERGUSON & Co.,  
*Secretaries.*

No. 541/95 of 1928.

THE MILLOWNERS' ASSOCIATION,

BOMBAY, 27th March 1928.

THE SECRETARIES,  
THE BOMBAY FIRE INSURANCE ASSOCIATION, BOMBAY.

DEAR SIRS,

I am directed to refer to your letter No. 2265-A, dated 20th February 1928, on the subject of rebates allowed in respect of Automatic Sprinkler protection in cotton mill godowns.

2. My Committee cannot form any opinion as to whether the rebates allowed are adequate or not until they are furnished with the statistics asked for in this Association's letter of 18th January, and they are very much disappointed to find that you are unable to furnish them with these statistics.

3. I am directed to draw your attention to the fact that the Municipal Commissioner recently succeeded in getting hold of the insurance specifications of a large number of mills. The values declared in insurance specifications are of a much more confidential nature than the statistics asked for by this Association, and my Committee will be pleased to know how it is that this confidential information was made available to the Municipal Commissioner.—Yours, etc.,

J. P. WADIA,  
*Acting Secretary.*

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No. 2265-A.

THE BOMBAY FIRE INSURANCE ASSOCIATION,

BOMBAY, 11th April 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Our Committee has now considered the advices contained in your letter No. 541/95 of 1928, dated the 27th ultimo.

We are asked to convey to you the Committee's regrets that the Municipal Commissioner should have recently been successful in securing copies of insurance specifications of a large number of mills. Our Committee entirely agree that the values declared for insurance are of a confidential nature, and would assure you that in no circumstances would they have acceded to a request from the Municipal Commissioner for a sight of any insurance schedules. It seems to our Committee that if you desire to pursue the matter further, your members should take up the question with their individual insurers.—Yours, etc.,

A. F. FERGUSON & Co.,  
*Secretaries.*

## APPENDIX 13.

## FIRE TAX—PROPOSED AMENDMENT OF THE MUNICIPAL ACT.

No. III4 of 1928.

BOMBAY MUNICIPALITY,  
BOMBAY, 2nd May 1928.THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to state that a proposal to amend the Municipal Act so as to empower the Corporation to levy a special tax not exceeding 2½ per cent. on the gross premia collected by all the Fire Insurance Companies doing business in Bombay, the fire tax levied at present on properties in the city being abolished, is under the consideration of a Committee of the Corporation. The Committee have appointed a Sub-Committee to consider and report on the question. I am desired by the Sub-Committee to request you to be so good as to favour them with the views of your Association in the matter at an early date.—I have, etc.,

R. P. DESAI,  
*Municipal Secretary.*

No. 1021/118 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 28th May 1928.THE SECRETARY,  
BOMBAY MUNICIPALITY, BOMBAY.

SIR,

I am directed to acknowledge receipt of your letter No. III4, dated the 2nd instant, regarding the proposed amendment of the Municipal Act so as to empower the Corporation to levy a special tax not exceeding 2½ per cent. on the gross premia collected by all the Fire Insurance Companies doing business in Bombay, the fire tax levied at present on properties in the city being abolished.

2. After careful consideration of your letter, my Committee have unanimously come to the conclusion that the proposed amendment of the Municipal Act is open to serious criticism.

3. In the first place, it should be remembered that a considerable percentage of properties in Bombay are uninsured, and it would be inequitable to transfer the burden of the maintenance of the Municipal Fire Service to the Fire Insurance Companies doing business in Bombay. The present system under which all properties contribute towards the maintenance of the Fire Services is certainly more equitable.

4. The Fire Insurance Companies in Bombay receive premia not only on properties in Bombay but also on properties out of Bombay, and it would be clearly unfair that a percentage on the gross premia collected by the Fire Insurance Companies in Bombay should go to the Bombay Municipality for its Fire Services as proposed.

5. The proposal is also to be condemned on the ground that it will act as a handicap on the development of Fire Insurance Companies in Bombay.

6. For the reasons mentioned above, my Committee are strongly opposed to the proposed amendment of the Municipal Act.—I have, etc.,

J. P. WADIA,  
*Acting Secretary.*



## APPENDIX 14.

## ANTI-MALARIAL MEASURES IN MILLS.

BOMBAY, 22nd August 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are sending you herewith copy of a notice No. H.M./1670/D, dated 28th June 1928, from the Deputy Executive Health Officer, Municipality of Bombay, in which he has asked us to provide wrought iron mosquito-proof coverings over the C. I. tanks. The boiler feed tanks, the bleaching tank, the humidifier tanks, etc., are constantly changing water, so there are not the slightest chances of mosquito larvæ breeding therein.

The sprinkler tanks, as you know, are always situated at least 15 feet above the highest portion of the mill building and there is no likelihood of mosquito larvæ breeding at such an altitude.

As we have come to know that similar notices have been issued to several other mills in Bombay and as this is an unnecessary expense, we hope your Association will take up this matter with the authorities concerned instead of each mill dealing with its own case individually.—Yours, etc.,

FOR THE BOMBAY DYEING & MFC. CO., LTD.,  
NOWROSJEE WADIA & SONS,  
*Agents.*

*Copy of letter No. H.M./1670/D of 1928-29 dated Municipal Offices 28th June 1928, from the Deputy Executive Health Officer, Bombay Municipality, Bombay, to Messrs. Nowrosjee Wadia and Sons, Agents, The Textile Mills, Bombay.*

I have to request you to have the following work in respect of your premises—the Textile Mills at Elphinstone Road—carried out as early as possible:—

To provide wrought-iron sheet covers properly bolted over the five cisterns (two used for boiler feed, two used for humidifying purposes and one used for bleaching department) leaving manhole openings provided with tight-fitting mosquito-proof hinged iron caps with lock and key arrangement as per model kept in this office, (2) to replace the existing non-mosquito-proof corrugated iron sheet covers over the two over-head cisterns (sprinklers) by new wrought-iron sheet covers properly bolted, leaving manhole openings provided with tight-fitting mosquito-proof hinged iron caps with lock and key arrangement as per model kept in this office, and (3) to keep the hinged iron caps over the manholes of all the said cisterns constantly closed under lock and key so as to render the whole arrangement perfectly mosquito-proof.

BOMBAY, 15th October 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We refer to our interview with the Chairman on Saturday, the 13th instant.

The subject-matter of our interview was the notices which have been served upon various mills requiring them (1) to provide wrought-iron sheet covers properly bolted over certain cisterns leaving manhole openings provided with certain mosquito-proof hinged iron caps, (2) to replace the existing corrugated-iron sheet covers over certain cisterns by new wrought-iron covers properly bolted, and (3) to keep the hinged iron caps over the manholes of all the said cisterns constantly closed under lock and key so as to render the whole arrangement perfectly mosquito-proof.

We were instructed to advise whether in our opinion the Municipality have power to make the requisitions mentioned and whether the mills are under any obligation to comply with them.

In our opinion the Municipality are, subject to one point, in order in making the requisitions referred to and the mills must within a reasonable time comply with the requisitions.

Our reasons for the said opinion are as follows:—

Section 381 of the City of Bombay Municipal Act so far as is relevant reads as follows:—

" 1. If in the opinion of the Commissioner (a).....(b) any cistern or other receptacle for water whether in or outside a building or (c)..... is or is likely to become a breeding place of mosquitoes.....the Commissioner may by notice in writing require the owner thereof to.....cover over.....the same in such manner and with such materials as the Commissioner shall prescribe or to take such order with the same for removing or abating the nuisance as the Commissioner shall prescribe."

This section was substituted for the original section by Bombay Act VI of 1913, Section 4. The section formerly read as follows:—

" If in the opinion of the Commissioner any pool, ditch, tank..... is or is likely to become a nuisance the Commissioner may.....require the owner thereof to cleanse, fill up, drain off or remove the same or take such other order therewith as the Commissioner shall deem necessary."

It was held in the case of the Municipal Commissioner of Bombay *v.* Hari Dwarkoji, 24 Bombay 125, that the section did not empower the Commissioner to issue an order that an indefinite quantity of low-lying ground should be filled up much less that it should be filled to some particular level or filled up with sweet earth or sloped in a particular direction.

No doubt to meet the views expressed by the Appellate Court the section was amended and it seems to us clear that the section now not only authorizes the Commissioner to direct that certain things should be done but that the section also authorizes him to direct the manner in which these things should be done.

The notices have been served under the signature of a Deputy Health Officer. This procedure does not seem to us to be in order because Section 381 is not one of the sections set out in Section 68 under which certain officers of the Corporation have authority to carry out the powers, duties or functions conferred or imposed upon or vested in the Commissioner. It seems to us, therefore, that before any effective steps can be taken by the Municipality a

fresh notice under the signature of the Municipal Commissioner must be served upon the mills but once this has been done we cannot see any answer to the demands made by the Municipality. It seems to us that the matter is one upon which the Association will be well advised to come to the best arrangement possible with the Municipal Commissioner.

We return your files and await your further instructions.—We are, etc.,

CRAIGIE, BLUNT & CAROE.

BOMBAY, 15th November 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

*Re : Notices by Municipal Commissioner under Section 381 of the Municipal Act..*

We beg to refer you to our letter to you of the 15th ultimo in which we gave our opinion on the powers of the Municipal Commissioner under Section 381 of the Municipal Act.

This opinion was expressed on the Act as we understood it was framed at the date of our opinion, but we have recently learnt that on the 24th September last an Act was passed in the Legislative Council further to amend the City of Bombay Municipal Act, 1888.

By Section 14 of this Act Section 381 of the Municipal Act, 1888, was further amended.

Section 14 reads as follows:—

“14. In Section 381 of the said Act—

(a) for sub-section (1) the following sub-section shall be substituted, namely:—

(1) (i) For the purposes of this section, a nuisance shall include—

(a) any pool, ditch, tank, well, pond, quarry-hole, drain, watercourse or any collection of water; or

(b) any cistern or other receptacle for water or any article or thing capable of collecting rain-water during the monsoon season whether within or outside a building; or

(c) any land on which water accumulates or is likely to accumulate; or

(d) any premises or any part of any premises occupied, or unoccupied, or under construction, reconstruction or demolition;

which in the opinion of the Commissioner is, or is likely to become a breeding place of mosquitoes or which is, in any other respect, a nuisance as defined in clause (z) of Section 3.

“(ii) The Commissioner may, by notice in writing, require the person by whose act, default or sufferance, a nuisance arises, exists or continues, or is likely to arise, and the owner, lessee and occupier of the land, building or premises on which the nuisance arises, exists or continues or is likely to arise or any one or more of such person, owner, lessee and occupier, to remove, discontinue or abate the nuisance by taking such measures and by executing such work in such manner and within such period of time as the Commissioner shall prescribe in such notice.

“(iii) The Commissioner may also by any notice under clause (ii) or by another notice, served on such person, owner, lessee and occupier, or on any one or more of them, require them or any one or more of them to take all steps requisite or necessary to prevent a recurrence of the nuisance and may, if he thinks it desirable, specify any work to be executed or measures to be carried out for that purpose and may serve any such further notice notwithstanding that the nuisance may have been abated or removed, if he considers that it is likely to recur ;

“Provided that if at any time within four months from the date of the service of any such notice, the nuisance recurs through the failure of the person or persons upon whom such notice has been served to comply with the requirements contained in such notice, such person or persons shall be liable without any further notice to the penalties provided in this Act for offences under this section.

“(iv) Where the nuisance arises or exists or is likely to arise or recur in connection with the construction, reconstruction or demolition of any premises, or any part of any premises, the Commissioner may in addition to serving any notice on any one or more of the persons mentioned in clause (ii) serve any such notice on any architect, contractor or other person employed to carry out such work of construction, reconstruction, or demolition and also on any sub-contractor or other person, or any one or more of such contractor, person and sub-contractor.”

A comparison of Section 381 as amended by the Act passed on the 24th September 1928 with Section 381 of the Municipal Act, 1888, as amended by Act VI of 1913, will show that while the Commissioner may prescribe the work to be done, and the manner in which, and the period of time within which, the work is to be executed, the Commissioner cannot now prescribe the materials with which the work is to be executed.

The opinion expressed in the last paragraph of page 2 of our letter to you of the 15th October still holds good, namely, that Section 381 authorizes the Commissioner to direct that certain things shall be done, and to prescribe the manner in which those things shall be done, but the Commissioner cannot now prescribe the materials to be used in carrying out the works which he directs to be done.

Consequently, the notices which have been served upon various mills directing the provision of wrought-iron sheet covers properly bolted over certain cisterns leaving manhole openings provided with certain mosquito-proof hinged iron caps, and requiring the provision of new wrought-iron covers properly bolted to replace the existing corrugated-iron sheet covers over certain cisterns, are, in our opinion, bad.

If the notices in question have not so far been attended to by the mills, then we think that the Municipal Commissioner should be addressed on the subject of these notices, and that it should be pointed out that by reason of the amendment of Section 381 of the Municipal Act by the amending Act passed on the 24th September 1928, the notices served upon the mills are bad, and that the mills decline to act upon such notices.

Fresh notices will of course be subsequently served upon the millowners, but such notices will have to comply with Section 381 as amended by the Act passed on the 24th September 1928.—We are, etc.,

CRAIGIE, BLUNT & CAROE.

BOMBAY, 21st December 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

SUBJECT :—*Mill Tanks.*

I have discussed the question with the Deputy Health Officer in charge of malaria operations. In view of Major Covell's findings and the investigations carried out by the Municipality themselves, it would appear that sprinkler and other tanks are apt to breed

mosquito-larva in spite of conditions which may be said not to favour their growth. The necessity of closing up these tanks cannot, I am afraid, be disputed. The Deputy Health Officer, however, is anxious to secure the co-operation of the millowners, and has no desire to dictate to the mills concerned that any particular type of material should be used. All that he wants is that the tanks should be properly covered up, and if anything cheaper than wrought iron will serve the purpose, he has no objection to its adoption. In view of the fact that a Sub-Committee of the Malaria Advisory Committee is going into the question, I have asked the Deputy Health Officer not to proceed to enforce the Municipal requisition until that Sub-Committee has reported. I understand Mr. Stones is a member of it; and he may be trusted to represent the millowners' case adequately.

I expect to hear further in the matter from the Deputy Health Officer. In the meantime, mills which have received the requisition might be informed that they should consult their architects with a view to find out the cheapest mode of covering up these tanks.  
—Yours, etc.,

H. P. Mody.

No. 121/99B of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 15th January 1929.

ALL MEMBERS OF THE ASSOCIATION  
WHOSE MILLS ARE SITUATED IN THE CITY AND ISLAND OF BOMBAY.

DEAR SIRS,

Some time ago, the attention of the Association was drawn to a notice issued by the Municipal Health Officer calling on certain mills in Bombay to provide wrought-iron or cement concrete covers over their cisterns and sprinkler tanks. As the expenditure involved by strictly complying with the Health Officer's requisition would have been considerable, the Committee consulted the Association's solicitors as to whether the Municipality had powers to make such a requisition, and if so whether they were also empowered to prescribe the material with which the work was to be executed.

The solicitors held the view that though the Municipality had no right to prescribe the material for the execution of the work, they were empowered to order that all mill tanks and cisterns should be covered in such a manner as to render them mosquito-proof.

Under the circumstances, it was considered that the position was one in which the Association should endeavour to come to the best arrangement possible by negotiating with the Municipality on behalf of the mills in Bombay as a whole, and Mr. H. P. Mody, the Association's representative in the Municipal Corporation, was appointed to discuss the position with the Health Officer.

I forward herewith for the information of members extracts from Mr. Mody's report of the conversations which he had with the Health Officer:—

“The necessity of closing up these tanks cannot, I am afraid, be disputed. The Deputy Health Officer, however, is anxious to secure the co-operation of the millowners, and has no desire to dictate to the mills concerned that any particular type of material should be used. All that he wants is that the tanks should be properly covered up, and if anything cheaper than wrought iron will serve the purpose, he has no objection to its adoption. In view of the fact that a Sub-Committee of the Malaria Advisory Committee is going into the question, I have asked the Deputy Health Officer not to proceed to enforce the Municipal requisition until that Sub-Committee has reported. I understand Mr. Stones is a member of it; and he may be trusted to represent the millowners' case adequately.

" I expect to hear further in the matter from the Deputy Health Officer. *In the meantime, mills which have received the requisition might be informed that they should consult their architects with a view to find out the cheapest mode of covering up these tanks.*"

The Committee hope that the point made by Mr. Mody in the last sentence of his report will be carefully considered by members.—Yours, etc.,

T. MALONEY,  
Secretary.

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## APPENDIX 15.

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### DEFINITION OF THE WORD " MANUFACTURED " OCCURRING IN THE COTTON INDUSTRY (STATISTICS) ACT 1926.

No. 1123/3 of 1926.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 27th July 1926.

THE COLLECTOR OF CUSTOMS,  
BOMBAY.

SIR,

I have the honour, under directions of my Committee, to address you on your circular letter No. 1041/C.S. dated 4th June 1926 and addressed to the cotton mills under your jurisdiction on the subject of the definition of the word " manufactured " as used in the Cotton Industry (Statistics) Act, 1926, and in the Rules under the Act.

2. My Committee had in the first instance recommended to the Government of India, Commerce Department, the following definition :—

" Goods shall be deemed to be manufactured when the manufacturing processes which the goods are intended to undergo have been completed and the goods are finally stamped and marked and made ready for sale though not necessarily baled, boxed or packed."

The above definition was provisionally accepted by the Government of India, and the definition contained in your circular letter is the same as the above definition except that the words " and the goods are finally stamped and marked " are deleted.

3. On further consideration, it appears to my Committee that the definition is not quite suitable for adoption by mills. As a rule, mills do not keep daily records of goods stamped and marked, and there would be considerable difficulty in submitting figures other than those relating to goods baled during the day. My Committee, therefore, desire that the definition should be modified as below :—

" Goods shall be deemed to be manufactured when all manufacturing processes which the goods are intended to undergo have been completed and the goods are baled, boxed or packed."

4. The present definition is causing much inconvenience to mills and my Committee will, therefore, feel obliged if you will kindly communicate the contents of this letter to the Government of India and obtain their sanction as early as possible for a modification of the definition on the lines suggested above.—I have, etc.,

T. MALONEY,  
Secretary.

No. 112/29 of 1927.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 15th January 1927.

THE SECRETARY TO THE GOVERNMENT OF INDIA,  
COMMERCE DEPARTMENT, DELHI.

SIR,

SUBJECT:—*The Cotton Industry (Statistics) Act, 1926.*

I have the honour to refer to your letter No. 1080-C, dated 6th May 1926, regarding the adoption provisionally by Government of the definition of the word "manufactured" suggested by the Association.

2. On 4th June 1926 the Collector of Customs, Bombay, addressed a circular letter to the mills under his jurisdiction, giving the definition of the word "manufactured" as suggested by the Association and provisionally adopted by Government.

3. On further consideration it appeared to my Committee that even this definition was not quite satisfactory, and on 27th July 1926, they addressed a letter to the Collector of Customs as per copy enclosed herewith.

4. My Committee request that Government may be pleased to take early steps for the amendment of the definition of the word "manufactured" on the lines suggested by them in their letter No. 1123/3 of 27th July 1926 to the Collector of Customs.—I have, etc.,

T. MALONEY,  
Secretary.

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No. 1080-C (3).

GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE,  
NEW DELHI, 20th March 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

*Definition of the term "Manufactured" occurring in the Cotton Industry (Statistics) Act, 1926.*

With reference to the correspondence ending with your letter No. 112/29, dated the 15th January 1927, on the above subject, I am directed to say that, after consulting the Local Governments and other interests concerned, the Government of India have decided to adopt the following definition of the term "manufactured" for the purposes of the Cotton Industry (Statistics) Act, 1926:—

"Goods shall be deemed to be manufactured when all manufacturing processes, which the goods are intended to undergo, have been completed and the goods are baled, boxed or packed, or issued out of the mill premises without being baled, boxed or packed."

It will be observed that a slight addition has been made to the definition suggested in your letter. I am to explain that this has been done as it is reported that certain mills issue cloth without it being baled, boxed or packed.

2. The Local Governments and Administrations concerned have been asked to inform the owners of cotton mills of the definition as now adopted by the Government of India.—I have, etc.,

L. SEN,  
Assistant Secretary to the Government of India.

**APPENDIX 16.**

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**REVISION OF THE CLASSIFICATION OF COTTON PIECEGOODS IN THE MONTHLY  
STATISTICS OF COTTON SPINNING AND WEAVING IN INDIAN MILLS.**

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.. No. 7032/P.

DEPARTMENT OF COMMERCIAL INTELLIGENCE & STATISTICS,  
CALCUTTA, 20th August 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :—*Revision of List of Cotton Goods.*

I have the honour to enclose\* a classified list of cotton goods manufactured in Indian mills maintained for the purpose of compiling the "Statistics of Cotton Spinning and Weaving in Indian Mills." This list was last revised in 1916 and circulated to provincial authorities in January 1917 for guidance in the classification of cotton goods by the mills.

2. With a view to revising the list further, to simplify it, where possible, and at the same time to make it exhaustive, the Collector of Customs, Bombay, and the checking officers of other provinces who check the returns compiled by managers or millowners of respective districts or sub-divisions according to Rule 5 of the Cotton Industry (Statistics) Rules, 1926, were addressed for their opinion as to whether the list requires any revision. The suggestions, especially those offered by the Collector of Customs, Bombay, have been incorporated in the enclosed list No. II\*. I shall be greatly indebted if you will examine the suggested changes and additions and advise whether there is any objection in adopting them.

3. Another list (No. III) showing certain new items for which no classification has been suggested by checking officers is also sent herewith\*. The classification proposed in each case by this Department is also indicated therein except in the case of "Fainta" and "Salita" regarding which no information is available. I shall be glad also to have your opinion regarding the items included in this list.—I have, etc.,

P. M. JOSEPH,  
For Director General;

No. 1741/174 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 11th October 1928.

THE DIRECTOR GENERAL OF COMMERCIAL INTELLIGENCE AND STATISTICS,  
CALCUTTA.

SIR,

SUBJECT :—*Revision of List of Cotton Goods.*

I am directed to acknowledge the receipt of your letter No. 7032/P, dated the 20th August 1928, wherein you request my Committee to express an opinion on certain suggestions received from the Collector of Customs, Bombay, and certain other provincial officers in connection with the revision of the list of cotton goods maintained for the purpose of compiling the "Statistics of Spinning and Weaving in Indian Mills."

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\* Not printed.



2. In this connection I am to invite your attention to para 87 of the Tariff Board's report and to inquire whether Government have examined the possibility of compiling 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. It will be remembered that the Tariff Board also recommended that in view of the increasing importance of bleached goods, these should be shown separately from grey goods. My Committee would therefore be pleased to be informed of Government's intentions in regard to these suggestions.—I have, etc.

B. K. MANTRI,  
*Acting Secretary.*

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No. 8953/P.

DEPARTMENT OF COMMERCIAL INTELLIGENCE & STATISTICS,  
CALCUTTA, 31st October 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :—*Revision of List of Cotton Goods.*

With reference to paragraph 2 of your letter No. 1741, dated the 11th October 1928, on the above subject, I have the honour to say that the decision of the Government has not yet been communicated and that a further communication will be sent on receipt of orders from the Government of India.—I have, etc.,

D. B. MEEK,  
*Director-General.*

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## APPENDIX 17.

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### HEDGE CONTRACTS.

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No. 2313/HE/2.

THE EAST INDIA COTTON ASSOCIATION, LTD.,  
BOMBAY, 26th January 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

With reference to your letter No. 2297/30a, dated the 24th November 1927, regarding the advisability of widening the existing Hedge Contracts, I am directed to inform you that the Board of Directors of my Association have considered the same and resolved that copies of the same together with extracts (para 55) from the report made by the Indian Tariff Board (Cotton Textile Industry Enquiry) 1927 should be circulated to members of the Representative Committee of my Association for an expression of their views on the proposals as formulated by Messrs. Forbes, Forbes, Campbell & Co., Ltd., and as subsequently modified by the Board. Members of my Association are also being notified accordingly and invited to communicate their views, if any, to the Association on or before the 20th

February 1928. On receipt of replies from members of the Representative Committee and also from any member or members of my Association the Board of Directors of my Association will give the proposals for widening the existing Hedge Contracts their best attention.—Yours, etc.,

D. MEHTA,  
Secretary.

No. 194/40 OF 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 6th February 1928.

TO MEMBERS OF THE REPRESENTATIVE COMMITTEE OF THE  
MILLOWNERS' PANEL OF THE EAST INDIA COTTON ASSOCIATION, LTD.

GENTLEMEN,

The Committee of this Association understand that on 30th January 1928, the Secretary of the East India Cotton Association forwarded to the Representative Committee of the East India Cotton Association, a copy of this Association's letter dated 24th November 1927 and other papers on the subject of the existing Hedge Contracts and requested you to communicate to him, on or before the 20th February 1928, your views on the proposals formulated by Messrs. Forbes, Forbes, Campbell & Co., Ltd.

2. This matter was considered at a meeting of the Committee of this Association held to-day when it was resolved that a meeting of the Representative Committee of the Millowners' Panel should be convened at an early date to discuss the subject and formulate proposals for submission to the Board of Directors of the East India Cotton Association.

3. The date and time of the proposed meeting will be communicated to you in due course, and in the meanwhile you are requested not to communicate any views to the Board of the East India Cotton Association in reply to their Secretary's letter of the 30th January 1928.—Yours, etc.,

J. P. WADIA,  
Acting Secretary.

*Copy of Letter dated 6th February 1928 addressed by Mr. I. I. Mashruwalla to the  
East India Cotton Association, Limited.*

DEAR SIRS,

*Re : Changes in the Hedge Contracts.*

To be quite frank and open we do wish to admit at once that we agree with the Millowners' Association and the Board that the present Hedge Contracts need modifications ; but with due respect to these two bodies, our opinion differs with regard to the proposed changes and we wish to place for the consideration of the Board, the Millowners and all the other members of the trade the changes we desire to effect in order that the Hedge contracts may serve the purpose originally desired by the trade and be of advantage and use equally to the producers, the middlemen, the millowners and the exporters.

These contracts as at present existing shut out for purposes of trade 1,016,549\* bales (1927) from a crop of 1,385,000 bales, debarring them from being valid tenders against any of the existing contracts.

* 1926-27.	Receipts into Bombay.
	B s.
Khandesh .. .. .	315,441
C. I. .. .. .	318,827
Moglai .. .. .	274,592
Mathia (taking 50% of Dholleras) .. .. .	107,689
	<hr/>
	1,016,549
	<hr/>

Total crop of 1926-27, in these four districts was 1,385,000 bales. This crop is 27.8 per cent. of the total Indian crop, of which total Oomra is 45.9 per cent., i.e., this is as much as 60.56 per cent. of the Oomra crop and 55.6 per cent. of the total arrivals of Oomras in Bombay. It is a fact which will be admitted by every one in the trade that all these descriptions are classified as Oomras not for the sake of the facility of reports but are actually bought and sold and shipped and delivered as Oomras by our buyers and sellers. With this explanation we propose that the present Hedge Contracts be modified as under :—

But firstly, we propose that divisions of Oomra into Berar, C.P. I and C.P. II be reduced to two only—"Berar" and "C. P."—and cotton from Malkapur to Chandur and Dhamangaon (included) be styled Berar, and all cotton beyond Dhamangaon declared C. P. cotton, and Harda and Bhopal being part of C. P. may also be included in C. P. Cotton.

*Proposed Contracts :—*

(1) *Fully good M. G. Bengal*, to be retained as it is. Months of delivery:—(1) October (2) December, (3) January/February, (4) April, (5) June, (6) August. Trading in new year's crop for this contract be allowed from February 1st or January 1st., i.e., 12/13 months ahead. Half grade off as at present.

(2) *Fully good Broach Contract*:—(1) Broach, (2) Saw-ginned and Dharwar, (3) Punjab-American, Surat, Navasari, Rajpipla, Cutch, (4) Kadi-Viramgaon, (5) Dholleras, Kalagin, Tinnevelles, Cambodia, Kurungunny, (6) Nizamabad and Warangal, (7) White Northern and (8) C. P. (including Harda and Bhopal) *half grade off only*. Delivery:—(1) March/April, (2) May, (3) June/July, (4) August, (5) September. Descriptions:—Staple 1 to 8,  $\frac{3}{8}$  inch; the rest  $\frac{7}{8}$  inch.

Trading in new contract be permitted from 1st April instead of 1st May as at present.

(3) *Fine M. G. Oomra*:—C. P. Berar, Khandesh, Central India, Moglai, (Hyderabad) north of Latur and Karakali Oomra Mathia (and option to sellers to tender nice Cawnpore, Harpalpur, Banda and Kalpi cotton if agreeable). *Half grade off from November to June, and from July to October upto full grade off*. Months of delivery:—November, December-January, March, May, July, September. Trading in new contracts be permitted from 1st January or 1st February.

(4) *F. G., M. G. Southern Contract*:—(a) Westerns, Northern (excluding red), Bijapore, Bagalcote, Dhollera, Kadi-Viramgaon, F. G. Punjab, Scind-American; (b) Coomptah, Miraj, Kalagin, Cutch, Nanded and Latur Ujjain. Months of delivery:—February-March, April, May-June, July-August, September-October (either single or double but believe double would be preferable). Trading in new contracts be allowed from 1st April or 1st May. (a) staple to be  $\frac{3}{8}$ " and (b)  $\frac{7}{8}$ ". Reasons for grouping them as above are:—

*For Contract 2.*—I would like to take out from this Kadi-Viramgaon, Dhollera and Kalagin as they are long stapled but leafy and less clean varieties just like Westerns and Coomptah, though a bit silkier. They would best suit contract 4 as in spot market and in actual values these are nearer to Westerns than to Surat and other high cottons included in Broach contract. (But I have included them in my proposal here and also in Contract 4 just to soften opposition.)

For including in this contract Tinnevelly, Karungunny, Cambodia, Nizamabad, Warangal and White Northern. I do not believe any explanation is needed, for, every one in the trade knows the value of these cottons is more nearer to Surat and Broach than to Western, and the cotton is as clean and as silky and nice as Surat and Broach cotton and a buyer would not find a tender of these against Broach as irksome and undesirable and useless as that of Dhollera or Kadi-Viramgaon.

C. P. I. is included also for the same reason, that is, in ready markets it fetches about the same price as Broach. Generally Oomra contract varies from Rs. 20 to 40 off Broach and C. P. I. from Rs. 20 to 45 on Oomra, i.e., nearly same as Broach and the cotton resembles Broach in class, staple and cleanliness very nearly.

*Contract 3.*—Reason for including other descriptions known as Oomra to the trade but declared invalid for tenders at present is obvious as removing a great defect and disability. At present these descriptions are hedged by Oomra sales and being not a valid tender against this contract, it serves unduly to depress Oomra cotton at the commencement of the season and again unduly raises Oomra during the tender periods. *Vide* this year's result starting with 18 off Oomra sold up to Rs. 39½ off 3rd January but again in January for want of suitable tender narrowed down to Rs. 25 off on 20th and 21st and finally Rs. 30 off on the 25th. The inclusion of these in the tenderable cotton will be a proper relief to the contract and the trade and I believe will induce the up-country merchants to pack it in a cleaner state than at present by making use of kappas and cotton openers and other devices.

*Contract 4.*—Reasons for inclusions into and exclusions from this contract are given above under *Contract 2*.

I hope the Board, the millowners, the exporters, the commission agents and muddams and all the other members of the trade will give this proposal calm consideration for the good of the trade and the premier industry of our Presidency and the regaining of its lost foothold as an importing market.

One more thing to be urged for your consideration is that for delivery contracts *one grade off* must be changed to *half grade off*. The present clause hampers free business because despite the buyer paying higher prices for delivery contracts, he is forced to take cotton up to *full grade off*. Buyer will always prefer to get cotton nearer his requirements and so this change would be a great help to the trade, cotton buyers and sellers.

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THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 29th February 1928.

TO THE COMMITTEE.

GENTLEMEN,

SUBJECT:—*Hedge Contracts.*

In pursuance of the resolution passed by the Committee at the meeting held on 6th February 1928, we have considered the question of Hedge Contracts at two meetings held in the office of Messrs. Nowrosjee Wadia and Sons, on 21st and 27th February, and beg to submit the following report for consideration by the Committee:—

The Committee are familiar with the proposals made in 1925 by Messrs. Forbes, Forbes, Campbell & Co., which, with certain modifications, were accepted by the Board of the East India Cotton Association as well as the Committee of this Association, but were turned down by the Representative Committee. We have again given careful consideration to these proposals as well as to certain other proposals for widening the Hedge Contracts recently made by Mr. Mashruwalla in a letter to the East India Cotton Association as per copy enclosed\* herewith.

We are of the opinion that a letter should be written to the East India Cotton Association stressing the necessity of having only one Hedge Contract as this Association has urged from time to time, but until the different sections of the trade could be educated up to this view, the Millowners' Association, as a first step, should support the proposals of Mr. Mashruwalla, subject to the following modifications:—

- (a) *Contract No. 2.*—We are against Mr. Mashruwalla's proposal that Kadi-Viramgaon, Dholleras and Kalagin cottons should not be included in Contract No. 2. We are of the opinion that they should remain in the contract as at present.

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\* Already printed.

- (b) *Contract No. 3*.—We are against Mr. Mashruwalla's proposal to include in this contract the words "and option to sellers to tender nice Cawnpore, Harpalpur, Banda and Kalpi cotton, if agreeable." These words should be deleted. Further, Ujjain cotton should be placed under this contract.
- (c) *Contract No. 4*.—Ujjain cotton should be removed from the list of cottons deliverable under Contract No. 4 and should be included under Contract No. 3 as stated above.

A suggestion was put forward at the meeting that the Board of the East India Cotton Association be requested that tenders certified against any Hedge Contract be tenderable for three months without going through a further survey.

If the above suggestions meet with the approval of the Committee, we propose that a letter on these lines addressed to the East India Cotton Association be sent to each member of the Representative Committee of the Millowners' Panel so that he may sign the letter and forward it to the East India Cotton Association in reply to their Secretary's letter of 30th January 1928.

J. P. WADIA,  
*Acting Secretary.*

N. N. WADIA,  
JOSEPH A. KAY,  
FRED STONES,  
F. F. STILEMAN.

No. 457/40 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 13th March 1928.

THE SECRETARY,  
THE EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. 2313/HE/2, dated 26th January 1928, on the subject of Hedge Contracts.

My Committee have recently given further consideration to this subject, and they have directed me to write as below :—

Your Directors are aware that this Association has, from time to time, stressed the necessity of having only one Hedge Contract. The Government of India also, in their letter to you dated 25th September 1920, stated that this was the ideal to be aimed at, but that in view of the opposition of certain sections of the trade to a single Hedge Contract, they would not object to a reasonable number of such contracts, provided that, in framing the conditions of each contract, the principle was observed that the contract was wide enough to prevent cornering by speculators. My Committee adhere strongly to the view so often expressed by them, and also by Government, as to the necessity of having only one Hedge Contract, but they recognize with Government that until the different sections of the trade could be educated up to this view, it is inevitable that there should be a reasonable number of Hedge Contracts, provided they are wide enough to prevent cornering. My Committee have recently reconsidered the proposals formulated by Messrs. Forbes, Forbes, Campbell & Co., Ltd., in 1925, and they also have had an opportunity of studying the proposals recently submitted to your Association by Mr. Mashruwalla. My Committee are of the opinion that the proposals of Mr. Mashruwalla are, on the whole, in the right direction, and, as a first step, they should be accepted subject to the following modifications :—

- (a) *Contract No. 2*.—My Committee are against Mr. Mashruwalla's proposal that Kadi-Viramgaon, Dholleras and Kalagin cottons should not be included in Contract No. 2. They are of the opinion that these descriptions of cottons should remain in the contract as at present.

- (b) *Contract No. 3.*—My Committee are against Mr. Mashruwalla's proposal to include in this contract the words "and option to sellers to tender nice Cawnpore, Harpalpur, Banda and Kalpi cotton, if agreeable." Further, in my Committee's opinion, Ujjain cotton should be placed under this contract.
- (c) *Contract No. 4.*—Ujjain Cotton should be removed from the list of cottons deliverable under Contract No. 4, and should be included under Contract No. 3 as stated above.

My Committee are also of the opinion that tenders certified against any Hedge Contract should be tenderable for three months without a further survey, and they commend this suggestion to the earnest consideration of your Board.

My Committee trust your Board will be successful in getting the Representative Committee to accept Mr. Mashruwalla's proposals with the modifications mentioned above.—Yours, etc.,

J. P. WADIA,  
*Acting Secretary.*

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No. 3011.

THE EAST INDIA COTTON ASSOCIATION, LTD.,  
BOMBAY, 14th March 1928.

THE ACTING SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. 457/40, dated the 13th March 1928, on the subject of Hedge Contracts, and to say that the same will be laid before my Board.—Yours, etc.,

D. MEHTA,  
*Secretary.*

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**APPENDIX.—18.**

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TRADING IN KUTCHA KANDY.

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THE BOMBAY DYEING & MANUFACTURING CO., LTD.,  
BOMBAY, 22nd November 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

*Re. The East India Cotton Association.*

As members of the Committee are aware, the High Court of Bombay reversed the decision of the Presidency Magistrate in the Kutcha Kandy case, and declared Kutcha Kandy as illegal and imposed a fine on those people. Since this decision has been come to, there is a move among some of the members of the East India Cotton Association to accommodate the members of the Kutcha Kandy market either by lowering the entrance fee or by reducing the basis of the standard of delivery from 100 bales to some very low figure to make it possible for these people to trade under the auspices of the East India Cotton Association.

This step will, in my opinion, be lowering the standard of the whole Bombay market. No market deals in less than 50 bales. The New Orleans and Chicago markets deal in multiples of 50 bales, while the New York and Liverpool markets still stick to 100 bales, the same standard as is in force here, and we are in line with the two principal markets, of the world. I am therefore strongly opposed to any change being made in the standard of delivery. At the most, if they want to make it easier for the merchants to hedge, they may come down to 50 bales, but even to that I personally have strong objections.

Then again, to lower the standard of admission by reducing the entrance fee or by the creation of another class of members will be lowering the position and reputation of the East India Cotton Association, and therefore I think the time has arrived when our Association should take strong action at once in the matter. They must at once instruct our representatives on the Board of the East India Cotton Association to be present and to oppose strenuously any attempt to lower the entrance fee on any consideration whatever, and also to the lowering of the contracts below 50 bales.

This matter is urgent as I understand it is coming before the E.I.C.A. at an early date and therefore I suggest that our Committee should issue detailed instructions to that effect to our representatives at once.—Yours, etc.,

N. N. WADIA.

No. 1997/191 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 23rd November 1928.

THE HON. MR. RATANSI D. MORARJI.  
F. F. STILEMAN, ESQ.  
LALJI NARANJI, ESQ. M.L.C.

DEAR SIR,

I am directed by the Committee of the Bombay Millowners' Association to forward herewith for your information a copy\* of a letter received from Sir Ness Wadia, from which it will be seen that the Board of the East India Cotton Association contemplate certain changes in the articles and by-laws of that Association to provide for (1) a reduction in the entrance fees payable by members, or, in the alternative, a reduction in the standard quantity to be bought or sold. It is further understood that the changes referred to above are contemplated with a view to accommodate certain members doing business in Kutcha Kandy.

The Committee of the Association have carefully considered the subject and are of the opinion that the changes contemplated by the Board of the East India Cotton Association are incompatible with the prestige of the cotton trade as a whole and the objects with which the Association was originally inaugurated, and they therefore desire that the proposals should be opposed by the Association.

I am further to add that the Board of the East India Cotton Association will consider this question at their meeting to be held this afternoon, and my Committee hope you will kindly make it convenient to attend this meeting and express your emphatic protest against the proposed changes.—Yours, etc.,

B. K. MANTRI,  
*Acting Secretary.*

\* Already printed.

## APPENDIX 19.

### SETTLEMENT DAYS—ALTERATION IN BY-LAW No. 139 OF THE BY-LAWS OF THE EAST INDIA COTTON ASSOCIATION.

THE EAST INDIA COTTON ASSOCIATION, LTD.,

BOMBAY, 24th October 1928.

*Notice.*

Notice is hereby given that an Extraordinary General Meeting of the East India Cotton Association, Limited, will be held in the Board Room of the Association, Taj Building, Hornby Road, Fort, on Monday, the 5th day of November 1928, at 3-30 o'clock in the afternoon, to consider and, if thought fit, to pass resolutions in the terms annexed hereto for the amendment of the By-laws of the Association.

Notice is also hereby given that the new scheme as suggested by Mr. C. F. Brandon of Messrs. Breul & Co., in substitution of the present system of preparing official standards for the Association will be discussed at the meeting above mentioned.—By order, etc.,

D. MEHTA,  
*Secretary.*

Forwarded with compliments to the Secretary, Millowners' Association, Bombay.

### THE EAST INDIA COTTON ASSOCIATION, LIMITED.

*Annexure.*

That the By-laws of the Association be altered in the manner following :—

1. *By-law 32.*—For By-law 32, the following by-law shall be substituted, namely :—

*By-law 32.*—Rates shall be fixed and registered by the Board as provided for in *By-laws 140 and 141*. On or about the 25th day of the month the Board shall fix and register rates for the purpose of contracts falling due on the 25th of the month.”

Rates for contracts falling due on 25th of the month to be fixed by Board.

2. *By-law 139.*—For By-law 139, the following by-law shall be substituted, namely :—

*By-law 139.*—All Delivery Contracts other than those excepted under By-law 136 and Hedge Contracts shall be subject to settlements through the Clearing House and in every case the parties to the contract must be members of the Association. Settlements of differences due on open contracts and of other liabilities to be settled through the Clearing House shall be made on days which shall be notified in a calendar to be published annually.”

Settlement days.

3. *By-law 140.*—For By-law 140, the following by-law shall be substituted, namely :—

*By-law 140.*—Notwithstanding anything contained in these By-laws the Board shall have power at any stage to postpone or alter to any date or dates, Settlement Days, *dates for fixing Settlement Rates*, inward payment dates, and/or outward payment dates.”

Alteration of Settlement dates.

4. *By-law 149.*—Delete the words “ or on Settlement Days ” in the fourth line of By-law 149.

D. MEHTA,  
*Secretary,*

*The East India Cotton Association, Limited.*

BOMBAY, 24th October 1928.



THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 3rd November 1928.

THE SECRETARY,  
THE EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

I am directed to acknowledge receipt of a copy of your notice dated 24th October 1928 regarding certain amendments in the By-laws of your Association.

On going through the proposed amendments, my Committee find that Bye-law No. 139 may still further be amended so that the intentions of your Association, as my Committee understand them, may be more perfectly made clear and carried out. The amendments suggested by my Committee are :—

- (1) The inclusion of the word " periodical " before the word " settlements " in the third line of the by-law ;
- (2) in the eighth line, after the words " shall be made " and before the words " on days," the words " at least twice monthly " be inserted.

The by-law as amended will then read as follows :—

" All Delivery Contracts other than those excepted under By-law 136 and Hedge Contracts shall be subject to *periodical* settlements through the Clearing House and in every case the parties to the contract must be members of the Association. Settlements of differences due on open contracts and of other liabilities to be settled through the Clearing House shall be made *at least twice monthly* on days which shall be notified in a calendar to be published annually."

My Committee trust that your Board will approve of their suggestions.—Yours etc.,

B. K. MANTRI,  
*Acting Secretary.*

No. 2350/BL/X.

THE EAST INDIA COTTON ASSOCIATION, LTD.,  
BOMBAY, 14th November 1928.

THE ACTING SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. 1894/40C dated 3rd November 1928, and to say that the amendment as suggested by you to By-law 139 as well as the original amendment to the same as approved by the Board of Directors of my Association, were considered by the Representative Committee of my Association, but both amendments were negatived by an overwhelming majority of members present and voting at the meeting held on 5th November 1928.—Yours, etc.,

D. MEHTA,  
*Secretary.*

**APPENDIX 20.****BY-LAW No. 86 OF THE EAST INDIA COTTON ASSOCIATION—INCLUSION OF  
MILL GODOWNS IN THE LIST OF PLACES WHERE COTTON MIGHT  
BE TENDERED UNDER HEDGE CONTRACTS.**

No. 316/7013.

BOMBAY, 1st May 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

*Cotton.*

In connection with Rule 86, para 3 of the Rules of the East India Cotton Association, Ltd., Bombay, relating to the location of cotton at the time of issuing a delivery order, we have to refer you to the correspondence that passed between your Association and the East India Cotton Association, Ltd., which is printed at pages 282 to 285 of the report of your Association for the year 1924.

It distinctly appears from the correspondence that your Association's considered view was that it was not contemplated by the by-law in question to exclude mill-godowns as suitable places and this view does not seem to have been disputed anywhere by the East India Cotton Association, who proposed to restrict the operation of the rule by inserting a limit of distance in the situation of different godowns and thus exclude mill godowns.

The Millowners' Association was, however, agreeable to a modification of the rule not entirely excluding mill godowns and the East India Cotton Association was prepared to consider this suggestion on getting an assurance that the former would abide by certain rules of the latter.

The requisite assurance was given but the question does not appear to have been further considered since then and the by-law remains unaltered so far.

We had all along been under the impression that we could tender cotton from our mill godowns but in order to avoid any possible trouble subsequent to a tender, we asked the Secretary of the East India Cotton Association to obtain the Board's opinion.

The Secretary has replied stating that the Board has already ruled in a previous case that the rule does not cover mill godowns.

In view of the above we shall be obliged if you will let us know whether your Association has ever agreed to the interpretation put upon the rule by the Board of the East India Cotton Association, Ltd., if not, to take up the matter and have the point decided once for all by a statutory provision whereby mill godowns should or should not be considered as suitable places.—Yours etc.,

For and on behalf of  
E. D. SASSOON & Co., LTD., *Agents*,

J. E. RAYMOND,  
*Sub-Manager.*

No. 915/130 of 1928.

THE MILLOWNERS' ASSOCIATION,

BOMBAY, 23rd May 1928.

THE SECRETARY,

THE EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

I am directed to refer to the correspondence my Association had with yours in 1924 regarding By-law 86, para 3 of the By-laws of your Association. For facility of reference I may state that the whole of this correspondence is reproduced at pages 282 to 285 of the report of my Association for 1924.

2. This correspondence arose from the fact that your Directors sought to exclude mill-godowns from places where cotton might be tendered against hedge contracts under By-law 86, although there was nothing in the By-law to warrant such exclusion.

3. After some correspondence, my Committee suggested that the said by-law might be amended as below :—

“ No delivery order shall be issued unless at the time of the issue of such order the cotton is actually ready in a godown or jetha (whether belonging to the mills or otherwise) situated within two miles from the Cotton Exchange, Mazgaon, or in a godown or jetha beyond two miles from there but within four miles of it in the Island of Bombay in which latter case such godown or jetha owners shall pay cartage hire up to Sewree and also an extra day shall be allowed by them for drawing samples.”

4. By your letter No. 5067/HE/2, dated 24th July 1924, you informed my Committee that before your Board could accept my Committee's suggestion, they would like to have a definite assurance that my Committee would agree to conform to and abide by the rules of your Association relating to sampling for arbitration, weighment of cotton, etc. As regards the amendment of By-law 86 proposed by my Committee, you stated that your Board might eventually determine to accept this proposal, “ having regard to the interests of the cotton trade as a whole.”

5. The assurance asked for by your Board was duly given by my Committee by their letter No. 1186/18C, dated 28th August 1924, but my Committee regret nothing further has been heard from you on the subject.

6. Recently it has been reported to my Committee that your Board still interpret By-law 86, para 3, as not being applicable to mill-godowns. I am directed to state that there is no justification for putting this interpretation on the by-law, and my Committee trust that, in view of the correspondence of 1924, immediate steps will be taken to remove this ban from mill godowns.

7. My Committee will be pleased to have a very early reply to this letter.—Yours,  
etc.,

J. P. WADIA,  
Acting Secretary.

No. 3898/A/50.

THE EAST INDIA COTTON ASSOCIATION, LTD.,  
BOMBAY, 24th May 1928.

THE ACTING SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re : *By-law 86, para 3.*

I beg to acknowledge receipt of your letter No. 915/130, dated 23rd May 1928, and to state that the same will be laid before the Board of Directors of my Association.—Yours etc.,

D. MEHTA,  
*Secretary.*

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No. 304/A/50.

THE EAST INDIA COTTON ASSOCIATION, LTD.,  
BOMBAY, 12th September 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

Re : *By-law 86, para 3.*

I am directed to invite a reference to correspondence ending with my letter No. 3898/A/50, dated 24th May 1928, and to say that the Board of Directors of my Association have considered your Committee's suggestion, viz., that para 3 of By-law 86 should be amended with a view to permitting tenders of cotton being made against hedge contracts from mill godowns and decided that if a millowner or agent desires to tender cotton from his mill godown against a hedge contract he must apply to the Board for permission at least one week before he intends to tender, provided at the same time he agrees to conform to and abide by the rules of my Association relating to sampling for arbitration, weighment of cotton, etc. In the event of permission being granted, the Board will fix the charge for extra cartage. I am to add that it must be clearly understood that this concession will only apply to hedge contracts and godowns in mill compounds within the municipal limits of Bombay.—Yours, etc.,

D. MEHTA,  
*Secretary.*

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No. 1852/130 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 29th October 1928.

THE SECRETARY,  
THE EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

I am directed to acknowledge the receipt of your letter No. 304/A/50, dated the 12th September, regarding the amendment of para 3 of your By-law No. 86.

My Committee note that your Board of Directors have considered the question of permitting tenders of cotton being made against hedge contracts from mill godowns and further decided that if a millowner or agent desires to tender cotton from his mill godown against a hedge contract he must apply to the Board for permission at least one week before he intends to tender provided at the same time he agrees to conform to and abide by the rules of your Association relating to sampling for arbitration, etc.

While my Committee are gratified at your Board's decision to include mill godowns within the scope of By-law No. 86, they are of the opinion that the condition laid down in your letter as regards application for permission of the Board, will probably lead to a considerable inconvenience to the parties concerned inasmuch as a member desirous of tendering cotton will have to make an application and await the Board's permission every time he wishes to tender.

With regard to the other assurance asked for by you, I am directed to invite your attention to this office letter No. 1186/18C, dated the 28th August 1924.—Yours, etc.,

B. K. MANTRI,  
*Acting Secretary.*

No. 2937/A/50.

THE EAST INDIA COTTON ASSOCIATION, LTD.,  
BOMBAY, 6th December 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

In continuation of my letter No. 2028/A/50, dated the 2nd November 1928, I am directed to say that the Board of Directors of my Association have considered the condition of permission subject to which tenders of cotton against hedge contracts from mill godowns are at present accepted and decided that millowners or agents who desire to tender cotton from mill godowns against hedge contracts should be permitted to do so, until further orders, without making any application for permission of my Board, provided they (mill-owners or agents) agree to bear such charge for extra cartage as may be fixed by my Board from time to time and also arrange to receive the samples back at Sewri and that the same shall not be required to be delivered at the mill godowns from which samples may have been drawn.

I am to add that this concession will only apply to hedge contracts and that tenders of cotton from mill godowns only within the municipal limits of Bombay will be permitted.—Yours, etc.,

D. MEHTA,  
*Secretary.*

No. 92/130 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 14th January 1929.

THE SECRETARY,  
THE EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

SUBJECT:—*Para 3 of By-law No. 86 of the East India Cotton Association's By-laws.*

I am directed to acknowledge the receipt of your letter No. 2937/A/50, dated the 6th ultimo, on the above subject and to inform you that my Committee have no objection to the procedure proposed by your Board with a view to permitting tenders against hedge contracts from mill godowns.—Yours, etc.,

T. MALONEY,  
*Secretary.*

**APPENDIX 21.**

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CONTRACT FORMS FOR THE PURCHASE AND SALE OF READY COTTON.

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No. 2725/BL/I.

\*\* THE EAST INDIA COTTON ASSOCIATION, LTD,  
BOMBAY, 24th February 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I am directed to inform you that a report has been made to the Board of Directors that certain millowner members of my Association are using Forms of Contracts for the sale and purchase of ready cotton, containing the following stipulation :—

“ If after weighment, cotton bales are found to be inferior to stamped bales, the seller shall be bound to take back the whole lot from the mill.”

I am to point out that this stipulation is obviously in contravention of By-laws 104, 105, 106, 107 and 111 of my Association and at the same time subversive of the terms of Section 5 of Bombay Act No. XIV of 1922 which enacts as under :—

“ Any contract (whether either party thereto is a member of the Association or not) which is entered into after the date on which by-laws under this Act are sanctioned by the Governor in Council and published in the *Bombay Government Gazette*, and which contravenes any such by-law shall be void.”

My Association has prescribed and appended to the by-laws, Forms of Contract for the purchase and sale of ready cotton. In the absence, however, of any statutory provision requiring members to use these forms my Association is unable to enforce same against its members. In order to obviate this anomalous position, the Board of Directors of my Association propose to submit the following draft new by-law, which they have already approved, to the Representative Committee of my Association for their approval :—

“ Contracts for the sale and purchase of ready cotton shall be subject to the By-laws. They may be verbal or in writing and when in writing shall be in one or other of the forms given in the appendix.”

Before the proposed new by-law is laid before the Representative Committee, I am directed to request you to lay the same before the Committee of your Association for their consideration and to communicate to me the views of your Committee on the proposed enactment which will be laid before my Directors for their consideration.—Yours, etc.,

D. MEHTA,  
*Secretary.*

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 10th April 1928.

SUBJECT :—*Forms of Contract for the Purchase and Sale of Ready Cotton.*

REPORT BY THE LABOUR AND RAW MATERIALS SUB-COMMITTEE.

The enclosed letter from the East India Cotton Association on the subject of contract forms was referred to us for consideration and report.

We have carefully considered the letter and we are of the opinion that our Association should support the Board of the East India Cotton Association in their efforts to make it compulsory for the members of that Association to use the contract forms appended to the By-laws of that Association without making any alterations therein.

Mr. Geddis in his minute has stated that no rule should be framed which would compel a mill to retain false-packed bales. We are of the opinion that there is no ground for apprehending that the proposed by-law would make it impossible for mills to return false-packed bales for we think the purchasers are amply protected by By-law III of the East India Cotton Association which is as below :—

*“ Liability for bales once weighed.—*Subject to the provisions of By-laws 65 and 75 in no case shall any claim be made by a buyer on bales which have once passed the scale except on the ground of fraud, false packing, or the presence of foreign substances in the bales.”

We recommend that millowners should support the new by-law as below which the Board of the East India Cotton Association have framed for submission to the Representative Committee —

“ Contracts for the sale and purchase of ready cotton shall be subject to the By-laws. They may be verbal or in writing and when in writing shall be in one or other of the forms given in the appendix.”

J. P. WADIA,  
*Acting Secretary.*

Sub-Committee {  
JEHANGIR B. PETIT,  
H. P. MODY,  
FRED. STONES,  
S. D. SAKLATVALA,  
LALJI NARANJI,  
H. S. CAPTAIN.

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No. 756/78 OF 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 1st May 1928.

THE SECRETARY,  
THE EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

With reference to your letter No. 2725/BL/x, dated 24th February 1928, I beg to inform you that my Committee have no objection to the adoption of the new by-law suggested by your Board of Directors.—Yours, etc.,

J. P. WADIA,  
*Acting Secretary.*

**APPENDIX 22:**

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PROPOSED AMENDMENTS BY THE COTTON MERCHANTS' AND MUCCADUMS'  
ASSOCIATION IN THE RULES REGARDING STONE ALLOWANCE  
IN WEIGHMENTS OF COTTON BALES AND ALLOWANCE  
IN CASE OF BURST BALES

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No. 2504/BL/1.

THE EAST INDIA COTTON ASSOCIATION, LTD.,  
BOMBAY, 7th February 1928.

THE CHAIRMAN,  
THE COTTON MERCHANTS' AND MUCCADUMS' ASSOCIATION, LTD.; BOMBAY.

DEAR SIR,

I am directed by the Board of Directors of my Association to make the following representation for the consideration of the Committee of your Association and to express the hope on their behalf that they will do everything in their power by their full co-operation and agreement to work hand in hand with my Association in their efforts for the betterment of the cotton trade of Bombay.

2. The attention of my Directors has been drawn to recent attempts made by your Association to effect abrupt alterations affecting the provisions of certain by-laws of my Association and also certain recognized customs of the trade, which affect the other sections of the trade to a considerable extent, without any previous reference to my Association, which is the only properly constituted body charged with the duty of regulating and controlling cotton transactions in Bombay and of making alterations in the existing by-laws and regulations.

3. In proof of your Association's attempts referred to above, I am to cite, as an instance, your recent circular regarding stone allowance in weighments of cotton bales and allowance by way of extra pounds in consideration of burst bales, and to point out that this particular action of your Association does not, in the opinion of my Directors, conduce to harmonious relations with the two Associations, whose sole aim and object is to promote the interests of the trade. My Directors, therefore, feel that in case any occasion arises when your Association considers that certain by-laws of my Association require to be altered or amended or certain recognized customs of the trade modified, or totally abolished, it is the duty of your Association to make a representation to them, pointing out in what particulars the By-laws require to be amended and the recognized customs of the trade modified and giving, at the same time, the *raison d'être* of such proposed modifications.

4. A complaint was made by one of my Directors representing the Millowners' Panel on the Board that your Association has not had the courtesy of sending to *individual members of the Millowners' Association*, a copy of your urgent notice dated the 30th December 1927, informing members of your Association that the resolutions notified to them in a previous circular would not be put into effect from 1st January 1928 and I am to request on their behalf that copies of the same may now be sent officially to them.

5. I am to convey to you the assurance of my Directors that they will be prepared to give any representation your Association may have to submit their best consideration and that if they are satisfied that any proposals for amending by-laws or modifying recognized customs of the trade that your Association may formulate, are necessary and in the interests of the cotton trade, they will, as far as practicable, decide to take the necessary steps for adopting the same.—Yours, etc.,

D. MEHTA,  
Secretary.



No. 2505.

Copy forwarded with compliments to the Secretary, Bombay Millowners' Association, with reference to their letter No. 2562/195, dated the 29th December 1927.

D. MEHTA,  
Secretary.

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No. 313/188 of 1927.

THE MILLOWNERS' ASSOCIATION.  
BOMBAY, 21st February 1928.

THE SECRETARY,  
THE EAST INDIA COTTON ASSOCIATION, LTD., BOMBAY.

DEAR SIR,

SUBJECT:—*Proposed amendment of rules re. Stone allowances, etc., by the Muccadums' Association.*

I am directed to acknowledge with thanks the receipt of a copy of your letter No. 2504/BL/1, dated 7th February 1928, addressed to the Chairman of the Bombay Cotton Merchants' and Muccadums' Association on the above subject.

My Committee will also be pleased to receive a copy of any reply which your Association may receive from the Muccadums' Association to the communication mentioned above.—Yours, etc.,

J. P. WADIA,  
Acting Secretary.

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No. 2698/BL/1.

THE EAST INDIA COTTON ASSOCIATION, LTD.,  
BOMBAY, 22nd February 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

SUBJECT:—*Proposed Amendment of Rules, re. Stone Allowances, etc., by the Muccadums' Association.*

With reference to your letter No. 313/188, dated the 21st February 1928, I am directed to enclose herewith a copy of reply dated the 20th February 1928 received from the Bombay Cotton Merchants' and Muccadums' Association on the above subject and to say that the letters referred to therein will receive the attention of my Board.—Yours, etc.,

D. MEHTA,  
Secretary.

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*Copy of letter dated the 20th February 1928 received from the Bombay Cotton Merchants' and Muccadums' Association.*

I beg to acknowledge receipt of your Association's letter dated the 7th instant.

My Committee are fully in accord with your Board's hope that there should be "full co-operation and agreement to work hand in hand between the two Associations in their

efforts for the betterment of the cotton trade of Bombay." They, however, regret that in view of the fact that their letters dated the 3rd December 1927 and 31st December 1927 up to this date remain unreplied and unattended to by you, but in lieu thereof the letter under acknowledgment dated the 7th instant has been sent to them, they do not find signs of such actual co-operation on the part of your Board in our efforts for the betterment of our cotton trade and in our desire, further, to protect the interests of our up-country constituents.

My Committee once more request an early attention to their letters referred to above, as our general meeting, to be held shortly, is likely to take up further consideration of the questions.

BOMBAY, 13th March 1928.

THE ACTING SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

*Re: Stone Allowance and Burst Bales.*

A Sub-Committee consisting of myself and three others has been appointed by the East India Cotton Association to go into the question of the above and I shall therefore be glad to know what the Raw Materials Sub-Committee of the Millowners' Association have to say on the matter as per the resolution passed at our last meeting held on the 5th instant.

The Sub-Committee mentioned above is to meet at 3 o'clock on Tuesday, the 20th instant.—Yours, etc.,

FREDERIC F. STILEMAN.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 11th April 1928.

SUBJECT. :—*Stone Allowance in Weighments of Cotton Bales and Allowance by way of extra pounds in consideration of Burst Bales.*

REPORT OF THE LABOUR AND RAW MATERIALS SUB-COMMITTEE.

At the request of the Committee, we have given due consideration to the proposal made by the Cotton Merchants' and Muccadums' Association that the 'stone allowance' at the time of weighment of cotton should be done away with, and that necessary amendments should be made in the By-laws of the East India Cotton Association to give effect to the following three suggestions :—

- (1) Burst bales allowances should be done away with ;
- (2) No pucca samples should be drawn unless the kutchha samples for the lot are shown to and approved by the buyer ;
- (3) For purposes of final inspection and sampling, the number of bales to be opened should be only 3 per cent.

As regards stone allowance, we do not think the Muccadums' Association has made out any case for doing away with the stone allowance in weighments of cotton bales. In the first place, we are of the opinion that the interests of the purchasers were not adequately attended to when the present allowance of half a pound per bale during the dry season and one pound

per bale during monsoon was fixed. The allowance should have been much more. It may be conceded that the weather at Sewri being drier than at Colaba, the allowance now required would be less than was the case when the Cotton Exchange was situated at Colaba, but, as already pointed out, the allowance was previously fixed without ascertaining the exact facts, and, now that the question has been re-opened, we are of the opinion that proper experiments should be made to ascertain the exact amount of allowance to be given.

As regards the three other suggestions made by the Muccadums' Association, our considered views are as below :—

- (1) Buyers should have adequate protection against pressing charges for burst bales, and the proposal of the Muccadums' Association that the allowance for burst bales should be done away with, should be strongly opposed by our Association.
- (2) We do not see how the second proposal of the Muccadums' Association can be enforced. It depends entirely on the wishes of the buyer who might insist on pucca samples without approving of the kutch samples.
- (3) Under By-law 117 of the East India Cotton Association, the buyer is entitled, for the purpose of final inspection, and pucca sampling, to open 5 per cent. of the bales offered for sale. We think this rule is fair and equitable, and we are against the proposal to reduce this number to 3 per cent.

J. P. WADIA,  
*Acting Secretary.*

Sub-Committee

}	JEHANGIR B. PETIT,
	H. S. CAPTAIN,
	FRED STONES,
	S. D. SAKLATVALA,
	LALJI NARANJI,
	H. P. MODY.

No. 946/98 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 17th April 1928.

F. F. STILEMAN, ESQ.,  
BOMBAY.

DEAR SIR,

With reference to your letter of the 19th ultimo, I send you herewith a copy of the Labour and Raw Materials Sub-Committee's report which was approved and adopted yesterday by the General Committee.

As desired in your letter, I beg to return herewith the papers sent with your letter.  
—Yours, etc.,

J. P. WADIA,  
*Acting Secretary.*

**APPENDIX 23.****MARKING OF COTTON BALES.**

BOMBAY, 30th January 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

*Re : Marking of Bales.*

I enclose some correspondence from the East India Cotton Association, Ltd., regarding the above, and shall be glad if you will place same before the members of the Millowners' Committee.—Yours, etc.,

F. STILEMAN.

THE EAST INDIA COTTON ASSOCIATION, LTD.,  
BOMBAY, 27th January 1928.

F. F. STILEMAN, ESQR.,  
BOMBAY.

DEAR SIR,

*Re : Marking of Bales.*

I am directed to enclose herewith a copy of letter No. 3094, dated the 24th January 1928, received from the Secretary, Indian Central Cotton Committee, and to request you to communicate to me on or before the 10th February 1928 your views on the suggestion made in para 4 thereof for amending Rule 7 of the Indian Cotton Ginning and Pressing Factories Rules.—Yours, etc.,

D. MEHTA,  
*Secretary.*

*Copy of Letter No. 3094 dated the 24th January 1928 from the Secretary, Indian Central Cotton Committee, to the East India Cotton Association.*

**MARKING OF BALES.**

I am directed to refer to your letter No. 1714, dated the 14th December 1927. As stated in Mr. Jenkins' letter No. 2397 of 22nd December 1927, this will be considered by the next meeting of my Cotton Ginning and Pressing Factories Sub-Committee in due course. In the meantime the irregularities reported by members of your Association have been taken up with the Provincial authorities.

2. With reference to Messrs. Jagjiwan Ujamshi & Co.'s letter, the Collector, West Khandesh, has been addressed regarding the Nandurbar cotton. The press-owner denied that any unmarked bales had been allowed to leave his factory. With Messrs. Ujamshi's permission, an extract from their letter showing that the press-owner's statement was incorrect, and that in fact he had paid compensation to them for damages arising from his default, has been forwarded to the Collector of West Khandesh. The Collector has been asked to inform us what action he proposes to take in view of a recent resolution of the Government of Bombay, arising out of a letter to Government from the Central Cotton Committee, in which the District Officers were requested to warn all press-owners that they must strictly comply with the provisions of the Cotton Ginning and Pressing Factories Act.

3. Replies from other Provincial authorities have not yet been received, but I am to say that as regards the Punjab my Committee recently received information that three prosecutions have been instituted for breaches of the Act and two convictions have been secured. My Committee will continue to bring to the notice of the Local Governments failures to comply with the provisions of the Cotton Ginning and Pressing Factories Act and will not hesitate to press for stronger action where such seems necessary. But I am to point out that while Local Governments, especially the Punjab, are taking definite steps to secure the inspection of factories and to see that the marking of bales is properly carried out, it has never been contemplated that the Cotton Ginning and Pressing Factories Act would give rise to the employment of a special factory staff for inspecting pressing factories. Consequently, it is only as your Association and individual merchants and millowners bring to our notice definite instances of this nature that we can press Local Governments to take action. As stated in a previous letter, the greatest incentive to the proper marking of bales will be furnished if your members will insist, in all dealings with up-country buyers, that only bales marked in accordance with the Act shall be delivered. This they are entitled to do under the Cotton Ginning and Pressing Factories Act.

4. My Committee will, at all times, be glad to consider any suggestion which your Association may put forward to improve the working of the Act and especially of the marking of bales. As you know, the rules framed by the Government of India were in accordance with the recommendation of my Committee, and the method of marking was only adopted after an exceedingly full discussion in which several members of your Board took an active part. It is difficult to suggest any relaxation of rules which would not lead to other difficulties. I am, however, to inquire whether it would make matters simpler for the Bombay cotton trade if, instead of requiring the press mark to be placed on one hoop only of the bale (the central hoop), the rules were to be amended so as to require the press mark to be placed on every hoop. To this alteration there would seem to be no reasonable objection from the press-owners' point of view and it would certainly, in the case of bales lashed with three hoops, considerably improve the chances of finding the press mark quickly.

5. My Committee have emphasized recently the importance of By-law 53 of the East India Cotton Association both in correspondence with Provincial Governments and the Government of India. Before the Committee again address Government, however, we should like to first consider your Board's opinion on the suggested alteration in the system of marking made above and any other suggestions that your Board may put forward.

6. With reference to the enclosure to your letter from the Patel Cotton Co., Ltd., dated October 18th, 1927, one instance is quoted where out of 100 bales from Kasur 93 were marked and on the remaining seven bales no marks were visible. In a case like this doubtless your arbitrators would exercise a certain amount of discretion, for on the seven bales mentioned it is quite likely that if the hoops were opened the press marks could be found. The buyers are of course entitled to object to the Amritsar lots in one case of which press marks were placed on the hessian and not on the hoops, and in the second lot of which some bales bore no press marks.

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No. 201/55 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 7th February 1928.

THE GODAVERY VALLEY GINNING & PRESSING CO., LTD.,  
THE PARBHANI GINNING & PRESSING CO., LTD.,  
THE NEW JAMNER GINNING, PRESSING & MFG. CO., LTD.,  
THE P. D. PATEL GIN & PRESS FACTORY.

DEAR SIRS,

You are aware that under Rule 7 of the Ginning and Pressing Factories Rules, the special mark and the two integers denoting the cotton year are to be punched or stamped

on any part of the central hoop of the bale ; provided that if the bale is lashed with less than three hoops the marks are to be punched on either of the hoops (if two hoops be used) or near the middle of the hoop if one hoop only be used.

2. The Central Cotton Committee now propose that the rule should be so amended as to require the press mark to be placed on every hoop.

3. The object of the Central Cotton Committee in proposing the above amendment is that at present difficulty is experienced in finding the marks and this difficulty would be obviated if the marks are punched on every hoop.

4. My Committee will be glad to have your views on the amendment proposed by the Central Cotton Committee.—Yours, etc.,

J. P. WADIA,  
*Acting Secretary.*

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THE NEW JAMNER GINNING, PRESSING & MFG. CO., LTD.,  
BOMBAY, 18th February 1928.

THE ACTING SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

*Re. Marking of Bales.*

In reply to your letters No. 201/55 of 1928, dated 7th February 1928, and No. 289/55, dated 7th February 1928, we beg to intimate that we are quite agreeable to the proposed amendment to Rule 7 of the Ginning and Pressing Factories Rules as per para 2 of your first letter under reply, and in view of the explanation given in para 3 of your above letter we have no further criticisms to offer.

We regret the delay in replying to your letters—Yours, etc.,

FOR THE NEW JAMNER GINNING, PRESSING & MFG. CO., LTD.,

PESTONJI JEHANGIR & CO.,  
*Agents.*

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No. F/28/117.

P. D. PATEL'S COTTON GINNING & PRESSING FACTORIES,  
BOMBAY, 10th February 1928.

THE ACTING SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

*Your Letter No. 201/55 of 1928, dated 7th February 1928.*

With reference to your above inviting our views on the Central Cotton Committee's proposed amendment to Rule 7 of the Ginning and Pressing Factories Rules, we beg to place before you the following remarks :—

1. The Central Cotton Committee's proposal to have every hoop punched or stamped (instead of only the central hoop) will mean a good deal of what we consider to be a waste of time and in addition a good deal of unnecessary expense for the factory owners.

2. If the punching or stamping of the central hoop is properly done, no difficulty will be experienced in finding the marks. If, on the other hand, it is carelessly done, the punching of more than one hoop will not help very much.—Yours, etc.,

For P. D. PATEL'S COTTON GINNING & PRESSING FACTORIES,  
M. P. PATEL,

THE PARBHANI GINNING & PRESSING CO. LTD.,  
BOMBAY, 1st March 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

We are in receipt of your letter No. 201/55, dated the 7th February, and subsequent reminders No. 289/55 of the 17th idem and No. 366/55 of the 29th idem asking us to give our views on the amendment proposed by the Central Cotton Committee to have the marks on the hoops punched not only on the centre hoops but also on the two end hoops.

As we are already obliged to put these marks on the centre hoop, it is immaterial to us to put such marks on one hoop or all the three hoops.—Yours, etc.,

For and on behalf of THE PARBHANI GINNING & PRESSING CO., LTD.  
JEHANGIR B. PETIT,  
SORABJEE COWASJEE PETIT,  
*Members of the Committee appointed by the Board.*

No. 411/55 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 7th March 1928.

F. F. STILEMAN, ESQ.,  
BOMBAY.

DEAR SIR,

*Re. Marking of Bales.*

I am directed to refer to your letter of the 30th January and enclosures regarding the proposed amendment in Rule 7 of the Ginning and Pressing Factories Rules.

As you are aware, the matter was considered by the Committee at their last meeting, and it was decided that the proposed amendment requiring the punching of marks on all the hoops of a cotton bale should be agreed to.—Yours, etc.,

J. P. WADIA,  
*Acting Secretary.*

INDIAN CENTRAL COTTON COMMITTEE.

AMENDMENT OF RULE 7 OF THE INDIAN COTTON GINNING AND PRESSING FACTORIES  
RULES 1925.

*(Extract from the "Gazette of India," July 7th, 1928, Part I.)*

DEPARTMENT OF COMMERCE.

NOTIFICATION.

Commerce.

SIMLA, the 7th July 1928.

No. 236/C(24).—In exercise of the power conferred by Section 12 of the Cotton Ginning and Pressing Factories Act, 1925 (XII of 1925), and in modification of the Government of India Notification No. 236/C (2) in the Department of Commerce, dated the 8th August 1925, the Governor-General in Council is pleased to make the following amendment in the Indian Cotton Ginning and Pressing Factories Rules, 1925, namely:—

In Rule 7 of the said Rules, before the *Illustration*, the following proviso shall be inserted, namely:—

“ Provided that up to and inclusive of the 30th November 1928 any bale marked with the special mark and the serial number in such a manner as to render the marks clearly decipherable shall be deemed to comply with the requirements of this rule.”

..

J. A. WOODHEAD,  
*Joint Secretary to the Government of India.*

RULE 7 OF THE INDIAN COTTON GINNING AND PRESSING FACTORIES RULES, 1925.

7. On and after the 1st October 1925, every bale of cotton pressed in a cotton pressing factory shall be marked in the following manner:—

The special mark and the two integers denoting the cotton year shall be indelibly punched or stamped on any part of the central hoop of the bale in such a manner as to be clearly decipherable. Provided that if the bale is lashed with less than three hoops the marks shall be punched on either of the hoops (if two hoops be used) or near the middle of the hoop if one hoop only be used. The letters and numbers used shall in no case be less than one-quarter-of-an-inch in length; English letters and numbers only shall be used.

The running number of the bales shall be punched or stamped on the hoop as described above or shall be stencilled in ink on the hessian covering of a lashed flat side of the bale in such a manner as to be clearly decipherable, English numbers only being used which shall not be less than two inches in length.

The following order shall be observed for marks punched on the hoops:—

Number denoting factory—letter denoting province—numerals denoting cotton year.

If the running number be punched on the hoop it shall follow the second of the two numbers denoting the cotton year and separated from it by a star. Where the running number is stencilled on the hessian a star shall be placed before the first integer and after the last integer.

*Illustration.*

A bale of cotton pressed at a factory in the Bombay Presidency in February 1926 would be marked in either of the following ways:—

On the hoop.		On the hoop.	On the hessian.
I		I	*
6		6	3
I		I	4
B		B	5
2	or	2	6
5		5	*
*			
3			
4			

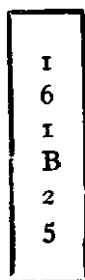


In this mark 161 B is the factory mark, B denoting the province and 161 the number allotted to the factory; 25\*3456 is the serial number, 25 denoting the cotton year commencing on September 1st, 1925, and 3456 the running number of the bale pressed in the factory.

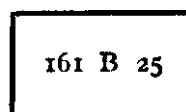
*Note.*

(i) In order to reduce to the minimum any risk of weakening the hoops by the punching or stamping of marks it is advisable to place the numbers and letters as in diagram (a) and not as in diagram (b).

*Diagram (a).*



*Diagram (b).*



(ii) The stencilling of the running number on an end or unlashed side of a bale does not fulfil the requirements of this rule.

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## APPENDIX 24.

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### MALPRACTICES IN COTTON GINNING AND PRESSING FACTORIES.

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NOTES BY MR. S. D. SAKLATVALA.

#### *Malpractices in Cotton Ginning and Pressing Factories.*

The main abuses to which attention has been directed from time to time and which require to be remedied as early as possible are three in number:—

- (1) Excessive damping or watering of cotton in pressing factories.
- (2) Mixing of cotton of different growths, specially short with long stapled cotton.
- (3) Adulteration of cotton with seed and 'kapas' in ginning factories.

The problem of checking all these evils is not so simple as might appear at first sight and requires very careful consideration. That all these evil practices exist cannot be denied. The question has been before the Central Cotton Committee for the past two years and a Sub-Committee (the Cotton Ginning and Pressing Factories Sub-Committee) of which I am a member, has devoted considerable time and attention to the subject. There is no difference of opinion amongst the members of this Sub-Committee, as to the necessity and desirability of taking prompt action to check such evils. But as I have already said, the problem is a difficult one and the remedy proposed must not only be effective but such as may not prove in the end to be worse than the disease it is supposed to cure. The main question to be decided in this connection is whether legislation should be resorted to or whether the abuses can be effectively checked through the means of organized action of recognized cotton trade associations. Here opinion is divided and most members feel that instead of invoking legislation with all its attendant abuses, it would be better if all trade interests could combine and bring about rules and regulations whereby defaulters can be made to pay a heavy penalty. Again as to legislation itself there is a difference of opinion whether it should take the extreme form of licensing of factories so that the licences can be forthwith revoked if any malpractice could be traced to a particular factory. As will be seen later on it is also extremely difficult

to put such a system of licensing in practice and define conditions under which licences can be revoked without doing injustice to innocent parties. The Sub-Committee is inclined to the view that it would be less cumbersome to define offences by a specific legislation rather than dealing with them indirectly under the terms of a licence, if legislation was the only means of checking such abuses. The Sub-Committee were, however, not satisfied that the necessary machinery to give effect to their proposals could be designed. The main difficulty was the question whether the onus should be placed on the seller or on the factory owner.

••

Having briefly indicated the difficulties which confronted the Sub-Committee which considered this question for months together, I shall give a summary of the report which they submitted to the Central Cotton Committee at their six-monthly meeting on December 12th, 1927. It was noted (1) that there was a recrudescence of the practice of fraudulent watering which showed that the Cotton Ginning and Pressing Factories Act had done little to check this malpractice. It was also found (2) that the mixing of different growths of cotton was also continuing, at least in those areas where more than one variety of cotton is grown. The Cotton Transport Act had to a great extent checked this abuse in other areas as cotton from one zone cannot be transported into another, but this Act cannot be used to prevent the mixing of cotton grown in the same area. Such areas are :—

- (a) The Punjab Canal Colonies where both Desi and Punjab-American cottons are grown.
- (b) The Kumpta-Dharwar area where both Dharwar Upland (American) and Kumpta cottons are grown.
- (c) The Coimbatore District of Madras where Cambodia is grown as an irrigated crop and Karunganni or Uppam as a dry crop.

The third malpractice was the mixing of seed and/or ' kapas ' with ginned cotton. This no doubt is a ginning or pressing factory malpractice for which there is no reasonable excuse.

In the first place, the Sub-Committee felt that if the East India Cotton Association would penalize watered, mixed or seedy cotton more adequately, a great deal would be done towards discouraging these abuses. The Sub-Committee consequently addressed the East India Cotton Association, suggesting :—

- (1) That when cotton is rejected on appeal for watering the penalty provided in the by-laws should always be enforced by the Board.
- (2) That when cotton is rejected on account of mixing it should *either* be declared " not a fair tender " and the penalty enforced *or* a full allowance fixed. The Sub-Committee pointed out that an allowance justifying rejection may be as low as Rs. 7-8 per candy whereas the true difference in value between the inferior cotton rejected and the standard may be Rs. 25 per candy or more.
- (3) Subsequently the further suggestion was made that the numbers and press marks on all bales declared " not a fair tender " on account of malpractices should be ' posted ' on the notice-board and that bales so ' posted ' should not be re-tenderable against either a hedge or delivery contract.

The Board of the Association deputed certain members to meet the Sub-Committee and these members unanimously declared that the East India Cotton Association could take no action as such action might affect particular sections of the trade inequitably and that hence malpractices can only be dealt with by special legislation. This was a disappointing reply but I personally believe by persistent efforts, we might get even the East India Cotton Association to take some action on the lines proposed. As the malpractices of mixing of long and short-staple cotton and admixture with seed are both prevalent in the Punjab and more so in the case of cotton shipped from Karachi we also addressed the Joint Committee of the Karachi Chamber of Commerce and Karachi Indian Merchants' Association. This

Joint Committee agreed that steps should be taken to discourage such abuses but it "felt that it could not usefully offer any practical suggestion in the present early stages of its history."

It might here be mentioned that the references to the Sub-Committee were as under :—

*Resolution 13.* - "That in view of the continuance of malpractices in cotton ginning and pressing factories the question of introducing the actual licensing of such factories should now be re-examined."

*Resolution 14.*— "That the Cotton Ginning and Pressing Factories Sub-Committee be requested to report to the next meeting of the Central Cotton Committee :—

- (a) in what areas malpractices are so prevalent as to make necessary the licensing of cotton ginning and pressing factories ;
- (b) for what offences licenses should be suspended or revoked ;
- (c) how such offences are to be defined and proved ;
- (d) what machinery should be set up for controlling licenses and for dealing with offences."

The Sub-Committee agreed that further action to check these malpractices is necessary, but considered that alternatives to licensing of gins and presses should be considered.

The Sub-Committee had of course in mind the valuable suggestions made in this behalf by the Indian Cotton Committee of 1917-18 (the Mackenna Committee). They had proposed—

- (a) that both gins and presses should be licensed ;
- (b) that all bales should bear the mark of the ginning factory as well as of the press (the gin and press owners being made responsible for the necessary records to enable this to be done) ;
- (c) that the licence of a gin or press should be taken away if malpractices were established. Such suspension of license was to be done by executive order though on the advice of the Central Cotton Committee or Provincial Cotton Committee.

Now to these proposals there are two serious objections :—

- (a) In the first place, the Government of India strongly objected to licences being taken away by executive order and questioned if any legislature, whether Central or Provincial, would accept such a proposal. Hence the Central Cotton Committee subsequently proposed in 1924 that the order of a magistrate should be necessary.
- (b) The necessary chain of record from the gin to the press is far from simple but even if this difficulty can be got over the objection remains that the mark of the ginning factory on the bale would be applied by the pressowner and not by the ginowner. This would be fatal—the ginowner could always dispute the mark.

It must also be remembered that in the case of the Punjab-American as in the case of cotton from an area where different varieties are grown and where the mixture takes place in the fields themselves it would be extremely dangerous and unfair to penalize factories and cancel their licences if a mixture was found for which they were in no way responsible. The Mackenna Committee had found mixed cotton in the fields to the extent of 2 to 5 per cent. It is now said that 5 to 8 per cent. of such cotton is mixed in the fields, being grown together. It is also very difficult to detect such mixture and we must be very careful before we assent to drastic legislation in such cases.

As the Central Cotton Committee had already proposed legal procedure before a licence could be suspended or a fine imposed, the Sub-Committee examined the licensing system in detail with a view to find out what advantages it offered and how far it could be put into practice. Several of the conditions under which licences were to be granted, viz., the marking of the bales, structural requirements, weights, statistical returns, records of ownership (in both gins and presses) are already dealt with by the Cotton Ginning and Pressing Factories Act itself and all presses (but not at present ginneries) are registered. Of the remaining recommendations of the Mackenna Committee it was decided to be impracticable to attempt to stop pools by a licensing system and it was rightly decided that matters pertaining to the Factory Act should be dealt with under that Act by the Factory Inspectors. One rather important proposed condition related to the control of seed, and were the licensing of factories generally adopted this might be sound, but the Central Cotton Committee at its first examination of the subject felt that as this was a question of insect-pest control, it should be dealt with as such under the Pests Act. There remains the proposal that every gin-owner should be required by his licence to keep his gin knives and rollers in good condition and properly adjusted so as not to permit cut or crushed seed to pass into the lint. This the Central Cotton Committee decided to be desirable but impracticable for, even if the original Indian Cotton Committee's licensing system had been adopted *in toto* it is not clear how this condition could have been enforced without constant official inspection of ginning factories—which the Sub-Committee have assumed throughout to be out of the question. So far as they can see the only advantage remaining to licensing, as distinct from specific legislation, would be flexibility. Admittedly it is comparatively easy to revise the terms of an annual licence and far more difficult to amend an Act but reasonable elasticity can be secured by giving Local Governments rule-making powers (as under various sections of the present Cotton Ginning and Pressing Factories Act).

The Sub-Committee's report then proceeds to state:—

" Moreover we are of opinion that the suspension of a licence *during the working season* is an unsuitable penalty for abuses in pressing and ginning factories as its enforcement might injure an innocent party severely. The suspension of a press for a week or two might easily cause merchants using the press to fail to keep contracts for the delivery of cotton. The disqualification of a press or gin for a whole season would be a very severe penalty but it might be evaded by a nominal transfer of lease. Hence in practice the penalties inflicted would be fines and that being the case it would seem to be less cumbrous to define the offences by specific legislation.

" *Subject to it being found possible to design the necessary machinery*, our proposals may be summarized as follows:—

- " (1) The abuses which it is now desired to check can better be dealt with by defining and forbidding them by law than by the introduction of licences for ginning and pressing factories.
- " (2) Offences will have to be established by the examination of the cotton affected by impartial arbitrators and traced back to offenders, where necessary, by the system of bale-marking and press-records already enforced by law. The establishment of offences by inspection of factories is impracticable. The principle now proposed is that the seller of the cotton and not the factory owner would be held liable.
- " (3) In dealing with the prevention of mixing, action should be restricted to certain growths which it is specially desired to protect and in which admixture can be detected with certainty; the most practical procedure is to prohibit the sale (or tender against a contract) of mixed cotton if described by a growth name or description. The onus would here be placed on the seller; the press marks and records enable the cotton to be traced back to the owner at the time of pressing. It is for consideration who should be proceeded against first when an offence is established.

(4) The factory malpractices of watering, excessive seed (and/or kapas) and false packing would be prohibited by law. Here again a seller is to be proceeded against, but it is suggested that the liability can at once be placed on the owner of the cotton at the time of pressing—but, if the press records are in default, on the press owner.

(5) Punishment would be by fine only.

“ Dealing first with watering we propose that the addition of water to cotton in such a manner as to cause deterioration at any stage prior to the completion of baling should be prohibited by law. The offence could only be established by the certificate of experienced surveyors. It is not the added weight which is objected to here so much as the permanent damage to the cotton. It is fairly simple to determine the amount of moisture in cotton and it would not be impossible to lay down limits which should not be exceeded but cotton which has been stored for some time during the drier season of the year would lose a good deal of the added moisture though it would continue to show damage. The fact recorded in the arbitration certificate would be that the cotton had been damaged by watering.

“ *Seed and kapas in good cotton*—The difficulty which occurs here is that while really ‘seedy’ cotton is easily recognized and while there is little doubt that such adulteration frequently is deliberate, traces of seed and kapas are almost inevitable; hence it is not practicable to say that no seed shall be present. It should be made an offence to add seed or kapas to cotton or to allow seed or kapas to be mixed with cotton in such quantity as to affect the value of the cotton. Here again the decision of experienced arbitrators is the only real criterion but this can always be supplemented in case of need by a determination of the amount of seed and similar impurities present by a blow-room test. If the above definition of the offence presents any legal difficulty then the maximum percentage of seed permissible could be fixed by law, say, 1 per cent. or 2 per cent. There is, however, a danger that if a legal standard is fixed seed up to nearly the permissible amount will be deliberately added.

“ *Mixing*.—This presents at once the most important and the most difficult problem of the three and we propose that action should be limited to certain growths where mixing is leading to loss to the grower by destroying the reputation of the cotton and where it can be readily detected by experienced surveyors. Growths which might be scheduled in the first instance are Punjab-American, Surat, Kumpta, Dharwar-Upland, Cambodia; the schedule could be extended later as found necessary. It is perhaps desirable to emphasize the fact that competent cotton selectors can readily recognize the bad mixtures which have given cause for complaint and that though the detection of, say, 5 per cent. of a short-staple cotton in a staple cotton is practically impossible by the examination of the fibre alone, admixture of any real importance can be detected from an examination of the fibre supplemented by the examination of the seed, leaf, etc., present as impurities.

“ Our proposal is that it should be made an offence to offer for sale mixed cotton of a scheduled growth either under the growth name or under any description implying it to be of a specified growth, unless the cotton is definitely declared as mixed at the time of sale. Thus, for example, mixed Punjab-American cotton could not be offered for sale as Punjab-American and mixed Punjab-American would automatically become untenderable against the Broach hedge contract.

“ As in the case of other malpractices the offence would be proved by an independent-arbitration by a qualified association.

“ *Survey procedure*.—It will be seen that we propose to depend on the results of a survey by a recognized cotton trade association for the evidence of the offences. It would be necessary to provide for the survey certificate to be accepted as evidence by the Courts and for the press marks and running numbers of the bales to be accepted as evidence of the identity of the cotton. The survey procedure we suggest is that the cotton complained of should be submitted to an *ex parte* arbitration by the East India Cotton Association (the survey being

'blind' and the names of the complainants and sellers not being divulged) and that the award be submitted for confirmation by the Appeal Committee of the Association. On the result of the latter award a certificate would be issued. Other qualified bodies would be recognized by Government from time to time and obviously the body established in Karachi would be recognized as early as possible.

"The complainant would be the buyer or his accredited agent. The detailed procedure to be observed when dealing with complaints especially as regards the handing over of the bales and surveys will require to be most carefully worked out.

"If the Central Cotton Committee approve of our proposals these and other details could be taken up concurrently with the drafting of any legislation which it is decided to recommend.

"Some members of the Sub-Committee whilst in full sympathy with the measures proposed for dealing with mixing, watering and adulteration of cotton feel that legislation of the nature proposed may cause hardship and inconvenience to traders which may be reflected in cotton prices and might even counterbalance the benefits which would accrue. They are not able, therefore, to give unqualified support to these proposals at the present stage."

The matter was then fully discussed at the full meeting of the Central Cotton Committee when the following resolutions were passed:—

Mr. Coleridge moved:—

*Resolution*:—"That, in the opinion of the Central Cotton Committee the mixing of pure American cotton is most undesirable and detrimental to the interests of all parties concerned. The Committee, therefore, resolve to appoint a special Sub-Committee with instructions to report in July what steps they recommend should be taken to prevent mixing of pure American cotton with desi.

"The Sub-Committee may at their discretion hold meetings in Bombay as well as in Karachi to suit the convenience of various members.

"The Committee shall consist of five members to be appointed by the Indian Central Cotton Committee and three members to be appointed by the Karachi Joint Committee."

The Vice-President seconded the resolution, which was carried unanimously.

The Vice-President moved:—

*Resolution*:—"That the following five members of the Indian Central Cotton Committee be appointed to serve on the Special Joint Sub-Committee with the Karachi Chamber of Commerce:—

Mr. W. Ellis Jones, M.L.C.,  
 Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., M.L.A.,  
 Mr. A. Fotiadi,  
 Mr. S. D. Saklatvala,  
 Mr. W. Roberts."

Rao Bahadur Bhimbhai R. Naik seconded the resolution which was carried unanimously.

The Vice-President moved:—

*Resolution*:—"In the opinion of the Central Cotton Committee it is important to take further steps for checking the malpractices of watering cotton, the mixing of cottons of different growths and the ginning and pressing of cotton in such a manner as to contain excessive quantities of seed. These malpractices eventually cause loss to the grower and economic

loss to the country at large and they tend to stultify the work of the Agricultural Departments. If on further investigation it is found that adequate action by organized cotton trade associations is not feasible at the present juncture, the Committee consider that further legislative measures are necessary."

Mr. Saklatvala seconded the resolution which was carried unanimously.

The members of the Sub-Committee will shortly proceed to Karachi and after making investigations there, will take up the subject again. Endeavour will again be made to find a solution by bringing all the sections of the trade together with a view to joint action. Failing this the Sub-Committee will propose legislative measures.

It is now for our Association to decide whether they should at this stage insist on licensing of ginning and pressing factories or give me any definite mandate or merely lay down certain lines for my guidance or leave the matter to my discretion.

6th January 1928.

S. D. SAKLATVALA.

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### APPENDIX 25.

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#### MIXING OF DESI COTTON WITH PUNJAB-AMERICAN COTTON.

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No. C/113 of 1928.

INDIAN CENTRAL COTTON COMMITTEE,  
BOMBAY, 21st May 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :—*Mixing of Desi Cotton with Punjab-American Cotton.*

The Indian Central Cotton Committee have been attempting to solve the question of the mixing of Indian cottons and, more particularly, the mixing of *desi* cotton with Punjab-American cotton in the Punjab. During the course of the discussions it has been stated that the cotton is mixed because the demand exists for mixed and not for pure cotton. The representatives of the Millowners' Associations on the Indian Central Cotton Committee have declared that they have to buy mixed cotton because they cannot obtain it pure and if it were possible to get the cotton in a pure state they would be prepared to buy it.

It would be of considerable advantage to the Committee if we were to get an authoritative statement from you whether the mills prefer pure cotton to mixed cotton. If the demand of the millowners is for a mixed cotton it renders the position of the Indian Central Cotton Committee, which is endeavouring to purify the staple cottons of the country, rather insecure. I should, therefore, be obliged if you can give me some indication of what the millowners require.—I have, etc.,

J. H. RITCHIE,  
Secretary.

No. 1168/48 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 21st June 1928.

THE SECRETARY,  
THE INDIAN CENTRAL COTTON COMMITTEE, BOMBAY.

SIR,

SUBJECT :—*Mixing of Desi Cotton with Punjab-American Cotton.*

I am directed to acknowledge receipt of your letter No. C/113, dated 21st ultimo, on the above subject and to reply thereto as below.

2. My Committee are aware that statements have been made by some members of the Indian Central Cotton Committee that Desi cotton is mixed with Punjab-American cotton because there is a demand from mills for mixed and little or no demand for pure cotton. However, as far as the members of this Association are concerned, I am to state they always prefer pure unmixed cotton and do not require the mixed variety. In the opinion of my Committee, it is therefore not true that at present cotton is mixed because the mills ask for and are willing to buy such mixed stuff. The fact is mills in Bombay experience great difficulty in buying pure Punjab-American cotton in the open market, and are often compelled to buy mixed cotton as no other variety is available. It is just possible that some small mills in other centres of India may not be keen on buying only longer stapled or pure cotton, but it would not be correct to generalize that millowners as a class require mixed cotton. On behalf of the mills in Bombay my Committee are prepared to give the assurance that there is a genuine demand for pure long-stapled cotton and my Association will always whole-heartedly support the efforts of your Committee to prevent mixing of cotton.

3. In conclusion I am to express my Committee's general agreement with the views expressed by their representative on this matter at the last meeting of the Indian Central Cotton Committee when the subject was fully discussed.—I have, etc.,

J. P. WADIA,  
*Acting Secretary.*

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No. 7377 of 1928.

THE INDIAN CENTRAL COTTON COMMITTEE,  
BOMBAY, 14th August 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :—*Mixing of Punjab-American Cotton.*

As you are aware, the Indian Central Cotton Committee has given much consideration to the question of mixing in Punjab-American cotton, which has now increased to such an alarming extent that it is almost impossible to obtain it pure. The difficulty of detecting small percentages of mixture has made the trade look with suspicion on all samples of pure cotton with the result that it does not now fetch the price which its intrinsic value merits.

During the recent meeting of this Committee a conference took place between the representatives from the Punjab and Sind with the members of the Local Sub-Committee to discuss this question. One of the stock arguments put forward was that mixing was done because the demand was for mixed cotton. I have already addressed you on this point and received your emphatic repudiation of this assertion.



One of the findings of the conference mentioned above was that "the attention of the International Federation of Master Cotton Spinners' and Manufacturers' Associations, the Bombay Millowners' Association, the Ahmedabad Millowners' Association and the Japanese Spinners' Federation should be drawn to the support given to mixing by their members buying mixed cotton. The members of these bodies should be requested to give encouragement by paying a full price when pure cotton is available."

My Committee feel that the practice of mixing is never likely to diminish until the pure cotton obtains the premium it fetched some years ago, and this was in their minds when they arrived at the above decision.

I have the honour to bring the above to your notice and would request the co-operation of your Association in helping to put a check on this malpractice which is bound to lead to the deterioration in the quality of American cotton in the Punjab and may ultimately lead to its complete abandonment.

In the meantime I assure you that my Committee will explore every avenue in its attempt to solve the problem though, at the present juncture, it feels that considerable headway could be made with the co-operation of the trade without resorting to drastic measures which are bound to meet with considerable opposition.—I have, etc.,

J. H. RITCHIE,

*Secretary.*

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No. 1673/48 of 1928.

THE MILLOWNERS' ASSOCIATION,

BOMBAY, 2nd October 1928.

THE SECRETARY,

THE INDIAN CENTRAL COTTON COMMITTEE, BOMBAY.

SIR,

SUBJECT :—*Mixing of Punjab-American Cotton.*

I am directed to acknowledge receipt of your letter No. 7377, dated 14th August 1928, requesting this Association's co-operation in checking certain malpractices such as mixing of Punjab-American cotton, resorted to in the cotton trade.

My Committee are pleased to note that the Central Cotton Committee are alive to the serious consequences of mixing, referred to above, and I am to reiterate their assurances that this Association will always be pleased to co-operate with the Indian Central Cotton Committee in any reasonable measures designed to check this practice. But my Committee are not sure whether the payment of a premium for pure cotton will, by itself, sufficiently counteract this growing evil. However, all members of the Association have been advised in terms of your letter.—I have, etc.,

B. K. MANTRI,

*Acting Secretary.*

No. 1726/48 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 9th October 1928.

ALL MEMBERS OF THE BOMBAY MILLOWNERS' ASSOCIATION.

DEAR SIRS,

..

SUBJECT :—*Mixing of Punjab-American Cotton.*

The attention of the Committee of the Association has been drawn by the Secretary of the Indian Central Cotton Committee to the fact that mixing of Punjab-American cotton has now increased to such an alarming extent that it is almost impossible to obtain it pure. The difficulty of detecting small percentages of mixture has also, according to the Indian Central Cotton Committee, made the trade look with suspicion on all samples of pure cotton with the result that it does not now fetch the price which its intrinsic value merits. The Central Cotton Committee are now endeavouring to check this practice of mixing, and they further think that the present practice is never likely to diminish until pure cotton obtains the premium it fetched some years ago and buyers pay the full price when pure cotton is available.

The Committee of the Association desire that all members of the Association should co-operate as far as possible with the Central Cotton Committee in helping them to check this malpractice which would otherwise lead to the deterioration of the quality of American cotton in the Punjab and may ultimately lead to its complete abandonment.—Yours, etc.,

B. K. MANTRI,  
*Acting Secretary.*

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### APPENDIX 26.

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#### PUBLICATION OF COTTON PRESSED IN THE "INDIAN TRADE JOURNAL."

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Cir. No. 1548.

THE INDIAN CENTRAL COTTON COMMITTEE,  
BOMBAY, 6th December 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :—*Cotton Statistics.*

The number of bales of cotton pressed in factories in British India and in those Indian States which furnish returns is published weekly in the *Indian Trade Journal*. In order to bring them to a figure which will allow of comparison with the Government forecasts—the forecasted figures are in bales of 400 lbs. net—the Provinces agreed to report weekly to the Director-General of Commercial Intelligence and Statistics, Calcutta, the approximate average weight of the bales pressed during the week. The number of running bales converted into the statistical bale of 400 lbs. is now published monthly in the *Indian Trade Journal*.

The Director-General of Commercial Intelligence and Statistics wishes to know if these monthly statements are of use to the trade and whether their publication should be continued.

I have the honour to solicit the views of your Association on this point and I should be glad to get an early reply.—I have, etc.,

J. H. RITCHIE,  
*Secretary.*

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No. 91/201 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 14th January 1929.

THE SECRETARY,  
THE INDIAN CENTRAL COTTON COMMITTEE, BOMBAY.

DEAR SIR,

SUBJECT :—*Cotton Statistics.*

I am directed to acknowledge the receipt of your letter No. 1548, dated the 6th ultimo, on the subject of cotton statistics published by the Director-General of Commercial Intelligence in the *Indian Trade Journal*, and in reply to inform you that my Committee consider that the publication of these statistics should be continued as they are of considerable value to the cotton textile industry and to the cotton trade in general.—Yours, etc.,

T. MALONEY,  
*Secretary.*

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## APPENDIX 27.

TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT.  
SCHEDULES II AND III.

NOTE 1.—In the expression "*ad valorem*" used in these Schedules the reference is to "real value" as defined in Section 30 of the Sea Customs Act, 1878 (VIII of 1878), unless an article has a tariff value assigned to it.

NOTE 2.—Tariff-valued heads are based on the ordinary trade description of each article and cover all reduced grades and mixtures unless they are separately provided for.

## SCHEDULE II—IMPORT TARIFF.

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Values.	Duty.
		<b>L.—Food, Drink and Tobacco.</b>		<b>Rs. a. p.</b>	
		<b>FISH.</b>			
1	27	FISH, Salted, wet or dry .. .. .	Indian maund of 82 $\frac{1}{2}$ lbs. avoirdupois weight.	....	Such rate or rates of duty not exceeding one rupee as the Governor-General in Council may, by notification in the <i>Gazette of India</i> , from time to time prescribe.*
2	65	FISH, excluding salted fish ( <i>see</i> Serial No. 1)	....	<i>Ad valorem</i>	15 per cent.
3	66	FISHMAWS, including singly and sozille, and sharkfins.	....	"	15 "
		<b>FRUITS AND VEGETABLES.</b>			
3A	27A	CURRENTS .. .. .	cwt.	....	Re. 1-4
4	67	FRUITS AND VEGETABLES, all sorts, fresh, dried, salted or preserved not otherwise specified.	....	<i>Ad valorem</i>	15 per cent.
		<b>TARIFF VALUES—</b>			
		Almonds without shell .. .. .	cwt.	90 0 0	15 per cent.
		Almonds kagazi, Persian, in the shell..	"	80 0 0	15 "
		Almonds in the shell, Persian .. .. .	"	18 0 0	15 "
		Cashew or cajoo kernels .. .. .	"	25 0 0	15 "
		Coconuts, Straits, Dutch East Indies and Siam.	thousand	97 0 0	15 "
		Coconuts, Maldives .. .. .	"	31 0 0	15 "
		Coconuts, other .. .. .	"	45 0 0	15 "
		Coconut kernel (khopra) .. .. .	cwt.	23 0 0	15 "
		Dates, dry, in bags .. .. .	"	11 0 0	15 "
		Dates, wet, in bags, baskets and bundles.	"	4 12 0	15 "
		Dates, wet, in pots, boxes, tins and crates.	"	11 8 0	15 "
		Figs, dried, Persian .. .. .	"	10 0 0	15 "
		Figs, dried, European .. .. .	"	18 0 0	15 "
		Garlic .. .. .	"	7 4 0	15 "
		Pistachio nuts .. .. .	"	65 0 0	15 "
		Raisins, red, Persian Gulf .. .. .	"	12 0 0	15 "
		<b>GRAIN, PULSE AND FLOUR.</b>			
5	68	FLOUR EXCEPT SAGO FLOUR .. .. .	....	<i>Ad valorem</i>	15 per cent.
		<b>TARIFF VALUE—</b>			
		Cassava or Tapioca flour .. .. .	cwt.	9 8 0	15 "
6	1A	GRAIN AND PULSE, all sorts, including broken grains and pulse, but excluding flour ( <i>see</i> Serial Nos. 5 and 7).	....	....	Free.
7	1B	SAGO FLOUR .. .. .	....	....	Free.
		<b>LIQUORS.</b>			
8	28	ALE, Beer, Porter, Cider and other fermented liquors.	Imperial gallon or 6 quart bottles.	....	Rs. a. 0 8

\* The rate on the 1st January, 1929 and until further notice is annas 7 $\frac{1}{2}$ .

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
				Rs. a. p.	
		<b>I.—Food, Drink and Tobacco—<i>contd.</i></b>			
		<b>LIQUORS—<i>contd.</i></b>			
9	29	DENATURED SPIRIT .. .. .	....	<i>Ad valorem</i>	7½ per cent.
10	30	PERFUMED SPIRITS .. .. .	Imperial gallon or 6 quart bottles.	....	Rs. 36 or 15 per cent. <i>ad valorem</i> , whichever is higher.
11	31	LIQUEURS, Cordials, Mixtures and other preparations containing spirit— (a) Entered in such a manner as to indicate that the strength is not to be tested.	Ditto	....	Rs. a. 30 0 or 15 per cent. <i>ad valorem</i> , whichever is higher.
		(b) If tested .. .. .	Imperial gallon or 6 quart bottles of the strength of London proof.	....	Rs. 21-14 and the duty to be increased or reduced in proportion as the strength of the spirit exceeds or is less than London proof or 15 per cent. <i>ad valorem</i> , whichever is higher.
12	32	ALL OTHER SORTS OF SPIRIT .. .. .	Ditto	....	Ditto.
13	33	WINES— Champagne and all other sparkling wines not containing more than 42 per cent. of proof spirit. All other sorts of wines not containing more than 42 per cent. of proof spirit. Provided that all sparkling and still wines containing more than 42 per cent. of proof spirit shall be liable to duty at the rate applicable to "All other sorts of Spirit."	Imperial gallon or 6 quart bottles. Ditto	.... ....	Rs. a. 9 0 4 8
		<b>PROVISIONS AND OILMAN'S STORES.</b>			
14	69	PROVISIONS AND OILMAN'S STORES AND GROCERIES, all sorts, excluding vinegar in casks ( <i>see</i> Serial No. 15).	....	<i>Ad valorem</i>	15 per cent.
		<b>TARIFF VALUES—</b>			
		Butter .. .. .	lb.	1 10 0	15 per cent.
		Cassava, Tapioca or Sago (whole) .. .. .	cwt.	11 8 0	15 "
		China preserves in syrup .. .. .	box of six large or twelve small jars.	8 8 0	15 "
		China preserves, dry, candied .. .. .	lb.	0 6 0	15 "
		China canned fruit .. .. .	case of 4 doz.	14 0 0	15 "
		Cocum .. .. .	cwt.	7 0 0	15 "
		Ghi .. .. .	"	68 0 0	15 "
		Vegetable product .. .. .	lb.	0 6 0	15 "
		Vermicelli, flour, from China and the Far East.	cwt.	26 0 0	15 "
		Vermicelli, peas, from China and the Far East.	"	31 0 0	15 "
		Vermicelli, rice, from China and the Far East.	"	16 0 0	15 "
		Yeast, from China and the Far East .. .. .	"	28 0 0	15 "
15	48	VINEGAR IN CASKS .. .. .	....	<i>Ad valorem</i>	2½ per cent.
		<b>SACCHARINE.</b>			
16	34A	SACCHARINE (except in tablets) .. .. .	lb.	....	5 0
17	34B	SACCHARINE TABLETS .. .. .	....	<i>Ad valorem</i>	15 per cent. or Rs. 5 per pound of saccharine contents, whichever is higher.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		<b>L—Food, Drink and Tobacco—<i>contd.</i></b>		Rs. a. p.	
		<b>SPICES.</b>			
18	70	SPICES, all sorts .. .. .	....	<i>Ad valorem</i>	15 per cent.
		<b>TARIFF VALUES—</b>			
		Betelnuts (husked)—			
		Raw, or boiled whole, from Goa ..	cwt.	20 0 0	15 per cent.
		Raw, or boiled whole, from Straits, Dutch East Indies and Siam.	"	14 0 0	15 ..
		Raw, whole, from Ceylon .. .. .	"	22 0 0	15 ..
		Raw, split (sun-dried) from Ceylon ..	"	35 0 0	15 ..
		Boiled, split or sliced .. .. .	"	26 0 0	15 ..
		Chillies, dry .. .. .	"	25 0 0	15 ..
		Cloves .. .. .	"	52 0 0	15 ..
		Cloves, exhausted .. .. .	"	11 0 0	15 ..
		Cloves stems and heads .. .. .	"	7 0 0	15 ..
		Cloves in seeds, narlavang .. .. .	"	20 0 0	15 ..
		Ginger, dry .. .. .	"	33 0 0	15 ..
		Mace .. .. .	lb.	2 0 0	15 ..
		Nutmegs .. .. .	"	0 14 0	15 ..
		Nutmegs in shell .. .. .	"	0 8 0	15 ..
		Pepper, black .. .. .	cwt.	90 0 0	15 ..
		Pepper, long .. .. .	"	95 0 0	15 ..
		Pepper, white .. .. .	"	105 0 0	15 ..
		<b>SUGAR.</b>			
19	124	CONFECTIONERY .. .. .	....	<i>Ad valorem</i>	30 per cent.
20	34	SUGAR, excluding confectionery ( <i>see</i> Serial No. 19)—			Rs. a.
		(1) Sugar, crystallised or soft 23 Dutch Standard and above.	cwt.	....	4 8
		(2) Sugar, crystallised or soft in- ferior to 23 Dutch Standard but not inferior to 8 Dutch Stand- ard.	cwt.	....	4 0
		(3) Sugar, below 8 Dutch Standard, molasses and sugar candy.	....	<i>Ad valorem</i>	25 per cent.
		<b>TARIFF VALUES—</b>			
		Molasses—			
		(i) imported in bulk by tank steamer.	cwt.	1 10 6	25 per cent.
		(ii) otherwise imported .. .. .	"	2 2 0	25 ..
		Sugar Candy .. .. .	"	18 0 0	25 ..
		<b>TEA.</b>			
21	71	TEA .. .. .	....	<i>Ad valorem</i>	15 per cent.
		<b>TARIFF VALUES.—</b>			
		Tea, black .. .. .	lb.	0 11 6	15 per cent.
		Tea, green .. .. .	"	1 2 0	15 ..
		<b>OTHER FOOD AND DRINK.</b>			
22	72	COFFEE .. .. .	....	<i>Ad valorem</i>	15 per cent.
		<b>TARIFF VALUE—</b>			
		Coffee, other than roasted or ground ..	cwt.	55 0 0	15 per cent.
23	1	HOPS .. .. .	....	....	Free.
24	35	SALT, excluding Salt exempted under Serial No. 25 .. .. .	Indian maund of 82 2/7 lbs. avoirdupois weight.	....	The rate at which excise duty is for the time being leviable on salt manufactured in the place where the import takes place.*
25	2	SALT imported into British India and issued, in accordance with rules made with the previous sanction of the Governor-General in Council, for use in any process of manufacture; also salt imported into the port of Calcutta and issued with the sanction of the Government of Bengal to manufac- turers of glazed stoneware; also salt imported into any port in the provinces	....	....	Free.

\* The rate of excise duty on the 1st January, 1929 and until further notice is Rs. 1-4-0.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		<b>I.—Food, Drink and Tobacco—<i>concl'd.</i></b>		Rs. a. p.	
		<b>OTHER FOOD AND DRINK—<i>cont'd.</i></b>			
		of Bengal and Bihar and Orissa and issued, in accordance with rules made with the previous sanction of the Governor-General in Council, for use in curing fish in those provinces. (For the general duty on salt, see Serial No. 24.)			
26	73	ALL OTHER SORTS OF FOOD AND DRINK not otherwise specified.	....	<i>Ad valorem</i>	15 per cent.
		<b>TOBACCO.</b>			
27	37	CIGARS .. .. .	....	<i>Ad valorem</i>	75 per cent.
28	37A	CIGARETTES OF VALUE—			Rs. a.
		(a) not exceeding Rs. 10-8 per thousand.	thousand	....	7 0
		(b) exceeding Rs. 10-8 per thousand.	thousand	....	10 8
		<i>Note.</i> —For the purposes of this item, "value" means real value as defined in Section 30 of the Sea Customs Act, 1878, provided that the amount to be deducted on account of duties payable on importation to determine the real value in accordance with the provisions of clause (a) of the said Section shall be Rs. 7 per thousand.			
29	36	TOBACCO, unmanufactured .. .. .	lb.	....	1 8
30	38	ALL OTHER SORTS OF TOBACCO, manufactured.	lb.	....	2 4
		<b>II.—Raw Materials and Produce and Articles Mainly Unmanufactured.</b>			
		<b>COAL, COKE AND PATENT FUEL.</b>			
31	39	COAL, Coke and patent fuel .. .. .	ton	....	0 8
		<b>GUMS, RESINS AND LAC.</b>			
32	10B	STICK OR SEED LAC .. .. .	....	....	Free.
33	74	GUMS, Resins and Lac, all sorts not otherwise specified ( <i>see</i> Serial No. 32).	....	<i>Ad valorem</i>	15 per cent.
		<b>TARIFF VALUES—</b>			
		Gambier, block and cube .. .. .	cwt.	20 0 0	15 per cent.
		Gambier in flakes or circular pieces .. .. .	"	50 0 0	15 "
		Gum Ammoniac .. .. .	"	35 0 0	15 "
		Gum Arabic .. .. .	"	25 0 0	15 "
		Gum Benjamin, ras .. .. .	"	30 0 0	15 "
		Gum Benjamin, cowrie .. .. .	"	60 0 0	15 "
		Gum Bysabol (coarse myrrh) .. .. .	"	32 0 0	15 "
		Gum Dammer (or Copal) .. .. .	"	40 0 0	15 "
		Gum Olibanum or frankincense .. .. .	"	12 0 0	15 "
		Gum Persian (false) .. .. .	"	14 0 0	15 "
		Myrrh .. .. .	"	33 0 0	15 "
		Rosin .. .. .	"	10 0 0	15 "
		<b>HIDES AND SKINS, RAW.</b>			
34	3	HIDES AND SKINS, raw or salted .. .. .	....	....	Free.
		<b>METALLIC ORES AND SCRAP IRON OR STEEL FOR RE-MANUFACTURE.</b>			
35	58	IRON OR STEEL, old .. .. .	....	<i>Ad valorem</i>	10 per cent.
		<b>TARIFF VALUE—</b>			
		Iron or Steel, old .. .. .	cwt.	1 12 0	10 per cent.
36	4	METALLIC ORES, all sorts except ochres and other pigment ores.	....	....	Free.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.	
		<b>II.—Raw Materials and Produce and Articles Mainly Unmanufactured—<i>contd.</i></b>			Rs. a. p.	
		<b>OILS.</b>				
37	40	<b>KEROSENE</b> ; also any mineral oil other than kerosene and motor spirit which has its flashing point below one hundred degrees of Fahrenheit's thermometer by Abel's close test.	Imperial gallon.	....	Two annas and six pies.	
38	40A	<b>MOTOR SPIRIT</b> .. .. .	Imperial gallon.	..	Rs. a. p. 0 6 0	
39	41	<b>MINERAL OIL—</b> (1) which has its flashing point at or above two hundred degrees of Fahrenheit's thermometer, and is ordinarily used for the batching of jute or other fibre; (2) which has its flashing point at or above two hundred degrees Fahrenheit's thermometer, and is such as is not ordinarily used for any other purpose than for lubrication; (3) which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, and is such as is not ordinarily used except as fuel or for some sanitary or hygienic purposes.	ton	....	10 0 0	
		<b>TARIFF VALUE—</b> Mineral oil which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, and is such as is not ordinarily used except as fuel or for some sanitary or hygienic purposes, if imported in bulk.	ton	45 0 0	7½ per cent.	
40	75	<b>ALL SORTS OF ANIMAL, essential, mineral, and vegetable non-essential oils not otherwise specified (see Serial Nos. 37, 38 and 39).</b>	....	<i>Ad valorem</i>	15 per cent.	
		<b>TARIFF VALUES—</b>				
		Cassia oil .. .. .	lb.	2 8 0	15 per cent.	
		Citronella oil .. .. .	..	1 12 0	15 ..	
		Coconut oil .. .. .	cwt.	30 0 0	15 ..	
		Kajiputty oil .. .. .	lb.	1 14 0	15 ..	
		Linseed oil, raw or boiled .. .. .	Imperial gallon.	3 3 0	15 ..	
		Peppermint oil .. .. .	lb.	6 8 0	15 ..	
		<b>SEEDS.</b>				
41	6	<b>OIL-SEEDS</b> , imported into British India by sea from the territories of any Prince or Chief in India.	....	..	Free.	
42	76	<b>SEEDS</b> , all sorts not otherwise specified ..	....	<i>Ad valorem</i>	15 per cent.	
		<b>TALLOW, STEARINE AND WAX.</b>				
43	6A	<b>TALLOW</b> .. .. .	....	....	Free.	
44	77	<b>ALL SORTS OF STEARINE, wax, grease and animal fat not otherwise specified.</b>	....	<i>Ad valorem</i>	15 per cent.	
		<b>TARIFF VALUES—</b>				
		Mineral grease .. .. .	lb.	0 3 6	15 per cent.	
		Vegetable wax .. .. .	cwt.	55 0 0	15 ..	
		<b>TEXTILE MATERIALS.</b>				
45	7	<b>COTTON, raw</b> .. .. .	....	..	Free.	



SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.	
		<b>II.—Raw Materials and Produce and Articles Mainly Unmanufactured—<i>contd.</i></b>			Rs. a. p.	
		<b>TEXTILE MATERIALS—<i>contd.</i></b>				
46	78	TEXTILE MATERIALS, the following :— Silk waste, and raw silk including cocoons, raw flax, hemp, jute and all other unmanufactured textile materials not otherwise specified.	....	<i>Ad valorem</i>	15 per cent.	
		TARIFF VALUES—				
		Coir fibre .. .. .	cwt.	9 0 0	15 per cent.	
		Hemp, raw .. .. .	"	30 0 0	15 "	
		Silk, raw—				
		(a) Bokhara .. .. .	lb.	12 0 0	15 "	
		(b) Chinese—				
		Mathow .. .. .	"	4 8 0	15 "	
		Panjam .. .. .	"	3 0 0	15 "	
		White Shanghai, Thonkoon or Dup pion.	"	4 0 0	15 "	
		White Shanghai, other kinds..	"	6 0 0	15 "	
		White other kinds .. .. .	"	6 8 0	15 "	
		Yellow Shanghai .. .. .	"	5 8 0	15 "	
		Yellow other kinds .. .. .	"	6 0 0	15 "	
		(c) Persian .. .. .	"	8 0 0	15 "	
		(d) Siam .. .. .	"	5 12 6	15 "	
47	8	WOOL, raw, and wool-tops .. .. .	....	....	Free.	
		<b>WOOD AND TIMBER.</b>				
48	49	FIREWOOD .. .. .	....	<i>Ad valorem</i>	2½ per cent.	
49	79	WOOD AND TIMBER, all sorts, not otherwise specified, including all sorts of ornamental wood.	....	"	15 "	
		<b>MISCELLANEOUS.</b>				
50	80	CANES AND RATTANS .. .. .	....	<i>Ad valorem</i>	15 per cent.	
		TARIFF VALUES—				
		Canes—				
		Malacca .. .. .	100 pieces	24 0 0	15 per cent.	
		Chimity .. .. .	"	11 0 0	15 "	
		Tries .. .. .	"	8 0 0	15 "	
		Root Moonah .. .. .	"	26 0 0	15 "	
		Mannu .. .. .	"	18 0 0	15 "	
		Polo, all kinds .. .. .	"	45 0 0	15 "	
		Tohite .. .. .	cwt.	27 8 0	15 "	
		Rattans—				
		Chair .. .. .	cwt.	20 0 0	15 "	
		Basket.. .. .	"	10 8 0	15 "	
		Outers .. .. .	"	75 0 0	15 "	
		Inners .. .. .	"	53 0 0	15 "	
51	81	COWRIES AND SHELLS .. .. .	....	<i>Ad valorem</i>	15 per cent.	
		TARIFF VALUES—				
		Cowries, bazar, common .. .. .	cwt.	6 0 0	15 per cent.	
		Cowries, yellow, superior quality .. .. .	"	8 0 0	15 "	
		Cowries, Maldiva .. .. .	"	21 0 0	15 "	
		Cowries, Sankhli .. .. .	"	100 0 0	15 "	
		Mother-of-pearl, nacre .. .. .	"	22 0 0	15 "	
		Nakhla .. .. .	"	120 0 0	15 "	
		Tortoise-shell .. .. .	lb.	10 0 0	15 "	
		Tortoise-shell, nakh .. .. .	"	2 0 0	15 "	
52	82	IVORY, unmanufactured .. .. .	....	<i>Ad valorem</i>	15 per cent.	
		TARIFF VALUES—				
		Elephants' grinders .. .. .	cwt.	300 0 0	15 "	
		Elephants' tusks (other than hollows, centres, and points), each exceeding 20 lbs. in weight, and hollows, centres, and points each weighing 10 lbs. and over.	"	850 0 0	15 "	

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule	Names of Articles.	Per	Tariff val-ues.	Duty.
		<b>II.—Raw Materials and Produce and Articles Mainly Unmanufactured—<i>contd.</i></b>		Rs. a. p.	
52	82	<b>MISCELLANEOUS—<i>contd.</i></b> <b>IVORY, UNMANUFACTURED—<i>contd.</i></b> <b>TARIFF VALUES—<i>contd.</i></b> Elephants' tusks (other than hollows, centres, and points), not less than 10 lbs. and not exceeding 20 lbs. each, and hollows, centres, and points each weighing less than 10 lbs. Elephants' tusks each less than 10 lbs. (other than hollows, centres, and points). Sea-cow or moye teeth, each not less than 4 lbs. Sea-cow or moye teeth, each not less than 3 lbs. and under 4 lbs. Sea-cow or moye teeth, each less than 3 lbs.	cwt. .. .. .. ..	700 0 0 400 0 0 275 0 0 220 0 0 130 0 0	15 per cent. 15 .. 15 .. 15 .. 15 ..
53	9	<b>MANURES</b> , all sorts, including animal bones and the following chemical manures:— Basic slag, nitrate of ammonia, nitrate of soda, muriate of potash, sulphate of ammonia, sulphate of potash, kainit salts, carbo lime, urea, nitrate of lime, calcium cyanamide, mineral phosphates and mineral superphosphates.*	....	....	Free.
54	5	<b>PRECIOUS STONES</b> , unset and imported uncut, and Pearls, unset.	....	....	Free.
55	83	<b>PRECIOUS STONES</b> , unset and imported cut ( <i>see</i> Serial No 54).	....	<i>Ad valorem</i>	15 per cent.
56	10	<b>PULP OF WOOD</b> , rags and other paper-making materials.	....	....	Free
57	10A	<b>RUBBER STUMPS</b> , rubber seeds and raw rubber.	....	....	Free.
58	84	<b>ALL OTHER RAW MATERIALS AND PRODUCE</b> , and articles mainly unmanufactured not otherwise specified †.	....	<i>Ad valorem</i>	15 per cent.
		<b>III.—Articles Wholly or Mainly Manufactured.</b>			
		<b>APPAREL.</b>			
59	85	<b>APPAREL</b> , including drapery, boots and shoes, and military and other uniforms and accoutrements, but excluding uniforms and accoutrements exempted from duty under Serial Nos. 60 and gold and silver thread, and articles made of silk or silk mixtures.	....	<i>Ad valorem</i>	15 per cent
60	11	<b>UNIFORMS AND ACCOUTREMENTS</b> appertaining thereto, imported by a public servant for his personal use.	....	....	Free.
		<b>ARMS, AMMUNITION AND MILITARY STORES.</b>			
61	42	<b>SUBJECT TO THE EXEMPTIONS SPECIFIED IN SERIAL NO. 64—</b> (1) Firearms, including gas and air guns, gas and air rifles and gas and air pistols, not otherwise specified ( <i>see</i> Serial Nos. 65 and 165). (2) Barrels for the same, whether single or double. (3) Main springs and magazine springs for firearms, including gas guns, gas rifles and gas pistols. (4) Gun stocks and breech blocks .. (5) Revolver-cylinders, for each cartridge they will carry. (6) Actions (including skeleton and waster) breech bolts and their heads, cocking pieces, and locks for muzzle loading arms	each .. .. .. .. ..	.... .... .... .... .... ....	Rs. a. } 15 0 } 15 0 } 5 0 } 3 0 } 2 0 } 1 0 } or 30 per cent. <i>ad valorem</i> , whichever is higher.

\* Under Government of India, Finance Department (Central Revenues) Notification No. 26, dated the 5th May 1928, the following chemical manure, ammonium phosphates, is exempt from payment of import duty.

† Under Government of India, Notification No. 4317, dated the 2nd July 1921, unmanufactured Mica is exempt from payment of import duty.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
				Rs. a. p.	
		<b>III.—Articles Wholly or Mainly Manufactured—<i>contd.</i></b>			
		<b>ARMS, AMMUNITION AND MILITARY STORES—<i>contd.</i></b>			
61	42	<b>SUBJECT TO THE EXCEPTIONS SPECIFIED IN SERIAL No. 64—<i>contd.</i></b>			
		(7) Machines for making, loading, or closing cartridges for rifled arms.	....	<i>Ad valorem</i>	30 per cent.
		(8) Machines for capping cartridges for rifled arms.	....	..	30 .
62	125	GUNPOWDER for cannons, rifles, guns, pistols and sporting purposes.	....	<i>Ad valorem</i>	30 ..
63	126	Subject to the exemptions specified in Serial No. 64 all articles other than those specified in Serial Nos. 61, 65 and 165 which are arms or parts of arms within the meaning of the Indian Arms Act, 1878 (excluding springs used for air-guns which are dutiable as hardware under Serial No. 84), all tools used for cleaning or putting together the same, all machines for making, loading, closing or capping cartridges for arms other than rifled arms and all other sorts of ammunition and military stores, and any articles which the Governor-General in Council may, by notification in the <i>Gazette of India</i> , declare to be ammunition or military stores for the purposes of this Act.	....	<i>Ad valorem</i>	30 ..
64	12	The following ARMS, AMMUNITION AND MILITARY STORES :—	....	....	Free.
		(a) Articles falling under the 3rd, 4th, 6th, 7th or 8th sub-head of Serial No. 61, when they appertain to a firearm falling under that Item and are fitted into the same case with such firearm.			
		(b) Arms forming part of the regular equipment of a commissioned or gazetted officer in His Majesty's Service entitled to wear diplomatic, military, naval, Royal Air Force or police uniform.			
		(c) A revolver and an automatic pistol and ammunition for such revolver and pistol up to a maximum of 100 rounds per revolver or pistol, (i) when accompanying a commissioned officer of His Majesty's regular forces, or of the Indian Auxiliary Force or the Indian Territorial Force or a gazetted police officer, or (ii) certified by the commandant of the corps to which such officer belongs, or, in the case of an officer not attached to any corps, by the officer commanding the station or district in which such officer is serving or, in the case of a police officer, by an Inspector-General or Commissioner of Police, to be imported by the officer for the purpose of his equipment.			
		(d) Swords for presentation as army or volunteer prizes.			



SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule	Names of Articles.	Per	Tariff values.	Duty.
		<b>III.—Articles Wholly or Mainly Manufactured—<i>contd.</i></b>		Rs. a. p.	
		<b>CHEMICALS, DRUGS AND MEDICINES—<i>contd.</i></b>			
74	88	<b>CHEMICALS, DRUGS, etc.—<i>contd.</i></b>			
		<b>TARIFF VALUES—<i>contd.</i></b>			
		Copper sulphate .. .. .	cwt.	19 0 0	15 per cent.
		Epsom salt (in bulk) .. .. .	"	3 8 0	15 "
		Peppermint crystals .. .. .	oz.	1 0 0	15 "
		Potassium bichromate .. .. .	cwt.	27 0 0	15 "
		Soda ash including calcined natural soda and manufactured sesquicarbonates.	"	6 0 0	15 "
		Soda, caustic, flake .. .. .	"	15 0 0	15 "
		Soda, caustic, powdered .. .. .	"	15 8 0	15 "
		Soda, caustic, solid .. .. .	"	10 8 0	15 "
		Soda crystals (in bulk) .. .. .	"	7 0 0	15 "
		Sodium bicarbonate .. .. .	"	8 0 0	15 "
		Sodium bichromate .. .. .	"	21 8 0	15 "
		Sodium silicate (in liquid form) .. .. .	"	8 0 0	15 "
		Sodium sulphide .. .. .	"	8 0 0	15 "
		Trona or natural soda uncalcined .. .. .	"	3 8 0	15 "
		Asafoetida (hing) .. .. .	"	110 0 0	15 "
		Asafoetida, coarse (hingra) .. .. .	"	30 0 0	15 "
		Banslochan (bamboo camphor) .. .. .	lb.	1 2 0	15 "
		Calumba root .. .. .	cwt.	8 0 0	15 "
		Camphor, refined, other than powder .. .. .	lb.	1 14 0	15 "
		Camphor, powder, other than synthetic .. .. .	"	1 10 0	15 "
		Camphor, synthetic, tablets and slabs .. .. .	"	1 13 0	15 "
		Camphor, synthetic, powder .. .. .	"	1 6 0	15 "
		Cassia lignea .. .. .	cwt.	17 8 0	15 "
		China root (Chobchini) rough .. .. .	"	20 0 0	15 "
		China root (Chobchini) scraped .. .. .	"	30 0 0	15 "
		Cubebs .. .. .	"	85 0 0	15 "
		Galangal, China .. .. .	"	16 0 0	15 "
		Salep .. .. .	"	225 0 0	15 "
		Storax, liquid (rose mellos or salaras).. .. .	"	32 0 0	15 "
		<b>CONVEYANCES.</b>			
75	142	COAL TUBS, TIPPING WAGONS and the like conveyances designed for use on light rail track, if adapted to be worked by manual or animal labour and if made mainly of iron or steel; and component parts thereof made of iron or steel—			
		(a) if of British manufacture .. .. .	ton	....	Rs. 21 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		(b) if not of British manufacture .. .. .	ton	....	Rs. 21 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs. 15 per ton.
76	87	CONVEYANCES not specified in Serial No. 75, namely, tramcars, motor-omnibuses, motor-lorries, motor-vans, passenger lifts, carriages, carts, jinrikshas, bath-chairs, perambulators, trucks, wheelbarrows, bicycles, tricycles and all other sorts of conveyances not otherwise specified, and component parts and accessories thereof, except such parts and accessories of the motor vehicles above mentioned as are also adapted for use as parts or accessories of motor cars, motor cycles or motor scooters ( <i>see</i> Serial No. 77).	....	<i>Ad valorem</i>	15 per cent.
77	42A	MOTOR CARS, MOTOR CYCLES, AND MOTOR SCOOTERS, AND ARTICLES (other than rubber tyres and tubes) adapted for use as parts and accessories thereof; provided that such articles as are ordi-	....	<i>Ad valorem</i>	20 per cent.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		<b>III.—Articles Wholly or Mainly Manufactured—<i>contd.</i></b>		Rs. a. p.	
		<b>CONVEYANCES—<i>contd.</i></b>			
		narily also used for other purposes than as parts and accessories of motor vehicles included in this item or in Serial No. 76 shall be dutiable at the rate of duty specified for such articles.			
		<b>CUTLERY, HARDWARE, IMPLEMENTS AND INSTRUMENTS.</b>			
78	15	The following AGRICULTURAL IMPLEMENTS, namely, winnowers, threshers, mowing and reaping machines, binding machines, elevators, seed and corn crushers, chaff-cutters, root-cutters, ensilage-cutters, horse and bullock gears, ploughs, cultivators, scarifiers, harrows, clod-crushers, seed-drills, hay-tedders, hay presses, potato diggers, latex spouts, spraying machines, beet pullers, broadcast seeders, corn pickers, corn shellers, culti-packers, drag scrapers, stalk cutters, huskers and shredders, potato planters, lime sowers, manure spreaders, listers, soil graders and rakes; also agricultural tractors; also component parts of these implements, machines or tractors, provided that they can be readily fitted into their proper places in the implements, machines or tractors for which they are imported, and that they cannot ordinarily be used for purposes unconnected with agriculture.	....	....	Free.
79	129	ARTICLES PLATED WITH GOLD AND SILVER excluding surgical instruments.	....	<i>Ad valorem</i>	30 per cent.
80	128	CLOCKS AND WATCHES and parts thereof.	....	<i>Ad valorem</i>	30 per cent.
81	89	CUTLERY, excluding plated cutlery ( <i>see</i> Serial No. 79).	....	<i>Ad valorem</i>	15 per cent.
82	16	The following DAIRY APPLIANCES, namely, cream separators, milking machines, milk sterilizing or pasteurizing plant, milk aerating and cooling apparatus, churns, butter dryers, and butter workers; also component parts of these appliances, provided that they can be readily fitted into their proper places in the appliances for which they are imported, and that they cannot ordinarily be used for other than dairy purposes.	....	....	Free.
83	90A	ELECTRICAL CONTROL GEAR AND TRANSMISSION GEAR, namely, switches, fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten amperes and at a pressure not exceeding 250 volts, and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which has a sectional area of less than one-eightieth part of a square inch, and wires and cables of other metals of not more than equivalent conductivity; and line insulators, including also cleats, connectors, leading-in tubes and the like, of types and sizes such as are ordinarily	....	<i>Ad valorem</i>	15 per cent.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
				Rs. a. p.	
		<b>III.—Articles Wholly or Mainly Manufactured—<i>contd.</i></b>			
		<b>CUTLERY, HARDWARE, IMPLEMENTS AND INSTRUMENTS—<i>contd.</i></b>			
		used in connection with the transmission of power for other than industrial purposes, and the fittings thereof.			
84	90	HARDWARE, IRONMONGERY AND TOOLS, all sorts, not otherwise specified.	....	<i>Ad valorem</i>	15 per cent.
		TARIFF VALUE— Crown corks .. .. .	gross	0 13 0	15 per cent.
85	17	INSTRUMENTS, APPARATUS AND APPLIANCES, imported by a passenger as part of his personal baggage and in actual use by him in the exercise of his profession or calling.	....	....	Free.
86	130	MUSICAL INSTRUMENTS and parts thereof.	....	<i>Ad valorem</i>	30 per cent.
87	59	TELEGRAPHIC INSTRUMENTS AND APPARATUS, and parts thereof imported by, or under the orders of a Railway Administration.	....	<i>Ad valorem</i>	10 per cent.
88	18	WATER-LIFTS, SUGAR-MILLS, OIL-PRESSES, and parts thereof, when constructed so that they can be worked by manual or animal power.	....	....	Free.
89	91	ALL other sorts of implements, instruments, apparatus and appliances (including plated surgical instruments) and parts thereof, not otherwise specified.*	....	<i>Ad valorem</i>	15 per cent.
		<b>DYES AND COLOURS.</b>			
90	14C	DYES derived from coal-tar and coal-tar derivatives used in any dyeing process.	....	....	Free.
91	92	DYEING AND TANNING SUBSTANCES, all sorts not otherwise specified and paints and colours and painters' materials, all sorts.	....	<i>Ad valorem</i>	15 per cent.
		TARIFF VALUES—			
		Avar bark .. .. .	cwt.	4 8 0	15 per cent.
		Cochineal .. .. .	lb.	1 12 0	15 ..
		Gallnuts, Persian .. .. .	cwt.	40 0 0	15 ..
		Gamboge .. .. .	lb.	2 2 0	15 ..
		Turmeric .. .. .	cwt.	25 0 0	15 ..
		Vermillion, Canton .. .. .	box of 90 bundles.	240 0 0	15 ..
		<b>FURNITURE, CABINETWARE AND MANUFACTURES OF WOOD.</b>			
92	93	FURNITURE, CABINETWARE and all other manufactures of wood not otherwise specified.	....	<i>Ad valorem</i>	15 per cent.

\* Under Government of India, Finance Department (Central Revenues) Notification No. 96-1—Cus.-25, dated the 28th February 1925, apparatus for wireless telegraphs designed either for transmission or reception whether by telegraphy or telephony (including component parts of such apparatus which are essential for its working and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose), when imported in accordance with the orders for the time being governing the importation of such apparatus, is liable to duty at 2½ per cent. *ad valorem*.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		<b>III.—Articles Wholly or Mainly Manufactured—<i>contd.</i></b>		Rs. a. p.	
		<b>GLASSWARE AND EARTHENWARE.</b>			
93	94	GLASS AND GLASSWARE, lacquered ware, earthenware, China and Porcelain; all sorts except glass bangles and beads and false pearls ( <i>see</i> Serial No. 94). TARIFF VALUES— Aerated water bottles, empty— Codd's pattern— Under 10 ozs. .. .. . 10 ozs. .. .. . Over 10 ozs. .. .. . Crown cork pattern— 7 ozs. and under .. .. . Over 7 ozs. up to and including 10 ozs. Over 10 ozs. .. .. .	....   gross " " " " "	   28 0 0 30 0 0 34 0 0  18 0 0 20 0 0  24 0 0	15 per cent.   15 per cent. 15 " 15 " 15 " 15 " 15 "
94	131	GLASS BANGLES AND BEADS AND FALSE PEARLS. TARIFF VALUES— Glass Bangles— <i>China</i> — Nimuchi and pasala .. .. . Bracelet, Jodi and fancy, all kinds. Rajawarakh, all kinds .. .. .  <i>Japan</i> — Keshmi or lustre, plain or fancy, all colours— Vakmel or zigzag .. .. . All others .. .. . Hollow or tube, all colours .. .. . Sonerikada (golbala)— Containing gold in their composition. All others .. .. .	....   100 pairs " "  doz. pairs " " " " "	   2 0 0 4 0 0 7 0 0    0 2 0 0 1 0 0 2 9  1 0 0 0 3 0	30 per cent. 30 " 30 "  30 per cent. 30 " 30 " 30 " 30 "
		<b>HIDES AND SKINS AND LEATHER.</b>			
95	95	HIDES AND SKINS not otherwise specified, LEATHER AND LEATHER MANUFACTURES, all sorts, not otherwise specified.	....	<i>Ad valorem</i>	15 per cent.
		<b>MACHINERY.</b>			
96	18A	MACHINERY, namely, such of the following articles as are not otherwise specified:— (1) prime-movers, boilers, locomotive engines and tenders for the same, portable engines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime-mover is not separable from the operative parts; (2) machines and sets of machines to be worked by electric, steam, water, fire or other power, not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts; (3) apparatus and appliances, not to be operated by manual or animal labour, which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose;	....	....	Free.



SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		<b>III.—Articles Wholly or Mainly Manufactured—<i>contd.</i></b>		Rs. a. p.	
		<b>MACHINERY—<i>contd.</i></b>			
96	18A	<p>(4) control gear, self-acting or otherwise, and transmission-gear designed for use with any machinery above specified, including belting of all materials (other than cotton, hair and canvas ply) and driving chains, but excluding driving ropes not made of cotton;</p> <p>(5) bare hard-drawn electrolytic copper wires and cables and other electrical wires and cables, insulated or not; and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof.</p> <p>NOTE.—The term "industrial system" used in sub-clause (3) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.</p>			
97	18B	The following TEXTILE MACHINERY AND APPARATUS by whatever power operated, namely, healds, heald cords and heald knitting needles; reeds and shuttles; warp and weft preparation machinery and looms; bobbins and pirns; dobbies; Jacquard machines; Jacquard harness linen cords; Jacquard cards; punching plates for Jacquard cards; warping mills; multiple box sleys; solid border sleys; tape sleys; swivel sleys; tape looms; wool carding machines; wool spinning machines; hosiery machinery; coir mat shearing machines; coir fibre willowing machines; heald knitting machines; dobby cards; lattices and lays for dobbies; wooden winders; silk looms; silk throwing and reeling machines; cotton yarn reeling machines; sizing machines; doubling machines; silk twisting machines; cone winding machines; piano card cutting machines; harness building frames; card lacing frames; drawing and denting hooks; sewing thread balls making machines; cumbler finishing machinery; hank boilers; cotton carding and spinning machines; mail eyes, lingoes, comber boards and comber board frames; take-up motions; temples and pickers; picking bands; picking sticks; printing machines; roller cloth; clearer cloth; sizing flannel; and roller skins.			Free.
98	18C	PRINTING AND LITHOGRAPHIC MATERIAL, namely, presses, lithographic plates, composing sticks, chases, imposing tables, lithographic stones, stereoblocks, wood blocks, half-tone blocks, electrotype blocks, roller moulds, roller frames and stocks, roller composition, standing screw and hot presses, perforating machines, gold blocking presses, galley presses, proof presses, arming presses, copper plate printing presses, rolling presses, ruling machines, ruling			Free.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule	Names of Articles.	Per	Tariff values.	Duty.
				Rs. a. p.	
		<p align="center"><b>III.—Articles Wholly or Mainly Manufactured—<i>contd.</i></b></p> <p align="center"><b>MACHINERY—<i>concl'd.</i></b></p> <p>pen making machines, lead cutters, rule cutters, slug cutters, type casting machines, type setting and casting machines, rule bending machines, rule mitreing machines, bronzing machines, stereotyping apparatus, paper folding machines, and paging machines, but excluding ink and paper.*</p>			
99	18D	<p>COMPONENT PARTS OF MACHINERY, as defined in Serial Nos. 96, 97 and 98, namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose :</p> <p>Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.</p>	....	....	Free.
99A	43A	COTTON, HAIR AND CANVAS PLY BELTING for machinery.	....	<i>Ad valorem</i>	5 per cent.
99B	43I	RUBBER-INSULATED COPPER WIRES AND CABLES, no core of which has a sectional area of less than one-eightieth part of a square inch, whether made with any additional insulating or covering material or not.	....	<i>Ad valorem</i>	5 "
100	96	MACHINERY AND COMPONENT PARTS THEREOF, meaning machines or parts of machines to be worked by manual or animal labour, not otherwise specified and any machines (except such as are designed to be used exclusively in industrial processes) which require for their operation less than one quarter of one brake-horse-power.	....	<i>Ad valorem</i>	15 per cent
		<b>METALS, IRON AND STEEL.</b>			
101a	60	IRON ALLOYS .. .. .	....	<i>Ad valorem</i>	10 per cent.
101b	143	IRON ANGLE, channel and tee— (a) fabricated, all qualities— (i) of British manufacture ..	ton	....	Rs. 21 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		(ii) not of British manufacture.	ton	....	Rs. 21 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs.15 per ton.

\* Under Government of India, Finance Department (Central Revenues) Notifications No. 43, dated the 25th August 1928 and No. 46, dated the 15th September 1928, the following printing material, namely, process blocks and highly polished copper or zinc sheets specially prepared for making process blocks, and paper in rolls with side-perforations to be used after further perforation for type-casting, are exempt from payment of import duty.

SCHEDULE II—IMPORT TARIFF—*cont'd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		<b>III.—Articles Wholly or Mainly Manufactured—<i>cont'd.</i></b>		Rs. a. p.	
		<b>METALS, IRON AND STEEL—<i>cont'd.</i></b>			
101b	143	IRON ANGLE— <i>cont'd.</i> (b) not fabricated, kinds other than galvanized, tinned or lead-coated and other than Crown or superior qualities— (i) of British manufacture .. (ii) not of British manufacture.	ton ton	..... .....	Rs. 19. Rs. 30.
101c	60	IRON ANGLE, channel and tee not otherwise specified ( <i>see</i> Serial No. 101b). TARIFF VALUES— Angle, channel and tee— Crown and superior qualities, not fabricated. Other kinds, not fabricated, if galvanized, tinned, or lead-coated.	..... ton ..	<i>Ad valorem</i> 200 0 0 200 0 0	10 per cent. 10 per cent. 10 ..
101d	144	IRON, common bar not galvanized, tinned or lead-coated if not of any shape and dimension specified in clause (a) or clause (c) of Serial No. 102c—  (i) of British manufacture .. (ii) not of British manufacture ..	ton ton	..... .....	Rs. 26. Rs. 37.
101e	60	IRON BAR AND ROD not otherwise specified ( <i>see</i> Serial No. 101d). TARIFF VALUES— Bar and rod— Qualities superior to Grade A of the British Engineering Standard Association. Grade A of the British Engineering Standard Association and Crown quality & intermediate qualities— Over $\frac{1}{2}$ inch in diameter or thickness. $\frac{1}{2}$ inch and under in diameter or thickness. Common, if galvanized, tinned, or lead-coated.	..... ton .. .. ..	<i>Ad valorem</i> 350 0 0 190 0 0 220 0 0 200 0 0	10 per cent. 10 per cent. 10 .. 10 .. 10 ..
101f	60	IRON, pig .. .. .	.....	<i>Ad valorem</i>	10 per cent.
		TARIFF VALUE— Iron, pig .. .. .	ton	75 0 0	10 per cent.
101g	60	IRON RICE BOWLS .. .. .	.....	<i>Ad valorem</i>	10 per cent.
		TARIFF VALUE— Iron rice bowls .. .. .	cwt.	20 0 0	10 per cent.
102a	62	STEEL, ANGLE AND TEE, if galvanized, tinned or lead-coated. TARIFF VALUE— Angle and tee, if galvanized, tinned or lead-coated, not fabricated.	..... ton	<i>Ad valorem</i> 200 0 0	10 per cent. 10 per cent.
102b	151	STEEL, ANGLE AND TEE, not otherwise specified ( <i>see</i> Serial No. 102a) and beam, channel, zed, trough and piling— (a) fabricated— (i) of British manufacture ..  (ii) not of British manufacture.  (b) not fabricated— (i) of British manufacture .. (ii) not of British manufacture.	ton ton ton ..	..... ..... ..... .....	Rs. 21 or 17 per cent. <i>ad valorem</i> , whichever is higher. Rs. 21 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs. 15 per ton. Rs. 19. Rs. 30.
102c	62	STEEL, BAR AND ROD, the following kinds— (a) shapes specially designed for the reinforcement of concrete, if the smallest dimension is under $\frac{1}{2}$ inch ;	.....	<i>Ad valorem</i>	10 per cent.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		<b>III.—Articles Wholly or Mainly Manufactured—<i>contd.</i></b>		<b>Rs. a. p.</b>	
		<b>METALS, IRON AND STEEL—<i>contd.</i></b>			
		(b) all shapes and sizes, if—			
		(i) of alloy, crucible, shear, blister or tub steel, or			
		(ii) galvanized or coated with other metals, or			
		(iii) planished or polished, including bright steel shafting;			
		(c) other qualities, if of any of the following shapes and sizes—			
		(i) rounds under $\frac{1}{2}$ inch diameter,			
		(ii) squares under $\frac{1}{2}$ inch side,			
		(iii) flats, if under 1 inch wide and not over $\frac{1}{2}$ inch thick,			
		(iv) flats not under 8 inches wide and not over $\frac{1}{2}$ inch thick,			
		(v) ovals, if the dimension of the major axis is not less than twice that of the minor axis,			
		(vi) all other shapes, any size.			
		<b>TARIFF VALUES—</b>			
		Bar and rod—			
		Galvanized or coated with other metals, all shapes and sizes.	ton	200 0 0	10 per cent.
		Planished or polished, including bright steel shafting, all shapes and sizes.	"	210 0 0	10 "
102d	152	STEEL, BAR AND ROD, not otherwise specified ( <i>see</i> Serial No. 102c)—			
		(i) of British manufacture .. ..	ton	....	Rs. 26.
		(ii) not of British manufacture .. ..	"	....	Rs. 37.
102e	62	STEEL (other than bars), alloys, crucible, shear, blister and tub.	....	<i>Ad valorem</i>	10 per cent.
102f	62	STEEL (other than bars) made for springs and cutting tools by any process.	....	"	10 "
102g	62	STEEL, ingots, blooms and billets, and slabs of a thickness of $1\frac{1}{2}$ inches or more.	....	"	10 "
102h	153	STEEL STRUCTURES, fabricated partially or wholly, not otherwise specified, if made mainly or wholly of steel bars, sections, plates or sheets, for the construction of buildings, bridges, tanks, well curbs, trestles, towers and similar structures or for parts thereof, but not including builders' hardware ( <i>see</i> Serial No. 84) or any of the articles specified in Serial Nos. 76, 96, 99 or 159—			
		(i) of British manufacture .. ..	ton	....	Rs. 21 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		(ii) not of British manufacture .. ..	ton	....	Rs. 21 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs. 15 per ton.
102i	154	STEEL, tinplates and tinned sheets, including tin taggers and cuttings of such plates, sheets or taggers.	ton	....	Rs. 48.
103a	61	IRON OR STEEL anchors and cables .. ..	....	<i>Ad valorem</i>	10 per cent.
103b	145	IRON OR STEEL BOLTS AND NUTS, including hook bolts and nuts for roofing.	cwt	....	Rs. 2.
103c	61	IRON OR STEEL expanded metal .. ..	....	<i>Ad valorem</i>	10 per cent.
103d	61	IRON OR STEEL HOOPS AND STRIPS .. ..	....	"	10 "
103f	61	IRON OR STEEL NAILS, rivets and washers, all sorts .. ..	....	"	10 "

\* There is no entry bearing Serial No. 103e.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		<b>III.—Articles Wholly or Mainly Manufactured—<i>contd.</i></b>		Rs. a. p.	
		<b>METALS, IRON AND STEEL—<i>contd.</i></b>			
		<b>TARIFF VALUES—</b>			
		Nails, rivets and washers—			
		Nails, wire, including French ..	cwt.	9 0 0	10 per cent.
		Nails, rose, deck, and flat-headed ..	..	18 0 0	10 ..
		Nails, bullock and horse-shoe ..	..	42 0 0	10 ..
		Panel pins, 16 gauge and smaller ..	..	13 0 0	10 ..
		Rivets, boilermakers' or structural, if black ..	..	10 0 0	10 ..
		Washers, black, structural ..	..	11 0 0	10 ..
103g	146	IRON OR STEEL PIPES AND TUBES AND FITTINGS THEREFOR, if riveted or otherwise built up of plates or sheets—			
		(a) galvanized .. .. .	ton		Rs. 33 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		(b) not galvanized—			
		(i) not under $\frac{1}{4}$ inch thick— of British manufacture ..	ton		Rs. 21 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		not of British manufacture	ton		Rs. 21 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs. 15 per ton.
		(ii) under $\frac{1}{4}$ inch thick— of British manufacture ..	ton		Rs. 39 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		not of British manufacture	ton		Rs. 39 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs. 26 per ton.
103j	61	IRON OR STEEL PIPES AND TUBES; also fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like, excluding pipes, tubes and fittings therefor otherwise specified ( <i>see</i> Serial No. 103g).		<i>Ad valorem</i>	10 per cent.
103i	147	IRON OR STEEL PLATES OR SHEETS (including cuttings, discs and circles) not under $\frac{1}{4}$ inch thick and not of cast iron—			
		(a) fabricated, all qualities—			
		(i) of British manufacture ..	ton		Rs. 21 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		(ii) not of British manufacture.	ton		Rs. 21 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs. 15 per ton.
		(b) not fabricated, chequered and ship, tank, bridge and common qualities—			
		(i) of British manufacture ..	ton		Rs. 20.
		(ii) not of British manufacture.	ton		Rs. 30.
103j	61	IRON OR STEEL PLATES AND SHEETS (including cuttings, discs and circles) not under $\frac{1}{4}$ inch thick, not otherwise specified ( <i>see</i> Serial Nos. 102h, 102i, 103e and 103i), whether fabricated or not.		<i>Ad valorem</i>	10 per cent.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		<b>III.—Articles Wholly or Mainly Manufactured—<i>contd.</i></b>		Rs. a. p.	
		<b>METALS, IRON AND STEEL—<i>contd.</i></b>			
		<b>TARIFF VALUES—</b>			
		Plates and sheets (including cuttings, discs and circles) not under $\frac{1}{4}$ inch thick—			
		Boiler fire-box and special qualities, not fabricated.	ton	240 0 0	10 per cent.
		Galvanized, plain, not fabricated.	..	200 0 0	10 ..
103k	61	IRON OR STEEL SHEETS (including cuttings, discs and circles) under $\frac{1}{4}$ inch thick, whether fabricated or not, if coated with metals other than tin or zinc.	..	<i>Ad valorem</i>	10 per cent.
103l	148	IRON OR STEEL SHEETS (including cuttings, discs and circles) under $\frac{1}{4}$ inch thick—			
		(a) fabricated—			
		(i) galvanized .. .. .	ton	..	Rs. 33 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		(ii) all other sorts not otherwise specified ( <i>see</i> Serial No. 103k)—			
		of British manufacture ..	ton	..	Rs. 39 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		not of British manufacture ..	ton	..	Rs. 39 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs. 26 per ton.
		(b) not fabricated—			
		(i) galvanized .. .. .	ton	..	Rs. 30.
		(ii) all other sorts not otherwise specified ( <i>see</i> Serial Nos. 102i and 103k)—			
		of British manufacture ..	ton	..	Rs. 35.
		not of British manufacture ..	ton	..	Rs. 59.
103m	150	IRON OR STEEL RAILWAY TRACK MATERIAL—			
		<b>A. Rails (including tramway rails the heads of which are not grooved)—</b>			
		(a) (i) 30 lbs. per yard and over ..	ton	..	Rs. 13.
		(ii) fish-plates therefor .. ..	ton	..	Rs. 6 or 10 per cent. <i>ad valorem</i> , whichever is higher.
		(iii) spikes and tie-bars therefor—			
		of British manufacture ..	ton	..	Rs. 26.
		not of British manufacture ..	ton	..	Rs. 37.
		(b) under 30 lbs. per yard, and fish-plates, spikes and tie-bars therefor—			
		if of British manufacture ..	ton	..	Rs. 26.
		if not of British manufacture ..	ton	..	Rs. 37.
		<b>B. Switches and crossings and the like materials not made of alloy steel, including switches and crossings and the like materials for tramway rails the heads of which are not grooved—</b>			
		(i) for rails 30 lbs. per yard and over	ton	..	Rs. 14 or 17 per cent. <i>ad valorem</i> , whichever is higher.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		<b>III.—Articles Wholly or Mainly Manufactured—<i>contd.</i></b>		Rs. a. p.	
		<b>METALS, IRON AND STEEL—<i>contd.</i></b>			
		(ii) for rails under 30 lbs. per yard— of British manufacture ..	ton	..	Rs. 29 or 17 per cent. <i>ad valorem</i> , whichever is higher.
		not of British manufacture ..	ton	..	Rs. 29 or 17 per cent. <i>ad valorem</i> , whichever is higher, plus Rs. 12 per ton.
		C. Sleepers, other than cast iron, and keys and distance pieces and the like for use with such sleepers.	ton	..	Rs. 10 or 10 per cent. <i>ad valorem</i> , whichever is higher.
103m	61	IRON OR STEEL RAILWAY TRACK MATERIAL not otherwise specified ( <i>see</i> Serial Nos. 103m and 117) including bearing plates, cast iron sleepers and fastenings therefor, and lever-boxes.	..	<i>Ad valorem</i>	10 per cent.
103p	61	IRON OR STEEL TRAMWAY TRACK MATERIAL, not otherwise specified ( <i>see</i> Serial No. 103m), including rails, fish-plates, tie-bars, switches, crossings and the like materials of shapes and sizes specially adapted for tramway tracks.	..	<i>Ad valorem</i>	10 per cent.
103q	61	IRON OR STEEL WIRE including fencing-wire and wire-rope, but excluding wire-netting.	..	<i>Ad valorem</i>	10 per cent.
103s	61	IRON OR STEEL (other than bar or rod) specially designed for the reinforcement of concrete.	..	<i>Ad valorem</i>	10 per cent.
103t	149A	IRON OR STEEL, the original material (but not including machinery) of any ship or other vessel intended for inland or harbour navigation which has been assembled abroad, taken to pieces and shipped for reassembly in India:  Provided that articles dutiable under this item shall not be deemed to be dutiable under any other item.	ton	..	Rs. 23 or 10 per cent. <i>ad valorem</i> , whichever is higher.
104	97	ALL SORTS OF IRON AND STEEL AND MANUFACTURES THEREOF, not otherwise specified.  <b>TARIFF VALUES—</b> Iron and Steel cans or drums— When imported containing kerosene and motor spirit, namely:— Cans, tinned, of four gallons capacity. Cans or drums, not tinned, of two gallons capacity— (a) with faucet caps .. .. (b) ordinary .. ..  Drums of four gallons capacity— (a) with faucet caps .. .. (b) ordinary .. ..	can can or drum .. drum ..	0 8 0 1 8 0 0 6 0 2 3 0 1 8 0	15 per cent. 15 .. 15 .. 15 .. 15 ..
		<b>METALS, OTHER THAN IRON AND STEEL.</b>			
105	99	CURRENT NICKEL, bronze, and copper coin of the Government of India.	..	..	Free.

\* There are no entries bearing Serial Nos. 103o and 103r.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		<b>III.—Articles Wholly or Mainly Manufactured—<i>contd.</i></b>		Rs. a. p.	
		<b>METALS, OTHER THAN IRON AND STEEL—<i>contd.</i></b>			
106	20	GOLD AND SILVER bullion and coin and gold and silver sheets and plates which have undergone no process of manufacture subsequent to rolling.	..	..	Free.
107	132	GOLD PLATE, gold thread and wire, gold leaf and gold manufactures, all sorts not otherwise specified.	..	<i>Ad valorem</i>	30 per cent.
108	133	SILVER PLATE, silver thread and wire, silver leaf and silver manufactures, all sorts not otherwise specified.	..	<i>Ad valorem</i>	30 per cent.
109	39A	TIN, block .. .. .	ton	..	Rs. 250.
110	20A	ZINC, unwrought, including cakes, ingots, tiles (other than boiler tiles), hard or soft slabs and plates, dust, dross and ashes; and broken zinc.	..	..	Free.
111	98	ALL SORTS OF METALS OTHER THAN IRON AND STEEL, AND MANUFACTURES THEREOF, not otherwise specified.	..	<i>Ad valorem</i>	15 per cent.
		<b>TARIFF VALUES.—</b>			
		Aluminium circles .. .. .	lb.	0 12 0	15 per cent.
		Aluminium sheets, plain .. .. .	..	0 11 0	15 ..
		Brass, patent or yellow metal, sheets and sheathing, weighing 1 lb. or above per square foot, and braziers, and plates.	cwt.	46 0 0	15 ..
		Brass, patent or yellow metal (including gun metal) ingots.	..	33 0 0	15 ..
		Brass, patent or yellow metal (including gun metal), old.	..	28 0 0	15 ..
		Copper, braziers, sheets, plates and sheathing.	..	51 0 0	15 ..
		Copper, old .. .. .	..	34 0 0	15 ..
		Copper, pigs, tiles, ingots, cakes, bricks and slabs.	..	50 0 0	15 ..
		Copper, China, white, copperware ..	lb.	3 0 0	15 per cent.
		Copper, foil or dankpana, plain, white, 10 to 11 in. X 4 to 5 in.	hundred leaves.	1 10 0	15 ..
		Copper, foil or dankpana, plain, coloured, 10 to 11 in. X 4 to 5 in.	..	1 10 0	15 ..
		Lead, pig .. .. .	cwt.	20 0 0	15 ..
		Quicksilver .. .. .	lb.	4 0 0	15 ..
		<b>PAPER, PASTEBOARD, AND STATIONERY.</b>			
112	99	PAPER AND ARTICLES made of paper and papier mache, pasteboard, millboard, and cardboard, all sorts, and stationery, including drawing and copy books, labels, advertising circulars, sheet or card almanacs and calendars, Christmas, Easter, and other cards, including cards in booklet form, including also waste paper and old newspapers for packing, but excluding trade catalogues and advertising circulars imported by packet, book, or parcel post and postage stamps whether used or unused and paper money and paper and stationery otherwise specified.	..	<i>Ad valorem</i>	15 per cent.



SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		<b>III.—Articles Wholly or Mainly Manufactured—<i>concl'd.</i></b>		Rs. a. p.	
		<b>PAPERS, PASTEBOARD AND STATIONERY—<i>cont'd.</i></b>			
112	99	<b>PAPER AND ARTICLES, etc.—<i>concl'd.</i></b>			
		Old newspapers in bales and bags ..	cwt.	5 0 0	15 per cent.
		Printing paper (excluding chrome, marble, flint, poster and stereo) in which the mechanical wood pulp amounts to not less than 65 per cent. of the fibre content, glazed or unglazed, white or grey.	lb.	0 2 0	15 ..
		Packing and wrapping paper—			
		Machine-glazed pressings .. .. .	..	0 2 6	15 ..
		Manilla, machine-glazed or unglazed, and sulphite envelope.	..	0 2 9	15 ..
		Kraft and imitation kraft .. .. .	..	0 2 9	15 ..
		Straw boards .. .. .	cwt.	6 8 0	15 ..
113	155	PRINTING PAPER (excluding chrome, marble, flint, poster and stereo), all sorts which contain no mechanical wood pulp or in which the mechanical wood pulp amounts to less than 65 per cent. of the fibre content.	lb.	..	One anna.
114	156	WRITING PAPER—			
		(a) Ruled or printed forms (including letter paper with printed headings) and account and manuscript books and the binding thereof.	lb.	..	One anna or 15 per cent. <i>ad valorem</i> , whichever is higher.
		(b) All other sorts .. .. .	lb.	..	One anna.
115	21	TRADE CATALOGUES AND ADVERTISING CIRCULARS imported by packet, book, or parcel post.	..	..	Free.
116	21A	POSTAGE STAMPS, whether used or unused	..	..	Free.
116a	21B	PAPER MONEY .. .. .	..	..	Free.
		<b>RAILWAY PLANT AND ROLLING-STOCK.</b>			
117	63	RAILWAY MATERIALS for permanent-way and rolling-stock, namely, sleepers, other than iron and steel, and fastenings therefor; bearing plates, fish bolts and nuts, chairs, interlocking apparatus, brake-gear, shunting skids, couplings and springs, signals, turn-tables, weighbridges, carriages, wagons, traversers, rail removers, scooters, trollies, trucks, and component parts thereof; switches, crossings and the like materials made of alloy steel; also cranes, water-cranes and water-tanks when imported by or under the orders of a railway administration:	..	<i>Ad valorem</i>	10 per cent.
		Provided that for the purpose of this entry 'railway' means a line of railway subject to the provisions of the Indian Railways Act, 1890, and includes a railway constructed in a State in India and also such tramways as the Governor-General in Council may, by notification in the <i>Gazette of India</i> , specifically include therein:			
		Provided also that articles of machinery as defined in Serial No. 96 or No. 99 shall not be deemed to be included hereunder.			

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		<b>III.—Articles Wholly or Mainly Manufactured—<i>contd.</i></b> **			
		<b>RAILWAY PLANT AND ROLLING-STOCK—<i>contd.</i></b>			
118	63A	COMPONENT PARTS OF RAILWAY MATERIALS, as defined in Serial No. 117, namely, such parts only as are essential for the working of railways and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose: Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the railway material to which they belong, if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.	..	<i>Ad valorem</i>	10 per cent.
		<b>YARNS AND TEXTILE FABRICS.</b>			
119	43C	Artificial silk yarn and thread .. .. .	..	<i>Ad valorem</i>	7½ per cent.
120	45	Cotton piece-goods .. .. .	..	<i>Ad valorem</i>	11 per cent.
121	44	COTTON TWIST AND YARN, and cotton sewing or darning thread.	..	<i>Ad valorem</i>	5 per cent. or 1½ annas per lb, whichever is higher.
122	22	SECOND-HAND OR USED GUNNY BAG OR CLOTH made of jute.	..	..	Free.
122A	45B	YARN (excluding cotton yarn) such as is ordinarily used for the manufacture of belting for machinery.	..	<i>Ad valorem</i>	5 per cent.
123	100	YARNS AND TEXTILE FABRICS, that is to say :—  Cotton thread other than sewing or darning thread, and all other manufactured cotton goods not otherwise specified. Flax, twist and yarn, and manufactures of flax. Haberdashery and millinery, excluding articles made of silk and silk mixtures. Hemp manufactures. Hosiery, excluding articles made of silk. Jute, twist and yarn, and jute manufactures, excluding second-hand or used gunny bags or cloth. Silk yarn, noils and warps and silk thread. Woollen yarn, knitting wool, and other manufactures of wool, including felt. All other sorts of yarns and textile fabrics, not otherwise specified.	..	<i>Ad valorem</i>	15 per cent.
124	100A	SILK GOODS USED OR REQUIRED FOR MEDICAL PURPOSES, namely :—silk ligatures; elastic silk hosiery, elbow pieces, thigh pieces, knee caps, leggings, socks, anklets, stockings, suspensory bandages, silk abdominal belts, silkweb catheter tubes, and oiled silk.	..	<i>Ad valorem</i>	15 per cent.
125	45A	SILK MIXTURES, that is to say .. .. .  (a) fabrics composed in part of some other textile than silk and in which any portion either of the warp or of the weft but not of both is silk;	..	<i>Ad valorem</i>	20 per cent.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule	Names of Articles	Per	Tariff values.	Duty.
		<b>III.—Articles Wholly or Mainly Manufactured—<i>contd.</i></b>		<b>Rs. a. p.</b>	
		<b>YARNS AND TEXTILE FABRICS—<i>contd.</i></b>			
125	54A	<b>SILK MIXTURES—<i>contd.</i></b>  (b) fabrics not being silk on which silk is super-imposed such as embroidered fabrics; (c) articles made from such fabrics and not otherwise specified ( <i>see</i> Serial No. 124).  <i>N.B.</i> —For tariff values under this item <i>see</i> those marked with an asterisk (*) under Serial No. 126 below.			
126	134	<b>SILK PIECE-GOODS, and other manufactures of silk not otherwise specified (<i>see</i> Serial Nos. 124 and 125.)</b>  <b>TARIFF VALUES.—</b> Silk piece-goods (white or coloured, plain or figured and all widths) from Japan and China (including Hong-kong)— <i>Japan</i> — Paj, all kinds, including Habutai, Thama, Junken and Nankin, and including striped, printed, woven so-called ( <i>i.e.</i> , swivel weave-work or Khakho embroidered), embossed and pine-apples but excluding all kinds of Shioji or Shin Paj. Satins, Taffetas, and Kohakus, all kinds, including striped, printed, woven so-called ( <i>i.e.</i> , swivel weave-work or Khakho embroidered), and embossed. Twill, all kinds .. .. Jarina (gold embroidered) .. .. Fugi and Boseki, all kinds .. .. Fancies, printed and woven so-called ( <i>i.e.</i> , swivel weave-work or Khakho embroidered), including georgettes, crepes, ninons, gauzes, and all kinds of Shioji or Shin Paj. Embroideries and embroidered piece-goods, excluding Burmese scarves. Shawls, dhuties, handkerchiefs, hosiery, mufflers and scarves, excluding Burmese scarves. Dupettas and China Silk patkas .. Burmese scarves—(a) Paj or Habutai. <i>(b) Other kinds.</i> *Cotton and silk mixed satins, embroidered .. .. *Cotton and silk mixed satins, other kinds .. .. *Cotton and silk mixed hosiery .. .. *Cotton and silk mixed Fugi and Boseki, all kinds .. .. Silk Fents .. .. <i>China (including Hongkong but excluding Canton)—</i> Honans, all kinds, and patkas .. .. Shantung and Tussores, all kinds, including patkas .. .. Corded, all kinds, excepting white cords .. .. White cords, all kinds .. .. Crepe, gauze, and paj, all kinds .. .. Satins and fancies, all kinds .. ..	..	<i>Ad valorem</i>	30 per cent.
			lb.	19 0 0	
			..	21 0 0	
			..	21 0 0	
			..	23 0 0	
			..	9 12 0	
			..	23 8 0	
			..	41 8 0	
			..	32 8 0	
			..	16 0 0	
			..	33 0 0	
			..	40 0 0	
			..	14 0 0	
			..	8 8 0	
			..	28 0 0	
			..	7 8 0	
			..	7 12 0	
			..	8 0 0	
			..	6 8 0	
			..	5 0 0	
			..	9 12 0	
			..	18 8 0	
			..	17 0 0	

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		III—Articles Wholly or Mainly Manufactured— <i>contd.</i>		Rs. a. p.	
		YARNS AND TEXTILE FABRICS — <i>contd.</i>			
		including loongies and stripes, Taffetas and Pagris, all kinds. Fugi and Boseki all kinds ..	lb.	9 8 0	
		<i>N.B.</i> —The tariff values marked with an asterisk (*) are also applicable to silk mixtures under Serial No. 125 above.			
		MISCELLANEOUS.			
127	53	AEROPLANES, aeroplane parts, aeroplane engines, aeroplane engine parts and rubber tyres and tubes used exclusively for aeroplanes.	..	<i>Ad valorem</i>	2½ per cent.
128	23	ART, the following works of:—(1) statutory and pictures intended to be put up for the public benefit in a public place and (2) memorials of a public character intended to be put up in a public place, including the materials used, or to be used in their construction, whether worked or not.	..	..	Free.
129	101	ART, works of, excluding those specified in Serial No. 128.	..	<i>Ad valorem</i>	15 per cent.
130	24	BOOKS PRINTED, including covers for printed books, maps, charts, and plans, proofs, music, manuscripts, and illustrations specially made for binding in books.	..	..	Free.
131	102	BRUSHES AND BROOMS .. .. .	..	<i>Ad valorem</i>	15 per cent.
132	103	BUILDING AND ENGINEERING MATERIALS, including asphalt, bricks, cement (excluding Portland cement other than white Portland cement), chalk and lime, clay, pipes of earthenware, tiles, firebricks not being component parts of any article included in Serial No. 96 or No. 117 and all other sorts of building and engineering materials not otherwise specified including bitumen and other insulating materials.	..	<i>Ad valorem</i>	15 per cent.
133	104	CANDLES .. .. .	..	<i>Ad valorem</i>	15 per cent.
134	8A	CHINA CLAY .. .. .	..	..	Free.
135	105	CINEMATOGRAPH FILMS .. .. .	..	<i>Ad valorem</i>	15 per cent.
		TARIFF VALUE— Exposed standard positive films, new or used .. .. .	foot	0 4 6	15 per cent.
136	106	CORDAGE AND ROPE AND TWINE OF VEGETABLE fibre not otherwise specified.	..	<i>Ad valorem</i>	15 per cent.
		TARIFF VALUE— Coir yarn .. .. .	cwt.	13 0 0	15 per cent.
137	106A	FIREWORKS specially prepared as danger or distress lights for the use of ships.	..	<i>Ad valorem</i>	15 per cent.
138	135	FIREWORKS not otherwise specified ( <i>see</i> Serial No. 137).	..	<i>Ad valorem</i>	30 per cent.
139	107	FURNITURE TACKLE AND APPAREL, not otherwise described, for steam-sailing, rowing and other vessels.	..	<i>Ad valorem</i>	15 per cent.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		<b>III.—Articles Wholly or Mainly Manufactured—<i>contd.</i></b>		<b>Rs. a. p.</b>	
		<b>MISCELLANEOUS—<i>contd.</i></b>			
140	136	IVORY, manufactured .. .. .	..	<i>Ad valorem</i>	30 per cent.
141	137	JEWELLERY AND JEWELS .. .. .	..	<i>Ad valorem</i>	30 per cent.
141A	24A	LIGHT SHIPS .. .. .	..	..	Free.
142	157	MATCHES— (1) In boxes containing on the average not more than 100 matches. (2) In boxes containing on the average more than 100 matches.	gross of boxes.  For every 25 matches or fraction thereof in each box, per gross of boxes.	.. ..	Rs. 1-8. Six annas.
143	158	UNDIPPED SPLINTS such as are ordinarily used for match making.	lb.	..	Four annas and six pies.
44	159	VENEERS such as are ordinarily used for lining boxes, including boxes and parts of boxes made of such veneers.	lb.	..	Six annas.
145	108	MATS AND MATTING .. .. .	..	<i>Ad valorem</i>	15 per cent.
146	109	OILCAKES .. .. .	..	<i>Ad valorem</i>	15 per cent.
147	110	OILCLOTH AND FLOOR CLOTH .. .. .	..	<i>Ad valorem</i>	15 per cent.
148	111	PACKING—ENGINE AND BOILER—ALL SORTS, excluding packing forming a component part of any article included in Serial Nos. 96 and 117.	..	<i>Ad valorem</i>	15 per cent.
149	112	PERFUMERY, not otherwise specified .. .. .	..	<i>Ad valorem</i>	15 per cent.
		TARIFF VALUES—			
		Gowla, husked and unhusked .. .. .	cwt.	70 0 0	15 per cent.
		Kapurkachri (zedoary) .. .. .	..	27 0 0	15 ..
		Patch leaves (patchouli) .. .. .	..	26 0 0	15 ..
		Rose-flowers, dried .. .. .	..	23 0 0	15 ..
150	113	PITCH, tar and dammer .. .. .	..	<i>Ad valorem</i>	15 per cent.
		TARIFF VALUES—			
		Coal pitch .. .. .	cwt.	5 8 0	15 per cent.
		Stockholm pitch .. .. .	..	16 8 0	15 ..
		Stockholm tar .. .. .	..	19 0 0	15 ..
		Dammer Batu .. .. .	..	7 8 0	15 ..
151	114	POLISHES AND COMPOSITIONS .. .. .	..	<i>Ad valorem</i>	15 per cent.
152	46C	PORTLAND CEMENT excluding white Portland Cement.	ton	..	Rs. 9.
153	46D	PRINTER'S INK .. .. .	..	<i>Ad valorem</i>	5 per cent.
153A	46	PRINTING TYPE .. .. .	lb.	..	One anna.
154	54	The following PRINTING MATERIAL, namely, leads, brass rules, wooden and metal quoins, shooting sticks and galleys and metal furniture.	..	<i>Ad valorem</i>	2½ per cent.
155	138	PRINTS, ENGRAVINGS AND PICTURES (including photographs and picture post cards), not otherwise specified.	..	<i>Ad valorem</i>	30 per cent.
156	55	RACKS for the withering of tea leaf .. .. .	..	<i>Ad valorem</i>	2½ per cent.
157	24B	ROPES, cotton .. .. .	..	..	Free.
158	115	RUBBER TYRES AND OTHER MANUFACTURES OF RUBBER, not otherwise specified ( <i>see</i> Serial No. 127).	..	<i>Ad valorem</i>	15 per cent.

SCHEDULE II—IMPORT TARIFF—*concl'd.*

Serial No.	No. in the Statutory Schedule	Names of Articles.	Per	Tariff values.	Duty.
<b>III. Articles Wholly or Mainly Manufactured—<i>concl'd.</i></b>					
<b>MISCELLANEOUS—<i>concl'd.</i></b>					
159	64	SHIPS AND OTHER VESSELS FOR INLAND AND HARBOUR NAVIGATION, including steamers, launches, boats and barges imported entire or in sections: Provided that articles of machinery as defined in Serial No. 96 or No. 99 shall, when separately imported, not be deemed to be included hereunder.	..	<i>Ad valorem</i>	10 per cent.
160	140	SMOKERS' REQUISITES, excluding tobacco (Serial Nos. 27 to 30) and matches (Serial No. 142).	..	<i>Ad valorem</i>	30 per cent.
161	110	SOAP .. .. .	..	<i>Ad valorem</i>	15 per cent.
		TARIFF VALUE— Soft soap .. .. .	cwt.	17 0 0	15 per cent.
162	24C	STARCH AND FARINA .. .. .	..	..	Free.
162A	24D	STONE PREPARED as for road metalling.	..	..	Free.
163	118	STONE AND MARBLE, and articles made of stone and marble but excluding stone prepared as for road metalling.	..	<i>Ad valorem</i>	15 per cent.
164	119	TOILET REQUISITES, not otherwise specified	..	<i>Ad valorem</i>	15 per cent.
165	141	TOYS, games, playing cards and requisites for games and sports, including bird-shot, toy cannons, air guns and air pistols for the time being excluded in any part of British India, from the operation of all the prohibitions and directions contained in the Indian Arms Act, 1878; and bows and arrows.	..	<i>Ad valorem</i>	30 per cent.
		TARIFF VALUE.— Bird-shot .. .. .	cwt.	36 0 0	30 per cent.
166	120	ALL OTHER ARTICLES WHOLLY OR MAINLY MANUFACTURED, not otherwise specified.	..	<i>Ad valorem</i>	15 per cent.
		TARIFF VALUES.— Bangles— Celluloid, plain, flat, with and without border and grooved but excluding double border .. .. .	dozen pairs.	1 8 0	15 per cent.
		Celluloid (rubber) rings excluding coils.	..	0 6 0	15 ..
<b>IV. Miscellaneous and Unclassified.</b>					
167	25	ANIMALS, living, all sorts .. .. .	..	..	Free.
168	121	CORAL .. .. .	..	<i>Ad valorem</i>	15 per cent.
169	57	FODDER, BRAN AND POLLARDS .. .. .	..	<i>Ad valorem</i>	2½ per cent.
169A	25A	INSIGNIA AND BADGES of official British and Foreign Orders.	..	..	Free.
170	26	SPECIMENS, Models and Wall Diagrams illustrative of natural science, and medals and antique coins.	..	..	Free.
171	122	UMBRELLAS, including parasols and sunshades, and fittings therefor.	..	<i>Ad valorem</i>	15 per cent.
		TARIFF VALUES— Umbrella ribs other than nickelled, brassed, fluted or metal tipped— Solid Flexus, all sizes— From Japan .. .. .	dozen sets of 8.	1 8 0	15 per cent.
		From other countries .. .. .	..	2 8 0	15 ..
		Solids, 23, 25 and 27 inches .. .. .	dozen sets of 12.	2 5 0	15 ..
		Solids, 16, 19 and 21 inches .. .. .	dozen sets of 8.	1 4 0	15 ..
172	123	ALL OTHER ARTICLES NOT OTHERWISE SPECIFIED, including articles imported by post.	..	<i>Ad valorem</i>	15 per cent.

## SCHEDULE III.—EXPORT TARIFF.

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
		<b>JUTE, OTHER THAN BIMLIPATAM JUTE.</b>		<b>Rs. a. p.</b>	<b>Rs. a.</b>
1		<b>RAW JUTE—</b>			
		(1) Cuttings .. .. .	Bale of 400 lbs.	..	1 4
		(2) All other descriptions .. ..	"	..	4 8
2		<b>JUTE MANUFACTURES, when not in actual use as coverings, receptacles or bindings, for other goods—</b>			
		(1) Sacking (cloth, bags, twist, yarn, rope and twine).	Ton of 2,240 lbs.	..	20 0
		(2) Hessians and all other descriptions of jute manufactures not otherwise specified.*	"	..	32 0
		<b>HIDES AND SKINS.</b>			
3		<b>RAW HIDES AND SKINS † .. .. .</b>	..	<i>Ad valorem</i>	5 per cent.
		<b>TARIFF VALUES—</b>			
		<b>If exported from Burma—</b>			
		(1) Arsenicated and air-dried hides—			
		(a) Cows (including calf skins) ..	lb.	0 8 0	5 per cent.
		(b) Buffaloes (including calf skins)	"	0 4 0	5 "
		(2) Dry salted hides—			
		(a) Cows (including calf skins) ..	"	0 6 6	5 "
		(b) Buffaloes (including calf skins)	"	0 3 9	5 "
		(3) Wet salted hides—			
		(a) Cows (including calf skins) ..	"	0 5 0	5 "
		(b) Buffaloes (including calf skins)	"	0 2 9	5 "
		(4) Goat and kid skins .. .. .	Piece	1 0 0	5 "
		(5) Sheep skins .. .. .	"	0 10 6	5 "
		<b>If exported from any place in British India other than Burma—</b>			
		(1) Arsenicated and air-dried hides—			
		(a) Cows (including { Framed ..	lb.	0 10 0	5 "
		{ Unframed ..	"	0 6 9	5 "
		(b) Buffaloes (inclu- { Framed ..	"	0 8 0	5 "
		{ Unframed ..	"	0 4 6	5 "
		(2) Dry salted hides—			
		(a) Cows (including calf skins) ..	"	0 7 9	5 "
		(b) Buffaloes (including calf skins)	"	0 4 6	5 "
		(3) Wet salted hides—			
		(a) Cows (including calf skins) ..	"	0 5 0	5 "
		(b) Buffaloes (including calf skins)	"	0 2 9	5 "
		(4) Goat and kid skins .. .. .	Piece	1 10 0	5 "
		(5) Sheep skins .. .. .	"	1 1 0	5 "
		<b>RICE.</b>			
4		<b>RICE, husked or unhusked, including rice flour, but excluding rice bran and rice dust, which are free.</b>	Indian maund of 82½ lbs. avoirdupois weight.	..	Three annas.

\* Under Government of India Notification No. 1428, dated 17th November 1923, Jute Rags such as are used for paper making, are exempt from payment of export duty provided that the Customs Collector is satisfied that they are useless for any purpose to which cloth or rope is ordinarily put.

† Under Government of India, Finance Department (Central Revenues) Notification No. 35, dated the 25th September 1926, hide and skin cuttings and fleshings, such as are used for glue-making, are exempt from payment of export duty.

## APPENDIX 28.

## IMPORT DUTY ON LIQUID FUEL OIL.

No. 1833/124 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 27th October 1928.

THE SECRETARY TO THE GOVERNMENT OF INDIA,  
DEPARTMENT OF COMMERCE, NEW DELHI.

SIR,

SUBJECT :—*Import Duty on Liquid Fuel Oil.*

I am directed by the Committee of the Bombay Millowners' Association to submit for the favourable consideration of Government, their case for a reduction in the present rate of import duty on liquid fuel oil ; or, in the alternative, for the fixation of a special tariff value for furnace oil.

2. As Government are aware, the present rate of import duty levied on liquid fuel is  $7\frac{1}{2}$  per cent. *ad valorem*, which, based on a tariff value of Rs. 53-5-4 per ton, amounts to Rs. 4 per ton approximately, while imported coal pays a duty of 8 annas per ton only. The commercial value of liquid fuel, in the opinion of my Committee, as compared to that of the imported Natal coal, works out approximately in the ratio of 2 : 1 or, in other words, one ton of fuel oil is, in practice, equivalent to about 2 tons of coal, but the import duty levied on fuel oil is out of all proportion to the duty payable on coal, and the rate levied on the former is nearly four times that of the latter when the ratio of their respective commercial values is only 2 : 1.

3. What my Committee desire to urge upon Government is that this disparity in import duties is affecting those mills which use liquid fuel in competition with those relying upon imported coal, and they would therefore respectfully request that the import duty on liquid fuel should be lowered so as to make it more comparable with that of coal. With this end in view, they would suggest that the rate of duty on liquid fuel should be fixed at Re. 1 per ton, or twice the rate levied on coal, instead of  $7\frac{1}{2}$  per cent. in the tariff value.

4. If Government think that there are insuperable difficulties in the way of reducing the existing rate of duty on fuel oil to the figure mentioned above, my Committee would respectfully suggest for the consideration of Government the advisability of fixing a separate tariff value for "furnace oil" based on the current ruling prices as, in their opinion, this would considerably reduce the cost of production of mills which, as a general rule, use furnace oil in large quantities. The Committee are aware that the adoption of this suggestion would entail the institution of sufficient safeguards whereby Customs authorities could easily distinguish this product from similar other oils at the time of importation. The Committee of the Association have consulted one of the most important wholesale oil distributors in the city, and the latter are agreeable to keep all furnace oil supplies in a bonded warehouse or tank and to make all issues therefrom under the supervision of a Customs officer permanently established at the Company's Wari Bunder Storage Depot, so that the correct duty may be paid when supplies are actually issued from the storage tank. The present value of



furnace oil is in the neighbourhood of Rs. 35 per ton ex installations and inclusive of the following charges:—

	Rs.	a.	p.
Import duty .. ..	4	0	0
Port Trust wharfage .. ..	1	15	3
Oil Installation charges .. ..	0	8	0
	<hr/>		
Total Rs. ..	6	7	3
or, say, Rs. ..	6	8	0

or about Rs. 28-8 delivery at the Bombay Harbour. It is hardly necessary to point out the wide disparity between this rate and the tariff value of Rs. 53-5-4 at present fixed by Government. The Committee of the Association would therefore request that the tariff value of furnace oil may be reduced to this level if a general reduction in the duty is not feasible.—I have, etc.,

B. K. MANTRI,  
*Acting Secretary.*

No. 2183/124 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 21st December 1928.

THE SECRETARY TO THE GOVERNMENT OF INDIA,  
DEPARTMENT OF COMMERCE, NEW DELHI.

SIR,

SUBJECT:—*Import Duty on Liquid Fuel Oil.*

I am directed to invite your attention to para 4 of this office letter No. 1833/124, dated 27th October 1928, wherein my Committee suggested the fixation of a separate tariff valuation for furnace oil in case Government thought that the difficulties in the way of reducing the general rate of import duty on liquid fuel oil from the present rate of 7½ per cent. to a lower figure was indeed insuperable. This aspect of the question has again received the careful consideration of my Committee, who have also had the matter carefully reviewed by the local Burma Shell Oil Storage and Distributing Co. of India, Ltd., with a view to devising a scheme whereby imported furnace oil could be differentiated from Diesel oil to the entire satisfaction of the Customs authorities either by specification or by some other means.

2. As a result, the company concerned have announced that they have made special arrangements with their principals whereby *furnace oil imported into Bombay will be stored separately*, and they further assure that it will be possible to define the product clearly at the time of importation. The company is further prepared to guarantee that furnace oil, specified and imported as such, will not subsequently be sold as Diesel oil or at Diesel oil prices.

This arrangement, my Committee hope, will remove any doubt which Government may feel regarding the possible misuse or loss in revenue which may result in Diesel oil being imported as furnace oil to obtain the benefit of a lower duty.

My Committee therefore hope that Government will realize the injustice of the case and give sympathetic consideration to the proposals made by the Association.—I have, etc.,

B. K. MANTRI,  
*Acting Secretary.*

No. 405-T. (5).

GOVERNMENT OF INDIA, COMMERCE DEPARTMENT,  
NEW DELHI, 24th December 1928.

Acknowledges receipt of your letter No. 2183/124, dated the 21st December 1928.

G. CONLEY SMITH,  
*For Assistant Secretary.*

## APPENDIX 29.

## IMPORT DUTY ON JACQUARD LINEN THREAD.

BOMBAY, 20th August 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

*Re. Import Duty on Jacquard Linen Thread.*

We enclose herewith copies of correspondence\* carried on with the Collector of Customs, in regard to the import duty of 15% charged on linen thread for Jacquard machines and shall be glad if you will place this before the meeting of the Committee for their information and necessary action.—Yours, etc.,

FOR CURRIMBHOY EBRAHIM & SONS, LTD.,  
ISMAIL CURRIMBHOY,  
Director.  
Agents.

No. 2009/188 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 24th November 1928.

THE SECRETARY,  
THE CENTRAL BOARD OF REVENUE, NEW DELHI.

SIR,

*SUBJECT:—Import Duty on Jacquard Linen Thread.*

I am directed to place before you for the sympathetic consideration of Government certain difficulties experienced by members of this Association in connection with a recent ruling given by the Collector of Customs, Bombay, in an appeal made by Messrs. Currimbhoy Ebrahim & Sons, Ltd., Bombay, against the decision of the Assistant Collector of Customs who assessed Jacquard linen thread imported in bulk to an import duty of 15% *ad valorem*.

2. The facts of the case are:—On 9th April 1928, Messrs. Currimbhoy Ebrahim & Sons imported 3 cases of Jacquard linen thread on which the Customs authorities levied a duty of 15% *ad valorem* on the ground that the goods under reference were "linen ball thread" as described in the invoice. The firm contended that the consignment ought to be allowed duty-free under Item No. 97, but the Assistant Collector in reply stated that only Jacquard linen cords which are cut into lengths, or are ready to be fitted, are passed duty-free.

Messrs. Currimbhoy Ebrahim & Sons again addressed the Assistant Collector in which they pointed out that it was impossible to import linen thread cut into ready sizes as different Jacquard machines required different lengths of cords, and that the only convenient and economical way of importing linen thread was in balls.

The Assistant Collector, however, refused to reconsider his decision with the result that the firm filed an appeal with the Collector of Customs. The appeal was unsuccessful as the Collector of Customs, relying upon the Customs Ruling No. 12, held that the assessment had been correctly made and that the word "cords" in Item No. 97 of the Tariff only applies to cordage cut into lengths ready for use.

\* Not printed.

3. My Committee are not surprised at the decision of the Collector of Customs because Ruling No. 12 mentioned above does not permit of any other interpretation than the one which the Collector has now given to it, but they are inclined to think that, when the Central Board of Revenue issued the ruling in question, they probably overlooked the special difficulties which have been so clearly brought out by Messrs. Currimbhoy Ebrahim & Sons, Ltd., in their communications to the Assistant Collector of Customs in the first instance, and afterwards with the Collector of Customs.

This perhaps has a parallel in the case of imported heald yarn where also duty is charged if not imported cut into sizes. The Committee are aware that jute mills of Bengal get heald yarn free of duty by importing it in cut lengths but in this connection it is pointed out that it is impossible to import heald yarn for the cotton trade cut to lengths. As far as my Committee are aware, heald yarn and Jacquard linen thread cannot be used for any other purpose but knitting of healds and building of Jacquard harness, and there cannot therefore be any chance of Government's concessions being misused or utilized for any other object except those already mentioned above. The Committee therefore trust that the Customs Ruling No. 12 of the Central Board of Revenue would be withdrawn and heald yarn and Jacquard thread be allowed to be imported free of duty, whether they are cut into lengths, or imported in bulk.

I am forwarding herewith for your ready reference \*copies of all correspondence between the Customs authorities, Bombay, and Messrs. Currimbhoy Ebrahim & Sons, Ltd., in regard to this question.—I have, etc.,

B. K. MANTRI,  
*Acting Secretary.*

C. No. 438-Cus-I/28.

CENTRAL BOARD OF REVENUE,  
NEW DELHI, 22nd December 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT:—*Mill Stores—Heald Cord—Jacquard Linen Thread—Importation of—in Bulk—Assessment Your Letter No. 2009/188 of 1928, dated the 24th November 1928.*

I am directed to acknowledge the receipt of your letter quoted above.—I have, etc.,

T. D. AHMED,  
*For Secretary, Central Board of Revenue.*

### APPENDIX 30.

#### PROTECTION FOR THE INDIAN CHEMICAL INDUSTRY.

DEPARTMENT OF COMMERCE.

RESOLUTION.

TARIFFS.

SIMLA, the 16th July 1928.

No. 199-T. (8).—The Government of India have received representations from Messrs. The Eastern Chemical Company and The Dharamsi Morarji Chemical Company requesting that protection may be extended to the marginally noted chemicals. In pursuance of paragraph 3 of the Resolution of the Government of India, Department of Commerce, No. 3748, dated the 10th July 1923, the Government of India have decided to refer to the Tariff Board for examination these representations along with any others of a similar nature which may be brought to its notice.

Sulphuric Acid.  
Hydrochloric Acid.  
Nitric Acid.  
Magnesium Sulphate.  
Ferrous Sulphate.  
Potash Alum.  
Aluminium Sulphate.  
Sodium Sulphate.  
Zinc Chloride.  
Copper Sulphate.  
Glauber's Salt.

2. In making its enquiry, the Tariff Board will be guided by the principles laid down in the Resolution adopted by the Legislative Assembly on February 16th, 1923, and will consider—

- (1) whether the conditions laid down in paragraph 97 of the Report of the Indian Fiscal Commission are satisfied in each case,
- (2) to what extent, if any, and in respect of what articles, or class or description of articles, protection should be afforded, and
- (3) how its recommendations, if any, will affect industries using these articles.

3. The removal of the import duties on materials of industry was recommended by the Fiscal Commission and is in accordance with the principle of the Resolution adopted by the Legislative Assembly on the 16th February 1923. Chemicals are utilized as raw materials in certain Indian industries and the Government of India have decided that, along with the question of extending protection to the manufacture of particular chemicals, the Tariff Board will examine the question of the removal of the import duties on those chemicals which are used as materials in Indian industries.

4. Firms or persons interested, who desire that their views should be considered by the Tariff Board, should address their representations to the Secretary to the Board.

J. A. WOODHEAD,  
*Joint Secretary to the Government of India.*

No. 173-T.

TARIFF BOARD,  
OOTACAMUND, 8th October 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I am directed to say that the Tariff Board will be in Bombay during November next, and is anxious to have an opportunity of examining a representative of your Association in connection with its present inquiry into the application of certain manufacturers of heavy chemicals for protection referred to the Board under the Government of India, Commerce Department, Resolution, No. 199-T (8) of 16th July 1928.

I am to inquire whether it would be convenient for you to depute a representative to tender oral evidence before the Board in Bombay at a date to be fixed later in consultation with you about the middle of November.—I have, etc.,

R. L. WALKER,  
*Secretary.*

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 17th November 1928.

REPORT OF THE TECHNICAL ADVISORY SUB-COMMITTEE.

TO THE COMMITTEE.

SUBJECT :—*Protection for Chemicals.*

In pursuance of a resolution adopted at a meeting of the Committee held on 20th August 1928, the Technical Advisory Sub-Committee was requested to consider and report on the advisability of the Association supporting the application for protection made by Messrs. The Eastern Chemical Company and the Dharamsi Morariji Chemical Company in regard to the following chemicals :—

Sulphuric Acid.  
Hydrochloric Acid.  
Nitric Acid.  
Magnesium Sulphate.  
Ferrous Sulphate.  
Potash Alum.  
Aluminium Sulphate.  
Sodium Sulphide.  
Zinc Chloride.  
Copper Sulphate and  
Glauber's Salt.

The Committee will also remember that, in making our report, we were requested to consider (1) whether the conditions governing the grant of protection as laid down in paragraph 97 of the report of the Indian Fiscal Commission are satisfied in each case, and (2) to what extent, if any, and in respect of what articles or class or description of articles, protection should be afforded, and how its recommendations, if any, will affect the industries using these articles.

We have carefully considered the main terms of reference, and are satisfied that, though the grant of protection by the imposition of protective duties to those chemicals specifically mentioned in the application will, to a certain extent, increase the cost of manufacture, such an increase will, in our opinion, only be negligible in view of the fact that the cost of such chemicals used in the cotton textile industry is very small. In our opinion, therefore, the Committee should support the application for protection made by the chemical companies concerned provided, of course, that the conditions laid down in paragraph 97 of the report of the Indian Fiscal Commission are satisfied.

From the information at our disposal, we are not in a position to judge whether the industry applying for protection completely fulfils all the three conditions laid down in the Indian Fiscal Commission's report, but we are of opinion that the development of chemical industries in India will ultimately confer certain advantages to certain indigenous industries using these chemicals. Another consideration which we have to urge in support of this view is that, since the cotton textile industry is itself in need of protection as a national industry, we do not see how we can refuse our support to protection asked for by another national industry.

B. K. MANTRI,  
*Acting Secretary.*

J. TINKER,  
S. D. SAKLATVALA,  
FRED. STONES,  
T. WATTS.

No. 1976/29 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 20th November 1928.

THE SECRETARY,  
THE TARIFF BOARD, BOMBAY.

SIR,

I am directed to acknowledge the receipt of your letter No. 780, dated 9th November 1928, requesting this Association to depute a representative to tender oral evidence before your Board on the 27th November 1928\*, and, in reply, to inform you that Mr. J. Tinker of Messrs. W. H. Brady & Co., Ltd., has been requested by my Committee to appear before your Board and tender oral evidence on behalf of the Association.—I have, etc.,

B. K. MANTRI,  
*Acting Secretary.*

THE BOMBAY MILLOWNERS' ASSOCIATION.

EVIDENCE OF MR. J. TINKER, RECORDED AT BOMBAY ON FRIDAY, 7TH DECEMBER 1928.

PRESIDENT.—You represent the Millowners' Association, Mr. Tinker?

MR. TINKER.—Yes.

PRESIDENT.—What official position do you hold there?

MR. TINKER.—I was a member of the Technical Advisory Sub-Committee which dealt with the application from the chemical companies to consider whether the millowners would support their application for protection, and the only evidence I believe I have to offer is the result of that meeting in which it was decided to support the application for protection.

\* Date changed to 7th December 1928.

PRESIDENT.—Would you mind telling us what the result was of that meeting?

MR. TINKER.—I will read it out to you and then send you copies later. (*Read.*)

PRESIDENT.—Was that report accepted by the Committee?

MR. TINKER.—Yes.

..

PRESIDENT.—Then there is an end of that. As regards this Millowners' Association, how many members have you got? Are practically all the millowners in Bombay members of this Association?

MR. TINKER.—More than 90 per cent. are.

PRESIDENT.—How many mills are there in Bombay?

MR. TINKER.—84 I think.

PRESIDENT.—That is about 25 per cent. of mills in India, taking 300 as the number?

MR. TINKER.—Yes.

PRESIDENT.—Is there any connection between you and the Ahmedabad Millowners' Association?

MR. TINKER.—That is an entirely separate organization. I don't believe any member of this Association is also a member of that Association and *vice versa*.

PRESIDENT.—In some cases it might happen when a member of your Association has got a mill in Ahmedabad also?

MR. TINKER.—For that mill I don't think he will be a member of both the Associations and be inclined to pay two lots of fees or subscriptions.

PRESIDENT.—Is the subscription heavy?

MR. TINKER.—I can't tell you off-hand, but I will send you the information if you want it. They are charged so much per 1,000 spindles and 100 looms.

PRESIDENT.—Is the decision of the Committee binding on all the members?

MR. TINKER.—Yes.

PRESIDENT.—Is there often a meeting of the general body of members?

MR. TINKER.—Frequently.

PRESIDENT.—And a report like this would be submitted to them?

MR. TINKER.—This report I have just read out was submitted by the Advisory Sub-Committee to the General Committee.

PRESIDENT.—Was it circulated to all the members?

MR. TINKER.—I cannot just tell you that.

PRESIDENT.—What is the usual procedure when the Association has to express its opinion? Is it expressed generally through its Committee?

MR. TINKER.—If it is a technical point, the Technical Sub-Committee will sit on this and report. The General Committee will then consider it and then it is circulated to all members.

PRESIDENT.—There are 11 chemicals mentioned in our resolution. Magnesium Chloride is not mentioned here, but would the same apply to Magnesium Chloride more or less?

MR. TINKER.—We did not consider it in the Sub-Committee.

PRESIDENT.—We inquired into Magnesium Chloride two or three years ago and we examined the Millowners' Association then and they did not offer any serious opposition at that time and as the Committee has not said anything now we presume the position remains more or less the same.

MR. TINKER.—I presume so. The question has not been raised to my knowledge.

PRESIDENT.—It is for them to come forward and oppose. We have given them an opportunity and they have not come and therefore we can only presume that there is no opposition from them.

MR. TINKER.—I will make a note of that.

DR. MATTHAI.—The Millowners' Association said in 1925 that they did not object to protection being granted to the Magnesium Chloride industry.

MR. TINKER.—I presume it still holds good then.

PRESIDENT.—When you say negligible, what do you mean?

MR. TINKER.—It would not be easy to calculate because the various heavy chemicals are used in different quantities for different purposes. For instance, one mill may use much larger quantities of certain chemicals for dyeing and bleaching than another mill which may have no dyeing, or only a small proportion of it.

PRESIDENT.—What is the bulk of the production in Bombay: is it unbleached?

MR. TINKER.—Most of it is unbleached.

PRESIDENT.—So that it will affect them very little.

MR. TINKER.—That is so. In fact the cost to the millowners will be very small as against the possibility of the expansion of the indigenous industry, and it is possible for the millowners to neglect it.

PRESIDENT.—Is sulphuric acid used by your industry?

MR. TINKER.—That is used for bleaching and in certain things for dyeing.

PRESIDENT.—Hydrochloric acid?

MR. TINKER.—That is used also, in very small quantities.

PRESIDENT.—Nitric acid?

MR. TINKER.—I cannot tell you. I have never had anything to do with it.

PRESIDENT.—Magnesium sulphate?

MR. TINKER.—That is used for finishing and even that in very small quantities.

PRESIDENT.—Ferrous sulphate ?

MR. TINKER.—We don't use it.

PRESIDENT.—Coppers ?

MR. TINKER.—I don't think it is very much used. We don't touch it.

PRESIDENT.—Potash alum ?

MR. TINKER.—We don't use it at all.

PRESIDENT.—Aluminium sulphate ?

MR. TINKER.—We don't touch that.

PRESIDENT.—Sodium sulphide ?

MR. TINKER.—That is used for dyeing.

PRESIDENT.—Zinc chloride ?

MR. TINKER.—That is used for sizing.

PRESIDENT.—Copper sulphate ?

MR. TINKER.—A very small quantity of it is used.

PRESIDENT.—Glauber's salt ?

MR. TINKER.—That is used for dyeing.

PRESIDENT.—Really speaking so far as unbleached production is concerned, this does not matter ?

MR. TINKER.—For unbleached the only thing we use out of these products would be zinc chloride. That is the only thing that would be used for sizing. Then unbleached cloth may also be finished with Epsom salt, but so little of it is used that it does not matter. Taking the actual quantity used as against the total production it would be negligible.

DR. MATTHEW.—The Millowners' Association said before the Textile Tariff Board that their total expenditure on stores works out to about 5 to 8 per cent. of the total production of cloth. I was wondering what proportion of that would be represented by these chemicals.

MR. TINKER.—I should think the chemicals as against stores used are very very small indeed. If you take the percentage it would probably be two decimal points, that is taking the total production against the portion that may be treated with chemicals after it is finished.

PRESIDENT.—So that the burden would be almost negligible ?

MR. TINKER.—Yes.

PRESIDENT.—That is more or less set-off by the removal of the duty on machinery ?

MR. TINKER.—It is more than set-off.



## APPENDIX 31.

## PROTECTION FOR THE SALT INDUSTRY.

No. C. 4/26.

INDIAN CHAMBER OF COMMERCE,  
CALCUTTA, 8th September 1928.THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

You must have received a copy of this Chamber's representation No. C. 4/26, dated the 20th August 1928, to the Secretary, Central Board of Revenue, Simla, in reply to the Government of India's Resolution No. 20, dated the 12th May 1928, turning down the recommendations of the Indian Taxation Enquiry Committee for referring the case of the Salt Industry for enquiry for protection to the Tariff Board.

My Committee have exhaustively dealt with the various arguments advanced by the Central Board of Revenue and have pointed out that they are almost all frivolous and cannot bear scrutiny.

I am to request you to place the letter before your Committee and if they agree with it, to address the Central Board of Revenue, Simla, according your support to this Chamber's representation and urging for an immediate reference of the case of the Sa't Industry to the Tariff Board.

My Committee will feel obliged if you will kindly advise them of any action taken by you in the matter.—Yours, etc.,

M. P. GANDHI,  
*Secretary.*

*Copy of Letter No. C. 4/26, dated the 20th August 1928, addressed by the Indian Chamber of Commerce, Calcutta, to the Secretary, Central Board of Revenue, Simla.*

The attention of my Committee has been drawn to the resolution of the Government of India, Finance Department (Central Revenues) No. 20, dated the 12th May 1928, turning down the recommendations of the Taxation Enquiry Committee for referring the case of the Indian Salt Industry to the Tariff Board for investigation as to whether India could be made self-supporting in respect of its salt supply, by the granting of a strictly temporary advantage to the local manufacturers, by any means.

The Taxation Enquiry Committee recommended in the year 1926 that it is desirable that India should be made self-supporting in the matter of its salt supply, if this end can be secured by the granting of a strictly temporary advantage to the local manufacturers either by way of rebate of duty or of a differential duty on imports or both and that an enquiry should be made into this aspect of the question by the Tariff Board. This recommendation of the Taxation Enquiry Committee, it is now clear beyond any shadow of doubt, did not find favour with the Government and apparently with a view to turn down this suggestion, the Government adopted a novel method of appointing a special officer of the Government to examine this proposal of the Taxation Enquiry Committee and by so doing conveniently shelved the problem for about two years. When requests were made by my Chamber and other commercial bodies for referring its case to the Tariff Board, they were told that, should it appear to the Government who were conducting a departmental enquiry that there were *prima facie* grounds for the submission of the case to the Tariff Board, the Government would do so.

That such a method should have been followed by Government after the Taxation Enquiry Committee had made a definite recommendation on the subject, indicates that the Government were even afraid of referring the matter to an impartial body like the Tariff Board, who might, relying on the evidence and data collected by them, perhaps have advocated grant of protection to this industry, and also afraid of the light of public opinion being thrown on the enquiry. It appears further that it was only to disarm public criticism of a total neglect of a specific recommendation of this Committee, that the Government set up this enquiry and appointed a Departmental Officer whose report my Committee presume, being on the lines of the decisions already arrived at by the Government, was accepted. My Committee cannot too strongly condemn the adoption of such a procedure. The alacrity, expedition and the almost indecent haste with which the Government took action recently in referring the case of the Oil Industry to the Tariff Board, against the unanimous opposition of the commercial community in India, and ordered the Tariff Board to submit their report within three months of the date of starting the enquiry, stands in bold contrast to their attitude in the present case. Such a striking contrast in the Government's treatment of these two industries cannot but create the unfortunate impression that while the Government evinced a great anxiety and solicitude for the Oil Industry in which foreign capitalists have a very predominant interest, they deliberately delayed a proper investigation in the Salt Industry by at least 2 to 3 years apart from the fact that they thus prejudiced to some extent the mind of the Tariff Board to whom the question might be referred for investigation.

My Committee would now turn to an examination of the various grounds adduced in the Report of the Central Board of Revenue, in coming to the conclusion that there is no *prima facie* case for protection to this industry. The chief consideration before the Board was the investigation into the desirability and feasibility of making India self-sufficient in the matter of its salt supply and the arguments advanced by the Central Board of Revenue for making out a case against the practicability of making India self-sufficient in this respect are unconvincing and cannot bear scrutiny.

The Central Board of Revenue state that the problem of making India self-supporting in the matter of its salt supply resolves itself into that of capturing for Indian salt the market for crushed white salt in Bengal (the uncrushed salt being only 1/9th of the quantity of crushed salt). They point out that there are three possibilities by means of which foreign salt could be replaced by Indian salt. Firstly, either the price of foreign salt must be raised by the imposition of a differential duty to a point at which the present consumers will find it too dear and will, therefore, be prepared to put up with the ordinary Madras and Bombay salt, in spite of its inferiority, on account of its cheapness; or secondly, Indian salt of the same, or approximately the same, quality as the imported white crushed salt must be placed on the Calcutta market whether under the shelter of a differential duty or not, at a price that will render it more attractive than the imported salt; or thirdly, the price of the ordinary Madras or Bombay salt should be reduced by rebate of duty or a bounty so as to render it more attractive to the consumer on account of its cheapness. The third possibility is at once dismissed as impracticable, because the Central Board of Revenue feel absolutely certain so long as the classes of people who now use foreign salt can afford to buy it they will never transfer their custom on any large scale to the Madras or Bombay salt, however cheap it may be.

With this presumption of the Central Board of Revenue, my Committee are not in agreement. On the contrary, they feel that much capital has been sought to be made of the so-called "salt prejudice" in Bengal. What with the growing feeling and sentiment of the people for a self-sufficient India and what with a sharp disparity in the price of the foreign and home-made salt as a result of a rebate of duty or bounty to the Indian salt, my Committee are confident that the people will be attracted to the cheaper Indian salt especially if it were supplied to them in a crushed form. As the Government themselves observe, salt can no doubt be produced at other places in India of a quality which would be acceptable to the present consumers of the white grained foreign salt. The question, therefore, only remains as to whether it could be placed in the Calcutta market at a reasonable price and whether it could be produced in sufficient quantity. Only recently salt from Okha of a quality which can compare favourably with foreign salt entered with ease into the Calcutta

market. Karachi can also supply a very handsome quantity of salt, say 55 to 65 lakhs of maunds, per annum, as reported by Mr. J. A. Dunn who was deputed by the Government to investigate the supply of salt in the neighbourhood of Karachi (*vide* Vol. 58, page 32, of the Records for 1924, of the Geological Survey of India). This should dispel the fear of the Government regarding the possibility of Indian-made salt being unable to compete with the foreign salt in price eventually. In connection with a market for salt in Bengal it is worth while pointing out here a fact which is not generally known, that Calcutta is the largest port in the world, from the point of view of the extent of its imports of salt.

With regard to the possibility of manufacturing salt in sufficient quantity in India, my Committee would observe that if the Indian manufacturers are assured of a good margin and given the necessary facilities it is only a question of time when Karachi, Tuticorin and Okha will be able to replace foreign salt by producing salt of a quality that would be acceptable to that section of the consumers in Bengal who are said to be inalienably attached to the foreign salt. My Committee are further informed that Pachbhadra, Didwana, Dhoro-noro in Rajputana produce salt in large quantity and of a quality which can compare favourably with foreign salt. It is a deliberate perversion of facts to say that a tropical country like India which is surrounded on all sides by salt seas, which has got salt mines and salt lakes should be incapable of producing salt sufficient for her own requirements.

The Hon'ble Mr. Andrew Ramsay, giving evidence before the Select Committee of the House of Lords in 1830, made the following observation *re*. Indian salt :—

*Question* :—What is the quality of salt? Is it refined?

*Answer* :—No, it is not refined, it only undergoes one boiling.

*Question* :—Is it to be compared to the salt eaten in this country?

*Answer* :—I think it is very far superior.

*Question* :—In what respects?

*Answer* :—It is not so bitter as the English salt.

*Question* :—Is it better than our refined salt?

*Answer* :—I should think better than any European salt.

*Question* :—Are the crystals large?

*Answer* :—It is very fine; it is not in crystals at all.

In view of this, my Committee are optimistic and hopeful as to the possibility of India's ability to produce all the salt necessary for her consumption.

The Central Board of Revenue have also discussed the question as to how much differential duty will be required for Tuticorin salt to enter Bengal and have arrived at the conclusion that a differential duty of 4½ annas would be required in ordinary times for that salt to sell profitably in competition with the foreign salt. Without entering into an examination of the correctness of the premises, my Committee would observe that the possibility of reduction in the manufacturing costs that comes with large-scale production and gaining of experience has been altogether overlooked and it has been assumed that the prices will remain at their present level in perpetuity. It would perhaps be also possible, if a return cargo were found, to reduce the freight rate per maund for salt carried by sea from Tuticorin to Bengal. With regard to Karachi salt, the Central Board of Revenue admit after some calculation, into the details of which my Committee do not at present desire to enter, that it can successfully compete with the foreign salt if the foreign manufacturer would not cut his prices. But in this case the Central Board of Revenue argue that they have reason to believe that the foreign manufacturer will substantially reduce his price and that the Karachi salt will require a considerable degree of assistance or protection to enable it to compete successfully and capture the Calcutta market entirely. Here again the above-stated possibility of reduction in cost due to mass production and experience is lost sight of conveniently. Besides, if we can reduce the profits of the foreign manufacturers and secure some revenue

by means of a differential duty, it will be almost an ideal method of taxation and there is no reason why that course should not be adopted. There is also a possibility again of reduction in the freight, harbour dues, etc., on the salt from Karachi to Bengal and this would also make for a reduction in price.

Thus both the grounds advanced by the Central Board are unacceptable and therefore also their conclusion that it is impossible in the near future, so to expand the output of salt in India as to render the country self-supporting, that is to say, to enable uncrushed salt from Tuticorin and Karachi and crushed salt from Karachi to expel foreign salt from the Calcutta market. The Central Board of Revenue, however, observe that, even assuming that this result could be attained by imposing a differential duty on foreign salt or by subsidising Indian salt in any manner, they have still to consider whether such a consummation would in fact be beneficial and whether the whole subject should be referred to the Tariff Board for investigation.

The arguments advanced by the Central Board of Revenue in this connection are frivolous and betray, to say the least, a lack of appreciation of the value to be attached to the national sentiment of self-sufficiency in regard to an article which is a prime necessity of life, and the advantage of having a home industry from which many can eke out their existence. The dislocation of the salt supply and the rise in its price during the great war, the Central Board of Revenue proceed to argue, were due far more to the disorganisation of railways than to the shortage of shipping. With the development of the steel industry in India, the danger of shortage of rolling stock also has decreased. My Committee would only mention here a fact of common knowledge that during the war the tonnage difficulty was of a very serious nature, nearly all the available tonnage being diverted to war purposes. From the figures supplied by the Central Board themselves, it will be seen that the import of salt fell from 590 thousand tons in 1913, the pre-war year, to 342 thousand tons in 1917 and 389,000 tons in 1918, due in a large measure, it will be admitted, to scarcity of tonnage. The Board go to the length of arguing that in fact the shortage of the internal and coastal transport, the dislocation of the salt supply and the rise in prices during the war would actually have been aggravated, had India been dependent entirely on Indian salt, and conclude that the policy of rendering India self-sufficient does not therefore appear to be justifiable as a form of war insurance. Further, the arguments advanced by the Central Board of Revenue regarding the railway disorganisation and tonnage difficulty appear to be contradictory. The Central Board have also drawn from this the conclusion that if India were rendered self-sufficient in time of peace, in time of war it might again become essential to obtain salt from abroad. With this conclusion of the Central Board also, my Committee cannot agree. Without prejudice, however, to this opinion of theirs, my Committee would reply that even if it were so and even if India could be rendered self-sufficient with respect to its supply of salt only in times of peace, that constitutes a sufficiently reasonable and rational ground for the establishment of this industry in India.

Another very hollow argument advanced by the Central Board is that if Bengal can in normal times secure cheap good salt from abroad, it would appear to be inadvisable to divert labour and capital from the productions of articles of greater value. In regard to this, my Committee would only draw the attention of the Government to the acute unemployment problem facing the country. It is far from the truth even to suggest that the labour and capital to be employed here should have to be necessarily diverted from industries where they are engaged in production of articles of greater value. There are admittedly millions of agricultural labourers who have no work to engage themselves in at all times of the year and whose productive energy is therefore running to waste for many months in the year for want of any occupation whatsoever. They could be suitably employed in this industry. This will, therefore, far from diverting labour and capital engaged in more lucrative spheres, create employment for a large number of labourers and assist them to get a little money to prevent them from starvation and ruin. Is it not also a matter of common knowledge that there are far too many people in India working on a small plot of land than can be supported by it and would this industry not afford a suitable outlet for such surplus labour? The Taxation Enquiry Committee also observed on page 143 of their report :

“ The manufacture takes place in the hot weather and gives employment to agricultural labourers at a time when there is little work in the fields. The necessity for such subsidiary employment is constantly being insisted upon as one of the chief economic necessities of India, and the existence of an industry that supplies it is a matter to be taken seriously into consideration.”

In this connection, my Committee would also invite the attention of the Government to the following observation of the Royal Commission on agriculture which also points to the necessity of relieving the pressure of population on the land :—

“ The labour problem is to-day the same from the agricultural point of view as it was when the Famine Commission reported in 1880, viz., *to lessen the pressure of population on land.*”

The establishment of the salt industry should therefore be encouraged if only as a means of diverting labour which is now uneconomically employed or not employed at all, into economic channels.

The Royal Commission further observe on page 566 of their report that one of the most promising solutions of relieving the pressure of population appears to be the diversion of surplus agricultural labour to such industrial pursuits as can be suitably undertaken by the cultivators or their family in their spare time and without detriment to the cultivation of their land. The salt industry promises to be such a suitable industry in many places along the long coastline of India.

The Central Board of Revenue further argue that the total sum “ kept in the country ” by making India self-sufficient with regard to her salt supply amounts to about Rs. 1 crore, that the beneficiaries would be the relatively small class of salt dealers and manufacturers and their employees and that a portion of this sum which represents profit would be pocketed by them, and for their benefit many millions of consumers would be laid under contribution. Here again, my Committee would invite the attention of the Government to the appalling poverty of the nation and the average income of an Indian. The addition of even a crore of rupees to the purse of a poor country like India will be no small boon. It should not be forgotten also that the prosperity of any industry trickles down to the whole population (witness the example of the Bombay Textile Industry).

My Committee regret to note that here again as usual the Government have put forward the interests of the masses as a bogey to protection and have also tried to play off the consumers against the manufacturers and middlemen by the alarming picture they have drawn of a rise in the price of salt for a large number of people for over a generation, only to swell the pockets of a few industrialists. It is surprising to understand such an attitude of the Government towards this industry after they have accepted the policy of discriminate protection to indigenous industries. The sufficiency of a country with respect to the supply of such a commodity which is a prime necessity of life and is almost indispensable for existence cannot be over-stressed. Even if for a temporary period a price has to be paid for ensuring such a position, the advantage to the country is so great that the enhanced price would not have been paid in vain.

In para 28 of their report, the Central Board of Revenue have assumed the role of the Tariff Board and begun to examine whether this industry satisfies the conditions laid down by the Fiscal Commission as justifying protection to any industry. My Committee have already pointed out that it is impossible to accept any of the above conclusions to which the Board have arrived and they do not endorse the findings of the Board in this behalf also. It is too much to presume, as pointed out by the Central Board of Revenue, that the Indian salt industry when developed will not be able to supply the whole needs of this country, or that it will never reach a stage when it cannot do without protection. One other argument found out by the Central Board of Revenue is that the industry is not a basic industry and does not deserve protection. Apart from the question as to whether the salt industry is basic or not, no one will dispute the fact that salt is indispensable for the economic well-being of the nation and too much expense cannot be incurred in ensuring

a home supply of salt, an article of universal consumption and daily use, even at a little sacrifice, for a temporary period. To the suggestion of the Central Board that the reference to the Tariff Board would be premature since it would relate to a non-existent industry and that salt of a quality corresponding to the bulk of the imported salt is not, as a matter of fact, manufactured in India on a commercial scale, my Committee would only point out that it is like placing the cart before the horse. No industry can be brought into existence with this sort of mentality of the Government. Protection or concessions are necessary and are usually being given to rear up and develop an industry.

In conclusion, my Committee would strongly urge upon the Government to refer without any further delay the case of the Salt Industry to the Tariff Board, as recommended by the Taxation Enquiry Committee, for investigation into the possibility of making India self-sufficient with respect to its salt supply, by the grant of protection in any form.—I have, etc.,

M. P. GANDHI,  
*Secretary.*

No. 1842/68A of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 29th October 1928.

THE SECRETARY,  
THE INDIAN CHAMBER OF COMMERCE, CALCUTTA.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. C. 4/26, dated the 8th September 1928, enclosing a copy of your letter No. C. 4/26, dated the 20th August 1928, addressed to the Government of India in regard to the question of protection for the Salt Industry.

The question has been carefully considered by my Committee, and I am directed to inform you that this Association agrees with you that the Indian Salt Industry has certainly made out a very good case for a reference of its claims for protection to the Tariff Board.—Yours, etc.,

B. K. MANTRI,  
*Acting Secretary*

## APPENDIX 32.

### ALLOWANCE FOR DEPRECIATION IN RESPECT OF BUILDINGS, MACHINERY, ETC., USED IN INDUSTRIES WHICH CAUSE SPECIAL DETERIORATION.

No. 316/11991 of 1928.

THE ELPHINSTONE SPG. & WVG. MILLS CO., LTD.,  
BOMBAY, 6th August 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

#### *Depreciation*

We refer to the subject of allowance in respect of depreciation of buildings, machinery, plant, etc., under Section 10 (2) (vi) of the Income-tax Act, 1922. Rule 8 (1) states :—

*Buildings :—*

(1) First class substantial buildings of selected materials .. 2½ %

- (2) Buildings of less substantial construction .. .. . 5 %
- (3) Merely temporary erections such as wooden structures .. 10 %

The marginal remarks indicate that :—

“ Double these rates may be allowed for buildings used in industries which cause special deterioration, such as chemical works, soap and candle works, paper mills and tanneries.”

We raise the point particularly as under Rule 8 (2) while the general rate of depreciation on machinery is 5%, the rates sanctioned for special industries is 7½% which includes dyeing and bleaching works, and this latter rate is allowed to mills having dyeing and bleaching plant.

We shall be glad to know whether to your knowledge any mills in the Bombay Presidency are being allowed extra depreciation on *buildings* used for dyeing and bleaching machinery, as if no claim has ever been made in this respect, we suggest that your Committee might consider what steps should be taken in the interests of the mill industry generally. We are of opinion that as the Income-tax authorities allow extra depreciation on dyeing and bleaching machinery, it is not unreasonable to expect that additional depreciation should be allowed on buildings utilised for housing such machinery. We suggest that the matter be brought to the notice of members of the Association, as we observe that many mill companies do not show separately in their balance-sheets the value of dyeing machinery, and presumably they will not be allowed the additional depreciation to which they may be entitled.

We would state that we are taking up the matter with the Income-tax authorities.—Yours, etc.,

FOR THE ELPHINSTONE S. & W. MILLS CO., LTD.,  
For and on behalf of  
E. D. SASSOON & CO., LTD., *Agents*,  
J. E. RAYMOND,  
*Sub-Manager.*

No. 1689/156 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 4th October 1928.

THE ELPHINSTONE SPINNING & WEAVING MILLS CO., LTD.,  
BOMBAY.

DEAR SIRs,

*Depreciation in respect of Buildings housing Bleaching and Dyeing Machinery.*

I am directed to acknowledge the receipt of your letter No. 316/11991, dated the 6th August, on the above subject, and in reply to inform you that, in view of the fact that you have already taken up the matter with the Income-tax authorities, the Committee are of the opinion that definite action on the part of the Association should be deferred till such time as the results of your efforts are available.

I am, therefore, desired to request you to be good enough to let me know in due course the results of your appeal to the Income-tax authorities, so that the Committee may, if necessary, consider the advisability of taking up the matter with higher authorities.—Yours, etc.,

B. K. MANTRI,  
*Acting Secretary.*

No. 316/19603 of 1928.

THE ELPHINSTONE SPG. & WVG. MILLS CO., LTD.,  
BOMBAY, 12th December 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

..

*Re. Depreciation in respect of Buildings housing Bleaching and Dyeing Machinery.*

We refer to our letter dated 6th August last and your reply thereto dated 4th October on the above subject, and have the pleasure to inform you that the Senior Income-tax Officer has intimated verbally to us that our claim for additional depreciation at 2½ % on buildings used for bleaching and dyeing machinery has been granted with effect from the date of last published accounts, namely, 31st March 1928.

We are of opinion that this information will be of vital interest to all members of the Association and we suggest for your consideration that the matter be brought to their notice, indicating that where companies have bleaching and dyeing machinery and buildings housing same, it is desirable to show these items clearly in the balance-sheet, otherwise they may not be allowed the extra 2½ % depreciation to which they are entitled.—Yours, etc.,

FOR THE ELPHINSTONE S. & W. MILLS CO., LTD.  
For and on behalf of  
E. D. SASSOON & CO., LTD., *Agents*,  
J. E. RAYMOND,  
*Sub-Manager.*

No. 128/156 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 15th January 1929.

ALL MEMBERS OF THE BOMBAY MILLOWNERS' ASSOCIATION.

DEAR SIRS,

Section 10 (2) (vi) of the Income-tax Act lays down that the profits or gains of an assessee in any business carried on by him shall be computed after making an allowance for depreciation in respect of buildings, machinery, plant or furniture used by the assessee for the purpose of his business.

Rule 8 of the Income-tax Rules prescribes the amount of allowance admissible in regard to various classes of buildings and machinery, and further provides for an allowance equivalent to about double these rates in respect of Buildings and Machinery used for industries which cause special deterioration.

The special allowance referred to in the above paragraph also applies to buildings, machinery, plant or furniture used in connection with the Dyeing and Bleaching industry, and members of the Association who have Dyeing and Bleaching business in their mills are therefore requested to claim the special allowance referred to, on Buildings, Machinery, etc., *used exclusively for the purpose.* In this connection their attention is also invited to the statutory return prescribed under Rule 9 of the Income-tax Rules, and it is necessary that in completing this return, the values of the buildings and machinery of the Bleaching and Dyeing department should be given separately. The onus of proving the entries made in the return submitted under Rule 8 rests with the assessee, and mills will therefore find it advantageous if they show the values of their Dye-house and machinery separately in their audited balance sheets.



The special attention of members is drawn to this fact as, in many cases, special allowance admissible under Rule 8 have been refused by the Income-tax authorities on the ground that the mills concerned had failed to show the particulars referred to in their audited accounts.—Yours, etc.,

T. MALONEY,  
*Secretary.*

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**APPENDIX 33.**

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DEPRECIATION IN JAPANESE EXCHANGE.

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No. 798/101 of 1927.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 10th May 1927.

THE SECRETARY TO THE GOVERNMENT OF INDIA,  
COMMERCE DEPARTMENT, SIMLA.

SIR,

I have the honour to confirm having wired you to-day as below :—

“Bombay Millowners' Association respectfully draw Government's attention to the grave menace to Indian Cotton Mill Industry caused by fall in exchange value of the yen since recent banking crisis in Japan. Association consider there is every possibility of Japanese attempting to dump goods in India and other export markets in near future owing to exchange depreciation, financial stringency and present dislocation of Japanese trade in yarn and piecegoods with China. Association would impress on Government necessity of carefully watching a situation which threatens still further the extremely unsatisfactory position of the Indian Mill Industry.”—I have, etc.,

T. MALONEY,  
*Secretary.*

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No. 282/T.M.

DEPARTMENT OF COMMERCE,  
SIMLA, 12th May 1927.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

In reply to your telegram of the 10th instant, I am directed to say that the Government of India have under observation the effect of recent events in Japan on the exchange value of the yen.—I have, etc.,

G. L. CORBETT,  
*Secretary to the Government of India.*

No. 841/101 of 1927.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 17th May 1927.

THE SECRETARY TO THE GOVERNMENT OF INDIA,  
DEPARTMENT OF COMMERCE, SIMLA.

SIR,

I am directed to acknowledge the receipt of your letter 282-T.M., dated 12th May 1927. The Association is pleased to hear that the Government of India have under observation the effect of recent events in Japan on the exchange value of the yen, and trust that at the same time Government is watching the effect of the fall of the yen and the other factors referred to in my telegram of the 10th on the prices and quantities of Japanese piece-goods and yarn exported to India.—I have, etc.,

T. MALONEY,  
*Secretary.*

No. 1019/131 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 26th May 1928.

THE SECRETARY TO THE GOVERNMENT OF INDIA,  
DEPARTMENT OF COMMERCE, SIMLA.

SIR,

In May last year, my Association had occasion to draw Government's attention to the depreciated value of the Japanese exchange and its disastrous effects upon the Cotton Textile Industry of this country. In their letter No. 282-T.M., dated 12th May 1927, the Government of India were good enough to assure this Association that they had the matter "under observation."

2. In view of the recent further fall in the rupee value of the yen, my Committee feel constrained to address Government once again on this subject. The enormous difficulties which the indigenous Textile Industry of this country, and the Bombay mills in particular, have to contend against are augmented by this depreciation in Japanese exchange, which is calculated to enable the Japanese to reduce their prices and export their goods in increased quantities to this and other countries, including British Colonies, to the incalculable detriment of the Indian Mill Industry.

3. My Committee would be pleased to hear that the Government of India are alive to the effects of the fall in Japanese exchange on the Cotton Textile Industry, and to the necessity of rendering some assistance to it in order to offset the unfair advantages enjoyed by Japan, especially through this depreciated exchange.—I have, etc.,

J. P. WADIA,  
*Acting Secretary.*

DEPARTMENT OF COMMERCE,  
SIMLA, 4th July 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

*Effect of the depreciation of Japanese Exchange on the Indian Cotton Textile Industry.*

I am directed to refer to your letter No. 1019/131, dated the 26th May 1928, on the above subject.

2. In reply, I am to say that the Government of India have carefully examined the import figures of cotton yarn and cotton piecegoods during the last 15 months. The variations in the volume of imports during that period do not follow even approximately the variations in the exchange value of the yen and the Government of India are not satisfied that the slight depreciation in the Japanese exchange which commenced in April 1927 has had much effect in stimulating the imports of cotton goods from Japan. I am also to point out in this connection that the fall in the exchange value of the yen affects the Japanese mills unfavourably as well as favourably owing to the increase in the cost of raw cotton. 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.—I have, etc.,

J. A. WOODHEAD,  
*Joint Secretary to the Government of India.*

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No. 1446/131 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, affects the Japanese mills unfavourably as well as favourably owing to the increase in the cost of 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 will 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 Rs. 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, our 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 is a great and an unwarranted handicap, and would suggest that Government should take some 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 Y. 100) ;
- (2) an additional exchange duty shall be levied at the rate of half the difference between the correct rate of exchange on Japan and the parity rate, the former to be based on the average of the three 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, where, but for such advantage, it could not have got in, and to enable it to drive out competitors. Such foothold is then more or less permanent as trade in textiles 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 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, etc.,

B. K. MANTRI,  
*Acting Secretary.*

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No. 341-T (63).

DEPARTMENT OF COMMERCE,  
SIMLA, 13th October 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT:—*Effect of the depreciation of Japanese Exchange on the Indian Cotton Textile Industry.*

I am directed to refer to the correspondence ending with your letter No. 1446/131, dated the 21st August 1928, on the above subject. In reply I am to say that the Government of India have given their careful consideration to the grounds urged by your Association for the imposition of an additional duty against Japan to compensate for the depreciation of the yen, but do not consider that they afford sufficient justification for the action proposed.—I have, etc.,

J. A. WOODHEAD,  
*Joint Secretary to the Government of India.*

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### APPENDIX 34.

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#### TRADE DISPUTES BILL.

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No. 6378/D.

GENERAL DEPARTMENT,  
BOMBAY, 22nd October 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT:—*The Trade Disputes Bill.*

I am directed by the Governor in Council to forward herewith a copy of Government Resolution\*, No. 6378, dated the 22nd October 1928, and to request that you will be so good as to furnish the Director, Labour Office, with the views of your Association by the date specified in the Government Resolution, viz., before the 1st December 1928.—I have, etc.,

G. M. THENGE,  
*For Under Secretary to the Government of Bombay,  
General Department.*

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\* Not printed.

[As introduced in the Legislative Assembly.]

A BILL  
TO

*Make provision for the investigation and settlement of trade disputes, and for certain other purposes.*

Whereas it is expedient to make provision for the investigation and settlement of trade disputes, and for certain other purposes hereinafter appearing; It is hereby enacted as follows:—

Short title, extent and commencement. 1. (1) This Act may be called the Trade Disputes Act, 192 .

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) It shall come into force on such date as the Governor-General in Council may, by notification in the *Gazette of India*, appoint.

Interpretation. 2. In this Act, unless there is anything repugnant in the subject or context,—

- (a) "Board" means a Board of Conciliation constituted under this Act;
- (b) "Court" means a Court of Inquiry constituted under this Act;
- (c) "employer" means, in the case of any industry, business or undertaking carried on by any department of the Government, the authority prescribed in this behalf or, where no authority is prescribed, the head of the department;
- (d) "lock-out" means the closing of a place of employment, or the suspension of work, or the refusal by an employer to continue to employ any number of persons employed by him, where such closing, suspension or refusal occurs in consequence of a dispute and is intended for the purpose of compelling those persons, or of aiding another employer in compelling persons employed by him, to accept terms or conditions of or affecting employment;
- (e) "prescribed" means prescribed by rules made under this Act;
- (f) "public utility service" means—
  - (i) any railway service which the Governor-General in Council may, by notification in the *Gazette of India*, declare to be a public utility service for the purposes of this Act; or
  - (ii) the postal, telegraph or telephone services; or
  - (iii) any industry, business or undertaking which supplies light or water to the public; or
  - (iv) any system of public conservancy or sanitation;

and includes any other industry, business or undertaking which the Governor-General in Council may, after giving by notification in the *Gazette of India* not less than three months' notice of his intention so to do, by a like notification declare to be a public utility service for the purposes of this Act;
- (g) "railway company" means a railway company as defined in Section 3 of the Indian Railways Act, 1890\*;

\* IX of 1890.

- (h) "strike" means a cessation of work by a body of persons employed in any trade or industry acting in combination or a concerted refusal, or a refusal under a common understanding, of any number of persons who are or have been so employed to continue to work or to accept employment ;
- (i) "trade dispute" means any dispute or difference between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment or the terms of the employment, or with the conditions of labour, of any person ; and
- (j) "workman" means any person employed in trade or industry for hire or reward, but does not include any person employed in the naval, military or air service of the Crown.

*Reference of Disputes to Courts and Boards.*

3. If any trade dispute exists or is apprehended between an employer and any of his workmen, the Local Government, or where the employer is the head of a department under the control of the Governor-General in Council or is a railway company, the Governor-General in Council, may, by order in writing,—

Reference of disputes to Courts or Boards.

- (a) refer any matters appearing to be connected with or relevant to the dispute to a Court of Inquiry to be appointed by the Local Government or the Governor-General in Council, as the case may be ; or
- (b) refer the dispute to a Board of Conciliation to be appointed by the Local Government or the Governor-General in Council, as the case may be, for promoting a settlement thereof.

*Courts of Inquiry.*

4. (1) A Court shall consist of a chairman and such other persons as the appointing authority thinks fit, or may, if such authority thinks fit, consist of one person.

(2) A Court, having the prescribed quorum, may act notwithstanding any vacancy in the number of its members other than the chairman.

5. (1) A Court shall, either in public or in private, at its discretion, inquire into the matters referred to it and report thereon to the authority by which the Court was appointed.

Duties of Courts.

(2) A Court may, if it thinks fit, make interim reports.

*Boards of Conciliation.*

6. (1) A Board shall consist of a chairman and two or four other members, as the appointing authority thinks fit, or may, if such authority thinks fit, consist of one independent person.

Constitution of Boards.

(2) Where the Board consists of more than one person, the chairman shall be an independent person and the other members shall be either independent persons or persons appointed in equal numbers to represent the parties to the dispute ; all such persons shall be appointed on the recommendation of the parties concerned :

Provided that, if any party fails to make the necessary recommendation within the prescribed time, the appointing authority shall select and appoint such persons as it thinks fit to represent that party.

(3) A Board, having the prescribed quorum, may act notwithstanding any vacancy in the number of its members other than the chairman :

Provided that, where a Board includes an equal number of persons representing the parties to the dispute and any of such persons resigns from the Board before it has completed its work, the authority appointing the Board shall appoint, in the manner specified in subsection (2), another person to take his place, and the proceedings shall be continued before the Board so reconstituted.

7. (1) Where a dispute has been referred to a Board under this Act, it shall be the duty of the Board to endeavour to bring about a settlement of the same, and for this purpose the Board shall, in such manner as it thinks fit and without delay, investigate the dispute and all matters affecting the merits thereof and the right settlement thereof, and in so doing may do all such things as it thinks fit for the purpose of inducing the parties to come to a fair and amicable settlement of the dispute, and may adjourn the proceedings for any period sufficient in its opinion to allow the parties to agree upon terms of settlement.

(2) If a settlement of a dispute is arrived at by the parties thereto after it has been referred to a Board and during the course of the investigation thereof, a memorandum of the settlement shall be drawn up by the Board and signed by the parties, and the Board shall send a report of the settlement, together with the memorandum, to the authority by which the Board was constituted.

(3) If no such settlement is arrived at during the course of the investigation, the Board shall, as soon as possible after the close thereof, send a full report regarding the dispute to the authority by which the Board was constituted, setting forth the proceedings and steps taken by the Board for the purpose of ascertaining the facts and circumstances relating to the dispute and of bringing about a settlement thereof, together with a full statement of such facts and circumstances and its findings thereon and the recommendation of the Board for the settlement of the dispute.

(4) The recommendation of the Board shall deal with each item of the dispute, and shall state in plain language what in the opinion of the Board ought and ought not to be done by the respective parties concerned.

#### *General.*

8. No order of the Governor-General in Council or of a Local Government appointing any person as a member of a Court or a Board shall be called in question in any manner.

9. (1) Courts and Boards shall follow such procedure as may be prescribed.

(2) Courts and Boards shall have the same powers as are vested in Courts under the Code of Civil Procedure, 1908\*, when trying a suit in respect of the following matters :—

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

and shall have such further powers as may be prescribed; and every inquiry or investigation by a Court or Board shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code†.

\* V of 1908.

† XLV of 1860.



10. (1) If the services of the chairman or of any other member of a Court or Board cease to be available at any time for the purposes of the Court or Board, the appointing authority shall appoint another chairman, or may appoint another member, as the case may be, and the proceedings shall be continued before the Court or Board so reconstituted.

Filling of vacancies.

(2) Where the Court or Board consists of one person only and his services cease to be available as aforesaid, the appointing authority shall appoint another person in his place, and the proceedings shall be continued before the person so appointed.

11. The report of a Court or Board shall be in writing and shall be signed by all the members of the Court or Board :

Form of report.

Provided that nothing in this section shall be deemed to prevent any member of a Court or Board from recording a minute of dissent from a report or from any recommendation made therein.

12. The authority appointing a Court or Board shall publish its report in such manner as such authority thinks fit, and may publish or cause to be published from time to time, in such manner as such authority thinks fit, any information obtained, or conclusions arrived at, by the Court or Board as the result of its inquiry or investigation.

Publication of results of inquiry.

13. (1) Notwithstanding anything contained in Section 12, there shall not be included in any report or publication made or authorized by a Court or Board or the authority appointing a Court or Board any information obtained by the Court or Board in the course of its inquiry or investigation as to any Trade Union or as to any individual business (whether carried on by a person, firm or company) which is not available otherwise than through evidence given before the Court or Board, except with the consent in writing of the Secretary of the Trade Union or of the person, firm or company in question ; nor shall any individual member of the Court or Board or any person concerned in the proceedings before it disclose any such information without such consent.

Certain matters to be kept confidential.

(2) If any member of a Court or Board or any person present at or concerned in the proceedings before a Court or Board discloses any information in contravention of the provisions of sub-section (1), he shall, on complaint made by or under the authority of the Trade Union or individual business affected, be punishable with fine which may extend to one thousand rupees :

Provided that nothing in this sub-section shall apply to the disclosure of any such information for the purposes of a prosecution under Section 193 of the Indian Penal Code†.

14. Save as may be otherwise prescribed, no person shall be entitled to be represented by a legal practitioner before a Court or Board.

Representation of parties.

*Special provision regarding Public Utility Services.*

15. (1) Any person who, being employed on monthly wages in a public utility service, voluntarily withdraws from the duties of his office without permission or without having given to his employer one month's previous notice in writing shall be punishable with imprisonment which may extend to one month, or with fine which may extend to fifty rupees, or with both.

Sudden strikes in utility services.

(2) Any person who abets the commission of an offence under sub-section (1) shall be punishable with imprisonment which may extend to three months, or with fine which may extend to five hundred rupees, or with both.

(3) No Court shall take cognisance of any offence under this section save on complaint made by, or under authority from, the Governor-General in Council or the Local Government.

(4) No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence under this section.

*Special Provision for Illegal Strikes and Lock-outs.*

Illegal strikes  
and lock-outs.

16. (1) A strike or a lock-out shall be illegal which—
- (a) has any object other than, or in addition to, the furtherance of a trade dispute within the trade or industry in which the strikers or employers locking out are engaged; and
  - (b) is a strike or lock-out designed or calculated to coerce the Government either directly or by inflicting hardship upon the community.
- (2) It shall be illegal to commence or continue, or to apply any sums in furtherance or support of, any such illegal strike or lock-out.
- (3) For the purposes of this section, a trade dispute shall not be deemed to be within a trade or industry unless it is a dispute between employers and workmen, or between workmen and workmen, in that trade or industry, which is connected with the employment or non-employment or the terms of the employment, or with the conditions of labour, of persons in that trade or industry.
- (4) A strike or a lock-out shall not be deemed to be calculated to coerce the Government unless such coercion might reasonably be expected as a consequence thereof.

17. (1) If any person declares, instigates, incites others to take part in, or otherwise acts in furtherance of, a strike or lock-out which is illegal under the provisions of Section 16, he shall be punishable with imprisonment which may extend to three months, or with fine which may extend to five hundred rupees, or with both:

Penalty.

Provided that no person shall be deemed to have committed an offence under this section by reason only of his having ceased work or refused to continue to work or to accept employment.

(2) No Court shall take cognisance of any offence under this section save on complaint made by, or under authority from, the Governor-General in Council or the Local Government.

(3) No Court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence under this section.

18. The provisions of Sections 17 and 18 of the Indian Trade Unions Act, 1926\*, shall not apply to any act done in contemplation or furtherance of a strike or lock-out which is illegal under Section 16, and any such act shall not be deemed for the purposes of any enactment to be done in contemplation or furtherance of a trade dispute.

Certain provisions of Act XVI of 1926 not to apply to illegal strike or lock-out.

19. (1) No person refusing to take part, or to continue to take part, in any strike or lock-out which is illegal under the provisions of Section 16 shall, by reason of such refusal or by reason of any action taken by him under this section, be subject to expulsion from any trade union or society, or to any fine or penalty, or to deprivation of any right or benefit to which he or his legal representatives would otherwise be entitled, or be liable to be placed in any respect, either directly or indirectly, under any disability or at any disadvantage as compared with other members of the union or society, anything to the contrary in the rules of a trade union or society notwithstanding.

Protection of persons withholding from illegal strike or lock-out.

(2) Nothing in the rules of a trade union or society requiring the settlement of disputes in any manner shall apply to any proceeding for enforcing any right or exemption

secured by this section, and in any such proceeding the Court may, in lieu of ordering a person who has been expelled from membership of a trade union or society to be restored to membership, order that he be paid out of the funds of the trade union or society such sum by way of compensation or damages as the Court thinks just.

20. Without prejudice to the right of any person having a sufficient interest in the relief sought to sue or apply for an injunction to restrain any application of the funds of a trade union in contravention of the provisions of Section 16, an injunction restraining any application of the funds of a trade union in contravention of the provisions of that section may be granted at the suit or upon the application of the Governor-General in Council or a Local Government.

Injunctions for restraint of application of funds.

#### Rules.

21. (1) The Governor-General in Council in respect of industries, businesses and undertakings carried on by him or under his authority, or by a railway company, and the Local Governments in respect of other businesses, industries, or undertakings within their respective provinces, may make rules for the purpose of giving effect to the provisions of this Act.

Power to make rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) the powers and procedure of Courts and Boards, including rules as to the summoning of witnesses, the production of documents relevant to the subject-matter of an inquiry or investigation and the number of members necessary to form a quorum ;
- (b) the allowances admissible to members of Courts and Boards and to witnesses ;
- (c) the ministerial establishment which may be allotted to a Court or Board and the salaries and allowances payable to members of such establishments ;
- (d) the occasions and manner in which persons may be represented by legal practitioners in proceedings under this Act before a Court or Board ;
- (e) any other matter which is to be or may be prescribed.

(3) All rules made under this section shall be published in the *Gazette of India* or the local official *Gazette*, as the case may be, and shall, on such publication, have effect as if enacted in this Act.

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#### STATEMENT OF OBJECTS AND REASONS.

The outbreak of industrial unrest on a large scale was a feature of the period succeeding the close of the war and led the Government of India to explore the possibility of providing some machinery for the settlement of industrial disputes. The inquiries made with this purpose in 1920 led to the conclusion that in the conditions then existing, legislation for this purpose was not likely to be effective.

2. The succeeding years saw a distinct change in the position by reason of the growth of organizations of industrial workers and of the increasing influence exercised by public opinion on the course of disputes. And in 1924 the Government of India prepared a draft Bill "for enabling the investigation and settlement of trade disputes" and circulated it in order to ascertain the views of those directly interested and of the public generally on the subject. As a result of the inquiries made in 1924-25 and the experience which has become available since that period, the Government of India are satisfied that legislation for the prevention and settlement of trade disputes is likely to prove of considerable value ; and the present Bill has been prepared for this purpose.

3. The main part of the Bill falls into three parts. Clauses 3 to 14 relate to the establishment of tribunals for the investigation and settlement of trade disputes. This part of the Bill is based generally on the British Industrial Courts Act of 1919, and its detailed provisions are adopted for the most part from clauses in that Act. The main difference is that, whereas the British Act sets up a Standing Industrial Court, the Conciliation Boards which the Bill proposes to establish are intended to be appointed *ad hoc* like the Courts of Inquiry in order to deal with particular disputes. The object of Courts of Inquiry which will ordinarily be composed of persons having no direct interest in the dispute will be to investigate and report on such questions connected with the dispute as may be referred to them. The object of Boards of Conciliation, which will ordinarily include representatives of the parties to a dispute, will be to secure a settlement of the dispute. Both Courts of Inquiry and Boards of Conciliation will be able to enforce attendance of witnesses and the production of documents, and their reports are to be published. Neither party will be under any obligation to accept the findings of the Court or the advice of the Board; and in cases where the dispute is not brought to an end during the deliberations of the tribunal that has been appointed, reliance is placed on the force of public opinion which will be enabled by the publication of the report of the tribunal to arrive at just conclusions on the merits of the dispute.

4. The second part of the Bill consists of clause 15 which relates to public utility services. "Public utility services" is defined in clause 2 (f), and it will be observed that, in accordance with this definition, clause 15 is only applicable to such railway services as have been notified by the Governor-General in Council. The clause makes it a penal offence for workers employed on monthly wages in public utility services to strike without previous notice, and also provides heavier penalties for persons abetting such an offence. The clause is based on the principle that persons whose work is vital to the welfare of the community generally should not be entitled to enter into a strike before sufficient time has been given to examine the merits of their grievances and to explore the possibilities of arriving at a peaceful settlement. Provisions of a somewhat similar type already exist in the Indian Post Office Act and in a number of Municipal Acts in India, and the principle is one which is widely accepted in other countries.

5. Clauses 16 to 20 contain certain special provisions relating to illegal strikes and lock-outs. These clauses follow closely the provisions of Sections 1, 2 and 7 of the British Trade Disputes and Trade Unions Act, 1927. They are applicable only in the case of strikes and lock-outs which satisfy both of two conditions; in the first place, the strike or lock-out must have other objects than the mere furtherance of a trade dispute within the industry to which the strikers or employers belong, and, in the second place, the strike or lock-out must be designed to coerce Government either directly or by inflicting hardship on the community. If these conditions are satisfied, the strike or lock-out becomes illegal. Persons furthering the strike or lock-out are liable to punishment and are deprived of the protection granted to them by the Indian Trade Unions Act, while persons refusing to take part in it are protected from trade union disabilities to which they might otherwise be subjected.

*The 22nd August 1928.*

A. C. McWATTERS.

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*Extract from the Legislative Assembly Debates, Vol. III, No. 14.*

The Assembly met in the Assembly Chamber, Simla, on Friday, the 21st September 1928.

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#### THE TRADE DISPUTES BILL.

THE HONOURABLE MR. A. C. McWATTERS (Member for Industries and Labour): Sir, when I gave notice some days ago of a motion for the reference of the Trade Disputes Bill to Select Committee it was in the hope that it might have been possible, if the House so desired, that the Bill should be proceeded with in its further stages during this session. Also my motion would have made it possible for any member of the House to give notice of a more

dilatory motion and therefore the House could have decided whether they wished the Bill passed quickly or referred for circulation. Owing however to the progress of official business in the House this session, it is obvious now that even if my motion had been carried it would not have been possible during the present session to complete all the stages of the Bill in both Houses. Therefore, sir, with your permission I beg to move that the Bill to make provision for the investigation and settlement of trade disputes, and for certain other purposes, be circulated for the purpose of eliciting opinions thereon. In view of the character of my motion I propose to be brief and I also hope to avoid anything of a controversial character.

The question of legislating on this subject was first taken up by the Government of India in the year 1919. That was the year in which the British Industrial Courts Act was passed and the Government of India addressed Local Governments inquiring whether legislation of this character would be useful in India. In the opinion of the majority of Local Governments at that time legislation of that kind was likely to be ineffective. The Government of India took up the subject again in the year 1924 at the instance of the Government of Bombay and they circulated proposals to Local Governments, the substance of which was firstly a provision for boards of inquiry to be formed from standing panels of employers and workmen; and secondly, as regards public utility services they proposed to borrow provisions from the Canadian Act of 1907 which made strikes and lock-outs in public utility services illegal until a board of inquiry had been appointed and reported. These proposals met with a somewhat mixed reception and the Government of India, who were at that time engaged in the preparation of the Trades Union Bill, preferred to wait for a short time because we held, and hold now, that the existence of strong and responsible trade unions is necessary for the effective carrying out of machinery such as we propose in the present Bill. In the summer of 1926 occurred the general strike in England, and in framing our present proposals we have taken into consideration the legislation which was passed in the summer of 1927 in England. So much for the past history.

Now, sir, with regard to the principle of the Bill there is one principle which we have endeavoured to carry out throughout this Bill—a principle which gives the Bill such unity as it possesses—and that is that trade disputes between employers and workmen do not concern employers and workmen only, but they concern the public also and they involve an obligation on Government; and therefore, sir, in addition to providing machinery which may, we hope, tend to reduce trade disputes in the interests both of the employers and the workmen, we have endeavoured, so to frame our proposals as to mobilize the force of public opinion so far as we can, and also in certain special circumstances to afford direct protection to the public.

The first portion of the Bill relates to the machinery for courts of inquiry and boards of conciliation. We have adopted two different types of machinery instead of one as was proposed in the original Bill, because we felt that in the differing circumstances of different industrial strikes and troubles it might be useful to have different types of machinery. We wish to leave ourselves as free a hand as we can and for that reason we have abandoned the panel system which was suggested in the earlier proposals. We have done so mainly because of the criticisms received on our proposals of 1924; it was felt that it would not always be easy to obtain the right kind of person from the standing panels and we wished to leave ourselves free to choose the best people possible in relation to the particular dispute. Secondly, it was pointed out to us that probably the men who would be most useful on these boards of inquiry would not be willing to have their names registered continuously as members of a panel, although they might be quite willing to serve on occasion if requested. Now with regard to these proposals regarding courts of inquiry and boards of conciliation there is only one other point I want to mention and that is that we have carefully avoided any suggestion of compulsory arbitration. Our earlier proposals were criticised, erroneously no doubt, on the ground that there was some suggestion of compulsory arbitration. Our present proposals are not open to any such criticism. Some people no doubt may prefer one kind of machinery; some another; some may put their trust in compulsory arbitration; some in voluntary arbitration; but I think no one will dispute the principle of compulsory inquiry and compulsory conciliation, and that is what our Bill aims at. We aim at bringing in the force of public opinion in order to prevent and shorten these industrial troubles. It is the public and the press who are to be our high court of appeal.

There is one word of caution which I should like to give expression to. I do not suppose—nobody supposes—that this Bill is going to put an end to industrial troubles ; no one supposes that it is going to create a new heaven and a new earth. When the British Industrial Courts Act of 1919 was passed, it was after ten years of very careful preparation, by employers and by workmen and by Government, in setting up within the industries themselves machinery for conciliation and for settlement of trade disputes. I have seen figures for the year 1926, I think, relating to the cotton mill industry in Lancashire. In that year there were 700 disputes between employers and workmen ; of these only 20 reached the final council at Manchester and not a single one of them was referred to Government for action under the Industrial Courts Act. That, sir, is what we want to aim at in this country. I regard it as most important that this machinery within the industries themselves should be set up with the aid of employers and workmen and Government, and, if that can be done I regard it as a far more important step than anything that will be accomplished by this Bill.

I now turn, sir, to the second part of the Bill which deals with public utility services. The principle there is a simple one ; it is that there should be some interval given before a strike is allowed in services which are essential to the health, safety and welfare of the community. It is a principle which is recognised so far as I know in almost every country. The principle, though not exactly in this form, was recognised as early as 1875 in Mr. Disraeli's Act in England. It was in relation to gas and water. It was extended to electricity in 1919 and the English Act of 1927 applied the principle in the exact form in which we have it in our present Bill to all services under public bodies. We do not go so far as that ; we propose to apply it only to what we consider to be essential public services. I should like to point out here that the principle is already recognised in some of our Indian Acts ; it exists in the Post Office Act ; it exists in every single municipal Act in India. Those Acts apply directly to men engaged in scavenging ; and may in most cases be extended by the Local Governments to any employees in municipalities who are concerned with services affecting the health and safety of the community. So the principle is one which I think will be easily accepted. What we are aiming at is to give sufficient time for the machinery for conciliation and settlement to come into play before there can be a strike in a service which affects the health or welfare of the community.

Now, sir, I come to the third part of the Bill which stands on quite a different footing. The proposals which relate to illegal strikes and illegal lock-outs are contained in this part. As I said the other day, these clauses have been more misunderstood than any other part of the Bill. In fact, when we first published the Bill and before its text could even have reached Bombay, I read the pronouncement of a responsible official of an important association, ascribing to the Bill—he was a friend of the Bill—results and qualities which I certainly do not claim for it, and I said to myself “ Save us from our friends.” These clauses of the Bill render strikes and lock-outs illegal only if they fulfil two conditions. The first is that they must be strikes or lock-outs having an object other than or in addition to a trade dispute within the industry concerned ; and secondly, they must be designed or calculated to coerce the Government. Now, sir, it is obvious that these clauses do not affect a sympathetic strike as such, because though it may come under condition one, it does not come under condition two, and if we apply it to the great mill strike which has been going on in Bombay we will see that that strike is a strike regarding terms of employment within the industry itself and therefore it is not even covered by condition 1—still less by condition 2. Therefore I am afraid my friend who made these comments in Bombay will be sadly disappointed if he thinks this Bill has anything to do with the strike he was thinking of at the moment.

What we are aiming at is something quite different. We are aiming at the general strike. It was clearly shown when the English legislation was under discussion that what they attempted to do was to put into legal language the conception of the general strike, and as we have copied our provisions practically verbatim from the English Act our object is the same. We feel very strongly that as a general strike is an attack upon society and upon Government, it must fail, and if it fails the people who will lose most by it will be labour, and therefore we contend that these provisions, so far from being hostile, are really in labour's interest. In England the result of the general strike was the dissipation of the resources of the unions and the loss of employment by thousands of men.

In view of the character of my motion, I do not propose to say any more on the subject to-day except in reference to one point. We have not included in the Bill any provision regarding picketing, and we have done so deliberately. Picketing provisions occur in the English law of 1927, and as the House probably knows, the law in England regarding picketing has had a very chequered history. The pendulum at one time swung in one direction and then in another; it swung in favour of labour in 1906, and it swung back again the other way in 1927, and, speaking as a layman I find the English law extremely difficult to understand. Now, in India the position is perfectly simple. Picketing as such is not illegal; picketing which amounts to intimidation as defined in the Penal Code is illegal. I maintain that our law is much simpler and ought to be as effective as the law in England.

That, sir, is all I wish to say. I only hope that this Bill will be considered dispassionately by every one who is interested in it, and if so, I feel confident that, when it comes back from the country, it will come back with a very large measure of support.

MR. H. G. COCKE (Bombay : European): Sir, I am sorry that it is not possible for this Bill to be proceeded with this Session. We in Bombay who have experienced a serious strike for the last six months, which is still raging, have felt the need for a Bill of this nature, and some two months ago the two Chambers of Commerce, the Bombay Chamber and the Indian Chamber, met together, and as a result of that conference, they decided to wire to the Government of India asking that the Trade Disputes Bill, which it was anticipated would be introduced in the September Session, should be published forthwith in order to make it possible for the Bill to become law this Session, if acceptable to the House. Well, owing to delays on account of other measures, it has not been possible to proceed with the Bill until to-day, and I hope it may not prove very unfortunate in the next four months that this Bill has been delayed.

With regard to the general principle, sir, of this Bill, namely, the establishment of courts of inquiry and conciliation boards, there has long been a feeling, certainly in the Chamber with which I am connected, that it is a great mistake to force any tribunal upon the contesting parties unless they both ask for assistance in settling a dispute. But although these views have been held in the past they are now considered somewhat out of date, and it is thought to be necessary that Government should have the power and the right to step in in the case of trade disputes and set up a conciliation board or a court of inquiry. As the Honourable Mr. McWatters has pointed out, these conciliation boards or courts of inquiry are necessary in the interests of the public, and where the interests of the public are concerned, it is the duty of the Government to find out what the real trouble is. In many cases strikes start on quite petty matters of dispute, but within a week or two long lists of items of dispute are raised and the strike becomes a difficult matter to settle. We still strongly object to the principle of compulsory arbitration, and I am glad to see that no conditions of this kind appear in this Bill.

With regard to the question of picketing, the Honourable Member in charge has pointed out that the existing law is sufficient to deal with this; that picketing itself is not illegal but picketing accompanied by intimidation is illegal. Well, sir, there is no doubt whatever that in the Bombay strikes there has been any amount of picketing amounting to intimidation, but the great trouble is to bring the offenders to book. I do not know apart from this why the provisions of the existing law have not been brought into effect during the last few months, because there is no doubt whatever that strikes have been kept alive by intimidation. Strikers are told that if they go to work their women will be molested and their homes will be looted. The trouble is to prove that these things are done and said.

On the subject of public utility companies and the provisions of this Bill which make it illegal for workers to strike without a month's notice, the Honourable Member in charge has pointed out that we are merely copying a provision from Municipal Acts, the Post Office Act, and so on. I think that this is a provision which nobody in this House will complain of. It is perfectly obvious that the public should not be allowed to be inconvenienced by these sudden strikes, and where the workers have a grievance they should give some notice, there should be some interval, before they go on strike. I feel, sir, that if this Bill had been in existence, the Bombay strike might have come to an end much earlier. I think

that is all I have to say at this stage. I hope that when opinions have been received on this Bill, Government will take steps to push the Bill forward next Session with as much expedition as possible.

**MR. N. M. JOSHI (Nominated : Labour Interests) :** Sir, as the motion made by the Honourable Member in charge of Industries and Labour is for the circulation of the Bill, I do not wish to make a long speech ; but I feel that it is necessary to explain to the House the real nature of some of the principles underlying this Bill. The Honourable Member in charge has admitted that the Government of India have been considering this subject for the last nine years, and considering the long time they have spent over this subject, I feel that the result of their thinking for the last nine years is indeed very poor, disappointing and mischievous.

Well, sir, so far as the Bill is concerned, nobody can say that the Government of India are acting in a hurry. They have already taken a long time. Perhaps they might even say that they ought to have introduced some Bill to provide for a court of inquiry or a board of conciliation much earlier. But I do not agree with my friend Mr. Cocke that, even if this Bill had been in existence, the Bombay strikes would have come to an end earlier. The termination of a strike depends upon the attitude of the parties engaged in that strike, and so far as I can say, if the millowners of Bombay had been willing to place their case before a board of conciliation or a court of inquiry, the workers' side would have been ready at any time. Unfortunately, the millowners had not the courage to come before a board of conciliation or a court of inquiry for reasons best known to themselves.

Sir, as far as the first portion of the Bill is concerned, namely, that part of the Bill which provides for the appointment of a court of inquiry or a conciliation board, I do not see much reason to object to the principle underlying those provisions. When we come to the discussion of details at a later stage, I may have something to say about the machinery which the Government of India have provided. I do not agree with the Honourable Member in charge of Industries and Labour that there is serious objection to the appointment of panels out of which the representatives of labour and the representatives of the employers should be appointed, on the court of inquiry, but I am quite sure the Honourable Member will consider this question when we come to the consideration of the details of this Bill.

Coming to the second part of this Bill which consists of clause 15 regarding public utility services, I feel, sir, this House and the public outside will not support the Government in their proposals in this respect. It is true that when the Government of India framed their Bill in 1924 they had a provision regarding public utility services although not exactly in the same form which they have adopted in this Bill. I myself do not understand why workers who work in a public utility service should be treated as if they had committed a sin in taking employment in a public utility service. It is the natural right of every worker to withdraw his labour whenever he thinks that he should do so. I do not suggest that his civil liabilities should be taken away, but it is certainly a sign of slavery if you imprison a man for refusing to do work for a master for whom he does not want to serve. (*An Honourable Member :* "He can give a month's notice.") He has a right to leave without giving notice. (*An Honourable Member :* "Why?") Well, sir, I am coming to that. Unfortunately, sir, this Bill, as framed by the Government of India, is framed at least so far as this clause goes in the interests of the capitalists. It is for that reason that my Honourable friends on the other side are asking "Why?" I will tell you why. This Bill provides that it is only the worker who must not cease doing his work without notice and, if he does leave his service without notice, he will be sent to jail. But it is not provided in the Bill that if the employer in a public utility service discharges a man without notice he shall also be sent to jail. (*An Honourable Member :* "That is not the point.") It is on account of that the Honourable Members on the other side are asking me "Why?" If they once know that if they discharge one of their employees without notice, they will be sent to jail, I am quite sure, they will think twice before they accept this Bill. (*An Honourable Member :* "Hear, hear.") Sir, in my judgment, in the first place this provision is superfluous. The Honourable Member in charge of the Department of Industries and Labour himself has stated that, so far as Post Office and Telegraphs are concerned, the employees cannot leave their service without notice.



THE HONOURABLE SIR BHUPENDRA NATH MITRA (Finance Member): Not the Telegraphs.

MR. N. M. JOSHI: Well, then, the Post Office, according to the Post Office Act.

THE HONOURABLE MR. A. C. MCWATTERS: Only certain classes of postmen.

MR. N. M. JOSHI: But, sir, the public utility service of the Post Office, so far as necessary, is protected, if protection is at all necessary, by the Indian Post Office Act. Then the Honourable Member also admitted that some of the municipal services are also protected. If that is so, I do not know why this Bill should have been introduced at all. (*An Honourable Member*: "The Railways.") Well, sir, so far as the Railways are concerned, I do not think even the Honourable Member has provided in this Bill that all railway work will become a public utility service. Moreover, the Honourable Member said that he wanted to deal with strikes without notice in public utility services. Unfortunately, the Bill is not restricted to a strike. Even if one single individual employee in a public utility service gives up his work without notice, he is liable under the Bill. So, it is not only a strike that is penalised. It is cessation of service by even one single individual employee without notice. And even in that sense the Bill goes too far.

Then, sir, the Bill, as I had said before, is one-sided. It only penalises cessation of work on the part of the employee. It does not penalise the employer who discharges the employee without notice. It does not penalise an employer who dismisses his employee without notice. But, sir, even if the Government of India agree to put such a provision regarding the employers in the Bill, I consider that it will not be enough to do justice to the workers. In such cases the workers must be given adequate compensation. It is very easy for the employer to get an employee but, in the case of the worker who loses his job without notice, it is a much greater hardship, especially in a country like India where there is no provision against unemployment. In a country like England things are different. They have got unemployment benefits. If an employee is discharged, for some days at least he will be provided with some benefits if he remains unemployed, but in India, if a man is discharged, it is great loss to him as he may not get another job for a long time. I therefore think that if the Government of India want to introduce such a provision in the Bill they must at least see that the Bill is not one-sided and the one-sidedness of the Bill will not be removed by merely making discharging without notice illegal and by penalising the employer, but some provision must be made to see that the workman is not put to loss. Sir, I can understand the principle that the workers in a public utility service may be treated somewhat differently, but the treatment should not be only to the disadvantage of the workers. If you want to put certain disadvantages on the workers in public utility services, why not give them some advantages also, namely, that they shall get sickness insurance benefits, unemployment benefits and old age pensions. But what the Government have done is to introduce legislation to the disadvantage of the workers without making any special provision by which the workers will be given any compensating advantage.

Well, sir, the Honourable Member said that the Bill is based on English legislation, but it is not difficult to show that his Bill is much wider than the English law. In the first place the English law has not given power to the Government to declare any industry as a public utility service. If the Government of India take it into their head, under this Bill the textile industry may be declared to be a public utility service. There is nothing in the Bill to prevent that, because the provisions are so wide that any industry may be declared to be a public utility service. Then the Honourable Member said that in England gas-works, electric works and water-works are treated as public utility services, and workers employed in those works cannot leave their posts without notice. But he has not stated the whole position. Even in England, gas-works and water-works in order to get the benefit of Section 4 of the Conspiracy and Protection of Property Act of 1875 must be for the public benefit and the gas-works and water-works must be necessary for the community and not for private purposes. But in the case of his Bill that provision is not made. He makes every gas-works and every water-works a public utility service. Then, sir, the English Act also provides

that a worker will be penalised if he ceases work out of malicious intent and with the knowledge that the consequences of his act would be to cause hardship to the community. The Honourable Member has not made any such provision in this Bill. I know, sir, that Section 5 of the English Act has provided that if a man maliciously and with knowledge ceases work in such a manner as to cause danger to life and to valuable property he may also be penalised; while the notorious Act of 1927 has also brought in hardship to the community as a justification for the application of Section 5 of the Conspiracy and Protection of Property Act. But, sir, the Honourable Member in charge of Industries and Labour ought to have told the House that Section 6 of the Act of 1875 also imposes responsibility upon employers. If the employer does not provide food where he is bound to provide food and other necessaries for the worker's health, the employer also will be penalised. The English Act is not one-sided as this Bill is. I feel, sir, he ought to have told this House that the English Act throws some responsibility on the employers also. In this connection I would like to suggest to Government that they ought to have taken into consideration, if they wanted to throw greater responsibility on the workers in public utility services, the legislation which exists in Canada. Not that I approve fully of the Canadian legislation of 1907; but certainly that legislation may be said to be fairer than the legislation which the Government of India have introduced. In Canada by the Act of 1907 no doubt a strike is compulsorily postponed. No worker can go on strike without notice or till an inquiry is made. But, on the other hand, by Section 6 of that Act the Government also is bound, when an application is made that a dispute is threatened, to make an inquiry. That would give the workers in public utility services some advantage. Let the Government be bound to make an inquiry into the grievances of the workers or into the grievances of employers for that matter, if a strike or dispute is threatened. That is an advantage given to the workers by the Canadian legislation. Section 54 of the Canadian Act prevents an employer from reducing wages or making a change in the conditions of service, such as, hours of work, without notice. This Bill makes no such provision. I submit that if you want to put some disadvantage on the workers in public utility services, you must also give them some advantages. It is wrong, therefore, to introduce clause 15 of this Bill, which is one-sided, and throw the burden of maintaining the public utility services only on the workers. Sir, I do not wish to say anything more on this clause. In regard to clause.....

MR. PRESIDENT: The Honourable Member cannot take clause by clause of the Bill at this stage. He knows that the Honourable the Industries Member has not asked the House to accept the principle of the Bill, and at this stage speeches should be short and to the point.

MR. N. M. JOSHI: Sir, I am not taking clause by clause. Unfortunately the Bill has three or four important principles. The first.....

MR. PRESIDENT: The Honourable Member is not asked to accept the principle of the Bill. This is a motion for circulating the Bill for eliciting public opinion and no one commits himself to the principle of the Bill by accepting it.

MR. N. M. JOSHI: Well, sir, I am not fond of making speeches. (*Several Honourable Members: "Question?"*) I say, I am not. The Honourable Member in charge also made a speech. If he had restrained himself I would not have risen from my seat.

Lastly, sir, the Government of India have followed the panicky legislation of 1927. The Honourable Member said that that legislation is intended to make general strikes illegal. In the first place, I do not understand why even a general strike should be made illegal. To strike is the natural right of every working man, and why should any human being be penalised for refusing to do work? But leaving that question, sir, the Bill, as framed by the Honourable Member, is not restricted to general strikes only. The first part of clause 16 says that if a strike has an object other than the furtherance of a dispute in one industry and also causes hardship to the community, it is an illegal strike. Now the Honourable Member has not defined what one industry means, whether, for instance, the transport industry includes railways, tramways, motor services, etc. Are all these to be taken to mean one industry?

**THE HONOURABLE MR. A. C. McWATTERS:** On a point of order, sir, is not that a point for the Select Committee, whether you can define your industry?

**MR. N. M. JOSHI:** I am just trying to show that your Bill does not apply only to general strikes. Nobody knows really what one industry is. Take the textile industry. Does the textile industry include jute as well as cotton and silk and wool? It is very difficult to say. Therefore, the Honourable Member must admit that what he is penalising and making illegal is not a general strike, but an ordinary sympathetic strike. I therefore think that this Bill penalises sympathetic strikes. It says that the strike must have an object different from the furtherance of a trade dispute.....

**MR. PRESIDENT:** Order, order. I do not wish to interrupt the Honourable Member; but I hope he will co-operate with the Chair and make some distinction between a motion for Select Committee and a motion for eliciting public opinion.

**MR. N. M. JOSHI:** I am not going to take more than five minutes. He must admit that the clause as worded can be applied to strikes which are not general. Then he says "strikes which cause hardship to the community." Almost every strike causes hardship to the community. Who is to decide whether the hardship is so great that the strike should be made illegal or not? I do not know any strike which does not cause some hardship to the community. Therefore, this Bill gives power to Government practically to make any strike illegal; this does not make only general strikes illegal; but whenever Government please, they can make any big strike illegal. Then, sir, Government have provided by certain clauses to protect people who are called "black-legs." If the whole body of workers sanctions a strike, some people who ought to join but who do not join are given protection by the Government against the action that may be taken by unions. In this connection I want to make only one remark and it is this. In the first place, what Government have provided by these clauses is unnecessary interference into the working of trades unions; and secondly the Government of India are somewhat unfair upon unregistered trade unions. Some days ago we discussed the question of registered trade unions and unregistered trade unions and the Government of India and many members here did not like to recognize the existence of unregistered trade unions and I want to know why the Government should in this Bill recognize the existence of unregistered trade unions. They are giving protection to black-legs, not only to those who are members of registered trade unions, but to those who are members of unregistered trade unions also. I therefore suggest to the Government of India that they should not take notice of unregistered trade unions for this purpose as they did not recognize their existence for giving immunities provided by the Indian Trade Unions Act to registered trade unions.

Sir, I do not wish to speak any more. I feel that the Government of India have done a wrong thing in mixing up a portion of the Bill which may become acceptable to the workers in this country and some portions which can never become acceptable. If they want some Act providing for conciliation and inquiry, they must introduce two Bills; but if they try to secure the consent of the House by mixing up a part which may be acceptable with a part which is unacceptable, I think, sir, the Government of India will be disappointed.

**MR. T. GAVIN-JONES (United Provinces : European):** Sir, I am very glad to hear that the Honourable Member for Industries proposes to circulate this Bill, for undoubtedly it requires very careful consideration before being passed; in fact I have received a telegram from the Upper India Chamber of Commerce protesting against the Bill being rushed through. No one, I think, will oppose the principle of a Trade Disputes Bill. Similar legislation has been put through in other countries, particularly in Canada, Australia and England, and has been most beneficial. But we must study these Acts very carefully before we apply them to India, and, as far as I can see in the present Bill, the English Acts have not been sufficiently carefully considered. It is essential that this Act should be framed so as to work smoothly and be effective, and I will refer the Government to one or two clauses in the Bill.

It is not clear in clause 2 (c) whether the interpretation of "employer" includes a private employer; we think that it should do.

In clause 2 (*f*), the interpretation of "public utility service" does not include tramways and inland steamer services. These were included in the draft Bill which was circulated in 1924 and we do not know why they have been excluded from this Bill. We think they are important public utility services and should be included.

Clause 3 contains the kernel of the Bill and proposes to refer to Courts of Enquiry or Conciliation Boards. It says :

" If any trade dispute exists or is apprehended between an employer and any of his workmen, the Local Government, or where the employer is the head of a department under the control of the Governor-General in Council or is a railway company " . . . .

The Local Government or the Governor-General in Council shall take the initiative ; he may (*a*) refer the dispute to a Court of Enquiry or (*b*) refer the dispute to a Board of Conciliation. Then in clause 9 and subsequent clauses judicial powers are given to both the Board of Conciliation and the Court of Enquiry. There is here, sir, a serious confusion between the functions of the Board of Conciliation and that of the Court of Enquiry. They are bodies appointed for two entirely different purposes. The Board of Conciliation cannot function without the consent of both parties and if both parties consent, all the evidence will naturally be forthcoming from both parties. The Court of Enquiry on the other hand is appointed for obtaining information about facts, and judicial powers are necessary. For the Government to intervene in a dispute on its own initiative and compel the parties to appear and produce witnesses before a Board of Conciliation is contrary to all the ideals and principles of conciliation. A Board of Conciliation must arrange matters by mutual consent. We think, sir, that the Bill here should follow closely Section 2 of the British Industrial Courts Act, 1919, whereunder a Minister can take action, first : on the report of one of the parties ; second : by the consent of both parties ; third : refer the matter for settlement to the Industrial Court ; fourth : refer the matter for settlement to the arbitration of one or more persons appointed by him ; or fifth : refer the matter for settlement to a Conciliation Board by the mutual consent of both parties. Sir, I think if this clause is entirely recast and the above section is closely followed, this Bill will work smoothly and be more effective. There are other points in the Bill, which require amendment, but I will not take up the time of the House with them now.

I appeal to the Government to consider these points carefully and to recast the whole Bill before bringing it before this House again.

Sir, I support the motion.

LIEUT.-COLONEL H. A. J. GIDNEY (Nominated : Anglo-Indian) : Sir, representing as I do a class of people who are largely employed in the various utility services, I desire to offer a few remarks on this Bill before it is put in circulation. I am glad Government intends circulating it, for there is no doubt that a Bill of this nature cannot be rushed through without adequate and careful consideration.

While on the one hand I am not in favour of any law that makes for suppressing the rights of the labourer, I refuse to subscribe to any policy that gives unlimited scope or power to the employer. Sir, I am in agreement with this Bill from clauses 1 to 14. I consider that the institution of Conciliation Boards will have a very beneficial effect on all labour disputes, and I think that the Honourable Mr. Gavin-Jones brought forward some important points in connection with these Conciliation Boards. One is tempted to ask what is the necessity for this Bill? It seems to me that, had Government, a few years ago, realised the importance of such Boards, Committees or Arbitration Councils as one finds in England, e.g., the Whitley Committee and other Committees of the like nature, such a Bill would never have been necessary in India to-day. I remember the time very well—I take my memory back to 1917, only 11 years ago—when an extensive strike took place on the Great Indian Peninsula Railway. Matters reached a deadlock, the dispute was eventually referred to arbitration, and the arbitrators decided in favour of the strikers. In those days there was give and take between employees and employers, and trade disputes and strikes were, as a

rule, settled by arbitration; to-day it seems that Government find it necessary to introduce a Bill of this nature to settle them. Why? Is Government entirely blameless? As I said just now, I am in favour of clauses 1 to 14, but not of clauses 15 and 16, and here, to a certain extent, I take my stand with my friend Mr. Joshi. (Opposition cheers.) As I read through clauses 15 and 16 and the following ones, two conundrums present themselves to me. One is: "When is a strike not a strike?" The answer, according to this Bill, seems to be: "When the employer is affected." The other is: "When is a strike a strike?" Answer: "When the employee is affected." I do think that to put a Bill like this into operation, especially clauses 15 and 16, is not only to limit but to interfere with the freedom of the employee. As Mr. Joshi rightly pointed out, why should the employer only have the right of dismissing a servant, may be at the beginning or the middle of a month, giving him a month's pay in lieu of notice, and at the same time depriving the man of his overtime? Surely the employee cannot be denied an equal right, if he is prepared to forfeit his month's pay. He cannot be denied this by ordinary law, but this is exceptional law, to serve a special purpose. The House spent four long days in trying to prevent India painting itself red. It seems to me that these clauses should more appropriately have been embodied in that Bill—the Public Safety Bill. (*An Honourable Member*: "Nonsense.") It may seem so to you, but not to me because for almost similar offences in the one Bill you deport the European British subject while, in this Bill, you desire to fine or imprison the Indian British subject.

Now, sir, I would like to read to the House, Sir John Simon's opinion on the right to strike. This is what he says:—

"That the strike properly understood was perfectly lawful. It was an essential part of the right of the British wage-earner that he should have a right to strike and that right ought never to be taken away from him, nor would any of those who really appreciated the character of British traditions really wish to take it away. But the regulation by the Trade Union Executive to call out everybody, regardless of contracts which the workmen had made, was not a lawful act at all."

I am in agreement with the principle that in the case of a general strike, in which various utility services strike together, legislation of a special nature might be necessary and might be put into operation, but to include in this Bill individual utility services, e.g., Postal, Telegraph, Customs, Railway Services, etc., is to deprive a body of workmen of their right of defence of their economic rights, and for this reason I do think that Government will be ill advised to include these two objectionable clauses. I however certainly do agree that those agitators who go about the country with impunity, fomenting strikes, sowing seeds of disaffection or Communism among workmen, should be dealt with summarily, but why should illiterate, innocent, misled workmen be subject to such drastic action? If a clause were put into this Bill that the ringleaders of strikes should be seized, tried and punished, it would be more deterrent and would receive my approval. There are certain people in all communities, well known to Government, who are ringleaders of strikes, who foment strikes for their personal ends. Well! I say, keep an eye on them and punish them without fear or delay, but do not punish the employee who has every justification, should he resent an unjust punishment, to refuse to work. He should not be forced to work against his wishes or will. He should not be deprived of his citizenship rights or a legitimate weapon of economic defence.

THE HONOURABLE MR. A. C. McWATTERS: I should like to draw the Honourable Member's attention to clause 17 (1), second part, which reads:

"Provided that no person shall be deemed to have committed an offence under this section by reason only of his having ceased work or refused to continue to work or to accept employment."

The clause as drawn up does not apply to ordinary strikers, but only to the ringleaders and those who act in furtherance of a strike.

LIEUT.-COLONEL H. A. J. GIDNEY: Clause 15 gives Government power to punish any individual who strikes in an utility service, with one month's imprisonment or with a fine of Rs. 50, and anyone who aids and abets him in such an offence with three months'

imprisonment or a fine of Rs. 500. This I absolutely disapprove of and speaking for my community we shall not agree to this section. I approve of the Bill as far as clauses 1 to 14 are concerned, but I certainly do not approve of the Bill as far as clauses 15 and 16 are concerned. I therefore strongly advise Government to amend these clauses or to add some provision which does not deprive any workman of his right to strike.

MR. M. S. SESA AYYANGAR (Madura and Ramnad *cum* Tinnevely: Non-Muhamadan Rural): Sir, I agree with the Honourable Member in charge of the Bill that the public are equally interested in these strikes which are bound to exist so long as there is this eternal competition between capital and labour. I cannot, however, congratulate the Government on the provisions made in this Bill. It appears to me that the labour point of view has not been given that attention which it deserves; and some of the provisions, especially Part 3 of this Bill, are so much against the growth of labour organisations in this country that I would advise the complete deletion of Part 3 of the Bill; and in getting this Bill circulated I would offer the suggestion to the Honourable Member in charge that circulation should not in this case be confined to the stereotyped list of bodies and associations, to which Bills are usually circulated, but should also be circulated to all trade unions, all railway employees' unions, postal unions, and other similar organisations. It is then that we will have ideas of what they think of this Bill.

So far as the provisions are concerned, I have no doubt that there have been demands for arbitration boards for some time past. But the question is whether the courts of inquiry and the boards of conciliation which this Bill provides for are really the kind of arbitration boards which labour would have. For these boards to act successfully as arbitrators, the imperative necessity is to make them sufficiently impartial so that they might give satisfaction *prima facie* to both parties to the dispute, and especially in the case of State railways; where the State happens to be the employer it will not enhance the impartial nature of these arbitration boards or these conciliation boards to make the Government the appointing agent of these boards. Labour must be given a chance as to the choice of some of those that might sit on these boards; otherwise it would not give them satisfaction. The recent South Indian Railway strike seems to be in point as an illustration of what I say. I have been closely following the movement of the South Indian Railway employees' association. The South Indian Railway Agent wanted to give effect to a certain policy of retrenchment which he had in view. Certainly that necessitated some inconvenience to the employees concerned. The employees made known to the Agent their demands and asked for redress. There was not that quick and sympathetic response which was expected of the Agent in such a case. The Agent remained indifferent and then the employees applied to the Agent asking for the matters of difference between the employees and the employers to be referred to the arbitration of the Labour Commissioner. Sir, we have got such a functionary as the Labour Commissioner in Madras. They wanted that the matters in dispute should be referred to the Labour Commissioner. Then also there was no response and then they took the step of reporting the matter to the Labour Commissioner directly, asking him to intercede and to arbitrate. The Labour Commissioner remained indifferent. And as a last hope, the employees applied to the Government direct asking them to intercede in the matter and to see that their grievances were redressed. The Government was equally indifferent. What could they do in those circumstances? They despaired of moving the South Indian Railway authorities to redress their grievances and consequently they had recourse to a strike. I ask the Honourable Member in charge of the Bill what provisions he has made in this Bill which would apply to the conditions that I have just enumerated. What are the provisions in the Bill which would have enabled the South Indian Railway employees in those circumstances to take the initiative of insisting that their matters of difference should be settled by an arbitration board? So, I submit that clause 3 of the Bill ought to be so amended that the employees also are given a voice in the matter not only of the choice of arbitrators but also of the mode of reference to these boards.

One other matter which I seriously take objection to is this. I see in clause 13 that provision is made to keep secret the inquiries that these courts of inquiry and the conciliation boards have to undertake. Now, what is the secrecy in matters of dispute that are openly referred to these courts of inquiry? Why should anything be kept confidential? Why should an inquiry be held in secret? Clause 5 says:

“ A court shall, either in public or in private at its discretion, inquire into the matters referred to it and report thereon to the authority by which the court was appointed.”

I submit that the secrecy provided for in clause 5 is entirely out of place. Again, when certain documents are placed before conciliatory boards, it is also laid down that the documents referred to by those courts ought to be kept confidential. That certainly would not enhance the prestige of the inquiry that is sought to be made by these boards. As I have already said, part 3 deserves complete deletion for this reason ; because in the Statement of Objects and Reasons it is said that these provisions were copied out of the British Trade Disputes and Trade Unions Act, 1927. But the Honourable Member in charge of the Bill must remember that we are called upon to deal with a different stage of development in the industries of this country. In this country, industries are more or less in a stage of transition and labour organisations are not so well developed and equipped in India as they are in England. So, it is no use transplanting or incorporating the corresponding provisions in the Trade Unions Act of England into Indian legislation and making them applicable wholesale to the trade unions and labour organisations in this country.

One other anomalous provision that is made here is to give a premium to the black-legs of trade unions. Special provision is made to encourage black-legs. These black-legs are made immune from punishment for disobeying the orders of trade unions. Here I see the policy of divide and rule and this policy is made specially applicable to this category of employees. I submit that that is also a matter which has to be taken into consideration and this provision also must be deleted.

With these remarks, I submit that, if the Bill goes out for circulation, and public opinion is obtained on its provisions, I would reiterate my request that trade unions and labour organisations should be specially invited to give their opinions on this Bill.

MR. B. DAS (Orissa Division : Non-Muhammadan) : Sir, I welcome this Bill and I also welcome its circulation in the country. Sir, I do not like strikes. Strikes hold up the ordinary business of the country and bring in great suffering to the people. They do not bring any dividend to the investor who has invested his money to capitalise an undertaking. Nor do they bring labour any apparent profit or advantage. As we have found recently during the strikes in this country, labour has had to go without its wages for months at a stretch. Sir, I was very much surprised to hear the interpretation which my Honourable friend Colonel Gidney gave to the word “ strike ”. He quoted one eminent authority with whom I am also acquainted, and if Colonel Gidney had gone a little further and read one or two lines more from that authority he would have seen what the Right Hon'ble gentleman really thought of strikes. I will just quote those two lines from Sir John Simon's speech in the House of Commons in 1926. He said :

“ Every workman who was bound by a contract to give notice before he left work and who, in view of that decision, has either chosen of his free will or felt compelled to come out by leaving his employment without proper notice, *has broken the law.*”

When an employee or workman breaks a contract, I think, sir, he has broken the strike law. Colonel Gidney was not right to say that anybody can bring off a strike.

MR. N. M. JOSHI : Why do you quote a Liberal ?

MR. B. DAS : I think I can quote a Liberal if he meets my point, but I will quote your own Labour leaders too by and by. I am coming to that. My Honourable friend Mr. Joshi, for whom I have the highest respect, is the advocate of labour in this House. I have every sympathy with labour's claims ; but when labour tries to hold up the trade of the country and paralyses industries I have no sympathy with it. My Honourable friend Mr. Joshi talked of two things and he advocated that there should be general strikes and sympathetic strikes in this country. If this Bill is passed into law, it will put a stop to general strikes and sympathetic strikes. With your permission, sir, and with the permission of the

House I shall quote two eminent Labour leaders' views about sympathetic strikes and general strikes, and I hope Mr. Joshi will agree with them. I now read a passage from a speech of Mr. Cramp, the Industrial Secretary of the National Union of Railwaymen, who expressed his view on the general strikes. This is his view :

“ There would not again be a general strike of that character. He did not believe that the general industrial strike could ever be carried out effectively, because if they carried it to its logical conclusion they starved and paralysed themselves as well as everybody else.”

I hope my friend Mr. Joshi will accept the statement of Mr. Cramp. Then I have another authority on the sympathetic strike and that gentleman happens to be no less a man than the leader of the Labour Party in England and a man who is held in very high esteem in the labour world of India—I mean Mr. Ramsay Macdonald. Mr. Ramsay Macdonald wrote in April 1924 :

“ All my life I have been opposed to the sympathetic strike. It has no practical value. It is simply beating the air. It has one certain result—a bitter and blinding reaction.”

Sir, India is not such a country of agitators that we can think of general strikes and sympathetic strikes.

Sir, as regards this Bill I wish to say that there should have been two Bills and not one Bill. Clauses 1 to 14 of this Bill are already long overdue and many of us on this side of the House expressed that view, that there should be conciliation boards, to settle trade disputes specially when you, sir, were a member on the floor of the House you wanted such a measure to be introduced in connection with the first Steel Protection Bill whereby disputes between Tatas and their employees could be settled at Jamshedpur. I think the Government have taken a long time to bring this Bill about conciliation boards, etc., before us. My Honourable friend, Mr. Joshi, suggested that there should be panels from which the arbitrators should be chosen. I entirely agree with him and my views are that the trade unions should be allowed to nominate a certain panel and that the Chambers of Commerce and the employers should be allowed to choose a certain panel from which the Government of India in the Industries and Labour Department may choose a particular arbitration board. I wish the other clauses of the Bill which apply to the sympathetic strike could have been introduced in the form of another Bill. What are the Government trying to do? The Government are trying to embody legislation of Parliament which was embodied in three or four Acts in the House of Commons. One, to which my friend Mr. Joshi referred, was passed in 1875, one in 1906, and a third in 1926. If the Government in England took all that time to create the proper atmosphere, we cannot expect that India can have the same experience as the House of Commons or as the Labour Party in England, and England took a period of fifty years to acquire knowledge to frame her legislation. I suggest that Government should not introduce such penalizing clauses as have been introduced in clauses 15, 16 and 17, and I think after this Bill comes back from the country we shall have to see whether we cannot modify these provisions about the illegality of strikes and the penal clauses relating to those who promote strikes to suit the conditions of the people in this country.

Sir, I have to make one more reference to my friend Mr. Joshi. Strikes are not a pleasant thing. They are causing a lot of hardship and lots of people are starving on account of these strikes. The people who bring about these strikes always ask for more wages even though a particular industry cannot bear the extra charges on it. Let me make it clear. I do not desire the capitalist to profiteer nor the labourer to exploit. I would like an adequate share of the profits of an industry to go to all the employers, and the employees and also the section to which I belong—namely, brains. Surely these people who advocate strikes ought to consider how much an industry can stand in the way of wages to workers. I hope the workers before they go on strike will see that the particular industry can stand the wages which they demand. That is a thing often forgotten by the labour world and it is the cause of many of the strikes that the country has to face. I do not believe, sir, that there are any Bolsheviks or Communists behind these strikes; but at times I believe that there are unknown men who want to blossom forth into full-fledged leaders and they are responsible for these



small and big strikes all over the country, and I say that those who are responsible for the condition of our labour in this country should see that such mushroom leaders do not thrive in the labour camp and that they are not allowed to bring about unnecessary strikes that cause so much harassment and trouble to, at times, millions of people and that incapacitate our industries and incidentally reduce the national wealth of the country.

**MR. FAZAL IBRAHIM RAHIMTULLA (Bombay Central Division: Muhammadan Rural) :** Sir, I rise to record my protest on the motion before the House. I thought Government were anxious to settle the strike at an early date ; but looking at the motion before the House I do not think the Government have at all considered the recommendations sent by the Bombay Government, nor the strikes that are going on now in the Bombay City. I do not know, sir, what tangible reason Government have advanced for bringing in a dilatory motion and forcing this House to accept it ; because looking at the Standing Orders one finds that it is impossible for any non-official member to bring in a motion for a Select Committee, if Government bring forward a motion for circulation. I wish, sir, Government had brought forward the motion which they originally intended for a Select Committee and left it to the House to decide which motion they preferred. Sir, the only reason that the Honourable Member for Industry and Labour has advanced is that there is no time. Now, we wish to know who is to blame for it. Why should Government have decided to have such a short session of three weeks when two important Bills were before the House? Government know from their past experience that in a House of 144 members, each party and men who wish to express their opinions on the Bills must speak, and necessarily therefore that involves time ; and I would like to know from the Honourable Member for Industries and Labour why he did not think it proper to request Government, in view of these two important Bills coming before the House, to have the session prolonged. Sir, I consider this Bill to be more important than the Bill which will be debated on Monday next, the Public Safety Bill, for this reason that the commercial community, both European and Indian, in Bombay had sent a wire and requested the Government not only to publish the Bill but to take immediate action and bring up this Bill. The Honourable Member for Industries has told that the Government of Bombay made a representation to them as far back as 1924 ; and still the Government of India have not thought it proper to bring forward a motion for Select Committee. I think, sir, Government should realize the responsibility which they are taking by prolonging a measure of this importance.

As regards the point made by my friend, Mr. Joshi, that the labour leaders were anxious for a conciliation board or for conciliation, but that the millowners did not come forward in the manner they liked, I would like to reply to him by the speech which I will just read of Mr. J. B. Petit, the Chairman of the Bombay Millowners' Association, delivered recently in Bombay :

" For our part," he continued, "we have done everything we could to end this deadlock. Those who have followed the long negotiations for the setting up of a conciliation board would testify to the sincere anxiety of the owners for a fair and just settlement. But on every occasion it is the strike leaders who, after securing the maximum concession, broke away by insisting upon impractical demands. We agreed to the conciliation board ; we agreed to the terms of reference ; we agreed to the inclusion among them of the consideration of all the 17 demands. The essential preliminary of all efforts at conciliation is the suspension of all bellicose activities. This the strike leaders would not agree to, except on impossible conditions."

I hope my Honourable friend, Mr. Joshi, will realise that if he agrees to a conciliation board he cannot continue the strike for that period.....

**MR. N. M. JOSHI :** May I put a question to my Honourable friend? Is it provided in the present Bill that strikes must be suspended before the court of inquiry or a board of conciliation is to be appointed?

**MR. FAZAL IBRAHIM RAHIMTULLA :** It is provided here to make the strike impossible by giving notice to the owners that you are going to strike....

MR. N. M. JOSHI: I am afraid you have not read the Bill.

MR. FAZAL IBRAHIM RAHIMTULLA: So that those owners who know that there is going to be a strike can find other men to take their places.

MR. N. M. JOSHI: It is not laid down here that every strike is illegal.

MR. FAZAL IBRAHIM RAHIMTULLA: No; but it is made penal.

MR. N. M. JOSHI: It is not.

MR. FAZAL IBRAHIM RAHIMTULLA: Of course it is. I hope Government will explain, apart from the reason that they have given, namely, that there is no time, the responsibility they have taken in asking this House to accept a dilatory motion.

MR. VARAHAGIRI VENKATA JOGIAH (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, the Honourable the mover of this Bill in speaking on the Public Safety Bill stated that Labour was in its infancy, that it wanted the protection of the Government and the Government would therefore not only protect it against outsiders, but also against itself. This shows that Government wants to treat Labour as an incapacitated person and to constitute itself as its trustee. This role of trustee is not new to us. Government constituted itself the trustee of India and Indians so long ago as 175 years back, and it still continues to consider Indians as perpetual minors. Government, sir, now threatens to assume this role with respect to Labour. Indians, I must submit, can no longer be deceived by such assumptions and Labour might very well say, "Save me from such friends." If, for this statement of mine, any justification were necessary, the Bill before the House affords ample proof.

The intention of this Bill is said to be to further the interests of Labour. But, sir, I find that the Bill would help the employer and not the labourer at all. It places many impediments in the way of Labour, while creating facilities for the employer. The Bill, I may characterise, sir, without any exaggeration, as very reactionary and mischievous. In my opinion, no mending of this Bill will set matters right; if, really, it is to be of any use to the public, it must be ended or it must be completely overhauled or another Bill with a better and more liberal spirit should be conceived and introduced in this House.

The object of this Bill is stated to be to prevent strikes and to settle trade disputes. To give effect to the objects of this Bill, certain tribunals are to be brought into existence.

The Bill makes provision for Government being the sole judges for determining if these tribunals should or should not come into existence; and when these tribunals are brought into existence, the appointing authority is made the Government itself, and what are these judges to do, when they are appointed to these tribunals? They are not to decide trade disputes finally between the parties, but they are merely to make recommendations or reports to Government on which the Government might or might not act, at its pleasure.

It is a well-known fact, sir, that in this country the Government is the largest employer of labour. It owns almost all the railways in this country, and the trade disputes are, generally, between the Government as employer and the labourers as employees. In countries where the Government is not an employer, there is at least some justification for Government taking upon itself the duty of appointing judges to these tribunals. In these circumstances, sir, in a country like India, the decisions or the results of the inquiry by these tribunals will be suspected to be foregone conclusions. The chief drawback of Government appointing judges is that it is Government. As a rule, sir, in almost all countries the Government commands the confidence of employers more than that of labourers, except in countries such as Australia where the Government is controlled by labour. In spite of these disadvantages, sir, I admit there can be no better agency than Government to bring into existence machinery to settle these trade disputes considering the resources, information and facilities it commands. In the circumstances, sir, we cannot help accepting Government agency as an inevitable evil. The only thing to be done therefore is to try and minimise

the evils that attend upon Government being the agency for bringing these tribunals into existence. This can only be done, sir, by making these tribunals altogether free of Government control and making them not subordinate to but independent of Government. This can be done in several ways. One of the ways is.....

**MR. PRESIDENT:** These are matters of detail. The Bill is going to the country. It is not going to the Select Committee.

**MR. VARAHAGIRI VENKATA JOGIAH:** Sir, I am making certain suggestions so that the public may give expression to their views on these suggestions.

**MR. PRESIDENT:** You are a member of the public.

**MR. VARAHAGIRI VENKATA JOGIAH:** Then, sir, as has been pointed out by my Honourable friend, Mr. Sessa Ayyangar, there are other provisions of this Bill which are very dangerous. For instance, the Bill makes provision for these tribunals to make inquiries in private, that is, confidential inquiries. This provision, sir, especially in the present state of conflict between the employer and the employee will be considered very dangerous and it should be very strongly opposed.

There are also other powers, which this Bill gives to these tribunals, such as those of adjourning their proceedings with a view to effect compromises. This is a provision, sir, which is detrimental to the interests of labour, because this makes the proceedings dilatory, and it would affect the labourers more than the employers, because it would starve the labourers and they cannot stand the prolonging of these proceedings.

Then, with regard to the public utility service provisions that have been incorporated in the Bill, I would like to say only one word. These are altogether one-sided. As has been pointed out by my Honourable friend, Mr. Joshi, while it provides penalties for giving up service without notice, or without permission, so far as the employees are concerned, it provides no penalties for the employers. There is not one word breathed, in any part of the Bill, about the right of employees to be allowed to work, unless dismissed, after due inquiry or for proved misconduct.

The penal provisions, sir, which are embodied in this Bill again are of a very dangerous character and give arbitrary powers to Government and leave a very wide door open to harass and punish disinterested public workers in the cause of labour. I wish to make only one other observation with respect to the provisions in the Bill. Sir, with regard to the provision of admitting "black-legs" into the unions, the Bill provides, in fact insists, that persons failing to abide by the decisions arrived at by unions should be admitted into the unions. I submit, sir, this will give free scope for Government spies and employers' agents to swarm into these unions and to sabotage their growth.

With regard to this Bill being copied from the Trade Disputes (Amendment) Bill that was lately passed in Great Britain, I may say, sir, that labour is in its very infant stages in this country, and therefore all the provisions that were passed in Great Britain should not be copied and introduced here. Further, there is a great difference between Great Britain and this country with regard to labour. As I have already pointed out, sir, in this country Government itself is, to a large extent, the employer, whereas in Great Britain and other countries the case is different; therefore there is no analogy between the conditions prevailing in Great Britain and this country in that matter.

I have, in these circumstances, no hesitation in saying that this Bill is a deliberate and unjustifiable attack on the elementary rights of labour. In this connection I am glad to observe, sir, that the Chamber of Commerce of Calcutta has lately passed resolutions condemning this Bill.

**SIR PURSHOTAMDAS THAKURDAS (Indian Merchants' Chamber : Indian Commerce):** Sir, I want to say a few words in connection with the remarks that fell from my Honourable friend Mr. Cocke this morning. It is quite true that the Indian Merchants' Chamber, Bombay,

coupled with the Bombay Chamber of Commerce did send a wire to the Government of India hoping that this Bill would be published immediately and that it might be possible for Government to see the Bill through this session. The point, however, to remark is—and that is why I claim the attention of the House for a few minutes—that at that time we did not know that the Bill had been drawn up in the manner in which it is before the House. My Chamber felt that this Bill would be on the lines of the Bill circulated by the Government of India in 1924, and the third part of the Bill against which we have heard so much from Mr. Joshi, Mr. Jogiah and others, my Committee were not aware, would form part of this Bill. Obviously, if the Government of India want to include in this Bill these clauses which are highly contentious, it is only right that the Government of India should circulate the Bill and not consider it in this session.

Sir, my Chamber are anxious that there should be devised some method of putting an end to these labour strikes and differences, but the Government of India have, if I may say so, a great knack of trying to close the stable door after the horse has flown. Strikes have been and are on and one does not know what may not happen during the next few months. I really wonder why the Government of India think it necessary to put in this Bill, some parts which make the Bill a highly contentious one. The position of my Chamber can be summarised as follows:—Legislation regulating industrial disputes is long overdue, but they were anxious that such legislation will help in the prevention of such disputes and not be the cause of either repression of or injustice to the working class. I hope that when the Bill comes back to this House after being circulated, the Government of India will be able to devise some method by which the non-contentious, or the least contentious part, of the Bill may pass through the Legislature and the rest may be discussed at leisure.

THE HONOURABLE MR. A. C. MCWATTERS: Sir, I have no intention to reply to the various points that have been raised by the earlier speakers, because most of them I think are points which can very well be discussed in Select Committee. Many of them are interesting and some of them are important, but I think the time for discussing them is not now. There is one point, however, which is directly relevant to the motion for circulation which was raised by my friend Mr. Sessa Ayyangar, and that is that we should take special steps to see that in the circulation of this Bill it should be brought prominently to the notice of the trade unions and other similar bodies who are directly interested, and my friend Colonel Gidney raised a similar point about the Anglo-Indian and Domiciled European Association. Well, sir, I think I can say that while we employ the ordinary machinery of circulation, I shall certainly do my best to see that Honourable Members' wishes are followed in these matters by special instructions to Local Governments. That, sir, is all I wish to say.

MR. PRESIDENT: The question is:

“That the Bill to make provision for the investigation and settlement of trade disputes, and for certain other purposes, be circulated for the purpose of eliciting opinions thereon.”

The motion was adopted.

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No. 41/153 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 7th January 1929

THE DIRECTOR OF INFORMATION AND LABOUR INTELLIGENCE,  
SECRETARIAT, BOMBAY.

SIR,

SUBJECT:—*Trade Disputes Bill.*

I am directed by the Committee of the Bombay Millowners' Association to acknowledge the receipt of a communication No. 6378, D, dated the 22nd October 1928, from the Under Secretary to the Government of Bombay, General Department, enclosing a copy of

the Trade Disputes Bill\* introduced in the last session of the Legislative Assembly, and extracts from the Legislative Assembly debate\* thereon. In accordance with the instructions submitted in that letter, I now have pleasure in sending you the considered views of my Association on the Bill. I have also to express regret that it was not found possible to forward this letter at an earlier date but my Committee trust that this unavoidable delay will not prevent the Association's views from receiving the earnest consideration of the Government of India.

2. During the last nine or ten years, the question of introducing legislation to facilitate the settlement of trade disputes has on several occasions been under contemplation by both the Government of India and the Local Government, and on each occasion the measures proposed have received detailed consideration from this Association. In order to avoid needless repetition of views previously expressed and still adhered to by the Association, I now enclose copies † of the Association's views on the Government of India and the Government of Bombay Bills introduced in 1924.

3. My Association is not averse, as will be noticed from its criticisms of previous Bills, to the introduction of Courts of Inquiry or Boards of Conciliation which have for their object the settlement of trade disputes, but still maintains that Government should not intervene in any way in a dispute :

- (1) unless the dispute is of a major nature,
- (2) unless all reasonable means to bring about a settlement by direct negotiations between the parties concerned have been tried and failed; or, are convinced
- (3) that peace, order and good government were endangered.
- (4) The Association also holds that a Court of Inquiry should not be instituted unless at least one party to the dispute demands such an inquiry and that a Board of Conciliation should not be appointed except on the application of both parties to the dispute.

The insertion of such a provision as that indicated in (4) is considered desirable for the reason that my Association has always maintained, and two previous Committees have upheld the view, that Government intervention is undesirable and should not take place unless direct negotiations between the parties concerned have failed and the modifications suggested in clause 3 of the Bill have been designed to ensure this.

4. In 1924, the Association while not opposed to Boards of Conciliation, held the view that the time was not ripe for their introduction and that the scope of the legislation introduced should be limited in the first place to the establishment of Courts of Inquiry. The reasons for this point of view were that as far as the textile industry was concerned, there would be insuperable difficulties in connection with the formation of Boards of Conciliation owing to the lack of organisation of labour, and in the absence of authorised representatives of labour, Conciliation Boards were bound to be ineffective and to some extent unpopular with the employers owing to the impossibility of any assurance being given by labour's representatives on a board that an agreement arrived at by them with the employers' representatives would be accepted by the workmen concerned in any particular dispute. The growth of trade unionism in this country during the last two years gives ground for hope that, in a very short time, agreements made on behalf of labour by responsible representatives may possibly be recognised by the workmen themselves, and at the present time my Association is inclined to resile from the view previously held that the scope of the Bill should be limited to the establishment of Courts of Inquiry. The Association is, however, still opposed, except in the case of public utility companies, to the establishment of either Courts of Inquiry or Boards of Conciliation without application from either party as set forth in the Bill, for reasons which have been given in their criticisms of the two Bills in 1924, being convinced that direct negotiations still provide the best means for the settlement of most disputes.

\* Already printed.

† Not printed (please see pages 370 and 383 of 1924 Report).

5. In one particular, namely, picketing, my Association considers the proposed legislation falls short of the present requirements in India. The absence of any special provisions regarding picketing, is probably accounted for by the fact that the Hon'ble Member for Industries and Labour recently stated that in the opinion of the Government of India the law against picketing in India is ample to prevent intimidation and that it is more severe than the corresponding law in the United Kingdom. My Association holds a contrary view and desires to stress the necessity for the introduction of restrictions regarding picketing at or near a workman's house similar to those in the United Kingdom. My Association also maintains that the Bill should contain provisions for the restriction of picketing of any kind whatsoever after the inauguration of either a Court of Inquiry or a Board of Conciliation for reasons given below.

In 1924, when the Trade Union Registration Bill was on the anvil in the Assembly, my Association made the following observations on the question of picketing :—

“ Another matter on which my Committee most emphatically differ from Government is the question of picketing. My Committee are utterly at a loss to understand how Government could have been led into making the somewhat amazing statement that ‘ the experience of the last few years has not revealed any urgent necessity for imposing a great restriction on picketing.’ The acts of violence that took place during the last big mill strike in Bombay, resulting in very heavy loss to property, are a sufficient refutation of the above-quoted statement of Government.

“ Under Section 7 of the Conspiracy and Protection of Property Act, 1875, picketing of any sort was punishable by fine or imprisonment in England until 1906, when peaceful picketing was legalised by the Trade Union and Trade Disputes Act. Sir Thomas Holland, in the course of his speech referring to the English Act of 1906, said, ‘ it legalised peaceful picketing among other things, and one knows to what extent such privileges have been abused.’ In support of his contention, Sir Thomas Holland quoted an extract from leading authorities like Lord Askwith and Mr. and Mrs. Sidney Webb. In view of the changed attitude of the Government of India, these extracts appear worthy of reproduction in this letter. Lord Askwith said :—

“ ‘ This Act is now regarded as a charter of liberty by some trade unionists and is denounced as a charter of license by some employers. It is neither the one nor the other, but it has been used to shield some acts by individual officials which in the interests of the community, might well not be shielded, under the cry of proposed infringement of privileges of a Trade Union. It has also caused a bitterness of feeling against many actions of Trade Unions which sensible laws would not have touched, in the belief that, but for the Trade Disputes Act, they ought to have and would have been made amenable to results every one else had to risk. Class feeling on the part of employers has been increased by suspicion and anger at its supposed effects, often quite irrationally. The people as a whole have a grudge against presumed privilege being accorded to one section of the community. It was passed under pressure, and believed to be passed for the sake of a temporary political advantage.’

“ Mr. Sidney Webb said :—

‘ The Trade Disputes Act, which remains the main charter of trade unionism, explicitly declares, without any qualification or exception, that no civil action shall be entertained against a trade union in respect of any wrongful act committed by or on behalf of the union ; the extraordinary and unlimited immunity, however great may be the damage caused and however unwarranted the act, which most lawyers, as well as employers, regard as nothing less than monstrous.’

“ The above-quoted extracts from leading authorities and the language used by Sir Thomas Holland clearly indicate that the Trade Disputes Act of 1906 is not a model Act to be slavishly imitated in this country. The Government of India themselves in their circular letter dated the 12th September 1921, stated : ‘ While Trade Unions in England had behind them in 1906 a continuous existence of over a century, during the greater part of which they had been subject to some form of legislation, Indian organisations are of extremely recent

date and in view of the acts of violence and intimidation which have unfortunately characterised a large proportion of the disputes in which they have been concerned, it would be unwise in the earlier stages of their existence to exempt them unreservedly from civil liability for tortuous acts. Moreover, as a reference to the debate in the Legislative Assembly will show, the value of the Trade Disputes Act in this respect has been seriously questioned by competent critics in England.'

"My Committee have no doubt as to the soundness of the views propounded by Government in the above passage and it is somewhat of a puzzle to them as to how Government could have been led into shifting their ground so completely as to say that 'the experience of the last few years have not revealed any urgent necessity for imposing a general restriction on picketing.' If in a highly advanced country like England, the privilege of even 'peaceful picketing' has been, in the opinion of the competent authorities, grossly abused and led to bitterness of feeling, can it be for a moment doubted that legalising of the so-called 'peaceful picketing' in a country 'of illiterate and excitable workmen' will prove simply disastrous? My Committee urge with all the emphasis at their command that ample provision should be made to prohibit picketing in any form whatever."

The bitter experiences of the public during the Indian strikes of 1928 more than bear out the observations made in 1924 as to the need for further restrictions on picketing in India.

Legal opinion has recently been taken by the Association as to the relative severity of the present law against picketing in India and the United Kingdom, in view of the Hon'ble Member for Industries and Labour having stated that the law in India was more severe than that in the United Kingdom. The results of the Association's inquiries which are summarised below do not uphold the views expressed by the Hon'ble Member for Industries and Labour.

In India there must be intimidation to make picketing illegal. In England, there must be intimidation to make picketing illegal at or near the workman's place of employment; but picketing is illegal *without intimidation* at or near a workman's house if its object is to induce him to abstain from working. In India this would not be an offence and it is precisely this type of picketing that it is most desirable to prevent. Presumably, the motive which led to this distinction in the English law was that a workman when leaving or entering his place of employment would probably be in company with others and under police protection. At home he would be alone and without protection. On the other hand, to bring Section 503 of the Indian Penal Code into play, substantial threats must be employed before a charge of criminal intimidation can be employed. A common threat in this country that the workmen will be outcasted will not fall within this section because Courts have always declined to interfere in caste disputes and any description of peaceful picketing is therefore permissible under this Code. While, therefore, the law in the United Kingdom prohibits even peaceful picketing at or near the workman's house to induce him to abstain from working, it is no offence in India if the charge of intimidation cannot be substantiated.

During the last strike in Bombay, picketing was employed to such an extent that even private residences and mill chawls were systematically spied upon to prevent those who actually desired to resume work from doing so. The difficulty of adducing proof of intimidation in such cases, combined with the moral influence it exercised in the minds of illiterate workmen, my Association contends, is more than sufficient justification for steps being taken to prevent what in reality amounts to picketing with intimidation. At one time during the recent mill strike in Bombay, picketing of workmen's houses prevented even essential emergency services in mills from being carried out and under the existing law the Government were powerless to take any action.

6. My Association considers that an excellent case could be made out for the inclusion of certain tramways and hydro-electric power companies under the heading of public utility services for the purposes of legislation for dealing with trade disputes.

Hydro-electric power companies in Bombay at any rate supply power and light for so many public purposes that anything in the nature of a general stoppage of work in such companies would have disastrous results as far as the public is concerned and the Association maintains that it would be advisable to class them as utility services by the insertion of the word "power" before the words "light or water" in clause 2 (f) (iii) of the Bill. Similarly, in many of the large cities of the country the electric tramway services are so widely used for the purpose of bringing workers from the suburbs to their daily avocations in the city that there are good grounds for considering them as public utility services, and that early steps should be taken by the Government of India to notify them as such in the *Government Gazette* under the powers given by clause 2 (f) (iv) of the Bill.

7. Another important point which the Government of India apparently overlooked when framing the Bill is the necessity for measures to ensure that a Court of Inquiry shall report upon the facts brought before it within a reasonable space of time. Such a provision is especially necessary since the Bill makes no provision for the return to work upon the establishment of either a Board of Conciliation or a Court of Inquiry. My Association holds that its utility will be vastly increased if the time within which the Court of Inquiry should submit its report were laid down in its terms of reference when appointed. Similarly, in respect of Boards of Conciliation, my Association considers it advisable that any adjournment of the proceedings as indicated in clause 7 should be limited to a period of 14 days. At the end of that period the board could again meet to receive reports as to the progress of direct negotiations and if necessary, a further adjournment could be allowed. Such a procedure would, in the opinion of the Association, tend to speed up a settlement by providing opportunities for the board to use its good offices to overcome deadlocks likely to arise at critical stages.

8. In clause 7, sub-clause 3, it is laid down that a Conciliation Board shall invariably submit a full report where a settlement is not arrived at. My Association foresees occasions when such report would be expensive and valueless and would prefer that the appointing authority should have discretion as to whether a report should or should not be submitted.

9. In clause 9, my Association considers it necessary that it be specifically stated that a court or board shall decide what evidence and facts it shall call for or examine. With such a specific provision in the Bill the possibility of limiting the facts examined to those which are strictly relevant to the dispute would be increased.

10. My Association welcomes the provisions included in the clauses of the Bill regarding illegal strikes in view of the number of strikes which have recently taken place in India in which it has been more than doubtful whether the objects have been entirely concerned with the furtherance of a trade dispute.

In clause 17 my Association doubts whether the penalty provided would prove sufficient to act as a deterrent to persons not directly connected with a particular trade or industry who desire to incite workers to take part in an illegal strike for political purposes.

The other modifications which the Association considers should be made in the Bill are of minor importance and need no special comment in this letter.

Dealing with the Bill clause by clause, the exact amendments which the Association considers might be made are as follows. These amendments contain no provision for the restriction of picketing since any alteration of the present law in that connection could probably be dealt with more appropriately by an amendment of the Indian Penal Code.

*Amendment to Clause 2 (f) (iii) :—*Insert the word "power" after the word "supplies" and before the word "light."

*Amendment to Clause 3.—*Clause 3(a). If any trade dispute exists or is apprehended between an employer, other than the head of a department under the control of the Governor-General in Council, or any public utility service, which has caused or is likely to cause a cessation of work in a considerable portion of a trade or industry, provided they are satisfied that



all reasonable means to bring about a settlement by direct negotiations between the parties to the dispute have been tried and have failed, and provided they have reason to believe that the dispute prejudices or is likely to prejudice peace, order or good government, the Local Government may—

- (1) at the request of either the employers or the workmen by order in writing refer any matters appearing to be connected with or relevant to the dispute to a Court of Inquiry to be appointed by the Local Government ;
- (2) at the request of both the parties refer the dispute to a Board of Conciliation to be appointed by the Local Government for promoting a settlement thereof.

Clause 3 (b). If any trade dispute exists or is apprehended between an employer who is the head of a department under the control of the Governor-General in Council, or is a public utility service, the Governor-General in Council may by order in writing :

- (1) refer any matters appearing to be connected with or relevant to the dispute to a Court of Inquiry to be appointed by the Governor-General in Council ;
- (2) refer the dispute to a Board of Conciliation to be appointed by the Governor-General in Council for promoting a settlement thereof.

*Amendment to Clause 4.*—Clause 4 (1). Add the words “ totally unconnected with the dispute ” at the end of the sub-clause.

*Amendment to Clause 6.*—In the proviso to clause 6 insert the words “ dies or ” before the word “ resigns.”

*Amendment to Clause 7.*—In sub-clause (1) after the words “ may adjourn the proceedings for any period ” insert the words “ not exceeding 14 days.”

In sub-clause (3) after the words “ Board shall ” in line 2, insert the words “ if required by the appointing authority.”

*Amendment to Clause 9.*—In sub-clause (2) after the word “ witnesses ” insert the words “ and shall decide what evidence and facts it shall call for or examine.”—I have, etc.,

T. MALONEY,  
*Secretary.*

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## APPENDIX 35.

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### AMENDMENT OF THE INDIAN PENAL CODE—IMMUNITY FROM LEGAL PROCEEDINGS TO UNREGISTERED TRADE UNIONS.

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No. 3629/2-B.

HOME DEPARTMENT,  
BOMBAY, 19th May 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :—*Bill—Indian Penal Code : Amendment of Section 43 of the (Protection of Members of Trade Unions from Criminal Liability). (Mr. N. M. Joshi.)*

I am directed by the Governor in Council to forward herewith a copy of letter from the Government of India, Legislative Department, No. F. 111-1/27-A, dated the 4th April

1928, and of its accompaniments regarding the Indian Penal Code (Amendment) Bill by Mr. N. M. Joshi, and to request that you will be so good as to favour Government with the views of the Millowners' Association, Bombay, in the matter.

2. I am to request that a reply to this letter may be sent so as to reach this Government not later than the 15th June 1928.—I have, etc.,

J. MONTEATH,  
*Secretary to the Government of Bombay,  
Home Department.*

No. FIII-I/27-A.

GOVERNMENT OF INDIA,  
LEGISLATIVE DEPARTMENT,  
NEW DELHI, 4th April 1928.

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,  
LEGAL DEPARTMENT.

SIR,

SUBJECT:—*The Indian Penal Code (Amendment) Bill by Mr. N. M. Joshi.*

With reference to the Debates of the Legislative Assembly of the 22nd March 1928,

1. The Indian Penal Code (Amendment) Bill with Statement of Objects and Reasons by Mr. N. M. Joshi.  
2. Extract from Legislative Assembly debates dated 22nd March 1928 regarding the Bill.

I am directed to forward herewith copies of the papers noted on the margin and to request that the Governor in Council will favour the Government of India in this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of the Honourable the Judges of the High Court and of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

2. I am also to request that the Bill and Statement may be published in the *Bombay Government Gazette* in English and in such other languages as the Governor in Council may deem proper, and that the dates of such publication may be communicated in your reply.

3. The reply to this letter should be sent in by the 1st July 1928.—I have, etc.,

L. GRAHAM,  
*Secretary to the Government of India.*

(As introduced in the Legislative Assembly.)

*A Bill further to amend the Indian Penal Code.*

Whereas it is necessary to legalise Trade Unions ;

And whereas it is expedient to protect the members and office-bearers of such Trade Unions from criminal liability under Section 120B\* of the Indian Penal Code ;

And whereas it is necessary to protect from criminal liability any two or more persons acting together to do any act in contemplation or furtherance of a trade dispute or in restraint of trade ;

And whereas it is expedient further to amend the Indian Penal Code for the purposes hereinbefore appearing ;

It is hereby enacted as follows :—

1. This Act may be called the Indian Penal Code (Amendment) Act,\* 1927 .

2. To Section 43\* of the Indian Penal Code the following proviso shall be added,  
 Amendment of Section 43. Act XLV of 1860. namely :—

“ Provided that nothing is illegal if done or procured to be done by two or more persons in contemplation or furtherance of a trade dispute or in restraint of trade, unless it be an offence when committed by one person.”

#### STATEMENT OF OBJECTS AND REASONS.

1. Trade Unions are now organised all the world over as a legitimate method of protecting and furthering the cause of labour. The Trade Unions Act of 1926 is only an instance of the recognition of this principle in India, though only to a limited extent. The said Act, however, protects only such of the Trade Unions, their members and office-bearers as are “ registered ” under the said Act. It affords no protection to Trade Unions which are not registered.

2. In the infant state of the Trade Union movement in India and even afterwards some Trade Unions may not get themselves registered under the Act. It is, however, absolutely necessary to protect the members and office-bearers of such Trade Unions from the criminal liability for their acts done in contemplation or furtherance of a trade dispute or in restraint of trade. Moreover, under the present unorganised condition of labour in India there will be many cases when two or more persons may combine themselves without forming a Trade Union in furtherance or for the protection of the interests of labour. The actions of such persons also require to be protected from the consequence of Section 120B of the Indian Penal Code.

3. Under the existing criminal law, as contained in Section 120B of the Indian Penal Code, an agreement between two or more persons to do an illegal act is an offence. The word illegal as defined in Section 43 of the Indian Penal Code includes *inter alia* anything which affords a ground for civil action. And an act done by two or more persons in contemplation or furtherance of a trade dispute or in restraint of trade may afford a ground for civil action and thereby would be “ illegal ” and would come under the criminal conspiracy as defined in Section 120B of the Indian Penal Code. Such an act was not considered to be an offence before the Indian Penal Code was amended in 1913. Further, such an act is not an offence under the English law. It is true that under Section 196A of the Criminal Procedure Code the previous complaint or authority from the Governor-General in Council, the Local Government or some officer empowered by the Governor-General in Council is necessary to start the prosecution. But it cannot be denied that under some circumstances it may become difficult for the authorities giving sanction for prosecution to resist the pressure brought to bear upon them by influential employers. Moreover, in this country Government themselves are large employers of labour.

4. It is, therefore, necessary for the protection of the members and office-bearers of unregistered Trade Unions and unorganised workers to amend the existing criminal law and to bring it into line with the English law and with the Indian Criminal Law as it stood before 1913.

5. This object is sought to be achieved by modifying the definition of the term “ illegal ” by adding a proviso to it at the end of Section 43 of the Indian Penal Code as given in clause 2 of the Bill.

The 30th January 1927.

N. M. JOSHI.

\* XLV of 1860.

*Extract from the Legislative Assembly Debates, Vol. I, No. 34.*

The Assembly met in the Assembly Chamber of the Council House, New Delhi, on Thursday, the 22nd March 1928.

\* \* \* \* \*

THE INDIAN PENAL CODE (AMENDMENT) BILL.

IMMUNITY OF MEMBERS OF UNREGISTERED TRADE UNIONS, ETC., FROM THE CONSEQUENCES OF THE CONSPIRACY LAW.

MR. N. M. JOSHI (Nominated : Labour Interests) :—I move that the Bill further to amend the Indian Penal Code be circulated for the purpose of eliciting opinions thereon.

The objects of the Bill are fully explained in the Statement of Objects and Reasons appended to the Bill. It is not therefore necessary for me to make a long speech to explain the provisions of the Bill, but it is necessary just to say why the Bill is necessary. My Bill seeks to give to unregistered trade unions and to any group of workers who are engaged in a trade dispute an immunity which the Indian Trade Union Act gives to the members and officers of a registered trade union. Section 17 of the Indian Trade Union Act is as follows :—

“ No officer or member of a registered trade union shall be liable to punishment under sub-section (2) of Section 120B of the Indian Penal Code in respect of any agreement made between the members for the purpose of furthering any such object of the trade union as is specified in Section 15 unless the agreement is an agreement to commit an offence.”

This section gives immunity to the members and officers of registered trade unions from the operation of the law of conspiracy in India. My Bill proposes that the same immunity should be extended to members of unregistered trade unions and to any group of workers who are engaged in a trade dispute. The object of my Bill is to bring the law on this question into line with the English law. In England there used to be a law of conspiracy by which workmen who combine for the sake of a trade dispute were punished under the law of conspiracy, but in the year 1875 the law was changed so that immunity was given to all workers who combine together for a trade dispute. The English law as it stands to-day is this :

“ An agreement or combination by two or more persons to do or to procure to be done any act in contemplation or furtherance of a trade dispute between employers and workmen shall not be indictable as a conspiracy if such an act committed by one person would not be punishable as a crime.”

The English law does not give immunity only to the members of registered trade unions although there is a law in England to register trade unions. Nor does the English law give immunity only to the members of a trade union. The English law gives immunity to all persons who are engaged in a trade dispute and my Bill proposes that similar immunity should be given to Indian workers also. Sir, the Government of India does not or cannot now dispute the utility of giving immunity to organised workers because they themselves have now given immunity to the members and officers of registered trade unions in the Indian Trade Unions Act. I need not therefore explain.....

MR. PRESIDENT :—The Honourable Member stated on a previous motion that the principle should not be discussed at length on a motion of this kind.

MR. N. M. JOSHI :—I have no intention to discuss the principle if that ruling is to apply to all persons. I am quite willing to bring my speech to a close as soon as possible.

MR. PRESIDENT :—What is the Honourable Member's suggestion in his remarks “ if it is to apply to all persons ” ?

MR. N. M. JOSHI :—Up to this time people were making speeches and so I thought that I might also.....

MR. PRESIDENT :—The Honourable Member knows that the motion then before the House was that the Bill be referred to a Select Committee, to which an amendment was moved that the Bill be circulated for the purpose of eliciting opinions. The Chair having ruled that both motions were before the House, Honourable Members were entitled to discuss the principles of that Bill. It is otherwise with this motion.

MR. N. M. JOSHI :—Then I do not wish to take any more time in discussing.

MR. PRESIDENT :—I was merely reminding the Honourable Member of his own objection to the procedure he now follows.

MR. N. M. JOSHI :—In the present industrial conditions of India there are very few unions and only very few of them are registered and the workers will not be able therefore to get the benefit of the Trade Unions Act. If the immunity is to be of use to the workers in India, the immunity must be extended not only to the members of the registered trade unions but to all trade unions and also to all unorganised workers. It is only then that the immunity will be of some use. As the Government may not oppose my motion, I do not wish to make any more remarks.

THE HONOURABLE SIR BHUPENDRA NATH MITRA (Member for Industries and Labour) :—Sir, it is the present opinion of the Government of India that the Bill whose circulation for eliciting opinions thereon has been moved by my Honourable friend Mr. Joshi is open to serious objections, and that the Bill if it becomes law may have the effect of defeating the purpose with which Mr. Joshi proposes to get it placed on the Statute-book. There is no reason why people generally should receive direct encouragement to do illegal acts. In the case of a certain class of workmen, the Legislature agreed to a concession in the Trade Unions Act passed in 1926, because they felt that by taking that action they would encourage the growth of trade unions in this country on proper lines. That is one thing, but to give the same concession to a body of irresponsible people improperly organised or not organised at all is a different matter. I therefore want at this stage to put in a clear caveat that in the opinion of the Government, as they understand the position at present, this Bill is open to serious objection and they may have to oppose it very definitely at later stages. At the same time they have no desire to oppose the particular motion which has been made by my friend Mr. Joshi at the present stage.

MR. PRESIDENT :—The question is :

“ That the Bill further to amend the Indian Penal Code be circulated for the purpose of eliciting opinions thereon.”

The motion was adopted.

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No. 1163/134 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 20th June 1928

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,  
HOME DEPARTMENT, BOMBAY.

SIR,

SUBJECT :—*Bill—Indian Penal Code : Amendment of Section 43 of the (Protection of Members of Trade Unions from Criminal Liability). (Mr. N. M. Joshi.)*

I have the honour to acknowledge receipt of your letter No. 3629/2-B, dated 19th May 1928, asking for the Association's opinion on the Indian Penal Code (Amendment) Bill introduced in the Legislative Assembly by Mr. N. M. Joshi with the object of giving to office-bearers and members of unregistered trade unions and, in fact, to any group of

workers engaged in a trade dispute that immunity from liability for acts done in contemplation or furtherance of a trade dispute or in restraint of trade which is enjoyed at present by the office-bearers and members of registered trade unions under Section 17 of the Indian Trade Unions Act.

2. I am directed to state that Mr. Joshi's Bill is one more instance of the manner in which over-enthusiastic champions of labour endeavour to graft on the Indian Statute-book Labour legislation on the lines of the legislation prevailing in industrially advanced countries of the West, without giving any consideration to the peculiar conditions prevailing in this country. My Committee are very pleased to note that the Hon'ble Sir Bhupendranath Mitra, on behalf of the Government of India, effectually pointed out the objectionable features of Mr. Joshi's Bill in the speech made by him in the Legislative Assembly on 22nd March 1928, and my Committee are entirely in accord with the views of the Honourable Member, which are reproduced below :—

“ There is no reason why people generally should receive direct encouragement to do illegal acts. In the case of a certain class of workmen, the Legislature agreed to a concession in the Trade Unions Act passed in 1926, because they felt that by taking that action they would encourage the growth of trade unions in this country on proper lines. That is one thing, but to give the same concession to a body of irresponsible people improperly organised or not organised at all is a different matter. I therefore want at this stage to put in a clear caveat that in the opinion of the Government as they understand the position at present, this Bill is open to serious objection and they may have to oppose it very definitely at later stages.”

3. Government are aware that in 1921 when they first broached the question of the advisability or otherwise of introducing legislation in connection with trade unions, they had very definitely expressed themselves against countenancing picketing in any form, and were rightly inclined to the opinion that a definite responsibility should be laid on the unions or their executive committees for the prevention of the issue of any orders authorising picketing in any form by the members of the union. It is very unfortunate that eventually Government were led to modify their views, with the result that the Trade Unions Act as finally passed contained provisions granting immunity from legal proceedings to office-bearers and members of registered trade unions. It is, however, now abundantly proved that Indian labour is not sufficiently educated to make good and proper use of this privilege. In the present general strike of millhands, for instance, violent methods have been frequently resorted to by strikers with a view to preventing workers performing essential services in the mills, e.g., keeping steam in the boilers to comply with insurance regulations, cleaning and oiling machines, or keeping watch over the mill properties—from attending to their work. It is a matter of considerable regret to my Committee that a gentleman like Mr. Joshi should have taken it upon himself to draft the present Bill in face of the hard and undisputed facts so patently brought home to him in the present and the previous strikes.

4. Mr. Joshi's Bill not only seeks to protect the members and office-bearers of un-registered trade unions, but also any group of workers who are engaged in a trade dispute. In other words, the Bill seeks to encourage any irresponsible persons to intimidate with impunity industrial operatives from attending to their work without any fear as to the consequences of their action. My Committee are at a loss to understand how a gentleman like Mr. Joshi could seriously advocate such legislation in a country like India.

5. The “ Trade Disputes and Trade Union Bill ” passed by the British Parliament last year contains important provisions for protection of non-strikers and for prevention of intimidation, and my Committee are strongly of the opinion that similar provisions are urgently called for in the Indian Trade Unions Act.

6. For the reasons stated above, my Committee are very strongly opposed to the amendments which Mr. Joshi wishes to make in the Indian Penal Code.—I have, etc.,

J. P. WADIA,  
Acting Secretary.

## APPENDIX 36.

## WORKMEN'S COMPENSATION ACT (AMENDMENT) BILL.

No. 264/D.

GENERAL DEPARTMENT,  
BOMBAY, 29th October 1928THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :—*Workmen's Compensation (Amendment) Bill.*

I am directed by the Governor in Council to forward herewith a copy of Government Resolution\* No. 264, dated the 19th October 1928, and to request that you will be so good as to furnish the Director, Labour Office, with the views of your Association by the prescribed date.—I have, etc.,

S. M. THENGE,  
For Under Secretary to the Government of Bombay,  
General Department.

[As introduced in the Legislative Assembly.]

*A Bill Further to Amend the Workmen's Compensation Act, 1923, for Certain Purposes.*

Whereas it is expedient further to amend the Workmen's Compensation Act, 1923†, for certain purposes hereinafter appearing; It is hereby enacted as follows :—

- Short title. 1. This Act may be called the Workmen's Compensation (Amendment) Act, 192 .
- Amendment of Section 2, Act VIII of 1923. 2. In sub-section (1) of Section 2 of the Workmen's Compensation Act, 1923† (hereinafter referred to as the said Act),—
- (a) after clause (i), the following clause shall be inserted, namely :—
- “(ii) ‘ railway servant ’ means a person employed upon a railway in connection with the service thereof by the railway administration or by a person fulfilling a contract with the railway administration ”; and
- (b) in sub-clause (t) of clause (n), the words “ as defined in Section 3 of the Indian Railways Act, 1890 ”‡ shall be omitted.
- Amendment of Section 3, Act VIII of 1923. 3. In the proviso to sub-section (1) of Section 3 of the said Act, the word “ or ” at the end of clause (b) and the whole of clause (c) shall be omitted.
- Amendment of Section 5, Act VIII of 1923. 4. (1) Section 5 of the said Act shall be re-numbered as sub-section (1) of Section 5, and in that sub-section as so re-numbered—

\* Not printed.

† VIII of 1923.

‡ IX of 1890.

- (i) clause (b) shall be re-lettered as clause (c), and after clause (a) the following clause shall be inserted, namely :—

“(b) where the workman has been in the service of the employer during a continuous period of less than one month immediately preceding the accident, his monthly wages shall be deemed to be the average monthly amount which, during the twelve months immediately preceding the accident, was being earned by a workman employed on the same work by the same employer or, if there was no person so employed, by a workman employed on similar work in the same locality ;”

- (ii) in the proviso, for the words and letters “ clause (a) or clause (b),” and in the *Explanation* for the words “ this section,” the words “ this sub-section ” shall be substituted.

- (2) To the same section as so re-numbered the following sub-section shall be added, namely :—

“(2) The provisions of sub-section (1), other than the proviso, shall apply to the calculation of wages for the purposes of clause (n) of sub-section (1) of Section 2 and of sub-section (3) of that section.”

Amendment of  
Section 8, Act VIII  
of 1923.

5. In Section 8 of the said Act,—

- (a) for sub-sections (1) to (3) the following sub-sections shall be substituted, namely :—

“(1) No payment of compensation in respect of a workman whose injury has resulted in death, and no payment of a lump sum as compensation to a minor, shall be made otherwise than by deposit with the Commissioner, and no such payment made directly by an employer to any dependant of a deceased workman, or to any such minor, shall be deemed to be a payment of compensation.

(2) Where any lump sum is payable as compensation to a woman or a person (other than a minor) under any legal disability, the Commissioner may, of his own motion or on an application made to him in this behalf, direct that such sum be deposited with him on behalf of such woman or person, and when such direction has been made, no payment thereafter made directly to such woman or person shall be deemed to be a payment of compensation.

(3) Any other sum amounting to not less than ten rupees which is payable as compensation may be deposited with the Commissioner on behalf of the person entitled thereto.

(4) The receipt of the Commissioner shall be a sufficient discharge in respect of any compensation deposited with him ;

- (b) sub-section (4) shall be re-numbered as sub-section (5), and in that sub-section after the words “ under sub-section (1) ” the words “ as compensation in respect of a deceased workman ” shall be inserted ; and

- (c) sub-section (6) shall be re-numbered as sub-section (9), and for sub-section (5) the following sub-sections shall be substituted, namely :—

“(6) Compensation deposited in respect of a deceased workman shall, subject to any deduction made under sub-section (5), be apportioned among the dependants of the deceased workman or any of them in such proportion as the Commissioner thinks fit, or may, in the discretion of the Commissioner, be allotted to any one dependant.



- (7) Where any compensation deposited with the Commissioner is payable to any person, the Commissioner shall, if the person to whom the compensation is payable is not a person under a legal disability, and may, in other cases, pay the money to the person entitled thereto.
- (8) Where any lump sum deposited with the Commissioner is payable to a woman or to a minor or other person under a legal disability, such sum may be invested, applied or otherwise dealt with for the benefit of the woman, or of such minor or other person, as the case may be, during his disability, in such manner as the Commissioner may direct ; and where a half-monthly payment is payable to any person under a legal disability, the Commissioner may, of his own motion or on an application made to him in this behalf, order that the payment be made during the disability to any dependant of the workman or to any other person whom the Commissioner thinks best fitted to provide for the welfare of the workman."

6. To Section 23 of the said Act after the words " material objects " the following words shall be added, namely :—  
 Amendment of Section 23, Act VIII of 1923.

" and the Commissioner shall be deemed to be a Civil Court for all the purposes of Section 195 and of Chapter XXXV of the Code of Criminal Procedure, 1898."\*

7. In sub-section (1) of Section 28 of the said Act,—  
 Amendment of Section 28, Act VIII of 1923.

- (a) for the words " to a person under a legal disability " the words " to a minor or to a person under a legal disability otherwise than by reason of age " shall be substituted ;
- (b) clause (b) of the proviso shall be omitted ; and
- (c) in clause (d), for the words " to a person under any legal disability " the words " to any minor or any person under a legal disability otherwise than by reason of age " shall be substituted.

8. In Schedule II to the said Act,—  
 Amendment of Schedule II, Act VIII of 1923.

- (1) for clause (v) the following clause shall be substituted, namely :—  
 " (v) employed for the purpose of loading, unloading, fuelling, constructing, repairing, demolishing, cleaning or painting any ship ; or "
- (2) in clause (vii), after the words " electric cable " the words " or post or standard for the same " shall be inserted ; and
- (3) after clause (ix) the following clauses shall be added, namely :—  
 " or  
 (x) employed as an inspector, mail guard sorter or van peon in the Railway Mail Service ; or  
 (xi) employed, in connection with operations for winning natural petroleum or natural gas, as a rig-builder, driller, driller's helper, oil-well puller, or in baling or cleaning oil-wells or putting in and taking out casings or drill pipes in oil-wells ; or  
 (xii) employed in any occupation involving blasting operations."

9. In Schedule IV to the said Act, for the words and letters " clause (a) or clause (b) " the word and figure " sub-section (1) " shall be substituted.  
 Amendment of Schedule IV, Act VIII of 1923.

## STATEMENT OF OBJECTS AND REASONS.

The Workmen's Compensation Act, 1923, came into force on the 1st July 1924. Since then a number of amendments have suggested themselves or have been proposed by Commissioners for Workmen's Compensation and Local Governments. Some of the latter proposals involve the modification of the principles underlying the present Act or of its more important features. So far as these are concerned, the Government of India consider it advisable to consult Local Governments and the public generally before forming conclusions. For the present it is proposed to limit the revision of the Act to the amendment of those sections or parts of sections which are admittedly defective and to the introduction of changes which are likely to raise no important controversial points and which will be generally recognised as improvements. The proposed amendments are explained in the Notes on Clauses below.

*Notes on Clauses.*

*Clause 2.*—The definition of 'workman' in existing Section 2 (1) (n) of the Act includes persons who are employed by a Railway administration in connection with the service of a railway, but excludes persons employed on similar work by a person fulfilling a contract with a Railway administration. It was never intended that contractors' employees should be outside the scope of the Act on Railways; they come within the Act in all the other classes of employment to which the law extends. The amendment seeks to remove an obvious defect in the law.

*Clause 3.*—Compensation to workmen employed in the construction, repair or demolition of a building or bridge was originally restricted on grounds of expediency to cases of death and permanent total disablement as it was feared that any general application of the Act to the building trades might lead to administrative difficulties. Experience of the working of the Act has shown that no such result need be anticipated, especially in view of the restrictions imposed by clause (vi) of Schedule II of the Act. The amendment seeks to remove the discrimination contained in the existing proviso (c) to sub-section (1) of Section 3 of the Act against such workmen.

*Clause 4.*—(1) Cases have been reported in which the application of the existing Section 5 (b) gives results which are wide of the true average wages in the case of workmen whose period of service immediately preceding the accident is less than a month. The amendment seeks to remove this anomaly.

(2) The existing Section 5 prescribes the manner in which the monthly wages of a workman shall be calculated for the purpose of Section 4. The amendment is designed to extend the same method to the calculation of wages for the purposes of clause (n) of sub-section (1) of Section 2 and of sub-section (3) of that section.

*Clause 5.*—Sub-section (1) of Section 8 as at present worded is liable to misinterpretation. The amendment seeks to clarify the real intention which is that all payments to dependants of the deceased workman must be made through the Commissioner and not directly to the dependants. The opportunity has been taken to provide that any lump sum payable as compensation to a minor should also be paid similarly through the Commissioner. The revised section further provides for:—

- (a) the protection of lump sums payable to a woman or to a person (other than a minor) under any legal disability,
- (b) the prevention of deposits of trivial amounts, and
- (c) the investment of sums payable as compensation to women.

It is also proposed to remove the apparent inconsistency between the existing sub-section (5) and the existing sub-section (2) and between sub-section (1) which might be read as requiring the Commissioner to pay the full sum to a dependant, and sub-section (4) which enables him to deduct funeral expenses.

*Clause 6.*—The amendment is designed to vest Commissioners with the same powers in respect of the prosecution of persons for perjury as are possessed by Civil Courts generally.

*Clause 7.*—The existing sub-section (1) of Section 28 provides, *inter alia*, for the registration of agreements which settle the compensation payable to persons under legal disability. The provision is not necessary in the case of persons who are over 15 years of age and suffer from no other legal disability; the Act treats such persons as adults for purposes of compensation. The amendment also provides for the repeal of proviso (b) which has in practice remained a dead letter.

*Clause 8.*—(1) The application of the Workmen's Compensation Act to dock labourers, etc., is governed partly by existing clause (v) of Schedule II of the Act and partly by a notification issued by the Governor-General in Council under Section 2 (3) of the Act. The two provisions are not entirely consistent, as the former applies only to places where steam, water or other mechanical power or electrical power is used, whereas the latter imposes no such restriction. The revised clause consolidates the provisions of the existing clause (v) and of the notification and eliminates the condition relating to the use of power. The revised clause will now include all persons employed for the purpose of loading, unloading, fuelling, constructing, repairing, demolishing, cleaning or painting a ship irrespective of the place where the ship may be.

(2) The amendment to clause (vii) of this Schedule is designed to include in the scope of the Act persons employed in setting up, repairing, maintaining or taking down a post or standard supporting an overhead electric cable. Persons employed in setting up, etc., posts supporting telegraph and telephone lines are already included in the existing clause (vii), and the omission of the former class of persons was unintentional.

(3) Certain classes of workmen who have been brought within the scope of the Act by notifications issued under sub-section (3) of Section 2 of the Workmen's Compensation Act have also been included in the Schedule.

The 15th August 1928.

A. C. McWATTERS.

*Extract from the Legislative Assembly Debates, Vol. III, No. 14.*

The Assembly met in the Assembly Chamber, Simla, on Friday, the 21st September 1928.

\* \* \* \* \*

THE WORKMEN'S COMPENSATION (AMENDMENT) BILL.

THE HONOURABLE MR. A. C. McWATTERS (Member for Industries and Labour) : Sir, I move that the Bill further to amend the Workmen's Compensation Act, 1923, for certain purposes, be circulated for the purpose of eliciting opinions thereon. This Bill, sir, as I explained on an earlier occasion, is merely an attempt to correct certain defects which we have discovered in the working of this Act during the four years in which it has been in operation. They are mainly suggestions made by the Commissioners of Workmen's Compensation, and for one of them, that relating to the extension of the Act to workmen employed by contractors on railways, we are indebted to a suggestion made by my Honourable friend Mr. Joshi in our Standing Advisory Committee. On the more general question of considering whether the Act as a whole needs revision in matters of wider principle we are simultaneously addressing Local Governments. Local Governments have not yet been consulted on these details, although, as I have said, the Commissioners for Workmen's Compensation in some of the provinces have been; but in a Bill of this kind it is desirable that the Local Governments and the public should be consulted.

Sir, I move.

The motion was adopted.

No. 2085/197 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 5th December 1928.

THE DIRECTOR,  
LABOUR OFFICE, BOMBAY.

SIR,

SUBJECT :—*Workmen's Compensation (Amendment) Bill.*

I am directed to acknowledge receipt of letter No. 264/D, dated 29th October 1928, from the Government of Bombay, General Department, requesting my Committee to express an opinion on certain amendments to the Workmen's Compensation Act, 1923, and to inform you that my Committee have no criticisms to offer in regard to the proposed amendments which, in their opinion, only seek to rectify certain legal defects which exist in the law as it stands to-day.—I have, etc.,

B. K. MANTRI,  
*Acting Secretary.*

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**APPENDIX 37.**

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BILL FURTHER TO AMEND THE INDIAN MERCHANDISE MARKS ACT, 1889.

No. 317-G/28.

REVENUE DEPARTMENT,  
BOMBAY, 16th March 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :— *A Bill further to amend the Indian Merchandise Marks Act, 1889.*

I am directed by the Governor in Council to forward a copy of Government Resolution\* No. 317/28, dated 16th March 1928, and to request that Government may be favoured with the opinion of your Association on the provisions of the Bill further to amend the Indian Merchandise Marks Act, 1889.

2. The reply to this reference may, please, be forwarded so as to reach Government not later than 25th April 1928.—I have, etc.,

R. B. DIVANJI,  
*For Secretary to the Government of Bombay,  
Revenue Department.*

[To be introduced in the Legislative Assembly.]

*A Bill Further to Amend the Indian Merchandise Marks Act, 1889.*

Whereas it is expedient further to amend the Indian Merchandise Marks Act, 1889,\* for the purpose hereinafter appearing ; It is enacted as follows :—

Short title and commencement.

1. (1) This Act may be called the Indian Merchandise Marks (Amendment) Act, 1927.

(2) It shall come into force on the first day of January 1928.

Insertion of new Section 12A in Act IV of 1889

2. After Section 12 of the Indian Merchandise Marks Act, 1889,\* the following section shall be inserted, namely :—

“ 12A. (1) The Governor-General in Council may, by notification in the *Gazette of India*, prescribe the kind, description or class of goods brought into British India to which a trade description giving the place or country in which they were made or produced shall be applied.

(2) The Governor-General in Council may, after previous publication, make regulations, either general or special, prescribing—

- (a) the form in which the trade description shall be applied ;
- (b) the manner in which the trade description shall be applied, whether by a mark to be placed upon the goods, or in some other manner ; and
- (c) the time or occasion when the trade description shall be applied, and, in particular, whether the trade description shall be applied on importation only, or also on sale of the goods, either by wholesale or retail, in British India.

(3) If a person who is required under this section to apply a trade description to any goods fails to do so or contravenes any regulation made under sub-section (2), he shall be punished in the same manner as if he had been guilty of applying a false trade description to goods.”

STATEMENT OF OBJECTS AND REASONS.

There is no provision in the existing law in India which can compel the application of a trade description to imported goods. The result is that articles made in foreign countries, without any indication as to their local origin, are sometimes palmed off as Indian manufactures. It is a well-known fact that a kind of piecegoods especially manufactured abroad is sometimes sold in India as hand-woven *khaddar*. Again, cheap hosiery, particularly cotton undershirts, are imported from Japan without any trade description and sold in this country as local manufacture. In such cases, the local origin of goods should be indicated so as to prevent fraud on the consumers, and protect some of the struggling industries of India from unfair competition. It is proposed in this Bill to arm the Governor-General in Council with power to specify any imported goods in respect of which the importer, or the wholesale or retail dealer, shall be called upon to affix a trade description giving the place of origin thereof. It may be mentioned that the provisions are mainly adapted from the recommendations of a Departmental Committee of the British Government regarding legislative action in the United Kingdom in the interest of certain Empire or British goods.

*The 23rd December 1926.*

K. C. NEOGY.

\* IV of 1899.

*Extract from the Legislative Assembly Debates, Vol. I, No. 5.*

The Assembly met in the Assembly Chamber of the Council House, New Delhi, on Thursday, the 9th February 1928.

\* \* \* \* \*

THE INDIAN MERCHANDISE MARKS (AMENDMENT) BILL.

MR. K. C. NEOGY (Dacca Division: Non-Muhammadan Rural): I beg to move that the Bill further to amend the Indian Merchandise Marks Act, 1889, be circulated for the purpose of eliciting opinions thereon.

The Indian law of 1889 is based more or less on the English Statute of 1887, but we have not kept pace with the progress of legislation in the country of its origin. All that the present legislation in India requires in regard to trade descriptions on imported goods, is that if any indication of the place of origin of any imported goods is given thereon it must be a correct description, and penalties are provided in case any incorrect description is attached to any article. There is no authority in the existing law to require the application of any trade description to any article which might be imported. This state of affairs was not considered to be satisfactory in England, with the result that a departmental committee was appointed by the British Government to consider this question. The report of this committee was available in 1920 and I drafted my Bill on the lines of the report of that committee. The legislation which resulted from this report in England was passed as late as December 1926. The principle which this legislation has sought to give effect to is that every consumer is expected to give some sort of preference to the home product if the price and quality of the home product do not compare unfavourably with the price and quality of any foreign manufacture; and in order that the consumer may exercise this choice he has a right to know as to where a particular article is made. This is more or less the principle that was laid down by the Imperial Economic Conference too. Now, my measure is a mere permissive measure which would enable Government to prescribe the kinds or classes of articles in which such a requirement should be laid down, that is to say, in which the trade description, including the place of origin, should be compulsorily given. Apart from the analogy of the English law, there are two specific cases of unfair competition that came to my notice and which prompted me in bringing forward this measure. The first was the case of foreign manufactured cotton piecegoods that were passed off as genuine Indian-made *khaddar* during the early days of Mahatma Gandhi's movement in favour of country-made *khaddar*. We have evidence that large quantities of cotton piecegoods came not only from Japan but also from America, and were palmed off on Indians as hand-woven and hand-spun *khaddar*. So long as there is no trade mark applied to these articles of merchandise the conditions of the present legislation are fulfilled. Similarly, in the case of the Indian hosiery industry, it has come to my notice that that industry has been suffering from unfair competition owing to the fact that Japan, taking advantage of India's preference for home manufactured hosiery articles, has been sending out hosiery goods from that country in boxes which bear no label giving any indication of the place of origin. I have in my hand a cardboard box in which Japanese hosiery articles generally come to this country. It bears no stamp of the place of origin, no letterpress on any side to indicate the place from which the articles come. With the exception of a rather cryptic number given inside the lid there is nothing absolutely on it of the nature of any letterpress. Now, sir, a gentleman who had studied this question with some amount of care actually demonstrated in my presence that underneath this blank sheet of paper which covers the lid of this box there is concealed a Japanese trade mark; and in this particular case he just moistened the covering paper of the lid and took it off, with the result that the Japanese trade mark was revealed. Sir, this shows that there is some positive advantage to be gained by Japan by thus obliterating her own trade mark, and that advantage I maintain is being gained by the Japanese at the cost of the Indian manufacturer.

Now, sir, I do not think I need say anything more on the present occasion to commend this motion to the acceptance of this House. I feel sure that the Government will be in sympathy with me so far as the present motion at least is concerned, because I do not want anything beyond the eliciting of opinions on this modest proposal of mine. Comparing my Bill with the English Act I find that the English Act is a much more comprehensive

measure. I had not the advantage of seeing the English Act when I drafted this Bill because, as I have said, the English Bill had not then been introduced. If therefore the Government feel that a more comprehensive measure is needed, well, I should be perfectly happy to withdraw my measure at any stage in favour of a more comprehensive Government measure ; but I think that if this Bill is taken to a Select Committee, all the improvement that is needed might be effected there, obviating the necessity of any Government Bill in future. But for the present I am only seeking to circulate the Bill for eliciting opinions thereon.

THE HONOURABLE SIR GEORGE RAINY (Member for Commerce and Railways) : It will not be necessary, sir, I think that I should say more than a very few words about this Bill. As regards the Bill itself on its merits for the present the Government of India reserve their opinion, but they have not the least objection to the circulation of the measure in order to elicit public opinion. When those opinions are received from Local Governments and from others, the Government of India will take them into consideration, and will then be in a position to formulate their views on the whole subject. The Honourable Mover of the motion suggested that possibly the Government of India might think it fit to deal with the question of merchandise marks in a more comprehensive manner and might desire themselves to introduce a Bill thereon. Well, of course we do not know what the opinions we are going to get on this subject will be. It is conceivable that they might suggest the desirability of attempting something more. All I can say is that at present I have not been able to find sufficient reasons for undertaking as a Government measure a more ambitious scheme, and unless something new emerges in the course of the discussions on this Bill, I do not think it is likely that the Government of India will take the course suggested.

I should like to add only one word more as regards this Bill itself. The Bill proposes to empower the Government of India to make regulations about applying trade descriptions to goods, not only at the time of importation, but also at the time of sale. Well, there is always a difficulty in this country when it is proposed to lay down elaborate regulations as to the conditions to be observed at the time of sale. It is easy enough to enforce any regulations that are thought suitable at the time of importation, because we have our Customs staff to see to it. But at the time of sale in the innumerable markets up and down this immense country, if we had to provide an adequate establishment to enforce regulations of this kind it might be found that the task was too great and we could not attempt it. I mention this point not as an objection to the Bill, but as a point that I hope Local Governments and others will take into consideration when they give their opinions. I do not think, Mr. President, I need add more at this stage.

MR. PRESIDENT : The question is :

“ That the Bill further to amend the Indian Merchandise Marks Act, 1889, be circulated for the purpose of eliciting opinions thereon.”

The motion was adopted.

No. 772/105 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 1st May 1928.

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,  
REVENUE DEPARTMENT, BOMBAY.

SIR,

SUBJECT :—*A Bill Further to Amend the Indian Merchandise Marks Act, 1889.*

I have the honour to acknowledge receipt of your letter No. 317-G/28, dated 16th March 1928, and the enclosures referred to therein.

2. In my Committee's opinion, there is urgent necessity in this country for legislation on the lines of Mr. Neogy's Bill. It is quite rightly pointed out in the Statement of Objects and Reasons attached to the Bill that owing to the absence of such legislation articles

of foreign make are sometimes palmed off as Indian manufactures to the detriment of the indigenous industries of this country, and my Committee unanimously hold that effective steps should be taken to stop this practice.

3. The only criticism my Committee have to offer against Mr. Neogy's Bill is that it would not be practicable to apply trade descriptions on goods at the time of sale. This can be conveniently done only at the time of importation, and my Committee beg to suggest that Clause 2 should be amended accordingly.

4. My Committee note that Mr. Neogy's Bill is only a permissive measure to enable Government to specify particular classes of goods on which the country of origin must be shown. If it be deemed impracticable to make it *compulsory* that *all* imported goods should show the country of origin, then my Committee urge that so far as cotton piecegoods are concerned, it is imperatively necessary in the interests of the Cotton Textile Industry of this country that all imported piecegoods should show the country of origin, and they trust Government will, as soon as the necessary legislation is passed, take steps to prevent piecegoods manufactured in other countries from being palmed off on the unwary consumer as the manufacture of Indian mills.—I have, etc.,

J. P. WADIA,  
*Acting Secretary.*

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### APPENDIX 38.

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#### BILL FOR THE RESERVATION OF THE COASTAL TRAFFIC OF INDIA TO INDIAN VESSELS.

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No. 1142/139 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 19th June 1928.

THE UNDER SECRETARY TO THE GOVERNMENT OF BOMBAY,  
MARINE DEPARTMENT, BOMBAY.

SIR,

SUBJECT :—*The Reservation of the Coastal Traffic of India Bill by Mr. S. N. Haji.*

My Committee understand that last month, the Government of Bombay circulated to important public bodies Mr. Haji's Bill mentioned above with a request for their views on the subject.

2. This Association, however, has not received any communication from Government on the subject, and my Committee believe it is only through an oversight on the part of Government that the Bill has not been referred to the Association for its views.

3. In view of the importance of the subject, my Committee would like to express an opinion thereon, and they will be glad if Government will kindly favour them with the papers sent to other public bodies.—I have, etc.,

J. P. WADIA,  
*Acting Secretary.*



No. 1011/1243-M.

MARINE DEPARTMENT,  
BOMBAY, 20th June 1928.THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :—*The Reservation of the Coastal Traffic of India Bill by Mr. S. N. Haji.*

As requested in your letter No. 1142/139, dated the 19th June 1928, I am directed by the Governor in Council to forward herewith a copy of Government Resolution\* No. 1011/942, dated the 14th May 1928, and its accompaniments, on the subject of the Reservation of the Coastal Traffic of India Bill by Mr. S. N. Haji, and to say that it would be convenient if any expression of opinion, which your Association may desire to put forward, reached Government not later than the 30th June 1928.—I have, etc.,

S. W. THENGE,  
*For Under Secretary to the Government of Bombay,  
Marine Department.*

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[As introduced in the Legislative Assembly.]

*A Bill to Reserve the Coastal Traffic of India to Indian Vessels.*

Whereas it is expedient to provide for the rapid development of an Indian Merchant Marine ;

And whereas for this purpose it is expedient to reserve the Coastal Traffic of India to Indian vessels ; It is hereby enacted as follows :—

Short title, extent and commencement.

1. (1) This Act may be called the Reservation of the Coastal Traffic of India Act, 192 .

(2) It extends to the whole of the Coastal traffic of British India and of the Continent of India.

(3) It shall come into force on such date as the Governor-General in Council may, by notification in the *Gazette of India*, appoint.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

(1) " A common carrier by water " means a common carrier by water engaged in the cargo and passenger traffic between any two ports in British India, or between any port in British India and any port or place on the Continent of India.

(2) " A subject " means a person and includes a joint stock company, corporation, partnership or association existing under or authorised by the laws of British India.

(3) " Controlling interest " means—

(a) that the title to not less than 75 per cent. of the stock is vested in British Indian subjects free from any trust or fiduciary obligation in favour of any person other than a British Indian subject,

- (b) and that in the case of a joint stock company, corporation or association, the Chairman of the Board of Directors and not less than 75 per cent. of the number of members of the Managing firm of and of the Directors of the Board are British Indian subjects,
- (c) and that not less than 75 per cent. of the voting power is vested in British Indian subjects,
- (d) and that through any contract or understanding it is not arranged that more than 25 per cent. of voting power may be exercised, directly or indirectly, on behalf of any person who is not a British Indian subject,
- (e) and that by any other means whatsoever control of any interest in excess of 25 per cent. is not conferred upon or permitted to be exercised by any person who is not a British Indian subject.

(4) "The coasting trade of India" means the carriage by water of goods or passengers between any ports in British India, or between any port in British India and any port or place on the Continent of India.

Licence for coasting trade. 3. No common carrier by water shall engage in the coasting trade of India unless licensed to do so.

Issue of licence 4. The licence for engaging in the coasting trade of India shall, on application, be issued by the Governor-General in Council, subject to such rules and conditions as may be prescribed in that behalf by the Governor-General in Council.

Security for licence. 5. Before granting a licence, the Governor-General in Council may require security to be given to his satisfaction by the master, owner, charterer or agent of the vessel for compliance with the conditions of the licence.

Amount of security. 6. The amount of security required under Section 5 shall not exceed Rs. 50,000.

Duration of licence. 7. Every such licence shall be for the duration of three years only.

Renewal of licence. 8. Every such licence shall on its expiry be renewable on application to the Governor-General in Council.

Proportion of tonnage. 9. A proportion of not less than 20 per cent. of the tonnage licensed for the first year, not less than 40 per cent. of the tonnage licensed for the second year, not less than 60 per cent. of the tonnage licensed for the third year, not less than 80 per cent. of the tonnage licensed for the fourth year and all the tonnage licensed for the fifth and subsequent years shall have the controlling interest therein vested in British Indian subjects.

Penalty. 10. The penalty for the contravention of this Act shall be a fine not exceeding Rs. 10,000, or simple imprisonment for a period not exceeding six months, or both.

Cancellation of licence. 11. In addition to or in lieu of any penalty otherwise provided, the Governor-General in Council may cancel any licence for engaging in the coasting trade of India if he is satisfied that a breach of any of the conditions of the licence, as may from time to time be prescribed by the Governor-General in Council, has been committed.

Opportunity to show cause. 12. No licence for engaging in the coasting trade of India shall be cancelled, unless an opportunity has been given to the master, owner, charterer or agent of the vessel to show cause against such cancellation.

## STATEMENT OF OBJECTS AND REASONS.

The object of this Bill is to provide for the employment of Indian tonnage in the coastal traffic of British India and of the Continent of India. This Bill is intended to serve as a powerful aid to the rapid development of an Indian Merchant Marine. Several attempts made in this direction in the past have all practically failed, owing, it is believed, to the existence of powerful non-Indian interests in the coasting trade of India. There can be no doubt that the growth of an Indian Merchant Marine would prove a powerful factor in the employment of Indian talent and the further extension of Indian trade in various directions in a manner calculated to advance the national interests of India.

SARABHAI N. HAJI.

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*Extract from the Legislative Assembly Debates, Vol. I, No. 34.*

The Assembly met in the Assembly Chamber of the Council House, New Delhi, on Thursday, 22nd March 1928.

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THE RESERVATION OF THE COASTAL TRAFFIC OF INDIA BILL.

MR. SARABHAI NEMCHAND HAJI (Bombay Central Division: Non-Muhammadan Rural): Sir, I beg to move that the Bill to reserve the Coastal Traffic of India to Indian Vessels, be circulated for the purpose of eliciting opinions thereon.

In making this motion, sir, I beg to draw the attention of the House to the fact that this Bill serves to secure to India the benefits of that inherent right to regulate and reserve her coastal traffic, which has been vouchsafed to her by nature, and guaranteed to her by international law. As you are doubtless aware, sir, maritime legislation in European countries has been bound up with the growth and development of international law. It is not my purpose at the moment to go into the details of the early laws of maritime towns and countries in Europe, such as the laws of Oleron and Barcelona, of Wisby in Sweden and of Amalfi in Italy, to say nothing of that codification of maritime custom and usage, which was effected by the Rhodian Laws of the eighth and ninth centuries. I would say that as a result of these legislative enactments and codification of maritime systems, by the time international law became a matter of practical politics in Europe, certain definite conclusions were arrived at with reference to maritime legislation. That is why we find that maritime law has played a definite part in international law, and international law is concerned with maritime legislation. It is therefore natural that the right to reserve the coastal trade of a country should be one which has a long history behind it, but, sir, as I said before, it is not my intention to go into the details of that history. For my present purpose I merely content myself with quoting a definition of coastal trade which we might regard as being the crystallised expression of the former maritime usage and legislation, so far as this subject is concerned. The definition of coastal trade as given in Oppenheim's "International Law" runs as follows:—

"The term *Cabotage* or coasting trade as used in commercial treaties comprises now sea trade between any two ports of the same country, whether on the same coasts or different coasts, provided always that the different coasts are all of them the coasts of one and the same country as a political and geographical unit in contradistinction to the coasts of colonial dependencies of such country."

This being the case, sir, the country of India, as a political and geographical unit, has as much right to reserve her coastal trade and to regulate it in the interests of her own nationals as is allowed to various countries by international law not only to reserve the coastal trade but even to prevent foreigners from fishing in their territorial waters. That is why it has been laid down that a State may, in the absence of a special treaty to the contrary, exclude foreign vessels from navigation along the coast and reserve this coast exclusively for its own nationals. That much with regard to the international aspects of this subject.

Turning to the national phase of the question, I hope I have said enough to show that in making this motion I seek to get for India no more than the benefits of legislation which she has a complete right to undertake and which I hope at a later stage will be accepted by this Honourable House. This right of coasting legislation is so much a matter of the country's own affair that even within the British Empire it has been found necessary to recognise this right of a country even though it may happen to be a dependency or a dominion of the Crown. That is how it happens, sir, that the British Merchant Shipping Act which, so to speak, is the fountain-head of all maritime legislation within the British Empire has permitted every component part of the Empire to undertake any legislation it chooses with regard to its own coastal trade. This right of the subordinate legislature has not merely been recognised by Great Britain but has also been put into practice by Australia and has been confirmed by the Imperial Navigation Conference of 1907. When the subject of developing the Australian mercantile marine was being discussed in the early years of this century the whole subject of legislation within the Empire on this matter was gone into and with a view to settle the issues raised, an Imperial Conference specifically intended to deal with the navigation problem was convened in 1907 when it recommended among other things that the coastal trade of the Commonwealth be reserved for ships on the Australian register, that is, ships conforming to Australian conditions and licensed to trade on the Australian coast. This gives to a component part of the Empire a right to exclude under certain conditions ships of other parts of the Empire and it is a right which Australia has made full use of as those that are conversant with the history of Australian Navigation Acts well know. When discussing this point in course of a review of the subject to be found in the Report of the Royal Commission on the Navigation Act published by the Parliament of the Commonwealth of Australia in 1923-24, it is stated that to build up an Australian mercantile marine it was necessary to extend the protective policy of Australia to its merchant shipping, and this protection was accorded by introducing the system of licences which in practice prevented non-Australian vessels from entering into the coastal trade of that country. It is further stated therein that :

" the [English] Parliament recognise that as an Island Continent we are largely dependent upon the strength of our merchant services for our existence. The Australian coastal trade was to be reserved for Australian-owned ships, which were to be the source of a supply of skilled and trained Australian seamen in time of war, even as the British Mercantile Marine, during the recent war, helped to man the auxiliary cruisers, mine-sweepers, transports and other adjuncts of the British Navy."

These two grounds are, among others, precisely the reasons why I suggest that the development of an Indian mercantile marine should be brought about by a policy of reservation such as has been adopted in Australia and as has been recommended, as I will presently show, by the Mercantile Marine Committee, appointed by the Government of India.

**MR. PRESIDENT :** Order, order. I fail to understand what the Honourable Member is aiming at. His motion is a motion to circulate the Bill for the purpose of eliciting opinions on it. If this motion is accepted, it does not commit any member to the principle of the Bill. If the Honourable Member wishes to go into the principle of the Bill at length, the second reading is the stage when he should do so.

**MR. SARABHAI NEMCHAND HAJI :** Thank you, sir. I was quite aware that it was not necessary for me to go into the principle of this Bill.

**MR. PRESIDENT :** It is not relevant.

**MR. SARABHAI NEMCHAND HAJI :** But I thought that as the Bill was being circulated for opinion it would be as well to put before this House a little of the history of that coastal legislation and similar legislative enactments in other countries which might help to allay the fears of some Honourable gentlemen that the Bill has such aspects that it should not be allowed even to go for circulation. All that I was concerned with, sir, is this. Of course, if the principle has been discussed it has been only as a side issue. As I said I am concerned with the history of the subject, and, as you suggest, sir, I propose to make my remarks on this subject as short as possible. But I hope you will allow me the indulgence of referring to the early history of this particular legislation and the suggestions made in that regard. That,

sir, has reference—and I will now come to India—that, sir, has reference to the legislation on the subject so far as this Honourable House and this country are concerned. As you are aware, sir, attempts were made to introduce this Bill in the second Legislative Assembly, and when the subject was brought up by my Honourable friend Mr. Neogy it was found necessary—probably at the instigation of the vested foreign interest—to examine the character of this Bill as to whether it was *intra vires* of the Indian Central Legislature or not. I have shown from history that it is, and the historical argument must have appealed to the Law officers of the Crown in England who, when the case was referred to them, decided that this Bill was wholly within the competence of the Indian Legislature even as it exists to-day. That being the case, sir, it has been possible for us to discuss this subject on the floor of this House.

As the Bill I propose to circulate has got support from the recommendations of the Mercantile Marine Committee, I trust you will allow me to refer to that Committee for a minute or two. The Indian Mercantile Marine Committee was appointed by the Government of India to consider what measures can usefully be taken for the encouragement of ship building and the growth of an Indian mercantile marine by a system of bounties, subsidies and such other measures as have been adopted in Japan. This is one of the clauses of many that formed part of the terms of reference. It is not necessary for my purpose to read out others to the House. In order to suggest ways and means of developing an Indian mercantile marine this Committee, after having examined the whole subject thoroughly, came to the conclusion that something more was required beyond the provision of training vessels and that that something more was provided by their recommendation that the Indian coasting trade should be reserved for ships the ownership and controlling interest in which are predominantly Indian. If I may, sir, I will just read out the specific recommendation that has been made by the Committee. Referring to the Government of India, they say :

“ The Honourable Member for Commerce stated in the Legislative Assembly on behalf of the Government that this desire on the part of the people, that is, the people of India, for their own mercantile marine was a very natural desire. Recognising this natural desire, we (that is, the Committee) are of opinion that this should be met within a reasonable period of time and not in the distant future. This being so, it is our considered opinion that the provision of facilities for the training of Indian officers and engineers alone is not sufficient to meet the requirements of the case and that some further steps are required to achieve the object in view. These further steps, we recommend, should be in the form of the eventual reservation of the Indian coasting trade for ships, the ownership and controlling interests in which are predominantly Indian.”

This, sir, is exactly what I seek to do by this Bill of mine, under which it is laid down that no common carrier by water shall engage in the coasting trade in India unless licensed to do so. This system of licences is one which has been recognized and recommended by the Mercantile Marine Committee. Not only that, but it is a system which is in vogue in Australia and in Canada. It is a system which I am sure will be found necessary if all that maritime legislation which the Commerce Department is undertaking at the moment is to be effectively put into operation. The system of licences is to my mind very essential if, even apart from the question of reservation, the Indian mercantile marine is to be regulated in a proper manner.

With regard to the period during which this policy of reservation is to be consummated, bearing in mind the recommendations of the Committee, it has been laid down in the Bill that—

“ A proportion of not less than 20 per cent. of the tonnage licensed for the first year, not less than 40 per cent. of the tonnage licensed for the second year, not less than 60 per cent. of the tonnage licensed for the third year, not less than 80 per cent. of the tonnage licensed for the fourth year, and all the tonnage licensed for the fifth and subsequent years shall have the controlling interest therein vested in British Indian subjects.”

Sir, in order that this Bill of mine may not come into conflict with the requirements of the British Merchant Shipping Act, to which I have already alluded, I have provided that the controlling interest within the purview of this Bill should have the following meaning:

"(a) that the title to not less than 75 per cent. of the stock is vested in British Indian subjects free from any trust or fiduciary obligation in favour of any person other than a British Indian subject,

(b) and that in the case of a joint stock company, corporation or association, the Chairman of the Board of Directors and not less than 75 per cent. of the number of members of the managing firm of and of the Directors of the Board are British Indian subjects,

(c) and that not less than 75 per cent. of the voting power is vested in British Indian subjects,

(d) and that through any contract or understanding it is not arranged that more than 25 per cent. of voting power may be exercised, directly or indirectly, on behalf of any person who is not a British Indian subject,

(e) and, finally, that by any other means whatsoever control of any interest in excess of 25 per cent. is not conferred upon or permitted to be exercised by any person who is not a British Indian subject."

I hope, sir, that these few details will enable this House to get an idea of the scope of the Bill and the method which it proposes to pursue in order to completely reserve the coastal trade of India for Indian vessels within five years of the placing of this Bill on the Statute-book.

I need not say anything more in regard to this Bill, sir, except to add that the Bill will provide not only for the development of an Indian mercantile marine in the interests of India as an economic unit, by saving to India the large sums of money that are annually taken out of the country in shipping earnings, and by providing for Indian youths nautical careers which under the existing circumstances have been denied to them, but also in the interests of India as a political unit by providing a second line of naval defence for this country which is particularly necessary now that we are trying to reorganise the Royal Indian Marine with a view to make it a proper combatant navy. Lastly, I would draw the attention of the House to the fact that an India with a developed Indian mercantile marine and the economical prosperity which that development would bring about, would be a more effective component part of the British Empire and be better in a position to help the Empire in case of need than an India which has not got this requisite necessity of economic life so essential to make India economically self-sufficient.

Sir, I beg to move the motion standing in my name.

THE HONOURABLE SIR GEORGE RAINY (Commerce Member): It will not be necessary, sir, I think that I should speak at any length on this motion. What I desire to do is to explain the attitude of the Government of India as regards the proposal made by my Honourable friend, Mr. Haji, that the Bill should be circulated for the purpose of eliciting opinions. The Government of India do not propose to resist this motion. They regard the matter as an important one, and it will do no harm if public opinion is fully elicited with regard to it. That perhaps is the more necessary because the Mercantile Marine Committee did not examine in detail one important aspect of the case. What they said in effect was this: if the end in view is to promote the development of India's mercantile marine, an effective means of doing it is to reserve the coastal trade. But they did not go on to consider—indeed they believed it to be impossible to do so on the data in their possession—whether that proposal was likely to be beneficial to the country. What they said was this:

"We do not consider that it is possible to say at this stage whether the reservation of the Indian coasting trade for shipping companies which are predominantly Indian in character is likely to be beneficial for India or not, for the simple reason that there are no data at present on which a satisfactory conclusion can be based."

It certainly seems desirable before this proposal goes any further that that side of the case should be fully examined, because quite clearly an important measure of this kind ought not to be brought into effect until the probable effects on the trade and commerce of the country, and on the industries of the country have been fully examined. The subject is one, Mr. President, which was fully discussed by my predecessor, Sir Charles Innes, in a speech which he delivered in this House on the 19th March 1926. On that occasion, he did endeavour to examine the question to what extent this scheme for reserving the coastal trade was likely to benefit or to injure Indian interests. I have not the least intention of going over the same ground again. But I am anxious to make it clear that while Government do not oppose the motion for circulation, they do regard the objections raised by Sir Charles Innes on that occasion as very serious and very important, and unless a further examination of the subject should show that they were not well founded, these objections would I think be regarded by them as very nearly conclusive against the scheme. It is right, sir, that I should make the attitude of Government perfectly clear. While we do not oppose the motion for circulation, that does not for a moment mean that we accept the scheme.

There is another aspect of the case to which I should like to invite the attention of the House. My friend Mr. Sarabhai Haji pointed out quite correctly that there is nothing in the international law, or I think in international usage, to prevent a particular country from reserving its coastal trade for its own nationals. But I should like to draw the attention of the House to clause 2(4) of the Bill which says :

“ ‘The coasting trade of India’ means the carriage by water of goods or passengers between any ports in British India, or between any port in British India and any part or place on the Continent of India.”

The Bill, therefore, purports to regulate not only the trade between two ports in British India like Calcutta and Bombay but also between certain ports which are outside British India, as for example between Pondicherry and Madras or between Marmagao and Bombay. I think I ought to draw the attention of the House to the fact that if this Bill were passed into law in its present form, it would involve a breach of international agreements to which India is a party, and in particular to the convention and statute on the international regime of maritime ports which was concluded in 1923 and to which India is a signatory. The relevant article reads as follows :—

“ Subject to the principle of reciprocity and to the reservation set out in the first paragraph of Article 8, every Contracting State undertakes to grant the vessels of every other Contracting State equality of treatment with its own vessels, or those of any other State whatsoever, in the maritime ports situated under its sovereignty or authority, as regards freedom of access to the port, the use of the port, and the full enjoyment of the benefits as regards navigation and commercial operations which it affords to vessels, their cargoes and passengers.

“The equality of treatment thus established shall cover facilities of all kinds, such as allocation of berths, loading and unloading facilities, as well as dues and charges of all kinds levied in the name or for the account of the Government, public authorities, concessionaries or undertakings of any kind.”

**MR. SARABHAI NEMCHAND HAJI :** May I draw the attention of the Honourable the Commerce Member to the fact that the countries which have reserved the coastal trade and were present at this Conference definitely drew the attention of the Conference to the fact that this particular clause was not to have any reference to their right to continue their reservation of the coastal trade ?

**THE HONOURABLE SIR GEORGE RAINY :** I entirely agree with what my friend Mr. Haji has said about the right to reserve the coastal trade, meaning by that the trade between two ports both situated in the same country is not barred by this clause, but my point is that it would quite definitely bar the regulation under that reservation of trade between a port like Madras which is in British India and Pondicherry which is outside British India, and similarly between a port like Bombay which is within British India and Marmagao which is outside British India.....

**MR. SARABHAI NEMCHAND HAJI:** May I point out, sir, that both Marmagao and Pondicherry have practically no coasting trade?

**THE HONOURABLE SIR GEORGE RAINY:** I do not see, sir, that has any relevance to the point I was endeavouring to bring out. My point is really this, that without a breach of our international agreements it does not seem to me that the Bill could be passed into law in its present form. It could be passed into law without any such breach if the coasting trade were defined merely as the carriage by water of goods or passengers between any two ports in British India. But then the point would have to be examined how far the reservation of the coasting trade would be effective for the purposes for which it is intended, if it is not possible to legislate so as to include these ports on the continent of India which are outside British India. It is quite possible that the result might be, for instance, to transfer a good deal of the entrepot trade of Bombay to a port like Marmagao, and the reason why I have alluded to the point is this, that I hope, when the Bill is circulated, Local Governments and others interested will consider this question very closely, and let us have their opinions as to whether, if the Bill has to be limited in this way, it is likely to produce the effect which those who support it hope that it will have.

Finally, sir, there is one aspect of the case which, I think, all members of the House and also all those who are interested in the welfare of India will have to consider in connection with this Bill. What is proposed is, in a purely economic matter, to discriminate on racial or, if you will, on national grounds. Now, that is a matter in which India is very deeply interested in other parts of the British Empire. What every member of this House will have to consider, if the Bill comes before it again at a later stage, is this, whether it is wise and in the interests of India that we should establish a precedent of that kind having regard to the reactions which it might have elsewhere. I will say no more than that, sir. I put it for the present purely as a question.

**SIR WALTER WILLSON (Associated Chambers of Commerce: Nominated Non-official):** Sir, this Bill states its purpose as the "reservation" of the coasting trade. If it were fully frank, it might state its purpose as the confiscation or expropriation of the trade out of certain hands in which it lies principally at present, into other hands specially and directly represented in this Assembly! It extends to the whole of the coastal traffic of India, but it appears to me that the framers of the Bill do not really know or appreciate, or do not wish this House to know or appreciate, some of the ramifications of the said coasting trade.

Now, sir, the coasting trade includes in its ordinary commercial sense, though possibly not technically, that enormous trade which is carried on between Calcutta and Colombo, which at the present time is carried on in severe competition between coasting steamers and home-going steamers, with the result that the rate is considerably lower than goods could ever be carried over that journey by the ordinary coasting steamers.....

**MR. SARABHAI NEMCHAND HAJI:** Is Colombo an Indian port?

**SIR WALTER WILLSON:** The Honourable Member need not try to teach me geography. I knew Indian geography probably before he was born.

**MR. SARABHAI NEMCHAND HAJI:** You seem to have forgotten it.

**SIR WALTER WILLSON:** It is precisely because Colombo is under the Government of Ceylon that I mentioned it. Nevertheless it is definitely in the coasting lines carried on by the coasting steamers of India, and if you were to attempt to exclude any portion of that trade, you would very seriously affect the earnings of the ships and put up the cost of carriage.

The coal shipment trade of India would also come under this Bill. It is not primarily the concern of the three or four companies which are at present in the coasting trade. It owes its existence to the tramp steamer, a steamer which puts in an occasional voyage here and there. In the old days that was the way the coal trade was built up. Ships carrying coal between Calcutta and coast ports nearly always have to return in ballast if they return at all. It should be obvious that a ship which does not have to return at all, can carry cheaper



than a ship which has to return empty. The general traffic on the coast is principally from East to West. The backward carriage from West to East is very little and is quite inadequate for the purpose of filling ships for the return voyage. A tramp may go to Calcutta for coal and afterwards go on.....

MR. PRESIDENT: Order, order. I must say the same thing to the Honourable Member as I said to the Honourable Mover. Is it right to turn this debate into a second reading debate? This does not commit any member of the House to the principle of the Bill; the motion merely is that the Bill be circulated for the purpose of eliciting opinions thereon.

SIR WALTER WILLSON: Well, sir, if that be your ruling, I will confine myself to correcting one or two definite statements of the Honourable Member from Bombay. He referred to vested interests. This Bill only sets out to create a different set of vested interests. He also referred to the Mercantile Marine Committee Report and his point was, what steps should be taken to develop an Indian mercantile marine. The terms of reference to the Indian Mercantile Marine Committee were not to inquire into and see whether it was desirable to take steps, but merely to inquire what steps could usefully be taken. Mr. Haji definitely stated that the Mercantile Marine Committee, "after examining the whole subject thoroughly....."—Sir, I say they did not examine the point of view of desirability at all.

I am aware, sir, that it is not, ordinarily speaking, the practice in this House to make any long speech on a proposal for circulation, but I do feel that to allow this Bill to go out as it is without one or two observations might be to let it go out as if with a sort of blessing from the House. What I feel is the principal danger to-day, is not what I am so often hearing in this House, namely, the exploitation of trade by vested interests as they are commonly called but a different kind of exploitation altogether and that is the exploitation of political feeling, of racial feeling and of patriotic feelings in the country in order to transfer, out of hands which have built up the existing trade from what it was years ago to what it is to-day, to transfer that trade into the hands of another single solitary firm at the expense of the shippers of the country. In the past Indian industries in Bombay and Bengal have been able to build themselves up in ordinary straightforward competition with the established interests of the British. The jute mills of Calcutta are owned by 70 per cent. of Indian shareholders to-day; the cotton mills of Bombay have passed almost entirely into Indian hands, either by purchase or by fair competition, and I deprecate as strongly as I can the attempt which is being made to expropriate existing interests, by means of playing upon popular feeling and using the machinery of this Assembly for the purpose.

MR. PRESIDENT: Is any further debate necessary on this question? The Government have not opposed the motion and the motion is merely for circulation.

The question is:

"That the Bill to reserve the Coastal Traffic of India to Indian Vessels, be circulated for the purpose of eliciting opinions thereon."

The motion was adopted.

No. 1416/139 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 16th August 1928.

THE UNDER SECRETARY TO THE GOVERNMENT OF BOMBAY,  
MARINE DEPARTMENT, BOMBAY.

SIR,

SUBJECT:—*The Reservation of the Coastal Traffic of India Bill by Mr. S. N. Haji.*

I am directed to refer to your letter No. 1011/1243-M, dated 20th June 1928, on the above subject.

2. My Committee are generally in sympathy with the object underlying the Bill which is to provide for the employment of Indian tonnage in the coastal traffic of India. They are unanimously of the opinion that, as laid down in the Preamble to the Bill, it is expedient to provide for the rapid development of an Indian Merchant Marine.

3. I am directed further to add that, while my Committee accept the principle underlying Mr. Haji's Bill, they do not propose to examine its provisions in detail, but they earnestly trust that the Government of India and the Indian Legislature will very carefully consider how the different provisions of the Bill, if passed into law, will affect the trade of this country, and that the necessary modifications will be made in the proposed Bill to ensure that the trade of this country is not handicapped in any way.—I have, etc.,

B. K. MANTRI,  
For Acting Secretary.

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### APPENDIX 39.

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#### BILL TO LIMIT INTEREST CHARGED ON LOANS IN BRITISH INDIA.

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No. 3351/2-B.

HOME DEPARTMENT,  
BOMBAY, 6th March 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT:—*Bill.—The Interest Bill by Maulvi Muhammad Yakub.*

I am directed by the Governor in Council to forward herewith a copy\* of a Resolution of Government in this Department No. 3351/2, dated this day, and of its accompaniments regarding a Bill to limit the interest charged on loans of various kinds in British India, and to bring the law in conformity to the needs of the people, and to request that you will be so good as to favour Government with the opinion of the Bombay Millowners' Association on the provisions of the Bill.—I have, etc.,

(Sd.) ILLEGIBLE,  
Secretary to the Government of Bombay,  
Home Department.

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(As introduced in the Legislative Assembly.)

*A Bill to limit the interest charged on loans of various kinds in British India, and to bring the law in conformity to the needs of the people.*

Whereas it is expedient to limit the interest charged on loans of various kinds in British India and to bring the law in conformity to the needs of the people; It is hereby enacted as follows:—

Short title, extent  
and commencement.

1. (1) This Act may be called the Interest Act, 19 .

(2) It extends to the whole of British India.

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\* Not printed.

(3) It shall come into force on.....

2. No creditor, whether of a secured or unsecured loan, shall be entitled to recover interest, either payable at one time or by instalments, exceeding the principal amount originally lent or due at the date of suit, whichever is less.

Amount of in-  
terest.

3. Notwithstanding anything hereinbefore said, where in any suit to which this Act applies, whether heard *ex parte* or otherwise, the Court has reason to believe—

Powers of Court  
to grant relief in  
case of excessive  
interest.

(a) that the interest is excessive, and  
(b) that the transaction was, as between the parties thereto, substantially unfair, the Court may exercise all or any of the following powers, namely, may—

- (i) reopen the transaction, take an account between the parties and relieve the debtor of all liability in respect of any excessive interest ;
- (ii) notwithstanding any agreement purporting to close previous dealings and to create a new obligation, reopen any account already taken between them and relieve the debtor of all liability in respect of any excessive interest and, if anything has been paid or allowed in respect of such liability, order the creditor to repay any sum which it considers to be repayable in respect thereof ;
- (iii) set aside either wholly or in part or reverse or alter any security given or agreement made in respect of any loan, and if the creditor has parted with the security, order him to indemnify the debtor in such manner and to such extent as it may deem fit.

4. In the case of a bond executed for arrears of principal and interest due on a prior bond, the principal for purposes of this Act is the principal of the prior bond.

Principal in case  
of bonds executed  
for arrears.

Savings.

5. This Act shall not apply to usufructuary mortgages.

6. Provisions of other laws and regulations, so far as they are inconsistent with the provisions of this Act, are hereby repealed.

Repeals.

#### STATEMENT OF OBJECTS AND REASONS.

The Bill is designed to prevent the accumulation of interest for long periods and thereby save many a debtor from the clutches of covetous and clever creditors.

There is a rule in Hindu Law which is called *Damdoopal*. It is in operation in the Bombay Presidency, Berar and the town of Calcutta, but it is limited in its scope and is applicable only to Hindus. This rule cannot be taken as a purely religious law of the Hindu community ; it is laid down only to safeguard the debtors' interests as the Hindu Law sanctions the taking of interest on loans. The Muslim *Shariat* has forbidden to take interest at all and so there could be no occasion for such emergency. Under the circumstances of the heterogenous society of India, it is quite justifiable and necessary that the present Bill be passed for the benefit of a debtor irrespective of the caste, creed and colour. The present Bill is wider in its scope and is more in conformity to the incessant demands and needs of the people of India, and the creditor will not be able to ruin his debtor with his waiting game.

The words " by instalments " in clause 2 are added in order to safeguard against the contrivance on the part of the creditors to nullify the effect of the provisions of the Bill by recovering interest on a system of instalments. The clause 3 is embodied to prevent the creditors from making injudicious bargains and is taken from the Usurious Loans Act of 1918.

The Interest Act of 1839 (Act XXXII) and the Usury Repeals Act of 1855 (XXVIII), which are absolutely inconsistent with both the Hindu and Muhammadan Laws on the subject, were passed at a time when the Councils were devoid of Indian representation by their own people and have proved ruinous.

The Usurious Loans Act of 1918 although it gives power to Courts to curtail the rate of interest under certain circumstances and which is also not exercised duly yet provides no remedy to stop accumulation beyond a certain limit.

*The 15th November 1926.*

MUHAMMAD YAKUB.

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*Extract from the Legislative Assembly Debates, Vol. I, No. 5.*

The Assembly met in the Assembly Chamber of the Council House, New Delhi, on Thursday, the 9th February, 1928.

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#### THE INTEREST BILL.

MAULVI MUHAMMAD YAKUB (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, I beg to move that the Bill to limit the interest charged on loans of various kinds in British India, and to bring the law in conformity to the needs of the people, be circulated for the purpose of eliciting opinions thereon.

Sir, on this occasion I do not propose to go into the merits of the Bill in detail and would confine myself to a brief statement of the objects and reasons with which this Bill is intended to be introduced. The main object of this Bill is that it is designed to prevent the accumulation of interest for long periods and thereby save many a debtor from the clutches of covetous and clever creditors. Sir, we all know very well that the prosperity of a country depends mostly on the progress of trade and commerce, and the progress of trade and commerce depends to a large extent on the method of money-lending in the country. The unsatisfactory condition of trade in this country to my mind is greatly due to there being no proper and sound method of regulating the money-lending business in this country. The object of this Bill is to regulate the money-lending business in such a manner that it will not bring ruin on the debtor and dislocate his business and also may guarantee the creditor a just and proper amount of interest on the money advanced by him. The Bill seeks to stop the accumulation of interest for long periods as well as unconscionable and usurious rates charged by the speculating money-lender. The provisions of this Bill are not a new invention. They provide for the recognition of that sound and businesslike rule of Hindu Law known as *Damdapat* by which a creditor cannot claim interest more than the principal money advanced by him. This rule is even now applicable in the Bombay Presidency and in Berar in cases in which the debtors are Hindus, while in the town of Calcutta it applies to cases where both the parties are Hindus. My Bill aims at making the rule universal and applicable to all classes and communities throughout the whole country. This Bill is not introduced in the Assembly now for the first time. It was in 1922 that an effort was made to bring a measure on the Statute-book. On that occasion, the Honourable Sir William Vincent, the then Home Member of the Government of India, made the following observations:—

(The Honourable Member then sat down in order to find the quotation.)

MR. PRESIDENT: The House stands adjourned till half-past two.

MAULVI MUHAMMAD YAKUB: Sir, when the House adjourned for lunch I was just going to say what the Honourable Sir William Vincent said at the time when this Bill was introduced in this House in 1922. He said:

"I think, every member in this Assembly has a great deal of sympathy with the object which the Honourable Member has in view, namely, to curtail the exorbitant demands of usurious money-lenders."

Then, again, this Bill came before the Assembly in 1923 and on that occasion the then Member in charge of the Bill also expressed his sympathy with the object of the Bill, but he said that there were certain objections to the Bill on account of which they could not support it. Honourable Members will see that those objections have been met by clauses 2 and 4 of the present Bill and therefore the reasons which led the then Honourable Member in charge to oppose the Bill do not hold good as regards my Bill. In 1923 leave to introduce a similar Bill was asked for and the Honourable Mr. Haig in opposing it on behalf of Government said—I am sorry I have got the wrong volume, but of course that matters little. Now, sir, the experience of the last six years has clearly shown that the Usurious Loans Act of 1918 provides no remedy to stop accumulation beyond a certain limit, and I am not aware of any steps which the Government may have taken since 1923 to make a full inquiry into the working of the Usurious Loans Act, 1918. Under these circumstances I hope Government will not object to my Bill being circulated for eliciting public opinions thereon. Of course, I do not want the House nor the Government to accept the principle of the Bill. What I want is merely that the Bill may be allowed to be circulated for eliciting opinions and we may be able to find out what the opinion of the public is on this important measure. There is a precedent. Once this Bill was allowed by the Government and it was not opposed for circulation. I hope that the same example will be followed on the present occasion. With these remarks I move my motion.

MR. MUHAMMAD YAMIN KHAN (United Provinces : Nominated Non-Official) : In 1923 I introduced a Bill in the Assembly which I named as the Money-lenders' Bill, and the main clause of the present Bill is one of the clauses of that old Bill which had 14 clauses. That Bill of mine was opposed on some technical grounds by the Government. That Bill was divided into three main groups, one was for the registration of money-lenders, another was for the granting of receipts by money-lenders for all payments received by them in satisfaction of their loans, and the third contained the main object which the present Bill has got in view. The first two were of course very controversial matters, namely, registration of money-lenders and the granting of receipts. That Bill of mine was drafted after an Act which was passed in England. After the objections that were taken in the Legislative Assembly in 1923, I drafted another Bill which I presented in the Council of State in 1925. There was another Bill in the Assembly in 1922 by Maulvi Abdul Quadir, at the time I had my Money-lenders' Bill. That only wanted the amendment of the Act of 1839 and if the Act of 1839 had been amended and the Act of 1855 had been left intact, then the remedy which he was seeking would have been of no value at all. I put down the last clauses of my Money-lenders' Bill in the Bill which I produced in the Council of State in 1925. Somehow or other there was a misapprehension in the House and leave to introduce the Bill was opposed by Government. I simply wanted to find out whether there was a sufficient body of opinion in support of my Bill and I called for a division. I found that all the elected members of the Council of State supported my motion. Amongst them were Sahibzada Aftab Ahmed Khan, the Nawab of Loharu, Mr. Barua, Sir Ebrahim Haroon Jaffer, Mr. R. P. Karandikar, Mr. Ali Buksh Muhammad Hussain, Raja Sir Rampal Singh, Raja Pramada Nath Roy, Mr. Raza Ali, Sir D. P. Sarvadhikary, the Maharaja Bahadur of Dumraon, Lala Sukhbir Sinha, Colonel Umar Hayat Khan, Mr. Vedamurti, Mr. Zahir-ud-din and myself. Those who went against me were the Government benches. Seeing that there was public opinion in favour of the Bill, I reintroduced the Bill in the Council of State again in the Simla session and Government, realising that public opinion was in favour of the measure, did not oppose my motion and that Bill was allowed to be introduced. Unfortunately the term of the Council of State came to a close and further motions were not moved. My friend Maulvi Muhammad Yakub has brought the same Bill with a little amendment. All the clauses of my Bill are there excepting clause 3 of the present Bill which is at present law, namely, the Usurious Loans Act of 1918. I am not sure what led my Honourable friend to put this clause in the present Bill when it already stands as law. I do not want to say anything about clause 3 which is already the law of the country. My remarks are only about the other clauses of the Bill. I want to place before the House the consistent demand of the country for the introduction of a law on the lines of the Hindu Law of *Damdapat*. An attempt was made to introduce a Bill in the United Provinces Council, but that was rejected on the ground that it was not for the provincial Council to pass such legislation. I find that a Bill similar to my Money-lenders' Bill was introduced in the Punjab Legislative Council and passed. Before 1855, the law in India as far as interest is concerned was governed by Hindu Law because Muhammadans do not allow

any interest at all. As all sorts of people were living in India, Muhammadan courts administered Hindu Law and the East India Company also administered the law according to Hindu Law. In 1854, an Act was passed in Parliament which stated that the agreement which has been entered into must be taken into consideration by the courts and that interest must be allowed according to settled terms. As soon as that law was passed in 1854 in England, the Indian Council of 1855 passed a similar law. At that time there was no Indian representative and they could not realise how far the Indian population would be affected by it. That was not represented in the Council and the result was Zamindari estates have been dwindling and zamindars and agriculturists have suffered immensely by the Act of 1855. I have collected statistics for many districts in my province and I find that 80 per cent. of the zamindaries have passed out of the hands of zamindars into the hands of money-lenders alone. I collected some statistics about the tenants also and I find that tenants in the United Provinces taken as a whole have been paying a rate of interest which amounts to 100 per cent. per annum. Sometimes the debt accumulates to such an extent that the tenant can never hope to get rid of it even if he went on paying during his whole life. The present position of a tenant under the Act of 1855 is that if he borrows any sum of money from a money-lender he practically works thereafter for that money-lender as a labourer, cultivating the soil for the benefit of the money-lender and not getting enough to eat for himself, while the bulk of his earnings go into the pocket of the money-lender. I will repeat for the benefit of this House a sentence or two which I said when I introduced my Bill in 1923. I introduced my Bill on the 15th February, and on the 13th of that month the High Court of Allahabad had passed a decree in a suit on a bond. The House will be shocked to hear what the accumulation of interest amounted to in that case. The original sum borrowed was Rs. 400 and the decree eventually passed was for Rs. 66,98,731-2-0, or practically 67 lakhs. This case was published in the *Pioneer* of the 15th February, and the decree was made by Mr. Justice Reeves and Mr. Justice Gokal Prasad. Again in the Calcutta High Court in a case decided by Mr. Justice Chatterji and Mr. Justice Pearson sitting on the Appellate Side, a man who had lent Rs. 350 to his son-in-law claimed Rs. 7,16,800. I have a large number of cuttings of a similar nature which show the extent to which a loan may be accumulated in the course of years. They do not generally reach the huge sums I have mentioned, but from my own experience I can say that a loan of a hundred rupees very frequently amounts up to Rs. 3,000 or Rs. 4,000 with the addition and accumulation of interest. And if the Government would take a little trouble and obtain statistics for a period of two years or so of the money decrees passed together with the original amounts of the loans, they would find that sums lent have accumulated not ten-fold or twenty-fold but a hundred-fold. That is the state of affairs prevailing in the country in spite of the Usurious Loans Act of 1918. That Act allowed the reopening of transactions and left to the courts a great deal of discretion to determine the rate of interest. But in practice we find that it all depends upon the presiding officer of the court and what view he takes. Some presiding officers consider that 2 per cent. per mensem is a very low rate of interest, while others hold that 8 annas per cent. per mensem is a good rate of interest which can be allowed on good security. I find that even to-day decrees are passed allowing Rs. 3-2-0 per cent. per mensem on loans advanced to poor people, who not only take money on proper security but have even mortgaged their houses to the money-lenders. In the streets of Delhi anyone desiring a loan of Rs. 100 on jewellery worth Rs. 200 will be unable to get it at less than Rs. 3-2-0 per cent. per mensem; so that in two years' time if he has not repaid the loan he will lose the jewellery if it is worth two hundred. This state of affairs in a purely agricultural country like India is telling very hardly on the people. The reason why capital is not forthcoming for industries in this country is not the reason which many able persons have thought to be the one. The reason why capital is not employed for other purposes is that the money-lender finds it safer and much more profitable to lend his money to the poor agriculturists and zamindars.

MR. PRESIDENT: I want the Honourable Member to realise the distinction between a motion for circulation and a motion for consideration.

MR. MUHAMMAD YAMIN KHAN: Sir, I was just making these remarks for the benefit of the people who will form their opinions after the Bill has been circulated, so that they might give due consideration to these facts.

MR. N. M. JOSHI (Nominated : Labour Interests) : May I just point out to the Honourable Member with your indulgence that when long speeches are made on a motion for a Bill to be circulated they come in the way of other members who have to introduce Bills. There are many Bills still awaiting introduction left over from the last session.

MR. PRESIDENT :—That is no concern of the Honourable Member who is speaking.

MR. N. M. JOSHI : But it is the concern of the House.

MR. PRESIDENT : Mr. Yamin Khan.

MR. MUHAMMAD YAMIN KHAN : I am sorry, sir, if the House will not give due indulgence to the great calamity which is overtaking 80 per cent. of the population of India. My friend Mr. Joshi is very anxious about the class which he represents in this House. I want to point out to him that this Bill affects that class which he represents a great deal.

MR. N. M. JOSHI : May I point out that I am more anxious than the Honourable Member for the passing of the Bill.

MR. MUHAMMAD YAMIN KHAN : I am very glad. One very important portion of this Bill, sir, is clause 5, and I think this will not entail any hardship upon the money-lenders at all if they get usufructuary mortgages on the loans which they advance. In that case the zamindar or the agriculturist or anybody can redeem his property within sixty years' time ; and that is a great safeguard which I had put down for the money-lenders. There might be a misapprehension in the minds of certain Honourable Members here while lending their support or deciding on which side they should vote whether this Bill entails any hardship at all on the money-lenders. This only wants to force them to bring their suits in the court as soon as the interest accumulates to a hundred per cent. Beyond that, they should not be allowed to let their capital earn an interest which is going to be accumulated, and the real debtor is not paying off anything towards the satisfaction of the interest ; it is only forcing the money-lender to bring his suit and the debtor to pay off something or regularly to pay off his interest to the money-lender, which will be in the interest of both the money-lender and the debtor. There are many many Acts which have been passed for the protection of people who cannot protect their own interests, like the Court of Wards Act. In that Act protection is given to the man who wants to squander away his property and that property is taken by the Government under their management. In a similar way, sir, there are many other Acts which afford protection, and it is only an Act which aims at the protection of those people who cannot see to their own interests. I may, sir, point out that this law is at present prevailing in Calcutta proper, in Berar, in the Bombay Presidency, in many Indian States, and when it is administered in such a vast area of India, I do not see any reason why this law should be taken away from other provinces which are administered by the British Government. The Calcutta High Court and the Bombay High Court have held repeatedly that the Act of 1855 does not take away the law of *Damdapat* rule and they are still adhering to that law in spite of that fact, but there has been a contradiction that if the debtor and the creditor both are Hindus, then the law will prevail, but supposing that the debtor is an Englishman or a non-Hindu, then this law will not prevail. If the creditor is not a Hindu but the debtor is a Hindu, then this law will not prevail ; so the Hindu will have to suffer if he is a debtor but his creditor is not a Hindu, and a Hindu creditor has to suffer if his debtor is not a Hindu. I want that the law should be similar and should be administered in the same way to all classes of the population ; and of course, sir, as I say, I have said enough on this occasion and that will be quite sufficient for Honourable Members when they have to vote on this motion ; of course I will reserve for a future occasion the statistics which I have got in my possession. With these remarks, sir, I support the motion before the House.

MR. F. W. ALLISON (Bombay : Nominated Official) : It is impossible, sir, not to sympathise with the object aimed at by the Honourable the Mover, because the crushing burden of agriculturist indebtedness in this country is a grave and serious evil which must claim the attention both of the Government and of the Legislature. If the Honourable Member could only convince this House that his present proposals would afford a practical and effective remedy for this evil, he would have the support of every one of us. I must also

pay a tribute to the courage and perseverance of the Honourable Member, for indeed the fate of previous Bills which have with the same object been brought forward both in this House and in the Council of State must be discouraging in the extreme to him. In fact since the year 1922 no less than four Bills, in each of which the clause regarding the extension of the rule of *Damdupal* recognised by Hindu Law was the most important, have been introduced, and not one of them survived beyond the introduction stage. Therefore, even to the Honourable the Mover himself, I fear that his present enterprise must seem to be something in the nature of a forlorn hope.

The most important part of this Bill is clause 2, which is practically a universal extension of the rule of *Damdupal* which is still effective in some parts of India. I may say in passing that in some important particulars the Honourable Member seeks to extend the rule beyond the limits to which it is confined even in its present operation in limited areas to Hindus. For my present purpose it will suffice if I indicate with extreme brevity some of the principal objections to this proposal of the Honourable Member. The rule of *Damdupal* in fact is a primitive expedient suited only to primitive communities and introduced in primitive times, when it afforded the only form of protection to the debtor against his creditor. In modern times it is out of place. It is contrary to the generally accepted idea of sanctity of contract. It undoubtedly tends to restrict the flow of credit, and from that point of view is objectionable. In practice it may and frequently does cause real injustice to the honest money-lender; and what is perhaps the greatest objection of all, it is easily evaded by the dishonest money-lender and affords him the strongest temptation to become dishonest. Experience shows us that even within the present limits of its operation it fails to attain the objects which the Honourable the Mover has in view. For these reasons, which have been repeatedly stated in this House, the Government would have opposed the motion if the motion had been to advance the Bill containing this clause to a further stage.

With regard to clause 3 of the Bill, the remaining operative clause, the Honourable the Mover in his Statement of Objects and Reasons has not explained what is the advantage of this clause. I followed his speech with the closest attention, and I could not discover therein any good reason for supposing that the addition of this clause, which is a mere repetition of sub-section (1) of Section 3 of the Usurious Loans Act with the provisos omitted, and also without the further sub-section, could afford additional protection to any debtor. However, this motion is merely a motion for circulation, and in view of the magnitude of the evil to which I referred, if the House is of opinion that the proposals of the Honourable Member might afford any possible avenue of relief, it might be worth while to explore it. I desire to state clearly and explicitly that the Government do not at present accept or approve the proposals in the Bill, and are not in any way committed to its principles. Subject always to this reservation, if the House, in spite of patent objections, desires that the Bill should be circulated, the Government will not oppose the motion, but leave the decision to the free vote of the House.

**MAULVI MUHAMMAD YAKUB:** Sir, as I stated in making this motion, my object at present is not to go into the details of the clauses of this Bill. Certain objection has been raised why I have inserted clause 3 which already forms part of a law on the Statute-book of the country. But I think, sir, that in order to safeguard the interests of the money-lender the insertion of that clause was quite necessary. As I have just now explained, after public opinion has been obtained and we find that there are certain definite suggestions or certain definite objections to the construction of the Bill as it is constituted at present, when the Bill goes to the Committee stage, we can amend the wording of the clauses, and I hope that from the Select Committee the Bill will come out in a form which would be acceptable to the House and to the country in general. It would not be right if I were to waste the time of the House by going into the details of the Bill at present. I hope, sir, that the House will realise the gravity of the situation, and everybody will accept that the hardship which usurious loans in the country are inflicting upon the agriculturist and the zamindar classes is very severe and certainly needs our grave attention; and it is to meet this hardship that I have introduced this Bill. I hope the House will allow at least that public opinion should be obtained. With these words, sir, I again leave my Bill to the vote of the House.



MR. PRESIDENT: The question is:

" That the Bill to limit the interest charged on loans of various kinds in British India, and to bring the law in conformity to the needs of the people, be circulated for the purpose of eliciting opinions thereon."

The motion was adopted.

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No. 771/101 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 1st May 1928.

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,  
HOME DEPARTMENT, BOMBAY.

SIR,

SUBJECT:—*The Interest Bill by Maulvi Muhammad Yakub.*

With reference to your letter No. 3351/2-B, dated 6th March 1928, I have the honour to state that my Committee are entirely opposed to the proposed legislation for the reasons set forth in the speech made by Mr. F. W. Allison in the Legislative Assembly.—I have, etc.,

J. P. WADIA,  
*Acting Secretary.*

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**APPENDIX 40.**

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REGISTRATION OF TRADE MARKS IN INDIA.

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No. 630-G/28.

REVENUE DEPARTMENT,  
BOMBAY, 6th July 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT:—*Trade Marks—Registration of—in India.*

I am directed by the Governor in Council to forward a copy of a letter from the Prothonotary and Registrar, Original Jurisdiction, His Majesty's High Court, Bombay, No. 405 dated 10th April 1928 and to request that Government may be favoured with the views of your Association on the proposal made therein.—I have, etc.,

S. R. DAVAR,  
For Under Secretary to the Government of Bombay,  
*Revenue Department.*

*Copy of the Letter from the Prothonotary and Registrar, Original Jurisdiction, His Majesty's High Court, Bombay, No. 405 dated 10th April 1928.*

I am directed by the Honourable the Chief Justice and Judges to invite the attention of Government to the existing state of the law in India as regards the rights of Trade Marks, and to suggest that legislation should be introduced corresponding to the Trade Mark Act, 1905, in England.

It has often been noticed by their Lordships that in the absence of a Trade Mark Act in India, honest traders and manufacturers have to rely upon the common law for their rights to Trade Marks and Trade Names, and accordingly must sue infringers upon that basis. The result is a costly action because usually many witnesses have to be called to establish the common law right. Also it not unfrequently happens that the infringer is a man of no substance, who is put up by others, and consequently no costs can be recovered from him.

As an illustration their Lordships may refer to the recent suit (Suit No. 2748 of 1926, Appeal No. 42 of 1927) in which Messrs. Davis and Lawrence Company sued one Dinshaw M. Arsiwalla. There the plaintiffs owned a preparation known as "Painkiller." The infringer put upon the market a similar preparation which he called "Painkicker," and he actually in some cases used the plaintiffs' bottles for selling the infringing preparation. The suit was tried for thirteen days in the trial Court and was decided mainly for the plaintiffs. There was an appeal and a cross-appeal, but when they came on for hearing the defendant had filed his petition in insolvency, with the result that the successful plaintiffs will have to bear heavy costs. I am to enclose a copy\* of the appeal paper book and of the judgment of the Appellate Court.

I am also to refer to Kerly on Trade Marks and Trade Names (Edition 1923, at pages 4 and 5) where it is stated as follows:—

"The trade mark cases, however, were so much the more numerous and important, that, as already stated, a definite property-right in the use of a trade mark was set up, and the action for infringement became a specialised and distinct form of the more general action to restrain, or to obtain damages for 'passing off.' The litigation of trade mark cases was, however, found to be extremely costly, and otherwise unsatisfactory. The essence of a trade mark right being the reputed association in the market of the symbol in question with the goods of the plaintiff, it was often necessary to call a large number of witnesses to give evidence of the reputation, especially if the defendant alleged that the pretended trade mark was either mere descriptive matter, or was, on any other grounds, a mark common to the trade; and, as infringers were usually persons of no substance, it was often impossible to recover the costs after the plaintiff had conducted his action to a successful issue. Moreover, success against one infringer did not relieve the owner of a trade mark from the necessity of proving his title afresh if, in any action against another infringer, the defendant chose to dispute it."

I am to add that the object of the proposed legislation would be two-fold: First, it would diminish the difficulty and cost of or remove altogether the necessity for the proof of title by use and reputation which casts so great a burden upon the owners of trade marks in proceedings to restrain infringement; and second, it would secure the publication of marks which have been appropriated as Trade Marks and would define the rights of their proprietors for the information of traders and would limit the classes of marks which are capable of being so appropriated.

In this connection, I am to point out that though some remedy does exist in the criminal Courts in this respect, it does not necessarily meet all needs. Moreover, it is usually preferable to try suits of civil nature in the civil as opposed to the criminal Courts.

I am further to state that their Lordships recognise that the above proposal involves legislation to be initiated by the Government of India and accordingly they would request that the above proposal may be forwarded to the Government of India, should the Government of Bombay be pleased to approve of it.

\* Not printed.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 7th August 1928.

REPORT OF THE SUB-COMMITTEE.

THE COMMITTEE.

SUBJECT :—*Proposal to enact legislation for registration of Trade Marks in India.*

We were appointed at a meeting of the Committee held on 30th July 1928 to consider and report on the advisability of enacting legislation for the registration of Trade Marks in India. The question has received our careful consideration, and we have pleasure in submitting our report as below.

The whole of the previous history of this question shows that the mercantile community of India had consistently expressed themselves against such a proposal chiefly on the following grounds :—

1. The existing law in India being sufficiently comprehensive, the enactment of an Indian law on the lines of the English Act would involve certain positive disadvantages ;
2. The difficulty of finding an expert staff to scrutinise the Trade Marks prior to registration and decide about their admissibility ; and
3. The expenditure involved in establishing a system of registration of Trade Marks with the necessary elaborate and cumbersome regulations and an unnecessarily expensive staff would be considerable.

We have carefully considered the above objections which we think cannot even to this day be sufficiently overcome, and, while we are agreed that any attempt to ensure a system of scientific registration of Trade Marks in India would be generally welcomed by the commercial community of India as a whole, we hold that, having regard to the difficulty presented by the complexity of Cotton Marks, such legislation would be difficult to introduce and the expenses involved would not be commensurate with the benefits which such legislation might confer upon the industry.

B. K. MANTRI,  
For Acting Secretary.

MUNMOHANDAS RAMJI,  
JOSEPH A. KAY,  
S. D. SAKLATVALA,  
FRED STONES.

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No. 1438/144 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 21st August 1928.

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,  
REVENUE DEPARTMENT, BOMBAY.

SIR,

SUBJECT :—*Registration of Trade Marks in India.*

I am directed to acknowledge receipt of your letter No. 630-G/28, dated 6th July 1928, wherein Government request this Association to express an opinion as regards the advisability of enacting a legislation for the registration of Trade Marks in India. The question has received the most careful consideration of my Committee, and I have pleasure in giving below their views on this subject ;

The whole of the previous history of this question shows that the mercantile community of India had consistently expressed themselves against such a proposal chiefly on the following grounds :—

1. The existing law in India being sufficiently comprehensive, the enactment of an Indian law on the lines of the English Act would involve certain positive disadvantages ;
2. The difficulty of finding an expert staff to scrutinise the Trade Marks prior to registration and decide about their admissibility ; and
3. The expenditure involved in establishing a system of registration of Trade Marks with the necessary elaborate and cumbersome regulations and an unnecessarily expensive staff would be considerable.

My Committee have carefully considered the above objections which, they think, cannot even to this day be sufficiently overcome, and while they are agreed that any attempt to ensure a system of scientific registration of Trade Marks in India would be generally welcomed by the Commercial Community of India as a whole, they hold that, having regard to the difficulty presented by the complexity of Cotton Marks, such legislation would be difficult to introduce and the expenses involved would not be commensurate with the benefits which such legislation might confer upon the industry.—I have, etc.,

B. K. MANTRI,  
*Acting Secretary.*

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#### APPENDIX 41.

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#### PROPOSED ESTABLISHMENT OF AN ACCOUNTANCY BOARD IN INDIA.

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No. 902 of 1928.

ACCOUNTANCY DIPLOMA BOARD,  
BOMBAY, 9th November 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

I have the honour to forward herewith a copy of the letter of the Government of India, Department of Commerce, No. 131-T.(2) of the 20th August 1928 and the accompaniments to it and to request you to send me at an early date the views of your Association on the scheme embodied in the memorandum accompanying the letter from the Government of India.—I have, etc.,

M. L. TANAN,  
*Secretary.*

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No. 131-T.(2).

GOVERNMENT OF INDIA,  
DEPARTMENT OF COMMERCE,  
SIMLA, 20th August 1928.

TO ALL PROVINCIAL GOVERNMENTS AND ADMINISTRATIONS.

SIR,

I am directed to address you on the subject of the establishment of an Indian Accountancy Board. In their letter No. 131-T. (2), dated the 16th November 1925, to the address of all Local Governments (copy enclosed), the Government of India reviewed the existing arrangements for the grant of auditors' certificates under Section 144 of the Indian Companies Act, 1913, which were never intended to be more than temporary and transitional ; and they expressed certain tentative and provisional views on the course of future development. It

was explained that the Government of India were of opinion that the ultimate aim should be to build up in India an association or associations of Accountants of the same standing and reputation as the principal Institutes and Societies of Accountants in the United Kingdom ; but they thought that it would be generally agreed that in consideration of the importance of the issues at stake and of the need for ensuring that any such association should be generally recognised as authoritative, it would be premature at present to attempt to establish an association which would be fully responsible for the maintenance of the requisite standards of professional qualification and conduct among its members. If this were the general opinion, it appeared to the Government of India to be essential that any new arrangements for the grant of auditors' certificates should be such as would be consistent with the ultimate formation of an authoritative association of Accountants ; and as a first step towards this object it had been suggested that the Government of India should constitute an Indian Accountancy Board. The Government of India considered that the suggestion was attractive and asked the Local Governments for a preliminary expression of their views. At the same time, it was proposed to call a small informal conference of persons specially interested in the subject and specially qualified to advise on it, and of representatives of Local Governments, to explore the whole subject.

2. The opinions received indicated that it was generally accepted that the time was ripe for some measure of central control, and the subject was further examined at the informal conference which was held at Delhi on the 20th March 1926. Opinion at the conference was almost unanimous that the preparation of a scheme for an Indian Accountancy Board should be proceeded with, and that the formation of an autonomous association of Accountants should be kept in view as the ultimate aim. The conference appointed a sub-committee to consider the details of the scheme ; and the memorandum, which forms an enclosure to this letter, embodies the final views at which the sub-committee arrived at a meeting held at Delhi on the 19th March 1927.

3. The memorandum is self-contained, and there is only one matter on which some further explanation appears to be required. This is the question whether any distinction should be recognised between " practising " and " non-practising " Accountants ; and in particular, whether auditors' certificates should in future be granted only to Accountants in independent practice, or should continue, as at present, to be granted also to Accountants holding, for instance, a salaried post in a business firm. It is understood that no such distinction exists in English law, and that the professional restrictions imposed by Institutes and Societies of Accountants in the United Kingdom differ. After very careful consideration, the sub-committee was of opinion that no distinction should be made either in the Indian Companies Act or in rules made under the Act for the certification of auditors, and that both " practising " and " non-practising " Accountants should be equally eligible for certificates entitling them to act as auditors of public companies. The sub-committee considered that the matter might be further examined by the Indian Accountancy Board when constituted, but was of opinion that it could only be finally settled by a demand from shareholders that the accounts of companies in which they were interested should be audited by " practising " Accountants.

4. I am now to ask that, after consulting such bodies or persons as you may think desirable, you will furnish the Government of India with their views on the scheme embodied in the memorandum.—I have, etc.,

G. L. CORBETT,  
*Secretary to the Government of India.*

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*Copy of Letter No. 131-T. (2), dated 16th November 1925, from the Government of India to all Local Governments.*

I am directed to refer to the correspondence ending with your letter on the subject of the proposals (of the Government of Bombay) for the revision of the rules regulating the award of the Government diploma in accountancy of the Sydenham College of Commerce

and Economics at Bombay. The Government of India have now received replies from all Local Governments in respect of these proposals, and as the result of these replies and of the developments that have taken place in India since the position was last reviewed in their letter No. 5392/5405-3 of the 9th July 1913, they are satisfied that the whole question of the training and certification of auditors in India must be reconsidered from a broader standpoint.

2. One of the main objects of the Government of India in passing the Indian Companies Act of 1913 was to ensure that the accounts of companies should be properly audited, and Section 144 of the Act deals with the appointment and qualifications of auditors. This section provides for three classes of auditors. Under the proviso to Section 144 (1) the Governor-General in Council may notify institutions or associations whose members shall be entitled to be appointed and to act as auditors of companies throughout India, and six associations have been notified under this section. They are :—

The Institute of Chartered Accountants of England and Wales ;

The Society of Incorporated Accountants and Auditors ;

The Society of Accountants in Edinburgh ;

The Institute of Accountants and Actuaries in Glasgow ;

The Society of Accountants in Aberdeen ; and

The Institute of Chartered Accountants in Ireland.

Apart from this proviso to Section 144 (1), the Act leaves it to Local Governments to make rules regulating the grant of certificates to auditors of public companies, and under Section 144 (2) a Local Government may grant either an unrestricted certificate entitling the holder to act as an auditor of companies throughout British India or a restricted certificate entitling the holder to act as an auditor of companies only within the limits of the province. The Act imposes no limit on the discretion of Local Governments but by arrangement between the Local Governments and the Government of India, the grant of unrestricted certificates is ordinarily confined to those who have obtained the diploma of the Accountancy Diploma Board, Bombay. Such persons, however, are not entitled to practise within the limits of any particular province unless they have first obtained a certificate under Section 144 (1) from the Government of that province. They constitute the second class of auditors. In addition, there is a third class of auditors who do not possess the above diploma but who by reason of long practical experience are considered fit by a Local Government to be appointed auditors of companies and who are permitted to practise in the province for such period as may be thought advisable.

3. The existing arrangements were never intended to be more than temporary and transitional. The third class of auditors referred to will obviously disappear in the course of time as properly trained auditors become available, but apart from this point, the arrangements are open to criticism. In the first place, the Government of India doubt whether the provisions of Section 144 of the Companies Act are in consonance either with the classification of subjects under the existing constitution or with the probable lines of future constitutional advance. Secondly, other Local Governments can hardly be expected to acquiesce indefinitely in an arrangement which concentrates the theoretical part of the training of auditors of companies in a single province. Indeed, one Local Government has already put up a scheme for the training of auditors in its own province.

4. For these and other reasons the Government of India consider that the whole position must now be re-examined. The last twelve years have seen in India not only a large increase in the number of limited liability companies but also an increase in their size and importance and in the range of their activities. These activities frequently extend beyond the limits of a single province, and there is now a tendency also for shares in industrial concerns to be more widely held. It is obvious of course that the main object should be that

a high standard of professional qualification should be prescribed, and that the maintenance of that standard at a uniformly high level throughout India should be ensured. A further and equally important object to be kept in view is the maintenance among certified auditors of a high uniform standard of discipline and professional conduct.

5. The Government of India have always held and are still of opinion that the ideal system would be to build up in India an association or associations of the same standing and reputation as those mentioned in paragraph 2 of this letter, and they observe that expression has been given to the same ideal in paragraph 12 of the report of the External Capital Committee. If such an institution could be established, it could appropriately make itself responsible for the maintenance of the requisite standard of professional qualification and conduct among its members. The Government of India do not propose to rule out absolutely the possibility of encouraging the formation of an association or institute of this kind, with the object subsequently of conferring upon it some kind of charter. It is a question which requires further examination and discussion. But, as at present advised, they think that it will be generally agreed that in consideration of the importance of the issues at stake and of the need for ensuring that any such institute should be generally recognised as authoritative it would be premature at present to attempt to establish an institute fully endowed with these functions. But if this is the general opinion, then it appears to the Government of India to be essential that any new arrangements which may be made for the grant of certificates to auditors of companies in India should be such as would be consistent with the ultimate formation of an association or institute of the kind referred to in the preceding paragraph of this letter. With this object in view, it has been suggested that the Government of India should begin by establishing an all-India Accountancy Board. The diploma given by this Board would connote high professional attainments and would entitle the holders thereof to practise their profession anywhere throughout British India without further permission. This Board would be only a temporary institution. It is hoped that in connection with this all-India Board it may prove possible to bring together in some form of institute or association auditors possessing high professional qualifications and now practising in India as well as those who may hereafter be qualified to practise whether on diplomas issued by this all-India Board or otherwise, so that, as experience is gained and numbers, such institute or association will be able and competent to take over the duty of maintaining standards of qualification and training in the profession.

6. The Government of India are of opinion that the suggestion is an attractive one. If the principle of the proposal meets with general approval, it will be necessary to work it out in detail, but there are one or two points on which some preliminary remarks are required. The first relates to the functions of the proposed all-India Board. These might roughly be defined as below:—

- (1) Subject to the approval of the Government of India, to frame and issue rules prescribing the qualifications and covering both the theoretical and practical training of auditors and the grant of diplomas in accountancy ;
- (2) to appoint examiners and to arrange for the conduct of examinations in accountancy ;
- (3) to recognise institutions in which the arrangements made for instruction in accountancy are satisfactory and the students of which will be allowed to sit for examination ;
- (4) to maintain lists of approved firms in which candidates for the final diploma can obtain practical training ;
- (5) to prescribe the period of such practical training ;
- (6) to grant an all-India diploma in accountancy ;
- (7) to institute inquiries into alleged misconduct by holders of all-India diplomas ;

- (8) to recommend to the Government of India the cancellation of all-India diplomas where the holder has been found guilty of professional misconduct ; and
- (9) generally to keep in touch with holders of the all-India diploma and with other members in India of the six societies referred to in paragraph 2 above in order gradually to build up an association of accountants and auditors in India.

The exact constitution of the Board will be worked out later, but if the functions are on the lines indicated above, clearly the Board should be composed mainly of persons of high standing in the profession drawn as far as possible from different provinces. The members of the Board would be nominated by the Government of India who would also nominate the Chairman.

It may also be necessary to establish in a few selected centres where the work is heavy Local Boards similarly constituted but working under the all-India Board to relieve the all-India Board of certain current but local work. It is not proposed that men now holding restricted or unrestricted certificates should be debarred from practising, but it is essential part of the scheme that after a stated period the issue of such certificates by Local Governments should cease in order that ultimately the auditing of the accounts of companies may be left entirely to those who hold the higher qualification of the all-India diploma.

7. The subject is a very important one, and it will be understood that the views expressed in this letter are purely tentative and provisional. The Government of India would be grateful if your Government could let them have a preliminary expression of their views by the 15th January next. It is their present idea to take advantage of the opportunity afforded by the presence in Delhi during the forthcoming session of the Legislature of various persons who are specially interested in the subject and specially qualified to advise on it, to assemble a small informal conference. At the conference the whole subject will be explored, and it is hoped that it will be possible not only to arrive at preliminary conclusions but also to decide how best those conclusions can be carried into effect. It is hoped that your Government will be able either to nominate one of its representatives on the Legislature to attend this conference or to send up some one specially for the purpose. In the meantime, I am to say that there is no objection to non-officials specially interested in the subject or in commerce or banking being consulted confidentially.

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MEMORANDUM.

*1.—Summary of the Scheme.*

(1) In sub-sections (1) and (2) of Section 144 of the Indian Companies Act, 1913, "Governor-General in Council" should be substituted for "Local Government" as the statutory authority which—

- (a) grants certificates to persons entitling them to act as auditors of public companies (auditors' certificates); and
- (b) makes rules providing for the grant of such certificates.

(2) The Governor-General in Council should maintain, by rules made under Section 144 of the Act, an Indian Register of Accountants.

The Governor-General in Council should grant auditors' certificates only to persons who are enrolled in the Indian Register of Accountants. Such certificates should be renewable annually and should not be renewed to persons whose names have been removed from the Register of Accountants.

The amending Act should provide for—



- (a) the cancellation of auditors' certificates granted by Local Governments prior to its enactment; and
- (b) the repeal of the proviso to Section 144 (1) of the Act;

but should allow an interval within which persons thereby affected would have sufficient opportunity to become enrolled in the Indian Register of Accountants and to obtain auditors' certificates from the Governor-General in Council.

(3) The Governor-General in Council should appoint, by rules made under Section 144 of the Act,—

- (a) an Indian Accountancy Board for the purpose of advising him on all matters relating to the administration of Section 144 of the Act and the rules made thereunder, and to assist him in maintaining the standards of qualification and conduct required of persons enrolled in the Indian Register of Accountants; and
  - (b) local Accountancy Boards at important centres for the purpose of advising the Indian Accountancy Board or the Governor-General in Council on any matters that may be referred to them.
- (4) The amending Act should come into force at a future date to be notified, so that the existing arrangements may continue until the Accountancy Boards are ready to function.

#### *II.—The Indian Register of Accountants.*

(1) The Register should be maintained by the Governor-General in Council, by rules made under Section 144 of the Act, with the advice of the Indian Accountancy Board. It should be called the "Indian Register of Accountants" with the sub-title "maintained under the authority of the Government of India."

A person enrolled in the Register should be entitled to style himself "Indian Registered Accountant," and to put the letters "I. R. A." after his name.

Enrolment in the Register should be individual and dependent on residence in India. A firm should not be permitted to be enrolled as such.

(2) When the Register is first opened the following persons should be entitled to be enrolled:—

- (a) all members of any institution or association previously notified by the Governor-General in Council under the proviso to Section 144 (1) of the Act, who are then resident in India;
- (b) all persons then holding the Government of India Diploma in Accountancy (G.D.A.), which is now awarded on the recommendation of the Accountancy Diploma Board, Bombay;
- (c) all persons then holding unrestricted auditors' certificates previously granted by Local Governments under Section 144 of the Act.

There should be no time limit within which such persons should be required to apply for enrolment in the Register of Accountants. But members of notified institutions and associations and holders of auditors' certificates granted by Local Governments will cease to be entitled to act as auditors of public companies after a certain date to be fixed by the amending Act.

(3) Subsequently, the following persons should be entitled to be enrolled:—

Persons who have satisfied—

- (a) the tests prescribed by the Governor-General in Council with the advice of the Indian Accountancy Board; or
- (b) tests recognised by the Governor-General in Council with the advice of the Indian Accountancy Board as equivalent to these tests.

NOTE.—Test recognised as equivalent would be membership of any institution or association which is now notified under the proviso to Section 144 (1) of the Act. But it is understood that there are also other Societies of Accountants in England, the British Dominions, the United States of America and elsewhere, some of which are of high standing, while others are more lax. It is probable that as soon as the new scheme is introduced, some of these societies will apply through their Councils for recognition. It is suggested that the members of such societies should not automatically be eligible for enrolment in the Register of Accountants, but that individual applications should be considered on their merits.

- (4) Any person enrolled in the Register of Accountants should be entitled to apply to the Governor-General in Council under Section 144 of the Act for an auditor's certificate.

The tests prescribed for enrolment in the Register of Accountants should include the qualifications of character, age, etc., which are now required from applicants for auditors' certificates, and should ordinarily be assumed to satisfy the requirements of the Governor-General in Council in this respect.

There should be no distinction at present between "practising" and "non-practising" either in the Register or as a condition of eligibility for an auditor's certificate. But the desirability of such a distinction might be considered later by the Indian Accountancy Board, when constituted.

- (5) Every person enrolled in the Register of Accountants should be required to pay—
- (a) an entrance fee of Rs. 150 on enrolment; and
- (b) an annual registration fee of Rs. 32.

If the annual registration fee is not paid by a certain date, the person's name should be liable to be removed from the Register of Accountants.

No additional fee should be payable for an auditor's certificate. But an auditor's certificate should be made renewable annually, and should not be renewed until a receipt of payment of the annual registration fee has been produced.

(6) Existing holders of restricted auditors' certificates granted by local Governments, who are not entitled to be enrolled in the Register of Accountants, should be permitted by the rules made under the Act to continue to act as auditors of public companies within the limits of their respective provinces. Their certificates might be made permanent instead of being renewable periodically as at present. No new restricted auditors' certificates should be issued.

### III.—The Indian Accountancy Board.

(1) The Indian Accountancy Board should be constituted by rules made under Section 144 of the Act. All members of the Board should in the first instance be nominated by the Governor-General in Council, and its functions should be advisory.

- (2) The Board should in the first instance consist of 17 members, namely,

The Commerce Secretary, Government of India ..	1	} <i>ex-officio.</i>
The Auditor-General, or an officer recommended by him	1	
From Bengal (including Bihar and Orissa and Assam) .	4	
From Bombay (including the Central Provinces) ..	4	
From Madras .. .. .	2	
From Northern India .. .. .	1	
From Burma .. .. .	1	
Unallotted .. .. .	3	
Total .. .. .	17	

The term of appointment for members other than *ex-officio* members should be three years.

The Commerce Secretary should be *ex-officio* Chairman of the Board ; and until the work is sufficient to require a whole-time Secretary, an officer of the Commerce Department should act as Secretary.

The leading Accountants in India should be invited to serve on the Board in order that it may be as authoritative as possible, but the Board should be representative not only of different provinces but also of different classes of Accountants.

The Board should not be composed entirely of practising Accountants, but should include, at any rate in the first instance, some businessmen, preferably persons who are also non-practising Accountants.

(3) The functions of the Board should be to advise the Governor-General in Council in all matters relating to the administration of Section 144 of the Act and the rules made thereunder, and to assist him in maintaining the standards of qualification and conduct required of persons enrolled in the Indian Register of Accountants. In particular, the Board should—

- (a) examine the applications of those who apply to be enrolled in the Register of Accountants when it is first opened, and advise whether they should be enrolled
- (b) advise what tests should be prescribed for subsequent applicants for enrolment in the Register of Accountants, the regulations for theoretical and practical training, and the qualifications of character, age, etc. ;
- (c) prepare syllabuses for the examinations which applicants for enrolment in the Register of Accountants should be required to pass, and advise at what places the examinations should be held, by whom they should be conducted, and who should be appointed examiners in each subject ;

NOTE.—Candidates for examination should not be required to attend any prescribed college or other institution for preparation.

- (d) advise by what firms of Accountants, and on what conditions, apprentices should be taken for practical training ;
- (e) assist in maintaining proper standards of conduct among Indian Registered Accountants ; and
- (f) advise the Governor-General in Council on any other matter that he may refer to it.

(4) The Board should determine its own procedure, when constituted.

Meetings of the full Board should be held as often as is required, provided that a meeting should be held at least once a year.

The question of appointing an Executive Committee should be considered by the Board, when constituted.

The place of meeting should be fixed so as to suit as far as possible the convenience of members, but should ordinarily be at the headquarters of the Government of India or at Calcutta or Bombay.

Eight should be a quorum.

(5) Members of the Board (other than officers of the Government of India, who will draw travelling allowance under the ordinary rules) should receive a first class fare to and from the place of meeting and a fee of Rs. 50 per diem for each day of absence from their

place of residence. Members resident at the place of meeting should receive a fee of Rs. 50 for each day on which they attend a meeting.

#### IV.—Local Accountancy Boards.

(1) Local Accountancy Boards should be constituted by rules made under Section 144 of the Act at—

- Calcutta, for Bengal, Bihar and Orissa and Assam ;
- Bombay, for the Bombay Presidency including Sind, and the Central Provinces ;
- Madras, for the Madras Presidency and Coorg ;
- Rangoon, for Burma ; and
- Delhi or some other place in Northern India, for Delhi, the United Provinces, the Punjab, the North-West Frontier Province, Baluchistan and Ajmer-Merwara.

(2) Local Accountancy Boards should consist of not more than 8 members and not less than 4.

A member of the Indian Accountancy Board should be *ex-officio* a member of the local Board for the province in which he resides.

Other members of the local Boards should be nominated by the Governor-General in Council in consultation with the local Governments concerned.

The term of appointment for members other than *ex-officio* members should be three years.

The Chairman of a local Board should be a member of the Indian Accountancy Board, and should either be appointed by the Governor-General in Council or be elected by the local Board.

(3) The functions of a local Board should be to advise the Indian Accountancy Board or the Governor-General in Council on any matters that may be referred to it, and in particular on matters relating to the profession of Accountants within its area.

(4) The procedure would ordinarily be that the Commerce Secretary, Government of India, as Chairman of the Indian Accountancy Board, would refer any such matter to local Boards generally, or to the local Board or Boards particularly concerned ; and when the replies of the local Boards had been received, he would place the matter before the Indian Accountancy Board.

(5) Members of local Boards should receive the same travelling allowances and fees as members of the Indian Accountancy Board.

#### V.—Finance.

(1) The cost of the scheme should be met by receipts from the following sources :—

- (a) entrance fees on enrolment in the Register of Accountants ;
- (b) annual registration fees ; and
- (c) examination fees.

(2) Expenditure would include :—

- (a) conduct of examinations and remuneration of examiners, which should be covered as far as possible by examination fees ;
- (b) travelling allowances and fees for attending meetings of the Accountancy Boards ;

- (c) staff ;  
 (d) printing, stationery, etc.

(3) Receipts should be credited to a separate fund or account, which should be administered by the Governor-General in Council with the advice of the Indian Accountancy Board.

The annual budget of this separate fund or account should be placed before the Indian Accountancy Board every year.

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No. 2086/186 of 1928.

THE MILLOWNERS' ASSOCIATION,  
 BOMBAY, 5th December 1928.

THE SECRETARY,  
 THE ACCOUNTANCY DIPLOMA BOARD, BOMBAY.

SIR,

I am directed to acknowledge receipt of your letter No. 902 of 9th November 1928 wherein you request my Committee to express an opinion on certain proposals of the Government of India for the establishment of an all-India Accountancy Board in India. My Committee note that the establishment of an all-India Accountancy Board is only a first step towards the building up in India of an Association or Associations of Accountants of the same standing and reputation as the principal Institutes and Societies of Accountants in the United Kingdom and elsewhere. My Committee agree with this view and are inclined to support the proposal, but they would also like to make it clear that the establishment of an all-India Accountancy Board should not indefinitely postpone the attainment of the ultimate object, namely, the formation of an Institute of Accountants.—I have, etc.,

B. K. MANTRI,  
*Acting Secretary.*

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**APPENDIX 42.**

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ARBITRAL AWARDS IN COMMERCIAL CONTRACTS.

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No. 9215-G.

REVENUE DEPARTMENT,  
 BOMBAY, 31st May 1928.

THE SECRETARY,  
 THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT:—*Trade and Commerce.—Arbitral Awards in Commercial Contracts.*

I am directed by the Governor in Council to forward a copy of Government Resolution\* No. 9215 dated 4th May 1928 and to request that Government may be favoured with the views of your Association as to the desirability of India's adherence to the Protocol of 1923 and the Convention on the execution of foreign arbitral awards. In this connection I am to draw your particular attention to the Resolution on the subject of arbitral awards adopted by the Eleventh Congress of the Chambers of Commerce of the Empire held at Cape Town in October 1927.—I have, etc.,

R. B. DIVANJI,  
*For Secretary to the Government of Bombay.*

*Letter from the Government of India, Department of Commerce, No. 1472-C., dated 15th*

*March 1928.*

With reference to the correspondence ending with your letter No. 9215-G., dated 26th May 1924, I am directed to forward a copy of the—

- ..
- (1) Summary of replies of Local Governments to this Department letter No. 4659, dated the 11th September 1923,
  - (2) Protocol on Arbitration Clauses as opened for signature by all the States on September 24th, 1923.
  - (3) Draft Protocol on the execution of foreign arbitral awards 1927 together with the Report of the Committee of Legal Experts,
  - (4) Convention relating to the execution of arbitral awards together with the Report and Draft Resolutions submitted by the Second Committee to the Assembly,
  - (5) Letter from the Secretary, Federation of Empire Chambers of Commerce of the British Empire, dated the 17th January 1928,

on the subject noted above.

2. It will be observed that the replies of the Local Governments and other bodies consulted showed a general approval of the application of arbitration to commercial cases. The Madras High Court, the Bengal Chamber of Commerce and the Marwari Chamber of Commerce, Calcutta, however, took exception to the Courts being deprived of the discretion which they now possess under Section 19 of the Arbitration Act (IX of 1899) to stay proceedings where there is a submission. In this connection the Bengal Chamber stated that "although the Courts are not thus compelled to stay proceedings, they do in practice exercise their discretion unless the case is of a type that obviously ought to be dealt with by a legal tribunal rather than by lay arbitrators." They were prepared to recommend acceptance of the Protocol "with a reservation to the Indian Courts of their present discretionary powers to deal with matters which they may not consider to be fit subjects for decision by lay arbitrators." The Madras High Court took the same view. A considerable body of opinion was also doubtful whether in view of the absence of any provision for the reciprocal enforcement of awards in different countries any real benefit would accrue from the Protocol.

3. It was recognised that the Protocol mainly affected the mercantile community and as important sections of that community were loath to see the Courts deprived of their present discretion, the Government of India did not feel justified in bringing forward a Bill to amend the Arbitration law in this sense. At the same time, since it was impossible to sign a Protocol subject to important reservations, the Secretary of State was informed that the Government of India were unable to adhere to the Protocol.

4. The Protocol of 1923 has been ratified on behalf of Great Britain, various parts of the British Empire and a considerable number of foreign countries. The number of accessions has, however, on the whole, been considered disappointing, and this is believed to be due to the absence of any arrangements for the enforcement of arbitral awards made in foreign countries. The Economic Committee of the League of Nations, with the object of removing this omission, studied the possibility of supplementing the provisions of the Protocol, and the result of their labours came before the Eighth Assembly in the form of a draft sup-

plementary Protocol. This draft, after having been submitted to all Members of the League in order to give them an opportunity of examining it, was referred by the Second Economic Committee to a Sub-Committee of jurists. As a result of the deliberations of this Sub-Committee certain changes were made in the draft, and in view of the representations of the British Government that a Protocol might give rise to difficulties due to the peculiar constitution of the British Empire, the draft was given the form of a Convention enumerating in its preamble the heads of the States participating therein and their plenipotentiaries. This Convention is now open for signature together with the original Protocol of 1923.

5. The Convention relates to arbitral awards in general and is not restricted to awards in commercial matters. Article 1 of the Protocol of 1923, however, reserves to each Contracting State the right to limit the obligations originating from the Protocol to "commercial" contracts, and the Convention of 1927 only applies to arbitral awards covered by the Protocol of 1923. Any restriction, therefore, limiting the application of the Protocol to "commercial" awards will also govern the application of the Convention and will exclude from the purview of the Convention awards other than "commercial" awards. The Government of India are still of opinion that the application of the Protocol, so far as India is concerned, should be limited to contracts relating to the sale of goods in the export and import trade of India and contracts relating to freight, insurance, commission, etc., associated with such trade, and that accession to the Protocol and Convention by India should be accompanied by a reservation limiting the obligations to "commercial" contracts of this nature.

6. I am to point out that a discretionary power to stay proceedings similar to that conferred on Courts by the Indian law was vested in the English Courts by virtue of section 4 of the English Arbitration Act, 1889 (52 and 53 Vict., C. 49), but in pursuance of the provisions of the Protocol of 1923 legislation has since been passed by His Majesty's Government in the form of the Arbitration Clauses (Protocol) Act, 1924 (14 and 15 Geo. 5, Ch. 39) depriving the Courts of this power and making the stay of proceedings mandatory in respect of matters which the parties have agreed to refer to arbitration. A copy of this Act is enclosed for information. Moreover, as has already been stated, the absence of any arrangements for the enforcement of arbitral awards made in foreign countries, which resulted in the abstention of certain States from signing the Protocol of 1923, has been remedied by the Convention drawn up by the League of Nations for the enforcement of arbitral awards in foreign countries. This Convention has already been signed on behalf of His Majesty's Government who propose to promote legislation at the earliest possible moment to give effect to it, and similar action is in contemplation by certain other States.

7. The Government of India are generally in favour of co-operating with other countries in International Agreements of this kind, if such a course be possible without serious detriment to Indian interests, and, in the circumstances explained above, they hope that the objections previously taken in India to signing the Protocol of 1923 may now be withdrawn. Further, there is a tendency to make the adoption of the provisions of the Protocol on arbitration clauses a condition precedent to the adherence to bilateral commercial treaties and one of the obstacles experienced by the Government of India to the accession to such treaties has been their attitude as regards this Protocol. I am accordingly to request that the Protocol of 1923 and the Convention on the execution of foreign arbitral awards may be considered in the light of the information now available, and the Government of India may be favoured with the views of the Local Government as to the desirability of India's adherence to the two Instruments. As the matter is one which closely affects the commercial community, the Government of India would be glad if the views of His Excellency the Governor in Council could be furnished to them after consulting the commercial community and such other bodies or individuals as may be interested in the matter. The attention of the commercial community may in particular also be drawn in this connection to the Resolution on the subject of arbitral awards adopted by the Eleventh Congress of Chambers of Commerce of the Empire at Cape Town in October 1927, a copy of which is enclosed with this letter.

8. I am also to request that the opinions of the Hon'ble the Judges of the High Court and Judicial Commissioner's Court may be obtained and forwarded with your reply.

[Enclosures to letter No. 1472-C. *re* League of Nations Protocol of 1923.]

*Opinions of the Local Governments addressed on the subject of the Draft Convention on Arbitration Clauses prepared by the Economic Committee of the League of Nations.*

Province.	Opinion of Local Government.	Opinion of the Hon'ble Judges of the High Court of the Province.	Opinion of the local commercial bodies consulted.
1. Assam ..	The Governor in Council sees no objection to the ratification of the Protocol and to the amendment of the law as suggested, provided that the application of the Protocol be restricted, so far as India is concerned, to contracts relating to the sale of goods in the export and import business, etc., as suggested in paragraph 4 of our letter.	Nil ..	None given.
2. Burma ..	Concurs in the proposals of the Government of India.	Have no remarks to offer on the proposals.	Commercial opinion is, on the whole, favourably disposed towards the proposals except the Rangoon Trades Association, which has objected on the ground that there is no machinery by which one of the contracting parties who chooses to repudiate the arbitration clauses could be brought to book. The objection is in effect the same as pointed out in paragraph 3 of this Department's letter under reply, viz., that no provision is made in the Protocol for the reciprocal enforcement of awards in different countries.
3. Punjab ..	Have nothing to add to the criticisms expressed by the Hon'ble Judges of the High Court. Are of opinion that a measure of the kind contemplated deserves the sympathy and encouragement of the Government of India, but fear that little practical benefit is likely to accrue in the face of the manifest difficulties pointed out by the High Court.	The Judges understand that wherever a clause exists in a contract "recognised as commercial" providing for a reference to arbitration, the Court which is seized with the dispute is bound to make a reference. It is not clear how the Court becomes so seized for it is unnecessary that it should have jurisdiction in the ordinary sense over either party or jurisdiction to try a suit arising out of the contract—a somewhat difficult distinction. Having made the reference the Court is apparently to be <i>functus officio</i> except for the purpose of recording the award. Is such a plea that the contract is a gambling agreement to be excluded altogether and, if pleaded, who is to adjudicate upon it if the Court has no jurisdiction to try the suit? Moreover, it would be necessary to define the meaning of contracts "recognised as commercial" and the first objection taken in every case would be that the contract did not fall under	The Punjab Chamber of Commerce and the Punjab Trades Association are in agreement with the views and criticisms expressed by the Government of India.



Province.	Opinion of Local Government.	Opinion of the Hon'ble Judges of the High Court of the Province.	Opinion of the local commercial bodies consulted.
4. Bihar and Orissa.	In view of the apprehension expressed by the majority of those consulted, the Local Government hesitate to support the proposal that India should adhere to the Protocol. They apprehend that such awards might be inoperative or even enforceable against one party to a contract and not against the other.	<p>the agreement (and here again the jurisdiction difficulty will arise) unless the definitions adopted by the various countries are identical. The most insuperable difficulty of all is, however, the absence in the Protocol of any method of reciprocal enforcement of judgments.</p> <p>Six of the Hon'ble Judges who have expressed their opinion see no objection to accepting the proposal.</p>	While the Convention is a step in the right direction, the absence of any arrangement for the reciprocal enforcement of awards introduces a degree of uncertainty into the working of the system which renders it inadvisable to adhere to the Convention.
5. United Provinces of Agra and Oudh.	Favour ratification of the Convention at once and amendment of the law in British India as proposed.	Almost all the Hon'ble Judges approve the suggestions made by the Government of India.	The United Provinces Chamber (and the Board of Industries) agree without comment to the course suggested by the Government of India, while the Upper India Chamber of Commerce differ only in thinking that ratification should be delayed until Indian arbitration law generally has been revised. In this latter suggestion, the Local Government do not agree.
6. Madras	Supports the view put forward by the local mercantile community, which is that it is desirable that India should adhere to the Protocol subject to the restriction mentioned in paragraph 4 of our letter. They also agree generally to the proposal that the law in British India should be amended so as to bring it into conformity with the provisions of the Protocol.	Out of 13 Hon'ble Judges (including the Hon'ble the Chief Justice) consulted 5 have no remarks to offer while 5 agree in the opinion expressed by the Hon'ble the Chief Justice. This, in substance, is that he sees no serious objection to extending the operation of the Arbitration Act to the whole of India, but is strongly against any modification of the discretionary powers of the Courts in respect of arbitrations held in this country. He further states that he would not, under any circumstances, sign clause 4 of the Convention as it stands. Nor is he in favour of altering the Indian Arbitration law. Mr. Justice Wallace agrees with the above but thinks that the Protocol makes imperfect provision for enforcement of awards. Justices Krishnan and M. Pillai differ, however, from the Hon'ble the Chief Justice's view as regards clause 4, and think that it is unobjectionable as it stands.	Please see remarks under column II.

Province.	Opinion of Local Government.	Opinion of the Hon'ble Judges of the High Court of the Province.	Opinion of the local commercial bodies consulted.
7. Central Provinces.	Agree that, subject to the restriction laid down in paragraph 4 of our letter, the Convention should be adhered to by the Government of India.	None	The Local Government say that "all persons consulted by it" agree in the opinion expressed by them ( <i>vide</i> column II).
8. Bengal	Consider that, as the matter is primarily the concern of the mercantile community, their opinion ( <i>vide</i> column IV) should be supported by the Government of India.	The Hon'ble the Judges of the High Court agree that the extent to which the law in India requires amendment <i>vis-a-vis</i> the draft Convention is as stated in our letter. They are of opinion, however, that the question is one which rather affects the mercantile community and provided that community has appreciated the nature of the change and approved it, the Hon'ble the Chief Justice and Judges do not think that there is any valid objection to it.	Local commercial opinion is averse to the present proposal to take away the discretionary powers of Courts to stay proceedings as regards arbitration clauses in commercial contracts between nationals of different countries. One body (the Marwari Association) suggests revision of the arbitration clauses in the existing contract forms that are generally in use in this country for doing business with foreign countries, while the Bengal Chamber wishes the discretionary powers referred to above to be preserved. If this be done, then this Chamber do not see any reason why the Government of India should not accept the Convention.
9. Bombay	Have no objection to the Protocol being signed and agree that its application should be restricted to contracts relating to the sale of goods in the export and import trade, etc., also that the law in British India should be amended with a view to its being brought into harmony with the provisions of the Protocol.	The Hon'ble the Chief Justice and Judges have no objection to the law in British India being amended with a view to its being brought into harmony with the provisions of the Protocol.	Public bodies concerned who were consulted, agree in the view as stated by the Local Government ( <i>vide</i> column II).

## LEAGUE OF NATIONS.

### PROTOCOL ON ARBITRATION CLAUSES.

The undersigned, being duly authorised, declare that they accept, on behalf of the countries which they represent, the following provisions:—

1. Each of the Contracting State recognises the validity of an agreement whether relating to existing or future differences between parties subject respectively to the jurisdiction of different Contracting States by which the parties to a contract agree to submit to arbitration all or any differences that may arise in connection with such contract relating to commercial matters or to any other matter capable of settlement by arbitration, whether or not the arbitration is to take place in a country to whose jurisdiction none of the parties is subject.

Each Contracting State reserves the right to limit the obligation mentioned above to contracts which are considered as commercial under its national law. Any Contracting State which avails itself of this right will notify the Secretary-General of the League of Nations, in order that the other Contracting States may be so informed.

2. The arbitral procedure, including the constitution of the Arbitral Tribunal, shall be governed by the will of the parties and by the law of the country in whose territory the arbitration takes place.

The Contracting States agree to facilitate all steps in the procedure which require to be taken in their own territories, in accordance with the provisions of their law governing arbitral procedure applicable to existing differences.

3. Each Contracting State undertakes to ensure the execution by its authorities and in accordance with the provisions of its national laws of arbitral awards made in its own territory under the preceding articles.

4. The Tribunals of the Contracting Parties, on being seized of a dispute regarding a contract made between persons to whom Article 1 applies and including an Arbitration Agreement whether referring to present or future differences which is valid in virtue of the said article and capable of being carried into effect, shall refer the parties on the application of either of them to the decision of the Arbitrators.

Such reference shall not prejudice the competence of the judicial tribunals in case the agreement or the arbitration cannot proceed or becomes inoperative.

5. The present Protocol, which shall remain open for signature by all States, shall be ratified. The ratifications shall be deposited as soon as possible with the Secretary-General of the League of Nations, who shall notify such deposit to all the Signatory States.

6. The present Protocol will come into force as soon as two ratifications have been deposited. Thereafter it will take effect, in the case of each Contracting State, one month after the notification by the Secretary-General of the deposit of its ratification.

7. The present Protocol may be denounced by any Contracting State on giving one year's notice. Denunciation shall be effected by a notification addressed to the Secretary-General of the League, who will immediately transmit copies of such notification to all the other Signatory States and inform them of the date on which it was received. The denunciation shall take effect one year after the date on which it was notified to the Secretary-General, and shall operate only in respect of the notifying State.

8. The Contracting States may declare that their acceptance of the present Protocol does not include any or all of the undermentioned territories: that is to say, their colonies, overseas possessions or territories, protectorates or the territories over which they exercise a mandate.

The said States may subsequently adhere separately on behalf of any territory thus excluded. The Secretary-General of the League of Nations shall be informed as soon as possible of such adhesions. He shall notify such adhesions to all Signatory States. They will take effect one month after the notification by the Secretary-General to all Signatory States.

The Contracting States may also denounce the Protocol separately on behalf of any of the territories referred to above. Article 7 applies to such denunciation.

A certified copy of the present Protocol will be transmitted by the Secretary-General to all the Contracting States.

DONE at Geneva on the twenty-fourth day of September, one thousand nine hundred and twenty-three.

In a single copy, of which the French and English texts are both authentic, and which will be kept in the archives of the Secretariat of the League.

Sd. by—PAUL HYMANS—Belgium.

V. SIDZIKAUSKAS—Lithuania.

A. MICHALAKOPOULOS—Greece.

ROBERT CECIL—First Delegate, British Empire, signing on behalf of Great Britain and Northern Ireland only.

AFRANIO de MELLO-FRANCO—Brazil.

JUAN J. AMEZAGA—Uruguay.

(Distributed to the members of the Council.)

GENEVA, 5th April, 1927.

## LEAGUE OF NATIONS.

## ECONOMIC COMMITTEE.

## DRAFT PROTOCOL ON THE EXECUTION OF FOREIGN ARBITRAL AWARDS.

*Report of the Committee\* of Legal Experts, and Text of its Draft.*

The Protocol on Arbitration Clauses which has been open for signature since September 24th, 1923, lays down, subject to certain specified conditions, that each of the Contracting States shall recognise submissions to arbitration concluded between parties subject respectively to the jurisdiction of different Contracting States. It stipulates, in the first place, that the existence of a submission to arbitration precludes recourse to the Courts of either of the Contracting States and in the second place, that each Contracting State undertakes to ensure the execution by its authorities and in accordance with the provisions of its national laws of awards made in its own territory under such a submission.

On the other hand, the Protocol of 1923 contains no provisions at all regarding the enforcement of awards made in foreign countries.

This omission was noted in the report submitted by the Economic Committee to the Council of the League of Nations in September 1926.

After having (1) recognised the validity of the submission to arbitration in private international relations, and (2) provided for the enforcement of the arbitral award in the State where it was made, a third aim should be pursued, namely, to ensure the international effect of such an award. That is the object of the present draft Protocol.

The question has arisen, however, whether the scope of this Protocol should not be enlarged. Instead of merely confining it to ensuring the international force of awards which are based on the Protocol of 1923, would it not be better to aim at securing the same force for all private arbitral awards, whether they come within the scope of the 1923 Protocol or not?

It has not seemed opportune to enter on this course. It would be difficult to establish a collective agreement on the international effect of arbitral awards. If such an agreement is to be of real use, it must include certain detailed provisions. These become more and more complicated in proportion as the circle of States to which the agreement is applicable increases; account must be taken of the differences existing between the various systems of law, more particularly in connection with the actual scheme of arbitration, of the relationship between arbitrators and the courts; of the system adopted for the enforcement of decisions given abroad. Existing analogies or differences affecting the law in general or systems applied in cases of the conflict of laws must also exercise a certain influence in the matter. It must be remembered that the validity of foreign arbitral awards will be accepted with a readiness related to the guarantees which are afforded by the arbitral practice of any given country. In a collective agreement, there is a tendency to multiply the precautions taken. The risk involved by entering on such a course is that any agreement reached might be retrogressive as compared with the existing law and practice of certain individual countries; instead of facilitating the execution of foreign arbitral awards it would to a large extent impede it.

\*The Committee consisted of the following:—

*Chairman.* — M. D. Anzilotti, Professor of International Law at the University of Rome, Judge on the Permanent Court of International Justice.

*Members.* — M. Basdevant, Professor in the Faculty of Law, Paris.

Mr. Benjamin H. Conner, Advocate, President of the American Chamber of Commerce in France, Paris.

M. Vaclav Hora, Professor at the University of Prague.

Dr. Marc Leitmaier, Ministerialrat (replacing Dr. Walker).

Mr. H. Claughton Scott, K.C., Ashburton (Great Britain).

Dr. Volkmar, Regierungsrat, Ministerialrat in the Ministry of Justice, Berlin.

*Secretary.*—M. C. Smetz.

These considerations have led to abandoning the idea of treating here arbitral awards as a whole.

Should these same considerations lead to the rejection of any idea of a collective agreement and leave room only for bilateral treaties?

No doubt the system of bilateral treaties permits more complete progress to be made in this respect. Such treaties can reduce to a minimum the control exercised in the country in which the award is to be enforced; they adapt themselves exactly to the peculiarities of the legal systems concerned and to the confidence inspired by the respective arbitral and judicial practices; they can contain useful rules of procedure and define the task of the Court with precision.

Yet, while fully recognising the merits inherent in bilateral treaties it must be admitted that the international enforcement of arbitral awards made within the framework of the Protocol of 1923 is, at this moment, an urgent practical need; and that this need cannot be met with sufficient rapidity by bilateral agreements, the negotiation of which must be uncertain and slow. The practical remedy called for cannot be supplied promptly except by a collective agreement concluded under the auspices of the League of Nations.

The effect of the Protocol of 1923 was to create a situation which merits careful consideration.

When a submission to arbitration falling within the provisions of the Protocol of 1923 has occurred, this submission precludes, to a corresponding extent, an appeal to the Courts of each Contracting State; the Court seized of a cause of action falling within the terms of this submission has to submit the case to the decision of the arbitrators (Article 4 of the Protocol of 1923). But, in certain countries, the execution of foreign arbitral awards is not ensured. In these countries, the party interested will then be in the position of having no means of securing execution of the arbitral award, and, as a result of the Protocol of 1923, he is not in a position to have recourse to an independent action in the Courts. He will be deprived of any means of invoking the law in this country; the Protocol of 1923 will thus have aggravated his situation since, but for that Protocol, he might have been able to have recourse to independent legal proceedings before the local Courts.

It is essential to repair this omission. This necessity should take precedence over the consideration of the difficulties which may be presented by proceeding by means of a collective treaty with respect to the execution of foreign arbitral awards.

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The foregoing considerations have led us, then, to consider in the present Protocol only arbitral awards made in pursuance of submission to arbitration which is within the purview of the Protocol of 1923.

This being the object, the number of the participants in the new agreement now proposed is automatically limited. It can only be open to States which have accepted the Protocol of 1923, who themselves must remain free to accept or not to accept the new Protocol. The latter document will depend upon the former.

Consequently, the terms of the Protocol of 1923 have been regularly followed except where there has been special reason to depart from them. Thus, the draft Protocol, like the former document, speaks of Contracting States. This term must, however, be understood as meaning States and the Members of the League of Nations.

It follows from this inter-relationship that the operation of the new Protocol will necessarily be restricted to arbitral awards made in commercial matters in the case of those States which have made a reservation to this effect under the Protocol of 1923; for other States there is no reason to authorise such limitation; on this account the new Protocol gives them no power to make a reservation in this respect.

The text proposed does not, however, take into consideration all the arbitral awards which are within the scope of the Protocol of 1923. It only makes provision for international enforcement in the case of arbitral awards made in a State which is party to the new Protocol. If, then, an arbitral award has been pronounced between nationals of Contracting States, but has been made in the territory of a non-contracting State, the present Protocol does not apply. The drawbacks of this limitation have been recognised, but it has been remarked that certain legislative systems base recognition of foreign arbitral awards on reciprocity, and that the States in which this system is in force would hardly be disposed to accept the new Protocol if it gave sanction to the recognition in a Contracting State of an award made in a non-contracting State, without at the same time ensuring reciprocity. This consideration determined the view of the Committee, and made it accept the restriction mentioned above.

It has not seemed advisable to consider amicable agreements arrived at between the parties before the arbitrators, as to which different views are taken by different legal systems. The Protocol, therefore, only deals with arbitral awards in the strict sense of the term.

The object of the Protocol is to ensure the recognition and execution of such awards in the Contracting States. In practice, the principal interest lies in the execution, but it has seemed necessary also to make special provision for recognition, in conformity with the practice of most modern conventions on the enforcement of foreign judgments, and the scheme elaborated at the Fifth Conference of Private International Law.

In drawing up the texts, the Committee has been compelled to employ such terms as can be adapted to the different procedures in vogue for ensuring the recognition abroad of arbitral awards; injunction on application; decree of execution after hearing of the parties; action at law; demurrer on the ground of *res judicata*, etc. This is the spirit in which the proposed text should be interpreted.

The above considerations have led the Committee to draft the preamble to Article I in the following form:—

“In each of the Contracting States, an arbitral award made in another Contracting State in pursuance of an agreement, whether relating to existing or future differences (hereinafter called a submission to arbitration), referred to in the Protocol on Arbitration Clauses, which has been open at Geneva since September 24th, 1923, shall be recognised as binding and execution thereof shall be granted in accordance with the laws of that State if the said award fulfils the following conditions.”

The Committee has been forced to make a list, of considerable length, of conditions to which the international enforcement of arbitral awards is made subject. This results from the collective form which has been adopted for the Protocol. The Protocol has to bear very varied situations in mind. Individual Governments can, moreover, by bilateral agreements, further limit the control exercised over foreign arbitral awards.

It did not appear possible, under a collective agreement, to limit more closely than here provided the control exercised by the authority before which the arbitral award will be relied upon.

The question was raised whether a difference should not be made between arbitral awards which have already been subjected to the supervision of the judicial authority in the country in which they were made, and other arbitral awards. But the interpretation and practice of this supervision differ so greatly in different countries that it would have been difficult to find a formula which would satisfactorily cover all cases; it therefore seemed preferable not to keep this distinction, more especially as the Courts of the country in which the award is sought to be enforced may take it into account, according to the circumstances of each case, in interpreting individual conditions required for the recognition or enforcement of the award.

In formulating the requisite conditions, the Committee has kept to what appears to be the indispensable points, without entering into every detail or defining every case. Thus it is provided that the validity of the submission to arbitration will be adjudged according to the law which is applicable to it, but it has not specified which this law is ; in this case, it is necessary to consider the principles of private international law. Similarly, the text contains no reference to the question of verbal submissions, on which subject different legal systems are divided ; the validity of such a submission, and, as a consequence, of the award resulting from it, depends on the legal system which is applicable to it.

In prescribing that the subject-matter of the award must be arbitrable under the law of the country in which it is sought to be relied upon, the Committee has wished to emphasise that this law also must be considered, and not to call in question the principle that the subject-matter of the award must be also arbitrable under the law governing the arbitration proceedings.

It seems superfluous to declare that an award which offends against morality could have no international effect : the provision as to public policy suffices to prevent it. The same would apply to a foreign arbitral award which ran counter to judgment given in the country in which it was sought to be relied upon.

On the other hand, the Committee hesitated whether it ought to require the award to be executory in the country in which it has been made. To admit this provision would confer great advantages, particularly if the granting of this executory force were made subject in the country in question to judicial control ; but this is not the case in every country. A strong argument on the other side is that the award will often be made in a third country by an arbitrator who is of different nationality from either of the parties ; notably this is a practice of the International Chamber of Commerce. In such cases there is no reason to invest the award with executive force in the country in which it has been made. This might lead to useless expense. For this reason, no stipulation has been made that an award should be executory in the country in which it has been made.

It is only stipulated that the award must have become final. The diversity of legal systems has made it impossible to say more definitely when it possesses this characteristic. This must be decided by the Court of the country in which the award is sought to be enforced, in the light of the legal system of the country in which the award was made.

The conditions to which the recognition and enforcement of the arbitral awards are made subject are laid down as follows :—

- (a) That it has been made in pursuance of a submission to arbitration which is valid under the laws applicable thereto ;
- (b) That the subject-matter of the award is capable of settlement by arbitration under the law of the State in which the award is sought to be relied upon ;
- (c) That the award has been given by the arbitral tribunal provided for in the submission to arbitration or constituted in the manner agreed upon by the parties and in conformity with the law governing the arbitration procedure ;
- (d) That the award has become final in the State in which it was made ;
- (e) That the award is not contrary to public policy or to the principles of the public law of the State in which it is relied upon.

A suggestion was made to add certain further conditions to the list contained in Article 1, and in particular to authorise refusal to recognise or enforce an award, if it appeared to the Court before which the award was relied upon that it sanctioned a manifest injustice. It was argued that it was extremely difficult for a Court to sanction what appears to it manifestly unjust. It is particularly difficult for this Court if it gives judgment after hearing both parties. The Committee, however, thought that this was too vague a reason for refusal, that it was impossible to make it more precise, and that, by admitting it, it might be opening the door to the complete revision of foreign arbitral awards.

Similarly, the Committee was unwilling to agree that a refusal to recognise or enforce an award might be based on the fact that it was made by applying to the solution of the dispute a law other than that of the country in which the award is sought to be enforced, whereas, by the practice of that country, when a conflict of laws arises, the law of the home country ought to have prevailed. No doubt, when a collective treaty has to be applied, such divergencies between the different systems adopted for the solution of questions arising out of the conflict of laws may arise. The Committee considered, nevertheless, that these were exceptional cases, that the arbitrators would often have given their decisions without specifying what law they intended to follow and that in consequence this point should be omitted.

Further, it has been pointed out, particularly in considering the hypothesis of an award which contains a manifest injustice, that objections which the Committee did not wish to specify might, under certain conditions, be covered by the provisions of paragraph (e), relating to public policy.

\* \* \* \*

It is not intended in the draft Protocol to follow one form of procedure rather than another ; the procedure is entirely governed by the legal system of each individual country. But account has had to be taken of the fact that, besides the legal systems by which foreign arbitral awards are enforced after both parties have been heard, there are others by which they are enforced after examination by the Court itself, independently of any action by the parties, who only have the right to oppose the Court's decision. In the case of legal systems such as these, it would have been difficult to place the conditions laid down in Article 1 on the same footing as those referred to in Article 2.

But, according to the draft Protocol, it is in no way necessary that the conditions laid down in Article 2 should be regarded exclusively as objections to be advanced by the party concerned. The Court could even enquire *ex-officio*, in so far as its law of procedure orders or allows it to do so, whether any or all of those conditions are fulfilled. What the draft Protocol asks of State is not to refuse to enforce an arbitral award with regard to which all the conditions indicated in Articles 1 and 2 are fulfilled. The question whether certain of these conditions cannot be gone into by the Court except on the initiative of the party concerned comes within the scope of each national system of law.

Among the conditions laid down in Article 2, that founded on the circumstance that the party was not given sufficient notice of the arbitration procedure to enable him to present his case invests the Court with large discretionary powers which it ought to use to ensure that the rights of the defendant party are respected in an equitable manner ; it should, if the case demands it, give particular consideration to the question whether the party has been given sufficient notice of the arguments and documents put forward by his opponent to enable him to debate them.

The fact that the arbitrators have in some manner exceeded their powers equally entails the rejection of the request for recognition or execution. It is specifically laid down that, if the arbitrators have not decided all the questions submitted to them, recognition and enforcement of their award shall be refused ; the Committee were unwilling to provide for international enforcement of a decision which, being incomplete, might affirm the rights of one party alone without at the same time dealing with those of his opponent. The party interested has to exhaust the arbitral machinery of the country in which it is set in motion before relying on the award in another country.

The provisions relating to these means of opposing the recognition or enforcement of an arbitral award are enumerated in Article 2 as follows :—

" Even if the conditions laid down in Article 1 are fulfilled, recognition and enforcement of the award shall be refused if the Court is satisfied :—

" (a) That the award has been annulled in the State in which it was made ;



- “ (b) That the party against whom it is sought to use the award was not given notice of the arbitration proceedings in sufficient time to enable him to present his case ; or that, being under a legal incapacity, he was not properly represented ;
- “ (c) That the award does not deal with differences contemplated by or falling within the terms of the submission to arbitration, or does not decide all the questions, and only the questions, submitted to the arbitral tribunal.”

\* \* \* \*

It may happen that, apart from the reasons for annulment of the award referred to in Articles 1 and 2, the latter may be subject to some defect capable of giving rise, in the country in which it was made, to an action for its annulment. The hypotheses in which this may occur are very various. For example, the arbitral procedure may have been vitiated by an irregularity ; or, again, an award may have been made on false documents or false evidence. The action instituted may take very different forms according to the legal systems ; the time allowed for instituting it may be very long. An arbitral award thus vitiated cannot receive international effect. But, in a large number of cases, the Court of the country in which it is sought to be enforced will be little qualified to examine complaints of this order closely bound up with the special characteristics of the procedure in use in a foreign country. It may be desirable for the Court to withhold its decision until the incident has been thrashed out abroad ; such a course, however, may be incompatible with the rules of procedure applied in certain countries. It has therefore been thought advisable to authorise the Court in this case either to refuse recognition or enforcement, or to adjourn the procedure while fixing a reasonable time-limit for the party to obtain the annulment of the award from the competent Court.

The Committee was of opinion that, if the Court in a case of this kind refused recognition or enforcement, the party concerned might apply for it again if it was proved later that the alleged ground of annulment proved unfounded.

Accordingly, Article 3 lays down the following provisions :—

“ If the party against whom the award has been made proves that under the law governing the arbitration procedure, there is a ground, other than those referred to in Articles 1 and 2, entitling him to seek to have the award annulled the Court may either refuse recognition or enforcement of the award or may adjourn the consideration thereof, giving such party a reasonable time within which to have the award annulled by the competent tribunal.”

\* \* \* \*

Articles 1, 2 and 3 have determined under what conditions arbitral awards within the scope of the draft Protocol will be recognised and enforced.

The procedure to be followed in applying these principles is a matter for the national laws. It is impossible to attempt to settle this procedure in a collective agreement. The diversity of legal systems makes this out of the question. Such a result can only be achieved by means of a bilateral treaty, and then only with considerable difficulty.

Nevertheless, to provide a guide for the practical application of these principles, it has seemed useful to indicate the documentary or other evidence to be furnished by the party seeking to rely upon an award or claiming its enforcement. Of this documentary or other evidence some is always essential, some only essential if certain difficulties arise.

It is laid down that certain documentary or other evidence must be supplied. These terms are very wide ; they include, in particular, the evidence which may be necessary for the Court to determine whether a valid contract of the submission has been made ; and whether the hearing has been carried out in conformity with the foreign law in question, and to know what are the provisions of this law.

It does not seem possible to go into any great detail here, for example, to require the production of a document officially attesting that the award is final. No doubt the production of documents of this kind would greatly facilitate the procedure of recognition or enforcement. From the practical point of view, it would be a great step forward. But the diversity of the various legal systems makes it impossible to achieve this by means of a collective convention.

In each State, more detailed provisions may be enacted, and it is to be hoped that they will be. It is also desirable that the regulations thus established should be notified to the Governments of the Contracting States through the Secretary-General of the League of Nations.

The enumeration of documentary or other evidence which has been drawn up has a declaratory character. It aims at facilitating the preparation of the dossier, which will be produced in support of the claim for recognition or enforcement. It is understood that the Court retains the right to call for any other documents or evidence it may consider likely to help it; in particular, it will avail itself of this right to satisfy itself that the award it is asked to uphold is not of such a kind as to be prejudicial to public order. Naturally, however, it may not make demands which conflict with the stipulations set forth in the previous articles; for example, it cannot require a copy of the submission if the law applicable thereto permits of a verbal submission.

It is in this light that Article 4 has been drawn up and should be understood :—

“ The party relying upon an award or claiming its enforcement must supply :—

- “ (1) The original award or a copy thereof duly authenticated according to the requirements of the laws of the State in which it was made ;
- “ (2) Documentary or other evidence to prove that the award has become final in the State in which it was made ;
- “ (3) When necessary, documentary or other evidence to prove that the conditions laid down in Article 1 (a) and (c) have been fulfilled.”

\* \* \* \* \*

It is obvious that the provisions analysed above will not ensure the recognition or enforcement of all the arbitral awards covered by the Protocol of 1923. If these provisions are compared either with existing bilateral conventions or with several national legal systems, it will be found that the provisions in question stop far short of these conventions and legal systems. The reason is that, by its very nature, a collective agreement on this subject must take all possible precautions.

It would clearly be contrary to the object in view, which is to promote the recognition and enforcement of arbitral awards, to give preference to the provisions here specified over the more liberal schemes already adopted in certain legal systems and in certain treaties. It is therefore important that the effect of these systems and treaties should be in no way impaired by the new Protocol.

These views have, however, met with some opposition. It has been maintained that, as regards the arbitral awards with which it deals, the new system should entirely replace the rules adopted by the national law of the Contracting States. It has been urged that already the treaty law established between two States in this connection completely replaces the national legal system of each individual State. It has further been claimed that a Treaty ought to provide States with complete reciprocity and that it was inadmissible that a State, the legal system of which admits in a wide measure the recognition of foreign arbitral awards, should ensure the execution of awards made in another Contracting State more easily than its own awards are enforced in that State.

But this parallel is not conclusive. A bilateral treaty is specially aimed at establishing a better system than that resulting from the national legal systems of the States concerned ; it is therefore natural that it should take their place. A collective treaty, however, can only provide a minimum, and it is therefore desirable to allow the more favourable provisions established by particular national legal systems to subsist simultaneously with the treaty. This is what is done, for example, in the sphere of literary and artistic property by the Berne Convention revised on November 13th, 1908. On the other hand, a Contracting State always remains free to modify the rules of its own legal system as regards the recognition and enforcement of foreign awards in so far as the matter is not governed by a treaty.

The Committee considered that it would be misconceiving the mission entrusted to it if it contributed in any way to reduce the facilities given by certain legal systems or treaties as regards the recognition and enforcement of arbitral awards. The Governments and parliaments concerned could not subscribe to an instrument the effect of which would be to reduce and not to increase in certain States of great economic importance the existing facilities for relying upon a foreign arbitral award. The Committee is desirous of maintaining these facilities, it being understood that the party availing himself thereof cannot combine as he pleases the provisions of the new Protocol with those of the treaties and of the national system of law ; he can only benefit by the system which he invokes by accepting it as a whole. This view is embodied in Article 5 :—

“ The provisions of the above article shall not deprive any interested party of the right of availing himself of an arbitral award in the manner and to the extent allowed by the law or the treaties of the State where such award is sought to be relied upon.”

\* \* \* \*

The draft Protocol is completed by clauses relating to its signature, ratification, denunciation and scope of application.

In conformity with what has been expressed previously, it can be signed and ratified only by those States which have accepted the Protocol on Arbitration Clauses. There is nothing to prevent the two Protocols being ratified at the same time.

Articles 6 and 7 regulate, as follows, the signature, ratification and entry into force of the Protocol :—

“ *Article 6.*—The present Protocol, which will remain open to the signature of all the States which are signatories of the Protocol on Arbitration Clauses of 1923, shall be ratified :

“ It may be ratified only by those States which are parties to the Protocol of 1923.

“ Ratifications shall be deposited as soon as possible with the Secretary-General of the League of Nations, who will notify such deposit to all signatory States.”

“ *Article 7.*—The present Protocol shall come into force when it has been ratified by two States. It shall take effect, in the case of each State, three months after the deposit of its ratification with the Secretary-General of the League of Nations.”

Denunciation may be made at one year's notice ; it is governed by the same provisions as are usually found in international treaties. Nevertheless, in order to maintain the interdependence between the new Protocol and that of 1923, it is laid down that the denunciation of the latter will *ipso facto* involve the denunciation of the other :—

“ The present Protocol may be denounced by any Contracting State. Denunciation shall be notified in writing to the Secretary-General of the League of Nations, who will immediately send a copy thereof, certified to be in conformity with the notification, to all the other Contracting States, at the same time informing them of the date on which he received it.

" The denunciation shall operate only in respect of the notifying State and shall take effect one year after the notification thereof shall have reached the Secretary-General of the League of Nations.

" The denunciation of the Protocol on Arbitration Clauses shall entail, *ipso facto*, the denunciation of the present Protocol."

In the same way, it has been necessary to lay down rules for the application of the new Protocol to the colonies and dependencies of the Contracting States as was done in the Protocol of 1923. The stipulations in this connection are based on the same reasons in both instruments. An attempt has been made here to make them more precise by means of the following text contained in Article 9:—

" The Contracting States may declare, at the time of signature or ratification, that their acceptance of the present Protocol does not include any or all of the under-mentioned territories, that is to say: their colonies, overseas possessions or territories, protectorates or the territories over which they exercise a mandate.

" These States may subsequently make the present Protocol applicable to all or any of the territories thus excluded. The declaration to this effect shall be notified to the Secretary-General of the League of Nations, who shall immediately send a copy certified to be in conformity with the declaration to all the Contracting States, at the same time informing them of the date on which he received it. This declaration shall operate three months after the date on which it shall have been delivered to the Secretary-General of the League of Nations.

" The Contracting States may also denounce the Protocol separately on behalf of any or all of the territories referred to above. Article 8 applies to such denunciation.

" The application of the present Protocol to colonies, overseas possessions or territories, protectorates or territories over which a Contracting State exercises a mandate, is always subject to the condition that the Protocol on Arbitration Clauses is applicable to them.

" A certified copy of the present Protocol will be transmitted by the Secretary-General of the League of Nations to all the Contracting States."

\* \* \* \*

Lastly, it should be pointed out that, in drawing up the draft Protocol, the Committee examined certain questions which do not appear in the text.

Thus the question was raised whether it would not be well, with a view to doubtful cases, to settle how the place in which an arbitral award was made should be determined. But it was thought that this very complicated question would rarely present itself in practice in connection with the application of the Protocol, and that the Protocol could disregard it without serious drawbacks.

The idea of introducing a clause conferring compulsory jurisdiction for the settlement between Contracting States of disputes to which the Protocol might give rise was also considered. The question is complicated by the fact that, in each country, the rules of the Protocol will be applied by national tribunals during the discussion of private interests. It is on the agenda of the Sixth Conference of Private International Law. It appeared preferable to abandon the idea.

#### DRAFT PROTOCOL ON THE EXECUTION OF FOREIGN ARBITRAL AWARDS.

The undersigned, being duly authorised, declare that they accept, on behalf of the States which they represent, the following provisions:—

*Article 1.*

In each of the Contracting States, an arbitral award made in another Contracting State in pursuance of an agreement whether relating to existing or future differences (hereinafter called " a submission to arbitration " ) referred to in the Protocol on Arbitration Clauses which has been open at Geneva since September 24th, 1923, shall be recognised as binding and execution thereof shall be granted in accordance with the laws of that State if the said award fulfils the following conditions :—

- (a) That it has been made in pursuance of a submission to arbitration which is valid under the laws applicable thereto ;
- (b) That the subject-matter of the award is capable of settlement by arbitration under the law of the State in which the award is sought to be relied upon ;
- (c) That the award has been given by the arbitral tribunal provided for in the submission to arbitration or constituted in the manner agreed upon by the parties and in conformity with the law governing the arbitration procedure ;
- (d) That the award has become final in the State in which it was made ;
- (e) That the award is not contrary to public policy or to the principles of the public law of the State in which it is relied upon.

*Article 2.*

Even if the conditions laid down in Article 1 are fulfilled, recognition and enforcement of the award shall be refused if the Court is satisfied :

- (a) That the award has been annulled in the State in which it was made ;
- (b) That the party against whom it is sought to use the award was *not* given notice of the arbitration proceedings in sufficient time to enable him to present his case ; or that, being under a legal incapacity, he was not properly represented ;
- (c) That the award does not deal with differences contemplated by or falling within the terms of the submission to arbitration, or does not decide all the questions, and only the questions, submitted to the arbitral tribunal.

*Article 3.*

If the party against whom the award has been made proves that, under the law governing the arbitration procedure, there is a ground, other than those referred to in Articles 1 and 2, entitling him to seek to have the award annulled, the Court may either refuse recognition or enforcement of the award or may adjourn the consideration thereof, giving such party a reasonable time within which to have the award annulled by the competent tribunal.

*Article 4.*

The party relying upon an award or claiming its enforcement must supply :

- (1) The original award or a copy thereof duly authenticated according to the requirements of the laws of the State in which it was made ;
- (2) Documentary or other evidence to prove that the award has become final in the State in which it was made ;
- (3) When necessary documentary or other evidence to prove that the conditions laid down in Article 1 (a) and (c) have been fulfilled.

*Article 5.*

The provisions of the above article shall not deprive any interested party of the right of availing himself of an arbitral award in the manner and to the extent allowed by the law or the treaties of the State where such award is sought to be relied upon.

*Article 6.*

The present Protocol, which will remain open to the signature of all the States which are signatories of the Protocol on Arbitration Clauses of 1923, shall be ratified.

It may be ratified only by those States which are parties to the Protocol of 1923.

Ratifications shall be deposited as soon as possible with the Secretary-General of the League of Nations, who will notify such deposit to all signatory States.

*Article 7.*

The present Protocol shall come into force when it has been ratified by two States. It shall take effect, in the case of each State, three months after the deposit of its ratification with the Secretary-General of the League of Nations.

*Article 8.*

The present Protocol may be denounced by any Contracting State. Denunciation shall be notified in writing to the Secretary-General of the League of Nations, who will immediately send a copy thereof, certified to be in conformity with the notification, to all the other Contracting States, at the same time informing them of the date on which he received it.

The denunciation shall operate only in respect of the notifying State and shall take effect one year after the notification thereof shall have reached the Secretary-General of the League of Nations.

The denunciation of the Protocol on Arbitration Clauses shall entail, *ipso facto*, the denunciation of the present Protocol.

*Article 9.*

The Contracting States may declare, at the time of signature or ratification, that their acceptance of the present Protocol does not include any or all of the undermentioned territories, that is to say: their colonies, overseas possessions or territories, protectorates or the territories over which they exercise a mandate.

These States may subsequently make the present Protocol applicable to all or any of the territories thus excluded. The declaration to this effect shall be notified to the Secretary-General of the League of Nations, who shall immediately send a copy certified to be in conformity with the declaration to all the Contracting States, at the same time informing them of the date on which he received it. This declaration shall operate three months after the date on which it shall have been delivered to the Secretary-General of the League of Nations.

The Contracting States may also denounce the Protocol separately on behalf of any or all of the territories referred to above. Article 8 applies to such denunciation.

The application of the present Protocol to colonies, overseas possessions or territories, protectorates or territories over which a Contracting State exercises a mandate, is always subject to the condition that the Protocol on Arbitration Clauses is applicable to them.

A certified copy of the present Protocol will be transmitted by the Secretary-General of the League of Nations to all the Contracting States.

DONE at Geneva on the \_\_\_\_\_ in a single copy, of which the English and French texts are both authentic, and which will be kept in the archives of the League of Nations.

[Communicated to the Council, the Members of the League and the Delegates at the Assembly.]

GENEVA, 23rd September 1927.

## LEAGUE OF NATIONS.

### OPENING OF A CONVENTION RELATING TO THE EXECUTION OF FOREIGN ARBITRAL AWARDS.

#### REPORT AND DRAFT RESOLUTION SUBMITTED BY THE SECOND COMMITTEE TO THE ASSEMBLY.

*Rapporteur* : Dr. LEITMAIER (Austria).

In its report of last April to the Economic Committee the Committee of Legal Experts explained the purpose of its work as follows:—

“ The Protocol on Arbitration Clauses which has been open for signature since September 24th, 1923, lays down, subject to certain specified conditions, that each of the Contracting States shall recognise submissions to arbitration concluded between parties subject respectively to the jurisdiction of different Contracting States. It stipulates, in the first place, that the existence of a submission to arbitration precludes recourse to the Courts of either of the Contracting States and, in the second place, that each Contracting State undertakes to ensure the execution by its authorities and in accordance with the provisions of its national laws of awards made in its own territory under such a submission.

“ On the other hand, the Protocol of 1923 contains no provisions at all regarding the enforcement of awards made in foreign countries.

“ This omission was noted in the report submitted by the Economic Committee to the Council of the League of Nations in September 1926.

“ After having (1) recognised the validity of the submission to arbitration in private international relations, and (2) provided for the enforcement of the arbitral award in the State where it was made, a third aim should be pursued, namely, to ensure the international effect of such an award.”

Such is the problem which the experts have endeavoured to solve by means of a draft Protocol which has been submitted, in accordance with a Council resolution, to all the Members of the League in order to give them an opportunity of submitting their observations.

At the time when it passed this resolution, the Council also decided to place on the Assembly's agenda the question of opening such a Protocol.

On this question being referred to it, the Second Committee appointed a Sub-Committee of Jurists and asked it to examine the observations submitted by the Governments and to settle the terms of a draft which would, as far as possible, take into account the various views expressed. This Sub-Committee, as well as the Second Committee, unanimously arrived at the conclusion that you should be recommended to open a Convention worded according to the text which is now before you.

Before explaining to you its mechanism and the reasons underlying its provisions, I should like to say a few words as to the importance which should be attached to the question. Recourse to arbitration for settling disputes arising out of contracts concluded between parties of different nationalities is becoming more and more frequent. This fact did not escape the International Economic Conference. The latter, as you are aware, unanimously adopted very specific recommendations on this point.\*

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\* Resolution of the Committee of Commerce : 1—Liberty of Trade ; 3—Legal provisions or regulations relating to international trade.

In taking the course which I propose, the Assembly will therefore only be continuing the work begun four years ago, whilst at the same time it will be carrying out the wish so clearly expressed by the Economic Conference.

I now come to what I may call the technical part of my report.

The Committee of Experts gave its draft the form of a Protocol open to the signature of States ; this was the form already employed for the Protocol on Arbitration Clauses which was opened for signature at Geneva on September 24th, 1923.

The British Government pointed out that, in the form in which it stood, this draft might give rise to difficulties due to the peculiar constitution of the British Empire. It recommended the form of a convention enumerating in its preamble the heads of States participating therein and their plenipotentiaries. The Second Committee have adopted this suggestion.

The Convention will remain open for the signature of countries. They may give this signature at any time they choose.

At the request of the British delegation, and in consideration of the fact that the system laid down in the Convention would not always apply to all the territories of a given State, the Second Committee has had to modify the terms employed in various clauses of the draft. Thus, in the new draft, reference is made to the territories to which the Convention applies, to the country in which the award is made, etc.; these expressions are sufficiently elastic to cover the complex situations which may arise in the British Empire, in federal States, etc.

As regards the contents of the draft, the Second Committee had to consider the very important observations of the Netherlands Government that the Committee's draft differed materially from that adopted by the Conference on International Private Law held at The Hague in 1925. The scheme of The Hague, making it a condition that the arbitral award should have, in the country in which it was made, the same effect as a judgment, provides for it the same means of enforcement abroad as in the case of a judgment. By this system, the power over the award of the judge of the country where it is sought to enforce the award is reduced to a minimum. The draft of the Committee of Experts takes no account of whether the arbitral award has or has not the same force as a judgment in the country in which it was made ; it regards the arbitral award itself as founded upon the submission to arbitration, which is a private agreement ; hence it is led to admit a much wider power of control on the part of the Courts of the country in which the award is sought to be enforced. This divergence between the systems by no means implied a criticism of the Hague draft by the Committee of Experts. It is explained by the fact that the circumstances considered are different. The Hague draft begins by dealing with the recognition and enforcement of foreign judgments ; this starting-point greatly facilitates the recognition and enforcement abroad of arbitral awards when they have the same force in the country in which they were made as judicial decisions. The Committee's draft must, on the other hand, be made to apply even between countries which grant each other no special facilities for the enforcement of their respective judgments.

It should be added that the Hague scheme is intended to serve as a model for bilateral treaties, whilst the present draft is intended for a collective agreement ; and in a convention of this latter sort every possible precaution must be taken. This collective agreement, moreover, does not preclude the conclusion of bilateral treaties.

The fact remains that the Hague scheme tends to make the enforcement of arbitral awards easier than the present draft. The utility of the latter, one may almost say the necessity for it, is not affected on that account. It is an acknowledged fact, to which the Committee of Experts drew attention in its report,\* that the 1923 Protocol, for want of providing for the enforcement of arbitral awards abroad, sometimes leads to a denial of justice. This is an omission which must be supplied.

\* Document A. II, 1927-II.



The Second Committee's study of the observations of the Netherlands Government confirmed it in the belief, expressed by the Committee of Experts, that only the recognition and enforcement of arbitral awards given in virtue of a submission to arbitration covered by the 1923 Protocol should be dealt with. It therefore did not adopt the Swedish Government's suggestion that the proposed agreement should be open to States which had not signed and ratified the 1923 Protocol. In its opinion, the proposed Convention should be regarded as complementary to the 1923 Protocol.

The preamble of Article 1 defines the arbitral awards to which the Convention will be applicable. According to this text it is necessary.—

- (1) That the award should have been made in pursuance of a submission to arbitration covered by the 1923 Protocol;
- (2) That it should have been made in a territory of one of the contracting parties to which the new Convention applies;
- (3) That it should have been made between persons subject to the jurisdiction of a State or Member of the League of Nations which is a party to the new Convention.

In compliance with a request of the Danish Government, which pointed out that in certain countries the procedure was not completely governed by a "law," the Committee substituted in this preamble and in various provisions the words "in conformity with the law governing the arbitration procedure" for the words "in accordance with the law."

The Second Committee has thought it advisable to maintain the provision (Article 1, *litera (a)*) to the effect that the award must have been made "in pursuance of a submission to arbitration which is valid under the law applicable thereto." The German Government proposed a clause specifying what this law was. The Second Committee realised the importance of such a definition for the Court which was asked to enforce a foreign arbitral award. But it considered that no definition could be given in a simple formula and that it involved the most intricate problems of private international law. The exact determination of the law applicable to the submission to arbitration would rather be a matter for the Hague Conference on Private International Law than for this Committee. The latter therefore refrained from making any definition, so that the Court in each particular case will have to discover what this law is by applying the rules regarding the conflict of laws.

The Second Committee, on the other hand, added to the clause requiring that the award should have become final in the country in which it was made (Article 1 *litera (d)*). The Italian Government observed that it would be necessary to define the meaning of these words. The difficulty of doing so was due to the diversity of the laws regarding the means of redress. A general phrase based on the distinction between ordinary and extraordinary means of redress did not seem to take sufficient account of this diversity. The draft explains the final character of an award by saying that the award has not this character if it is open to "*opposition*," "*appel*" or "*pourvoi en cassation*." But as this formula is not suitable to awards made in countries which do not possess these means of redress with relation to arbitral awards it was necessary to add, as regards all awards, that they would not be considered as final if any proceedings for the purpose of contesting the validity of the award, e.g., an action for annulment, were pending.

Naturally the term "*pourvoi en cassation*" employed in the provision in question will include "*le recours en revision*" which obtains in certain of such systems of law.

The Second Committee held that, from the particular point of view from which it was dealing with the question, what must be considered was the final character of the award, and not its executory character in the country in which it was made. On this point it did not adopt the opposite view put forward in particular by the Estonian Government. The reasons which led the Committee of Experts not to require that the award should be executory in the country where it was made appeared to the Committee to be conclusive.

The Second Committee carefully examined the case in which an award does not cover all the matter submitted to the Arbitrator. It may happen in such a case that the award deals with the claim of one party without deciding on the counter-claim of the other party, and, if so, it would appear desirable that such an award, so long as it remains "partial," should not be enforced abroad, because the decision on the counter-claim may cancel the effect of the first decision. Again, the award may give a decision on a part only of the claim, because the arbitrator finds this part to be proved, whilst another part of the claim may be reserved on the ground that it calls for fuller consideration. In such a case it would appear desirable, inasmuch as this "partial" award has full validity *per se*, that it should be enforced immediately. The Committee consider that a satisfactory solution would be to give the authority of the country in which enforcement is sought the option of postponing recognition or enforcement, or of granting it subject to a guarantee. This authority may, of course, order a "partial" award to be enforced or not at its discretion. Further, if the submission to arbitration authorise the arbitral tribunal to make a partial award where this is in conformity with the law applicable to arbitration procedure, the enforcement of the award may naturally not be refused on the ground that it is "partial." Moreover, it appeared unnecessary to introduce a clause to cover the case in which the losing party has already satisfied the award and would be discharged therefrom—for example, by payment.

By the provision in the preamble to Article 2 of the draft Convention that "recognition and enforcement of the award shall be refused" in the cases covered by that article, all that is meant is that in such cases the authorities of the country where it is sought to enforce the award are not bound to secure recognition and enforcement. Under the terms of this text, recognition and enforcement are admissible even in these cases, if such recognition and enforcement are allowable under the law or treaties of the country concerned (Article 5).

Certain modifications have been made in the drafting of Article 3 for the sake of greater precision and to take account of the new provisions in Article 1 (lit. *d*). The Committee did not accept the British proposal to authorise the tribunal to grant a party time to "have the award remitted to the arbitrator." In the first place, it is unnecessary to indicate in the Convention the remedy open to the party, and, secondly, the remedy proposed is not to be found in the law of all countries.

With regard to the documents which have to be supplied, the Committee indicated by an addition to the preamble to Article 4 that the article in question was descriptive in character, and not exhaustive. It accepted a proposal by the German delegation to the effect that a translation of these documents may be demanded. Naturally, this requirement may be omitted by special agreements between Governments.

The Committee, however, rejected another proposal by the German Government for the production of an official document certifying that the award had become final. The Committee, whilst recognising the importance of this suggestion, shared the opinion of the Committee of Experts that a stipulation of this kind could not be inserted in a collective Convention.

The Swiss delegation suggested that the Convention should apply only to arbitral awards made after this Convention had come into force. Conflicting opinions were expressed on this point, and a middle course was adopted. This Convention will only apply to awards made after the coming into force of the 1923 Protocol. As the date of this entry into force will be different for different countries, account will have to be taken in each case of the date of the entry into force for the country concerned.

The "Protocol" clauses (Article 7 *et seq.*) have been slightly modified, partly on account of the difference of form between a convention and a protocol, and partly to take account of the observation of the British delegation regarding drafting formulas which are appropriate to the organisation of the British Empire.

At the request of the British delegation, it was also recognised that the Convention should not apply to the colonies, protectorates or territories under suzerainty or mandate of any of the High Contracting Parties unless they were specially mentioned, but it could be rendered applicable to them by a declaration to that effect (Article 10).

Having given the above explanations, I have the honour, for the reasons already given at the beginning of my report, to propose the following resolution :

" Whereas the World Economic Conference recommended the Economic Committee to endeavour to promote the extension in all countries of recourse to commercial arbitration ;

" And whereas, in connection with that recommendation, the Conference was of opinion that the beneficial results of the Protocol of 1923 in regard to the recognition of arbitration clauses in private contracts and particularly in commercial contracts would not be fully realized until provision was made ensuring the enforcement of arbitral awards ;

" And whereas the Economic Conference recommended the Council of the League of Nations to take steps to submit to all States for signature at an early date the text of an agreement providing for the execution of arbitral awards in commercial matters ;

" The Assembly,

" Recognising the great importance which commercial circles attach to the settlement of this question ;

" And having regard to the favourable report submitted to it by the Second Committee after considering the various observations submitted and the various amendments proposed, as a result of the communication of a first draft to the Members of the League ;

" Decides to open the annexed Convention (document A. 106, 1927-II-Annexe) immediately for signature by all the Members of League and non-Member States which are already contracting parties to the above-mentioned Protocol of 1923 ;

" And invites the Council to take whatever measures it may deem expedient to draw the attention of all Members of the League and all non-Member States to the value of the above-mentioned Protocol and Convention and to the conditions under which they may become Contracting Parties to these agreements."

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A. 106, 1927, II Annexe.

CONVENTION ON THE EXECUTION OF FOREIGN ARBITRAL AWARDS.

\* \* \* \* \*

[Description of the Heads of States.]

signatories of the Protocol on Arbitration Clauses, opened at Geneva on September 24th, 1923 ; Having resolved to conclude a Convention with the object of supplementing the said Protocol, have appointed as their Plenipotentiaries the following :—

\* \* \* \* \*

[Description of the Plenipotentiaries.]

Who, having communicated their full powers, found in good and due form, have agreed on the following provisions :

*Article 1.*

In the territories of any High Contracting Party to which the present Convention applies, an arbitral award made in pursuance of an agreement, whether relating to existing or future differences (hereafter called " a submission to arbitration ") covered by the Protocol on Arbitration Clauses, opened at Geneva on September 24th, 1923, shall be recognised as

binding and shall be enforced in accordance with the rules of the procedure of the territory where the award is relied upon, provided that the said award has been made in a territory of one of the High Contracting Parties to which the present Convention applies and between persons who are subject to the jurisdiction of one of the High Contracting Parties.

2. To obtain such recognition or enforcement, it shall, further, be necessary:—

- (a) That the award has been made in pursuance of a submission to arbitration which is valid under the law applicable thereto;
- (b) That the subject-matter of the award is capable of settlement by arbitration under the law of the country in which the award is sought to be relied upon;
- (c) That the award has been made by the Arbitral Tribunal provided for in the submission to arbitration or constituted in the manner agreed upon by the parties and in conformity with the law governing the arbitration procedure;
- (d) That the award has become final in the country in which it has been made in the sense that it will not be considered as such if it is open to *opposition*, *appeal* or *pourvoi en cassation* (in the countries where such forms of procedure exist) or if it is proved that any proceedings for the purpose of contesting the validity of the award are pending;
- (e) That the recognition or enforcement of the award is not contrary to the public policy or to the principles of the law of the country in which it is sought to be relied upon.

#### Article 2.

Even if the conditions laid down in Article 1 hereof are fulfilled, recognition and enforcement of the award shall be refused if the Court is satisfied:—

- (a) That the award has been annulled in the country in which it was made;
- (b) That the party against whom it is sought to use the award was not given notice of the arbitration proceedings in sufficient time to enable him to present his case; or that, being under a legal incapacity, he was not properly represented;
- (c) That the award does not deal with the differences contemplated by or falling within the terms of the submission to arbitration or that it contains decisions on matters beyond the scope of the submission to arbitration.

2. If the award has not covered all the questions submitted to the arbitral tribunal, the competent authority of the country where recognition or enforcement of the award is sought can, if it think fit, postpone such recognition or enforcement or grant it subject to such guarantee as that authority may decide.

#### Article 3.

If the party against whom the award has been made proves, that, under the law governing the arbitration procedure, there is a ground, other than the grounds referred to in Article 1 (a) and (c), and Article 2 (b) and (c), entitling him to contest the validity of the award in a Court of Law, the Court may, if it thinks fit, either refuse recognition or enforcement of the award or adjourn the consideration thereof giving such party a reasonable time within which to have the award annulled by the competent tribunal.

#### Article 4.

The party relying upon an award or claiming its enforcement must supply, in particular:

(1) The original award or a copy thereof duly authenticated, according to the requirements of the law of the country in which it was made ;

(2) Documentary or other evidence to prove that the award has become final, in the sense defined in Article 1 (*d*), in the country in which it was made ;

(3) When necessary, documentary or other evidence to prove that the conditions laid down in Article 1, paragraph 1 and paragraph 2 (*a*) and (*c*), have been fulfilled.

A translation of the award and of the other documents mentioned in this article into the official language of the country where the award is sought to be relied upon may be demanded. Such translation must be certified correct by a diplomatic or consular agent of the country to which the party who seeks to rely upon the award belongs or by a sworn translator of the country where the award is sought to be relied upon.

*Article 5.*

The provisions of the above article shall not deprive any interested party of the right of availing himself of an arbitral award in the manner and to the extent allowed by the law or the treaties of the country where such award is sought to be relied upon.

*Article 6.*

The present Convention applies only to arbitral awards made after the coming into force of the Protocol on Arbitration Clauses, opened at Geneva on September 24th, 1923.

*Article 7.*

The present Convention, which will remain open to the signature of all the signatories of the Protocol of 1923 on Arbitration Clauses, shall be ratified.

It may be ratified only on behalf of those Members of the League of Nations and non-Member States on whose behalf the Protocol of 1923 shall have been ratified.

Ratifications shall be deposited as soon as possible with the Secretary-General of the League of Nations, who will notify such deposit to all the signatories.

*Article 8.*

The present Convention shall come into force three months after it shall have been ratified on behalf of two High Contracting Parties. Thereafter, it shall take effect, in the case of each High Contracting Party, three months after the deposit of the ratification on its behalf with the Secretary-General of the League of Nations.

*Article 9.*

The present Convention may be denounced on behalf of any Member of the League or non-Member State. Denunciation shall be notified in writing to the Secretary-General of the League of Nations, who will immediately send a copy thereof, certified to be in conformity with the notification, to all the other Contracting Parties, at the same time informing them of the date on which he received it.

The denunciation shall come into force only in respect of the High Contracting Party which shall have notified it and one year after such notification shall have reached the Secretary-General of the League of Nations.

The denunciation of the Protocol on Arbitration Clauses shall entail, *ipso facto*, the denunciation of the present Convention.

*Article 10.*

The present Convention does not apply to the Colonies, Protectorates or territories under suzerainty or mandate of any High Contracting Party unless they are specially mentioned.

The application of this Convention to one or more of such Colonies, Protectorates or territories to which the Protocol on Arbitration Clauses, opened at Geneva on September 24th, 1923, applies, can be effected at any time by means of a declaration addressed to the Secretary-General of the League of Nations by one of the High Contracting Parties.

Such declaration shall take effect three months after the deposit thereof.

The High Contracting Parties can at any time denounce the Convention for all or any of the Colonies, Protectorates or territories referred to above. Article 9 hereof applies to such denunciation.

*Article 11.*

A certified copy of the present Convention shall be transmitted by the Secretary-General of the League of Nations to every Member of the League of Nations and to every non-Member State which signs the same.

In faith whereof the above-named Plenipotentiaries have signed the present Convention.

DONE at Geneva, on the.....in a single copy, of which the English and French texts are both authentic, and which will be kept in the archives of the League of Nations.

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A. 123,1927-II.

[Communicated to the Council, the Members of the League and the Delegates at the Assembly.]

GENEVA, *September 26th, 1927.*

**EIGHTH ORDINARY SESSION OF THE ASSEMBLY OF THE LEAGUE OF NATIONS.**

**OPENING OF A CONVENTION RELATING TO THE EXECUTION OF FOREIGN ARBITRAL AWARDS.**

*Resolution adopted by the Assembly on September 26th (morning).*

**(Adopted on the proposal of the Second Committee.)**

Whereas the World Economic Conference recommended the Economic Committee to endeavour to promote the extension in all countries of recourse to commercial arbitration ;

And whereas, in connection with that recommendation, the Conference was of opinion that the beneficial results of the Protocol of 1923 in regard to the recognition of Arbitration Clauses in private contracts and particularly in commercial contracts would not be fully realised until provision was made ensuring the enforcement of arbitral awards ;

And whereas the Economic Conference recommended the Council of the League of Nations to take steps to submit to all States for signature at an early date the text of an agreement providing for the execution of arbitral awards in commercial matters ;

The Assembly,

Recognising the great importance which commercial circles attach to the settlement of this question ;

And having regard to the favourable report submitted to it by the Second Committee after considering the various observations submitted and the various amendments proposed, as a result of the communication of a first draft to the Members of the League ;

Decides to open the annexed Convention (document A.-106, 1927, II Annexe)\* immediately for signature by all the Members of the League and non-Member States which are already Contracting Parties to the above-mentioned Protocol of 1923 ;

And invites the Council to take whatever measures it may deem expedient to draw the attention of all Members of the League and all non-Member States to the value of the above-mentioned Protocol and Convention and to the conditions under which they may become Contracting Parties to these agreements.

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LETTER FROM THE SECRETARY, THE FEDERATION OF CHAMBERS OF COMMERCE OF THE  
BRITISH EMPIRE, LONDON, TO SIR GEORGE RAINY, K.C.I.E., C.S.I., COMMERCE  
MEMBER ON THE EXECUTIVE COUNCIL, DELHI, NO. H.B.W./E.J., DATED THE  
17TH JANUARY, 1928.

*Eleventh Congress of Chambers of Commerce of the Empire, Cape Town, October, 1927.*

*Commercial Arbitration.*

I am instructed to communicate to you the terms of the following resolution on the subject of Commercial Arbitration adopted by the Eleventh Congress of Chambers of Commerce of the British Empire which took place in Cape Town in October last :—

“ That in view of the advantage which would result from submission to Arbitration and Arbitration awards signed in one part of the Empire being recognised in every other part of the Empire, it is highly desirable that each constituent part of the Empire should adopt legislation reciprocal to Part II of the Administration of Justice Act, 1920 (Great Britain), and, if competent to do so, adhere to the League of Nations' Protocol on Arbitration Clauses.

“ That this Congress realising the importance of Arbitrations being conducted in accordance with recognised rules, urges those Tribunals already in existence, as well as those which it is now hoped may be established, to adopt the Rules forming part of the Federation's Report on Arbitration.

“ That copies of this resolution be forwarded to H. M. Governments and that they be urged to initiate and pass into law such legislation as may be necessary to give effect thereto.”

I enclose copy of the Federation's Report on Arbitration referred to in the second paragraph of the resolution.

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\* The text of the Convention is not reproduced here.

## CHAPTER 39.

*An Act to give effect to a Protocol on Arbitration Clauses signed on behalf of His Majesty at a meeting of the Assembly of the League of Nations held on the twenty-fourth day of September, nineteen hundred and twenty-three.*

[7th August 1924.]

Whereas at a meeting of the Assembly of the League of Nations held on the twenty-fourth day of September, nineteen hundred and twenty-three, the Protocol on Arbitration Clauses set forth in the Schedule to this Act was signed on behalf of His Majesty :

And whereas for the purpose of giving effect to the said Protocol it is expedient that the provisions hereinafter contained shall have effect :

Be it therefore enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal and Commons, in this present Parliament assembled, and by the authority of the same, as follows :—

1.—(1) Notwithstanding anything in the Arbitration Act, 1889, if any party to a submission made in pursuance of an agreement to which the said Protocol applies, or any person claiming through or under him, commences any legal proceedings in any court against any other party to the submission, or any person claiming through or under him, in respect of any matter agreed to be referred, any party to such legal proceedings may at any time after appearance, and before delivering any pleadings or taking other steps in the proceedings, apply to that court to stay the proceedings, and that court or a judge thereof, unless satisfied that the agreement or arbitration has become inoperative or cannot proceed, shall make an order staying the proceedings. (2) This section in its application to Scotland and Northern Ireland shall have effect as if the reference to the Arbitration Act, 1889, were omitted therefrom, and in the application of this section to Scotland references to staying proceedings shall be construed as references to sitting proceedings.

Staying of court proceedings in respect of matters to be referred to arbitration under commercial agreements, 52 & 53 Vict., C. 49.

Short title.

2. This Act may be cited as the Arbitration Clauses (Protocol) Act, 1924.

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SCHEDULE.

*Protocol on Arbitration Clauses.*

The undersigned, being duly authorized, declare that they accept, on behalf of the countries which they represent, the following provisions :—

1. Each of the Contracting States recognises the validity of an agreement whether relating to existing or future differences between parties, subject respectively to the jurisdiction of different Contracting States by which the parties to a contract agree to submit to arbitration all or any differences that may arise in connection with such contract relating to commercial matters or to any other matter capable of settlement by arbitration, whether or not the arbitration is to take place in a country to whose jurisdiction none of the parties is subject.

Each Contracting State reserves the right to limit the obligation mentioned above to contracts which are considered as commercial under its national law. Any Contracting State which avails itself of this right will notify the Secretary-General of the League of Nations, in order that the other Contracting States may be so informed.

2. The arbitral procedure, including the constitution of the arbitral tribunal, shall be governed by the will of the parties and by the law of the country in whose territory the arbitration takes place.



The Contracting States agree to facilitate all steps in the procedure which require to be taken in their own territories, in accordance with the provisions of their law governing arbitral procedure applicable to existing differences.

3. Each Contracting State undertakes to ensure the execution by its authorities and in accordance with the provisions of its national laws of arbitral awards made in its own territory under the preceding articles.

4. The tribunals of the Contracting Parties, on being seized of a dispute regarding a contract made between persons to whom Article 1 applies and including an arbitration agreement whether referring to present or future differences which is valid in virtue of the said article and capable of being carried into effect, shall refer the parties on the application of either of them to the decision of the arbitrators.

Such reference shall not prejudice the competence of the judicial tribunals in case the agreement or the arbitration cannot proceed or become inoperative.

5. The present Protocol, which shall remain open for signature by all States, shall be ratified. The ratifications shall be deposited as soon as possible with the Secretary-General of the League of Nations, who shall notify such deposit to all the signatory States.

6. The present Protocol shall come into force as soon as two ratifications have been deposited. Thereafter it will take effect, in the case of each Contracting State, one month after the notification by the Secretary-General of the deposit of its ratification.

7. The present Protocol may be denounced by any Contracting State on giving one year's notice. Denunciation shall be effected by a notification addressed to the Secretary-General of the League, who will immediately transmit copies of such notification to all the other signatory States and inform them of the date on which it was received. The denunciation shall take effect one year after the date on which it was notified to the Secretary-General, and shall operate only in respect of the notifying State.

8. The Contracting States may declare that their acceptance of the present Protocol does not include any or all of the undermentioned territories; that is to say, their colonies, overseas possessions or territories, protectorates or the territories over which they exercise a mandate.

The said States may subsequently adhere separately on behalf of any territory thus excluded. The Secretary-General of the League of Nations shall be informed as soon as possible of such adhesions. He shall notify such adhesions to all signatory States. They will take effect one month after the notification by the Secretary-General to all signatory States.

The Contracting States may also denounce the Protocol separately on behalf of any of the territories referred to above. Article 7 applies to such denunciation.

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No. 1145/135 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 19th June 1928.

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,  
REVENUE DEPARTMENT, BOMBAY.

SIR,

SUBJECT:—*Trade and Commerce.—Arbitral Awards in Commercial Contracts.*

With reference to your letter No. 9215-G dated 31st May 1928, I have the honour to state that my Committee have given due consideration to the terms of the Protocol of 1923 and the Convention on the execution of foreign arbitral awards, and they are unanimously of the opinion that it would be advisable for the Government of India to accept the Protocol and the Convention subject to the reservations mentioned in paragraph 5 of the Government of India's letter No. 1472-C, dated 15th March 1928.—I have, etc.,

J. P. WADIA,  
Acting Secretary.

**APPENDIX 43.****TRANSFER OF THE ACTIVITIES OF THE IMPROVEMENT TRUST TO THE BOMBAY MUNICIPALITY.**

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No. 512/5141-A.

GENERAL DEPARTMENT,  
BOMBAY, 25th May 1928.THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT:—*Transfer of the Activities of the Improvement Trust to the Bombay Municipality.*

I am directed by the Government of Bombay (Transferred Departments) to forward herewith a copy of a letter\* from the President, Municipal Corporation, Bombay, No.14489, dated the 30th March 1928, and to request that you will be so good as to favour Government, at an early date, with the remarks of your Association on the Corporation's proposal.—I have, etc.,

S. W. THENGE,  
For Secretary to the Government of Bombay.

No. 1248/133 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 10th July 1928.THE SECRETARY TO THE GOVERNMENT OF BOMBAY,  
GENERAL DEPARTMENT, BOMBAY.

SIR,

SUBJECT:—*Transfer of the Activities of the Improvement Trust to the Bombay Municipality.*

I have the honour to acknowledge receipt of your letter No. 512/5141-A, dated 25th May 1928, together with the enclosures referred to therein.

In reply, I am directed to state that my Committee recognize that there are certain objections to the proposed transference of the activities of the Improvement Trust to the Bombay Municipality, but, at the same time, they are of the opinion that the Board of Trustees, as constituted at present, has worked in a manner which is far from satisfactory, and, for this reason, they have no objection to the suggested dissolution of the Board of Trustees and transference of their duties to the Bombay Municipality.—I have, etc.,

J. P. WADIA,  
Acting Secretary.

\* Not printed.

**APPENDIX 4A.****PENALTY OF INCURABLE INADMISSIBILITY IN EVIDENCE IN THE CASE OF UNSTAMPED OR INSUFFICIENTLY STAMPED PROMISSORY NOTES AND BILLS OF EXCHANGE PAYABLE OTHERWISE THAN ON DEMAND.**

No. 5018/A.

FINANCE DEPARTMENT,  
BOMBAY, 16th April 1928.THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :—*Taxation Enquiry Committee : Promissory Notes and Bills of Exchange : Unstamped or Insufficiently Stamped.*

I am directed by the Governor in Council to request you to obtain the views of your Association on the recommendation made in paragraph 311 of Indian Taxation Enquiry Committee's Report (extract enclosed) regarding the advisability of continuing the penalty of incurable inadmissibility in evidence in the case of promissory notes and bills of exchange payable otherwise than on demand which are unstamped or insufficiently stamped.—I have, etc.,

S. E. SAYANI,  
For Deputy Secretary to the Government of Bombay.*Extract paragraph 311 of the Indian Taxation Enquiry Committee's Report.*

A disability of a different nature attaches to (a) bills of exchange and promissory notes and (b) instruments (other than bills of exchange, promissory notes and receipts) chargeable with a duty of only one anna or half an anna. In the case of these documents the Act contains, in lieu of the provision for validation on payment of a penalty, one to the effect that none of them can be admitted in evidence if they are not duly stamped. The justification for so drastic a measure is that otherwise the duty would be extensively evaded. It is possible that a measure of this nature is necessary in the case of bills of exchange and promissory notes, but it does not appear to the Committee that, in the case of other documents liable to so small a duty as one anna or half an anna, there is justification for so heavy a penalty. So far as bills of exchange and promissory notes are concerned, the Committee do not recommend any change in the law, but they think that the provision should cease to apply to the other documents at present covered by it.

No. 910/107 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 23rd May 1928.THE DEPUTY SECRETARY TO THE GOVERNMENT OF BOMBAY,  
FINANCE DEPARTMENT, BOMBAY.

SIR,

SUBJECT :—*Taxation Enquiry Committee : Promissory Notes and Bills of Exchange : Unstamped or Insufficiently Stamped.*

I am directed to acknowledge receipt of your letter No. 5018/A, dated 16th April 1928, on the above subject.

2. On due consideration, my Committee are inclined to agree with the view taken by the Taxation Enquiry Committee regarding the advisability of continuing the penalty of incurable inadmissibility in evidence in the case of promissory notes and bills of exchange payable otherwise than on demand. The removal of this penalty, in my Committee's opinion, will lead to extensive evasion of the stamp duty.—I have, etc.,

J. P. WADIA,  
Acting Secretary.

**APPENDIX 45.****LEAKAGE IN THE REVENUE DERIVED FROM COURT FEES AND  
GENERAL STAMPS.**

No. 5068-A of 1928.

FINANCE DEPARTMENT,  
BOMBAY, 29th May 1928.THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT:—*Court Fees and General Stamps : Leakage in the Revenue derived from—.*

I am directed to forward herewith a copy of extract paragraph 4 of letter No. 2620 dated 31st May 1927 from the Superintendent of Stamps, Bombay, and to request you kindly to favour Government at an early date with the opinion of your Association on the proposal to provide for the periodical inspection by a special staff appointed for the purpose under the Superintendent of Stamps, of the records of joint stock and insurance companies and banks with a view to seeing whether documents such as transfer deeds of shares, insurance policies, foreign bills, etc., are properly stamped and the stamps cancelled.—I have, etc.,

J. V. JOSHI,  
For Deputy Secretary to the Government of Bombay.

*Extract paragraph 4 of Letter No. 2620, dated 31st May 1927, from the Superintendent of Stamps, Bombay.*

“Leakage by reuse of stamps is possible in the case of all documents which can be stamped with adhesive labels such as insurance policies, transfers of shares, foreign bills of exchange, etc. These documents seldom, if ever, come before any public officer and whether they are, or are not, properly stamped cannot be known. Instances have, however, come to notice in which adhesive stamps were abstracted and reused and prosecutions successfully instituted. Documents such as insurance policies, foreign bills, shares transfer, agreement and brokers' notes are executed mostly in Presidency towns and very rarely if at all in the districts. To guard against loss of revenue consequent on non-stamping or reuse of used adhesive stamps, it would be necessary to set up a check such as periodical inspection by a staff under the Superintendent of Stamps appointed for the purpose, of offices of joint stock, insurance companies and banks with a view to seeing whether transfer deeds of shares, insurance policies, foreign bills accepted by banks and agreements and brokers' notes executed by brokers are properly stamped and the stamps cancelled in accordance with the provisions of Section 12 of the Indian Stamp Act.”

No. 1148/132 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 19th June 1928.THE SECRETARY TO THE GOVERNMENT OF BOMBAY,  
FINANCE DEPARTMENT, BOMBAY.

SIR,

SUBJECT:—*Court Fees and General Stamps : Leakage in the Revenue derived from.*

I have the honour to acknowledge receipt of your letter No. 5068-A, dated the 29th May 1928, under the above heading.

2. My Committee have carefully considered the extract from the letter of the Superintendent of Stamps which accompanied your letter, and they are unanimously of the opinion that no case whatsoever has been made out for the proposed periodical inspection of the records of joint stock and insurance companies and banks, with a view to seeing whether the documents are properly stamped and the stamps cancelled.

3. It is my Committee's considered opinion that the moral obligations in respect of stamping of documents are regularly carried out by the commercial community, and so far as my Committee are aware, there have been very rare instances of prosecutions in this connection.

4. My Committee further apprehend that the adoption of this proposal by Government would eventually lead Government to call upon joint stock and insurance companies and banks to contribute towards the expenses of the special staff proposed to be engaged for the purpose.

5. From every point of view the proposed inspection of records is, in my Committee's opinion, open to very grave criticism, and they earnestly trust Government on due consideration will recognise the inadvisability of enacting any measures on the lines suggested in the letter under reply.—I have, etc.,

J. P. WADIA,  
*Acting Secretary.*

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#### APPENDIX 46.

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#### PURCHASE OF PIECEGOODS BY THE GOVERNMENT OF BOMBAY.

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No. 3052/5088-C of 1928.

GENERAL DEPARTMENT,  
BOMBAY, 18th May 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :—*Stores.—Purchase of Cloth of Indian and non-Indian Manufacture.*

With reference to your letter No. 1880/128, dated the 12th October 1927, I am directed by the Governor in Council to say that it has been decided to publish a six-monthly statement showing the quantity of cloth of Indian and foreign manufacture purchased by the officers and departments of Government. The two statements will be for the periods from the 1st April to 30th September and from the 1st October to 31st March of each official year I have, etc.,

G. M. THENGE,  
*For Secretary to the Government of Bombay.*

No. 1149/129 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 19th June 1928.

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,  
GENERAL DEPARTMENT, BOMBAY.

SIR,

SUBJECT :—*Stores.—Purchase of Cloth of Indian and non-Indian Manufacture.*

I am directed to acknowledge receipt of your letter No. 3052/5088-C, dated 18th May 1928, on the above subject.

2. My Committee are pleased to note that the Government of Bombay have decided to publish a six-monthly statement showing the quantity of cloth of Indian and foreign manufacture purchased by the officers and departments of Government. My Committee trust that so far as purchases of piecegoods of non-Indian make are concerned, Government will be pleased to give full details as to quality, etc., to enable my Committee to judge whether similar stuff could not be turned out by Indian mills. The publication of only the quantities purchased without details as to dimensions, quality, etc., will not be of much use to my Committee.—I have, etc.,

J. P. WADIA,  
*Acting Secretary.*

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No. 3052/8177-C of 1928.

GENERAL DEPARTMENT,  
BOMBAY, 30th July 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT :—*Stores.—Purchase of Cloth of Indian and non-Indian Manufacture.*

With reference to your letter No. 1149/129, dated the 19th June 1928, I am directed by the Governor in Council to say that the officers of Government who purchase cloth would not usually be in a position to supply the precise details asked for and that Government regret that they are unable to amplify, to the extent suggested by your Association, the information already proposed to be published in the statements referred to in their letter No. 3052/5088-C, dated the 18th May 1928. I am, however, to inquire whether it would serve the purposes of your Association if the reporting officers were required to specify the general purposes for which their purchases had been made. If so, on receipt of your reply, inquiries would be made whether it would be feasible to supply this information.—I have, etc.,

G. M. THENGE,  
*For Under Secretary to the Government of Bombay.*

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No. 1469/129 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 23rd August 1928.

THE UNDER SECRETARY TO THE GOVERNMENT OF BOMBAY,  
GENERAL DEPARTMENT, BOMBAY.

SIR,

SUBJECT :—*Stores :—Purchase of Cloth of Indian and non-Indian Manufacture.*

I am directed to acknowledge the receipt of your letter No. 3052/8177-C, dated 30th July 1928, wherein Government state that they are unable to amplify, to the extent suggested by this Association, the information to be included in the proposed statement regarding the purchase of cloth of Indian and non-Indian manufacture.

My Committee are still of the opinion that it would be advisable for Government, in the interests of the indigenous industry, to publish particulars regarding quality, dimensions, etc., of purchases made, but, in view of the fact that it would be difficult to obtain the precise information asked for in this connection, the Committee agree to Government's proposal to insert a statement against each item showing the general purpose for which the purchase was made.—I have, etc.,

B. K. MANTRI,  
*Acting Secretary.*

## APPENDIX 47.

PROPOSED ESTABLISHMENT OF AN ELECTROLYTIC ALKALI PLANT IN BANGALORE BY THE GOVERNMENT OF MYSORE FOR THE PRODUCTION OF CAUSTIC SODA AND BLEACHING POWDER.

No. D 2-763/27 of 1928.

GOVERNMENT OF MYSORE,  
DEPARTMENT OF INDUSTRIES AND COMMERCE,  
BANGALORE, 8th November 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

It is proposed to put up an electrolytic alkali plant in Bangalore for the manufacture of caustic soda and bleaching powder with a view to take advantage of the low cost of electric energy in Bangalore. The Government of Mysore have arranged to obtain salt from the Madras Presidency, duty free, for assisting the industrial concerns. It will therefore be possible to obtain common salt at very low cost for the use of the electrolytic alkali plant. Owing to the fact that salt can be obtained at practically cost price and electric energy is actually produced by Government and can be supplied at nominal rates, the prospects for an electrolytic plant appear to be favourable. The plant will, in the first instance, be a very small one. It is estimated that the total output of bleaching powder will be about 250 tons per annum. The local market for bleaching powder will absorb about 50 tons and the entire output of caustic soda. I shall be glad to know if, in your opinion, the cotton mills in Bombay will be able to take up between them the relatively small quantity of 200 tons that will be available for external sale if the electrolytic plant is established. You are perhaps well aware that the quality of bleaching powder produced by the electrolytic process will be much superior to that produced by the ordinary chemical process.

I shall be greatly obliged if you will send me a line in reply very early.—Yours, etc.,

C. RANGANATHA RAO SAHIB,  
*Director.*

No. 2078/185 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 5th December 1928.

THE DIRECTOR OF INDUSTRIES AND COMMERCE,  
MYSORE STATE, BANGALORE.

DEAR SIR,

I am directed to acknowledge receipt of your letter No. D2-763/27, dated the 8th November 1928, inquiring whether Bombay mills will be able to take up about 200/250 tons of bleaching powder which you expect to be available for sale from the proposed electrolytic alkali plant in Bangalore.

In reply, I am to inform you that if the bleaching powder that you expect to produce is cheaper than the imported article, and is at the same time good in quality and suitable to mills' requirements, the Committee are of the opinion that Bombay mills could easily take up the quantity available if the price at which it is offered is equitable.—Yours, etc.,

B. K. MANTRI,  
*Acting Secretary.*

**APPENDIX 48.****EMPLOYMENT OF DEPRESSED CLASSES IN WEAVING DEPARTMENTS.**

No. 81 of 1928.

YOUNG MEN'S NON-BRAHMIN ASSOCIATION,  
KURLA, 30th July 1928.

THE PRESIDENT,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I, as the President of the Non-Brahmin Association of Kurla, beg to make the following representation on behalf of the untouchables whose cause my Association has so much at heart and I believe in whose elevation, moral, physical and economical you are equally interested. I trust that you will be pleased to accord to this the consideration that it deserves, both in the interest of the industry and in the improvement of the economic standard of the untouchables.

That uptill now untouchables are allowed to work only in the ring, roving, bleaching and all other mill departments except in the weaving department, in which the Mohammedans and other non-Hindus are freely permitted. The wages obtaining in these departments are low as compared to those of the weaving department with the result that the untouchables are permanently deprived of the chances of improving their prospects in the industrial and social scale. The curse of untouchability is now doomed to disappear and as a matter of fact other classes are freely mixing with the untouchables in all spheres of life, so it appears to be an irony of fate that they should be debarred from the weaving department. Removal of untouchability is obstructed mainly by ignorance and superstition and I hope you will agree with me that direction by authority in such matters goes a great way. Unless and until social injustices and inequalities are removed from the part of the untouchables and facilities are provided for them where they did not exist before, the lot of the untouchables cannot be improved in any way.

My Association therefore prays that you will be kind enough to remove this disability of the untouchables to allow them to work like other classes of men in the weaving department. Any opposition to this is bound in due course to disappear under the able and just direction of your authority.

Thanking you in anticipation and awaiting an early and favourable compliance.  
—Yours, etc.,

R. G. PRADHAN,  
*President.*

No. 1443/103 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 21st August 1928.

THE PRESIDENT,  
YOUNG MEN'S NON-BRAHMIN ASSOCIATION, KURLA.

DEAR SIR,

I am directed to acknowledge the receipt of your letter No. 81, dated the 30th July 1928, wherein you request my Committee to throw open the weaving department for the employment of depressed classes.



In reply, I am to inform you that neither the Association nor employers individually have objected to members of depressed classes working in any department of the mills including weaving. On the contrary, the objection has come from the workers themselves.

I am also to invite your attention to the fact that some time ago Messrs. E. D. Sassoon & Co., Ltd., offered to give depressed classes an opportunity in the blanket plant at their Jacob Sassoon Mills but, so far, had no response.

If you will kindly get in touch with Messrs. E. D. Sassoon & Co. (Mills Department), I am sure an opportunity will again be given to the members of the depressed classes for employment in weaving departments.—Yours, etc.,

B. K. MANTRI,  
*Acting Secretary.*

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### APPENDIX 49.

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#### MR. HARTSHORN'S ATTACK ON THE TATAS—THE ASSOCIATION'S PROTEST.

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No. 1001/128 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 24th May 1928.

THE SECRETARY OF STATE FOR INDIA,  
INDIA OFFICE, LONDON.

SIR,

I have the honour to confirm my telegram of the 22nd instant reading as under :—

“ The Millowners' Association strongly protest against the reckless allegations made by Mr. Vernon Hartshorn against Bombay industrialists generally, and particularly against one of their number, the Tatas, who are among the best employers of labour in this country. The Millowners' Association rebut these baseless allegations *in toto* and regret that one occupying an important public position calling for the exercise of more than ordinary tact and judicial outlook at the present juncture, should show himself so utterly wanting in a sense of responsibility as to make statements which are grossly offensive and without any foundation whatsoever.”—I have, etc.,

H. H. SAWYER,  
*Acting Chairman.*

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No. 906/128 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 22nd May 1928.

THE SECRETARY TO THE GOVERNMENT OF INDIA,  
DEPARTMENT OF INDUSTRIES AND LABOUR, SIMLA.

SIR,

I have the honour to confirm having wired you to-day as below :—

“ Bombay Millowners' Association has wired Secretary of State for India as follows : ‘ The Millowners' Association strongly protest against the reckless allegations made by Mr. Vernon Hartshorn against Bombay industrialists generally, and particularly against one of their number, the Tatas, who are among the best employers of labour in this country.

The Millowners' Association rebut these baseless allegations *in toto* and regret that one occupying an important public position calling for the exercise of more than ordinary tact and judicial outlook at the present juncture should show himself so utterly wanting in a sense of responsibility as to make statements which are grossly offensive and without any foundation whatsoever. H. H. Sawyer, Acting Chairman."—I have, etc.,

J. P. WADIA,  
*Acting Secretary*

..

No. L-1115 of 1928.

GOVERNMENT OF INDIA,  
DEPARTMENT OF INDUSTRIES AND LABOUR,  
SIMLA, 2nd June 1928.

THE CHAIRMAN,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

SUBJECT:—*Speech by the Right Hon'ble Vernon Hartshorn, M.P.*

I am directed to acknowledge your telegram of the 22nd May 1928 referring to certain remarks said to have been made by the Right Hon'ble Vernon Hartshorn, M.P.—I have, etc.,

TIN TUT,  
*Under Secretary to the Government of India*

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### APPENDIX 50.

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#### SUPPLY OF INDIAN MILL-MADE YARN TO HOSIERY FACTORIES.

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No. I. A. 52/100 of 1928.

DEPARTMENT OF INDUSTRIES,  
BOMBAY, 18th January 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

DEAR SIR,

I enclose extract paragraphs 1 and 2 from the letter of the Director of Industries, Bengal, Calcutta, No. 11080-DI(G), dated 3rd December 1927, with the three samples of yarn accompanying it regarding the supply of Indian mill yarn to the hosiery factories and to say that if any of the members of the Association feel interested and undertake to manufacture hosiery yarn they may be requested to send samples of their products (in 10-lbs. bundles each) to this office in the first instance and the lowest price at which they can supply them. The prices should be quoted F.O.R. Calcutta. They may further be requested to state whether they can supply the yarn wound up in the form of a cone instead of in bundles and if so what will be the extra charge per lb.

The favour of an early reply is requested.—Yours, etc.,

G. A. THOMAS,  
*Collector of Bombay,  
Department of Industries.*

*Extract paras 1 and 2 from the Letter of the Director of Industries, Bengal, Calcutta, No. 11080-DI(G), dated 3rd December 1927.*

"In the course of the recent survey of the hosiery industry in Bengal, we have come to know the existence of some 34 hosiery factories and their annual consumption of raw materials is estimated to be approximately 1,000,000 lbs. of yarn. Our list of hosiery factories cannot be claimed to be exhaustive as the survey was limited to a few known centres only and it is not unlikely that there are more factories in other parts of the Province, which we have not yet been able to discover. Besides, this industry is not limited to Bengal alone and it appears to be developing rapidly. But so far as my information goes, the yarns used by these factories as raw materials are invariably of foreign make and no serious attempt has been made by the Indian cotton mills to supply their requirements. The owners of the hosiery factories in Bengal seem to be quite alive to the grave danger to which they are exposed on account of their depending upon foreign raw materials and they are willing to try and use Indian yarn, if it is made suitable. What they want is soft, mule-twisted yarn without neps, made of long-stapled cotton, suitable for knitting purposes, and samples of the yarn that they generally use are sent herewith. The wholesale prices of these samples are quoted below :—

1.	Sample No. 1 (20s yellow tie yarn)	.. ..	Rs. 1/8/- per lb.
2.	" " 2 (24s grey)	.. ..	" 1/2/- "
3.	" " 3 (24s bleached)	.. ..	" 1/12/- "

"2. It is not absolutely necessary that the Indian yarn should be so bleached or dyed or should be so fine as the samples sent. There is demand for various grades of yarn and as the further development of the industry depends upon its successful competition with the cheap Japanese hosiery goods, the industry is badly in need of cheap raw materials."

No. 106/4A of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 19th January 1928.

THE COLLECTOR OF BOMBAY,  
DEPARTMENT OF INDUSTRIES, BOMBAY.

DEAR SIR,

I beg to acknowledge the receipt of your letter No. I. A. 52/100, dated the 18th instant, enclosing an extract from a letter received by you from the Director of Industries, Bengal, Calcutta.

Copies of the letter and extract have been circulated among the members of the Association with the request that mills interested should communicate with you direct after inspection of the samples at the office of this Association.—Yours, etc.,

T. MALONEY,  
Secretary.

No. 91/4A of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 19th January 1928.

TO ALL MEMBERS OF THE ASSOCIATION.

DEAR SIRS,

*Hosiery Yarn on Cones for Bengal.*

I enclose herewith a copy of a letter\* received from the Collector of Bombay, together with an extract\* from a letter addressed to him by the Director of Industries, Bengal. The samples referred to by the Director of Industries, Bengal, may be inspected at the office of

\* Already printed.

the Millowners' Association on any week-day between 10 a.m. and 5-30 p.m. Mills interested in the inquiry should communicate direct with the Collector of Bombay after inspection of the samples.—Yours, etc.,

T. MALONEY,  
Secretary.

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**APPENDIX 51.**

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**DECLARATION OF "SAMVATSARI" AS A SEPARATE PUBLIC HOLIDAY.**

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No. P. 189/3580-F of 1928.

FINANCE DEPARTMENT,  
BOMBAY, 28th March 1928.

THE SECRETARY,  
THE MILLOWNERS' ASSOCIATION, BOMBAY.

SIR,

*SUBJECT :—Declaration of "Samvatsari" as a Separate Public Holiday.*

I am directed to forward a copy of a letter dated the 9th March 1928 received from the Bombay Shroff Association and to request that you will be so good as to favour Government at an early date with the opinion of your Association regarding the proposal to declare 'Samvatsari' as an additional public holiday on the 18th September 1928 under the Negotiable Instruments Act.

2. I am to add that the special Holidays Committee of 1912, which is mentioned by the Association, unanimously recommended "that the Jain holiday 'Samvatsari,' Sud 4th, should be bracketed with the Hindu holiday 'Ganesh Chaturthi' and that the day chosen for this joint holiday should be the actual day of 'Ganesh Chaturthi.'"—I have, etc.,

S. E. SAYANI,

*For Deputy Secretary to the Government of Bombay.*

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*Copy of Letter dated 9th March 1928 from the Bombay Shroff Association to the Secretary, Government of Bombay, Finance Department.*

I have to thank you on behalf of my Committee for agreeing to make the necessary alteration in the date for the Coconut day.

At the same time my Committee feel deeply that the Government has failed to appreciate the importance of the Jain "Samvatsari" and have declared it only as an unimportant sectional holiday. Not only the Jain community but the whole Indian commercial community observes this day as a holiday. Almost all the important commercial Associations are observing the 18th September as a holiday although they have a majority of their members non-Jains. The importance of this holiday has been accepted several years back by the Government on the recommendation of a Committee appointed by them for revising the list of the holidays and since then this day has been observed as a holiday. No separate day had to be declared as it generally coincides with the "Ganesh Chaturthi" day. Only this year these two holidays fall on two consecutive days which creates the need of adding one day to the list of holidays for one year only. There have been precedents when a day has been added to the list of bank holidays and I feel sure that Government will not grudge adding one day only for the current year, to meet with the requirements of the Indian commercial community in general and the Jain community in particular.

Moreover, my Committee wishes to discuss this matter with the Honourable the Finance Member and I will thank you to arrange for an interview with him. A deputation of about 5 or 10 members of my Committee may wait upon him at his office on any day suitable to him.—I have, etc.,

HARILAL D. JASANI,  
*Secretary.*

No. 673/112 of 1928.

THE MILLOWNERS' ASSOCIATION,  
BOMBAY, 17th April 1928.

THE SECRETARY TO THE GOVERNMENT OF BOMBAY,  
FINANCE DEPARTMENT, BOMBAY.

SIR,

SUBJECT :—*Holiday.—Declaration of " Samvatsari " as a Separate Public—.*

With reference to your letter No. P. 189/3580-F, dated 28th March 1928, I am directed to say that my Committee are not in favour of the proposal made by the Bombay Shroff Association that "Samvatsari" should be treated as a separate public holiday.—I have, etc.,

J. P. WADIA,  
*Acting Secretary.*

## APPENDIX 52.

### STRIKE IN BOMBAY COTTON MILLS.

*Agreement arrived at the Honourable the General Member's Conference on 4th October 1928 between the Millowners' Association and the Joint Strike Committee.*

1. A Committee of three members to be appointed by Government.
  2. Terms of reference :—
    - (a) Whether the amended scheme of a standardized schedule of rates and of a standardized muster prepared by the Millowners' Association, and also the scheme prepared by the Strike Committee, is fair and reasonable ;
    - (b) Whether the Seventeen Demands advanced by the Strike Committee are fair and reasonable and to what extent, if any, they should be met.
    - (c) Whether the Standing Orders for operatives as amended and presented by the Millowners' Association on the 4th October 1928 are fair and reasonable.
  3. (a) Work to be resumed on the basis that for the period between the calling off of the strike and the publication of the report of the Committee, the rates and wages of March 1927 should be paid provided that in those mills in the Sassoon group, the Finlay group and the Kohinoor which now work on a revised system, the rates and wages of March 1928 shall be paid in the spinning departments only, and in the following mills the rates of March 1928 in the *weaving department* :—
    - (a) The Manchester Mill ;
    - (b) The Apollo Mill ; and
    - (c) The Meyer Sassoon Mill.
- (b) The question of musters shall not arise.

4. Advances as detailed below to be given to operatives weekly after resumption of work for the rest of October and subsequently fortnightly till the end of November. No advances to be paid from 1st of December from which date monthly wages will be paid as usual.

Adjustments of pay for October will be paid on 11th November and adjustments for the month of November to be paid on 15th December 1928.

••  
*Scale of Advances.*

	Per day. Rs. a. p.
Doffer Boys, Reachers and Female Pieceworkers .. .. .	0 12 0
Blow Room, Card Room, Strippers, Grinders, Card Tenters .. .. .	1 0 0
Drawing Tenters, Slubbing, Inter, Roving .. .. .	1 4 0
Spinning Side Boys and Tarwallas .. .. .	1 0 0
Warehousemen .. .. .	1 0 0
Warping, Sizing, Drawers, Weavers .. .. .	1 8 0

Operatives not provided for in this list to receive seven-eighths of the rates agreed to above (including allowances).

5. Any dispute arising out of the interpretation of this agreement shall be referred for decision to the Committee to be appointed.

6. Work to be resumed on Saturday, October the 6th, 1928.

GHULAM HUSSAIN HIDAYATULLAH.

N. M. JOSHI.

JEHANGIR B. PETIT (*Chairman, Bombay Millowners' Association*).

GENERAL DEPARTMENT,  
BOMBAY CASTLE, 15th October 1928.

No. 7219.—The following Resolution is published for general information :—

*No. 7219, dated the 13th October 1928.*

As a condition of immediate resumption of work by the Bombay mill strikers, the Government of Bombay agreed to the appointment of an impartial Committee of Enquiry consisting of three members for the permanent settlement of the dispute.

2. His Excellency the Governor in Council is now pleased to appoint with effect from the 13th October, 1928 the following as members of the Committee :—

- |  |   |
|--|---|
| (1) The Honourable Sir Charles Fawcett, Kt., I.C.S., <i>Chairman</i> . |   |
| (2) M. P. Khareghat, Esquire, I.C.S. (retired)                         | } |
| (3) B. S. Kamat, Esquire   |   |

Mr. N. A. Mehrban, Investigator, Labour Office, should act as Secretary to the Committee.

3. The terms of reference which the Committee should be asked to consider are :—
- (a) Whether the amended scheme of a standardised schedule of rates and of a standardised muster prepared by the Millowners' Association, and also the scheme prepared by the Strike Committee, is fair and reasonable.
  - (b) Whether the Seventeen Demands advanced by the Strike Committee are fair and reasonable and to what extent, if any, they should be met.
  - (c) Whether the Standing Orders for operatives as amended and presented by the Millowners' Association on the 4th October 1928 are fair and reasonable.
4. The Committee should be requested to submit their report to Government as soon as possible.—By order, etc.

R. M. MAXWELL,  
*Officiating Secretary to Government.*

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**Report for the year 1928.**

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*Section IV.*

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**SPEECH OF THE FINANCE MEMBER  
ON  
INTRODUCTION OF BUDGET FOR 1929-30.**



SPEECH OF THE FINANCE MEMBER INTRODUCING THE BUDGET FOR  
1929-30.

INTRODUCTORY.

SIR,—As this is the first occasion on which I have the honour of making a budget speech, I must regard it as my maiden effort, although I have already had occasion to address this House.

2. I may perhaps therefore be allowed to commence on a personal note. I address you with a due sense of humility, seeing that I come as a complete stranger to discharge this onerous and responsible duty. But this has at least a compensating advantage, for, in some ways, a stranger is in a privileged position. I already have had reason to appreciate from my own experience in other countries the hospitality of the East, and therefore, as a stranger, I know that I can count on a courteous welcome and a friendly hearing. It will be my constant endeavour to deserve a no less friendly reception when I cease to be able to claim the consideration due to a novice and have to be judged by you according to your knowledge of my actions. The success of a Finance Member in such a country as this lies not so much with himself as with the favour of Providence that determines the seasons. If my period of office is blessed with a series of good monsoons, my task may be comparatively easy. If not, I know that I may have to encounter difficulties. But difficulties are also opportunities, for, it is by these that the strength of a system is tested, and success in overcoming them may lead to its permanent strengthening. From my first view of the position, I do not think that the time before us now is one for the achievement of spectacular results nor should I wish to claim the credit for them if they were achieved. If I have an ambition, it is this, that whether we encounter bad seasons or good, you should be able to say of me when my work is done, that I served your country at least to the utmost of my powers and that in all that I did, my main thought was for the interests of the people of India. I must now turn to the dry details of my task.

*Actual outturn of 1927-28.*

3. The revised estimates for 1927-28 provided for a total revenue of 1,27.74 crores and a total expenditure of the same amount, the revenue including an appropriation of 1,69 lakhs from the Revenue Reserve Fund, which stood at 2,96 lakhs at the beginning of the year. The final figures show a total expenditure of 1,27.26 crores and in order to bring the revenue up to this figure it was necessary to increase the appropriation from the Revenue Reserve Fund from 1,69 lakhs as originally estimated to 2,22 lakhs. The deterioration in the revenue position as compared with that forecasted a year ago has thus amounted to 53 lakhs, which is mainly accounted for by a throw-forward of 40 lakhs representing land customs collections at Viramgam from 1927-28 to the current year. This has reduced the balance now at credit of the Revenue Reserve Fund to 74 lakhs.

REVIEW OF THE YEAR 1928-29.

*General conditions.*

4. I think I can most fairly describe general conditions in the financial year which is now drawing to a close by saying that they have been bad in patches, but that it would be a mistake to assess the general position from a contemplation of these bad patches, and to say that, viewed as a whole, it gives ground for serious pessimism. During the months of June to September the monsoon was on the whole fairly active except in parts of Northern India, where a marked drought was experienced, and just in these areas the recent exceptional cold wave and frost have produced serious losses of crops in certain localities. It is difficult as yet to estimate how far these will have any general effect on the balance of trade and the ways and means position. But these factors certainly give ground for caution in making revenue forecasts. The year was also disturbed by prolonged strikes in various parts of the

country, and particularly in the cotton mill industry of Bombay. In spite of all this, the trade statistics so far available are, on the whole, encouraging. The visible balance of trade, including private imports of treasure, for the nine months ended the 31st December 1928, was in favour of India by 39.77 crores against 33.07 crores in 1927 and 22.55 crores in 1926. Exports of Indian merchandise show an improvement of over 10 crores as compared with 1927. It is particularly satisfactory to observe that the exports of cotton have risen from 28 to 43½ crores, while those of jute and jute manufactures and of seeds also record an improvement of 5 crores and 3½ crores respectively. Exports of rice, however, have gone down by as much as 7 crores, as a result mainly of Japan's temporary prohibition of imports of the commodity into that country and of the increasing competition of the rice-producing countries on the Mediterranean seaboard. Wheat has been seriously affected by unfavourable climatic conditions, so much so that considerable quantities have had to be imported, while exports have fallen by about 2½ crores.

5. The imports as a whole show a fall of about a crore—the result of a drop in cotton and cotton-yarn and manufactures, counterbalanced to a large extent by a rise in the imports of grain, machinery and vehicles. The two items last mentioned are particularly interesting. Imports of machinery show a rise of about 16 per cent. for which the recent abolition of duty is, no doubt, largely responsible. The number of motor-cars and commercial motor vehicles, which came into the country during the nine months, also shows an improvement of as much as 38 per cent., although the amount of duty collected is still slightly less than the figure for 1926. I have every hope that the leeway will be made up and that our customs revenue will soon begin to benefit more largely from this source. Prices in general continued to remain fairly stable.

6. Money conditions have at times been difficult and in the last weeks have been affected by world conditions which themselves have been largely governed by the situation in the United States. The enormous volume of speculation there has tended to force up rates for money in all countries engaged in international trade, and this is the root cause to which the recent rise in the bank rate of the Imperial Bank to 8 per cent. must be attributed. I do not wish to enter into any detailed disquisitions on this subject now, but I would call attention to one point only which seems to have missed the attention of those who have criticised this action. It has been said that it was normally understood that the rate would not rise to 8 per cent. until expansion of currency against commercial bills had reached its full limit of 12 crores, and that, in the recent case, the rate was raised after only 9 crores of expansion had taken place. It must, however, be remembered that this year Government had expanded currency to the extent of 1 crore against sterling and 1 crore against created securities and that there had been a further expansion of 2.4 crores against imported gold, so that the total expansion had really been well over 13 crores.

#### REVENUE, 1928-29.

##### *Customs.*

7. The net customs receipts for the year were taken at 50.18 crores and I now put the revised estimate at 20 lakhs less. Larger imports of sugar and of mineral oils have increased the receipts by 70 lakhs and 28 lakhs respectively, while the land customs collections show an improvement of 70 lakhs, including the 40 lakhs thrown forward from last year. Excise duty on motor spirit is also expected to yield an additional 29 lakhs. On the other hand, cotton piecegoods and protective special duties relating to iron and steel show a deterioration of 40 lakhs and 42 lakhs respectively, while matches, the export duty on rice, and the excise duty on kerosene, have all been on the downward grade.

##### *Taxes on Income.*

8. I have taken the revised estimate under Taxes on Income at 16½ crores against the budget figure of 17 crores. The reduction is mainly accounted for by certain large refunds which have had to be made as a result of legal decisions.

*Salt.*

9. Owing to an unexpected and considerable amount of speculation at Sambhar, the estimate of salt revenue, which was originally taken at 7 crores, will probably be exceeded by about 65 lakhs in the current year. But as I do not think it safe to calculate on an average revenue of more than 7 crores, I am forced to treat the extra 65 lakhs, which we expect to collect in the current year, as being gained at the expense of next year, the estimate for which must be reduced accordingly. This unexpected factor seriously disturbs the distribution of revenue as between the current year and next year, and I shall have to refer to this point again.

*Other heads.*

10. The only item which needs comment is that of interest receipts which shows an improvement of as much as 66 lakhs, but this should really be set against a counterbalancing increase in interest payments to which I shall presently refer.

## EXPENDITURE, 1928-29.

*Debt Services.*

11. The gross payments on account of interest on ordinary debt have exceeded the budget figure by 1,33 lakhs as a result mainly of the larger magnitude of our borrowing operations and a small increase in our borrowing rate. But the net payments, after deducting recoveries from the Commercial Departments and the Provincial Loans Fund, show a deterioration of 65 lakhs only, which, as I have already stated, is covered by the increase in interest receipts. I would take this opportunity of explaining to the House that the net payments would have been considerably larger but for a change which I have introduced in the method of calculating the interest chargeable to Commercial Departments in respect of capital outlay incurred after the 31st March 1917, whereby they are required to share the loss which the general revenues suffer through the tax-free concession attached to certain portions of our rupee debt. This alteration has increased the recoveries from the Railways to the extent of 59 lakhs under this head, although it has had the simultaneous effect of reducing the railway contribution otherwise receivable by about 20 lakhs. The former method of calculation was really erroneous, as it meant that Government did not actually recover from the Commercial Departments the interest which they were in effect themselves paying. It is reassuring to know that in spite of the additional payment which the correction of this error involves, the actual rate of interest to be paid by the Commercial Departments for the forthcoming year will be less than it was two years ago. For 1926-27 the rate was 5.43 per cent., for 1927-28 5.38 per cent., and for 1929-30 it will be 5.32 per cent.

*Other heads.*

12. The only important variations from the original estimate are a saving of 22 lakhs in opium expenditure, which has resulted from short deliveries and poorer outturn, and another of 21 lakhs under Civil Administration, which includes 7 lakhs on account of a carry-forward of the expenditure on the India House to next year.

## DEPARTMENTAL TRANSACTIONS, 1928-29.

*Railways.*

13. As the House is already aware, the railway contribution is now estimated at 5.46 crores, which is only a little less than the budget figure of 5.48 crores. The present estimate includes 23 lakhs, being one-third of the excess over 3 crores available for transfer to the Railway Reserve Fund.

*Posts and Telegraphs.*

14. The working of the Indian Posts and Telegraphs Department is now expected to show a loss of 29 lakhs, which is very disappointing considering that a year ago it was expected that a surplus of a few thousands would accrue. The deterioration is mainly accounted for by the facts that the reduction in the rate for foreign telegrams has not been counterbalanced by a corresponding growth in traffic, and that the effect of the numerous revisions of pay and other concessions granted to the staff in recent years was, to some extent, under-estimated. The Indo-European Telegraph Department does not show any appreciable variation on the whole and will involve a loss of about 7½ lakhs.

*Military.*

15. The net military expenditure has been taken at 55.10 crores as in the original budget. I shall give a fuller explanation of the military expenditure item when dealing with the budget estimates for 1929-30.

*Summary.*

16. The main variations may now be summarised as follows:—

	(In lakhs of rupees.)	
	Better.	Worse.
Revenue from Customs .. .. .	..	20
Revenue from Taxes on Income .. .. .	..	50
Revenue from Salt .. .. .	65	..
Revenue from Interest .. .. .	66	..
Expenditure on account of Opium .. .. .	22	..
Expenditure on account of Interest on Debt .. .. .	..	65
Expenditure on Civil Administration .. .. .	21	..
Loss on the working of the Posts and Telegraphs Department .. .. .	..	29
Other heads .. .. .	15	..
	Total ..	1,89      1,64
	Net ..	25

We thus expect to close the accounts for 1928-29 with a surplus of 30 lakhs instead of 5 lakhs previously estimated, and I propose that this sum should be credited to the Revenue Reserve Fund the balance to the credit of which will then stand at 1.04 lakhs.

## BUDGET ESTIMATES FOR 1929-30.

*Preliminary.*

17. I must preface my detailed account of the budget proposals for 1929-30 with certain preliminary explanations. For a proper understanding of the present position, I think one must go back to the remission of the provincial contributions which really became effective from the beginning of 1927-28, and one must consider the three years 1927-28, 1928-29 and 1929-30 together.

18. The way in which I would present the picture is this. As Hon'ble Members will recollect, the actual result for the year 1926-27 showed a surplus amounting to 2.96 lakhs and on the strength of this it was decided to remit (provisionally in the first place) the whole of the remaining provincial contributions, amounting to 2.58 lakhs per annum. It was recognized that if Government sacrificed this permanent revenue, there might at the outset be a deficit. But the intention was that the surplus of 2.96 lakhs in 1926-27 which was transferred to a special Revenue Reserve Fund, would provide a sufficient sum to bridge the gap until the normal growth of revenue had built up receipts to the requisite level. It was

thought that the gap would not continue for more than one year and that by 1928-29 equilibrium would have been attained. On the revised estimates for 1928-29, which I have just dealt with, it might be said that this expectation has been fulfilled ; but on a closer examination, it will be seen that the figures for 1928-29, taken by themselves, are really misleading. In fact, the revenue for 1928-29 has been fortuitously increased at the expense both of 1927-28 and of 1929-30. As I have already explained, it so happened that 40 lakhs of customs revenue which ought to have been received in 1927-28 were actually received only after the close of that year, and were thus credited to 1928-29. Further, as I have also already explained, owing to speculation in salt, the revenue from that source for 1928-29 is likely to receive 65 lakhs which, in normal circumstances, would not have been received until after the close of the year and thus properly belongs to 1929-30. If, therefore, the true nature of the results for 1928-29 is revealed, it will be seen that, eliminating these two exceptional items totalling 1.05 lakhs, the year would have closed not with a surplus of 30 lakhs as our revised estimates show, but with a deficit of 75 lakhs. The gap left by the remission of the provincial contributions had not therefore really been filled in 1928-29 and the question which I have had to ask myself in settling the policy for the forthcoming year is whether the time has now come to decide that the original expectation cannot be realized, and that it will be necessary to find some new source of revenue. To answer this question we have to take account both of the revenue and expenditure sides, for it would be impossible to say that the gap had been satisfactorily filled if that could only be done at the cost of cutting out all items of beneficial expenditure which are really essential if the needs of the country are to be met.

19. What then is the answer to this question ? Will it be necessary to impose new taxation now ?

Sir, I believe it has been sometimes customary to keep the secret of the budget proposals as regards taxation till the closing paragraphs of the speech, so as to maintain the minds of Hon'ble Members on the tiptoe of expectation till the end, and thus avoid the natural tendency to sleep which a dreary recital of figures is apt to stimulate. I do not propose to have recourse to those adventitious aids for maintaining your attention. I will reveal my secret at once. The sum and substance of the position as regards normal revenue and expenditure, which it will be my business now to describe to you in greater detail, is that we can make both ends meet in 1929-30 without recourse to increased taxation and without denying money to any urgent beneficial expenditure, provided that we use the Revenue Reserve Fund, first, to correct the artificial disturbance in the normal course of receipts from salt revenue, and, secondly, to meet certain special items of expenditure of a non-recurring nature.

20. I have decided to recommend this course for several reasons :

First, I do not think that it would be justifiable to impose new taxation until it is more clearly demonstrated that there is a permanent need for it. With reasonably favourable conditions, some of our normal sources of revenue should be capable of considerable expansion, and I think it is fair to give the plan on which the remission of provincial contributions was undertaken, the chance of another year in which to achieve its realisation.

Secondly, before imposing new taxation, I want to have a fuller opportunity of reviewing the expenditure side of the budget than has been possible in the limited time since I took over office.

Thirdly, before imposing new taxation, if that should prove necessary, I want to have ample opportunity for studying conditions throughout the country, so that I may be able to formulate proposals in the light of full knowledge of facts and opinions in such a way as to ensure that whatever is done is done in a way most beneficial to this country's interests.

But I wish to leave Hon'ble Members in no misapprehension on this matter. If additional taxation proves to be necessary in the following year, the need will have to be boldly faced. My present action is governed not by any fear of doing this, but by the desire to defer taking any step until I am quite certain, first, that it is necessary ; and, secondly, what is the best direction in which to take it.

21. Having thus told you the general plan of the budget, I must explain in detail how the various pieces in the puzzle are to be fitted in.

#### REVENUE, 1929-30.

##### *Customs.*

22. Any comparisons which I make will be throughout with the revised estimates for 1928-29. In view of the abnormally large imports of sugar during the current year, it would not be safe to place the estimate of revenue from that source at more than 7 crores, which, in present conditions, may be considered a normal figure. This means a deterioration of 80 lakhs under this head alone. Further, the land customs figure will also show a reduction of 36 lakhs owing to the disappearance of the special factor which increased the revised estimate this year. On the other hand, I am budgetting for appreciable improvements under cotton piecegoods, protective special duties, excise duty on motor spirit, etc. On the whole I have assumed an improvement of 40 lakhs.

##### *Taxes on Income.*

23. I have taken the estimate for next year at 16.60 crores—an improvement of only 10 lakhs. Owing to the absence of the specially large refunds, which were the main causes of the deterioration in the current year, the figure should actually have been appreciably larger, but I have had to allow for the effect of the industrial strikes, particularly in Bombay and at Jamshedpur, which will make itself felt on the next year's collections.

##### *Salt.*

24. As I have already indicated, the element of speculation, which has brought in a windfall of 65 lakhs in the current year, will lead to a corresponding reduction in the next, and I have therefore assumed a receipt of 6.35 crores only as compared with 7.65 for the current year.

##### *Opium.*

25. As the House is aware, the revenue from opium is gradually diminishing as a result of the Government of India's self-denying policy whereby exports of provision opium are to be extinguished not later than 1935. We shall accordingly lose 42 lakhs next year under this head.

##### *Other heads.*

26. The only item which shows any important variation is that relating to currency receipts, which are expected to go up by 36 lakhs. This, of course, merely means that we get back a portion of the rather high expenditure in the current year under Interest on Debt.

#### EXPENDITURE, 1929-30.

##### *Debt Services.—Bonus on cash certificates.*

27. The net payments of interest on ordinary debt show a reduction of 1,33 lakhs, accounted for mainly by larger recoveries from Commercial Departments and from the Provincial Loans Fund. On the other hand, there is an increase in the charges for interest on other obligations of 95 lakhs, and an increased provision of 34 lakhs under Reduction or Avoidance of Debt. The latter includes the normal increase due to the increase of debt itself and also a larger sum for Reparation payments to which I shall refer again. As regards the other heading, namely, Interest on Other Obligations, 50 lakhs of the increase represents growth in the provision for bonus on cash certificates, and as Government's liability in regard to these certificates was made a subject of keen interest in last year's budget debates, I propose to go to some length now in explaining the position. The total provision to cover

the bonus on the discharge of certificates which we anticipate for next year, is 1.10 lakhs against a revised estimate of 60 for the current year and an actual payment of 23 lakhs in 1927-28.

28. This is a large increase, but is it enough? I have no doubt Hon'ble Members will ask me: "What is our full liability? Are we meeting it? If not, why not?"

I think I can explain the realities of the position most clearly in the following way. Government, by issuing cash certificates, obtain the use of large sums of money; but, inasmuch as interest is payable not year by year but in a lump sum when the certificates are discharged, Government get the use of the money in the earlier years practically free of interest. One can see how this position has worked out by following the figures in past years.

In 1926-27, the average amount of money held by Government against cash certificates was 23.82 crores. The amount of bonus paid was 16 lakhs; so that the effective rate of interest paid for the use of money was only  $\frac{4}{5}$  per cent. Similar figures for 1927-28 were:—

average money held, 28.69 crores;

bonus paid, 23 lakhs, equivalent to  $\frac{4}{5}$  per cent. interest;

and for 1928-29,

money held, 31.50 crores;

bonus paid, 60 lakhs, thus giving an effective rate of interest of under 2 per cent.

29. Now I wish to make it quite clear that the course hitherto followed has been strictly according to the normal system of Government accounting, for, as these accounts are made up on a cash basis, it is only the actual cash receipts and disbursements which need be taken into account each year. The system cuts both ways. Thus, in the case of cash certificates which we have been considering and which are repayable with a bonus which really represents deferred interest, the earlier years benefit at the expense of the later. On the other hand, when treasury bills are issued, the discount really represents prepaid interest and is all debited to the year in which the bills are issued, so that, if they fall due for repayment in a later financial year, it is the later year which benefits at the expense of the earlier. If transactions are on a very large scale and not all of one kind, the net result might be expected to even itself out by the balancing of one sort of transaction against the other.

30. But, in our own case, it cannot be said that there is anything of sufficient importance to counterbalance the very large transactions in cash certificates. There is, moreover, a particular danger in continuing the present practice as regards this obligation, because, if certificates are renewed, the bonus payable at the end of five years is not actually disbursed but is carried forward with the result that the real liability may be concealed for a further five years.

31. If we turn to consider what we ought to do in the present situation, I think we may say that there is a two-fold obligation. First, we ought to provide from revenue each year a sum equivalent to a fair rate of interest on the money of which we have the use. That is our normal recurrent obligation, the meeting of which will prevent the further accumulation of arrears. Secondly, we have now weighing upon us a further obligation, that of providing for the accrued liability which is made up of the amount by which the sums paid in the past by way of bonus have fallen short of the interest which was really accruing during that period.

32. Let us see what this means as applied to the forthcoming year. I calculate that, if all the outstanding certificates are held till maturity, the interest accruing for 1929-30 on the money actually in our hands would amount to about 1.50 lakhs. Against this, we estimate that the bonus which we shall actually have to pay out in that year will be 1.10 lakhs, or 40 lakhs less. Therefore, in order to meet the double obligation to which I have referred, we ought really first, to set aside this 40 lakhs from revenue and, secondly, to provide some-

thing towards wiping off the arrears of interest which have accumulated in the past. Although it has in fact proved impossible, without extra taxation, to provide in the next year's budget for more than 1,10 lakhs—and we are thus doing something short of meeting our full current liability—I think there are two mitigating factors in the situation. In the first place, on the basis of our present estimates, we shall have left over in the Revenue Reserve Fund at the end of next year a sum of 14 lakhs and I have in mind the possibility that this sum or any other balance that may ultimately be available should be transferred to a Suspense Account against the liability on cash certificates. In addition to this, I think we are entitled to take into account that the provision for reduction or avoidance of debt includes a sum of 30 lakhs on account of Reparation payments. This is a later accretion to the original provision for reduction or avoidance of debt which was settled on its own merits without allowing for the possibility of this windfall. Taking these two factors into account, I think we may be satisfied that our accruing liability is, if Government's position is viewed as a whole, being fairly provided for; and I am left to consider the second part of the obligation to make some provision to wipe off the accumulated arrears.

33. I think it is fair to say that this obligation should be considered together with the general obligation of Government to make provision for the writing off of their total debt. As Hon'ble Members are aware, the provisions for the existing debt redemption scheme were outlined in the Finance Department Resolution of the 9th of December 1924 and in para 33 of my predecessor's budget speech of the 28th February 1925. This scheme is to be in force to the end of the year 1929-30 and will accordingly have to be reviewed before the estimates for the following year are framed. I have, therefore, thought it justifiable and indeed fairer to this Assembly and to the country that any provision for amortising the accrued obligation in respect of cash certificates should be considered together with the general debt redemption scheme and not super-imposed in advance upon it. Proposals, therefore, for dealing with this provision will be worked out before the presentation of next budget.

#### *Civil Administration.*

34. The group head Civil Administration shows a very large increase of 1,18 lakhs, a matter which demands a special explanation. This head includes a great number of items of a non-recurring nature, and I have already explained that it is certain of these items which can justifiably be met, for this year at least, by a draft on the Revenue Reserve Fund.

35. It is, I think, liable to be misleading that items of non-recurring expenditure of this kind should be shown without distinction, or at any rate without some concurrent explanation in the statement of the financial position presented to the Legislature at the time of the budget, and I propose to consider for next year whether we cannot give a clearer picture of the situation by separating out, in some way, extraordinary or non-recurrent, from ordinary or recurrent, expenditure. It is, of course, true that expenditure of the former kind is in one sense recurrent, because there will always be a normal flow of demands for these kinds of expenditure. But it is always possible, in a case of grave financial difficulty, to call a halt to the admission of new items of this nature, in a way which is not possible with the normal recurrent cost of the existing establishment. I shall, during the forthcoming year, devote consideration to a different method for dealing with this kind of expenditure.

36. For the present, I will call attention to certain special items which are included :

First, we have to find as much as 29 lakhs for India House in London which is expected to be completed next year so that it will not appear again.

Again, we are providing 16.4 lakhs for agricultural research of which only 1.4 lakhs represent normal recurrent expenditure and 15 lakhs represent the initial grant towards a total Endowment Fund of 25 lakhs. I hope to be able to provide the remaining 10 lakhs in 1930-31. But in the event of financial stringency, it may be possible to postpone this, and in any case, these payments represent initial payments which will not recur. As Hon'ble Members are aware, the Agricultural Commission recommended an initial Endowment Fund of 50 lakhs, but, in substitution for this, the Government of India propose to create an Endowment Fund of 25 lakhs and to supplement this with an additional voted endowment of 5 lakhs



each year. Normal recurrent charges on account of staff are estimated to amount to 2.25 lakhs, so that when the full scheme is going, the normal recurring charge will be 7.25 lakhs as against the provision of 16.4 lakhs made in 1929-30.

The next item for special consideration is 20 lakhs for additional expenditure on civil aviation. This again represents very largely initial expenditure of a non-recurring nature on the preparation of ground organization, though I feel bound to point out that if an active policy of Government encouragement to the development of civil aviation is to be carried out, there will be recurring charges under this heading. The exact amount of these recurring charges cannot be estimated until the amount of subsidy that has to be paid to the parties undertaking the service is known. The point, however, which I wish to make at present, is that, so far as concerns the present programme, it includes nothing except the estimated subsidy for six months for an overland service from Karachi to Delhi, and Government retain complete liberty of decision as regards further extensions. Our financial commitments, therefore, at the moment are still under control, and a substantial part of the item of 20 lakhs, now provided for, need not necessarily be recurring.

Apart from the above items, the head with which I am now dealing includes votes for general beneficial expenditure, such as, 5 lakhs for the additional grant to the Benares Hindu University; 2 lakhs for the Bose Research Institute; 4 lakhs for reclamation operations in the Andaman Islands; and 1½ lakhs for special grants to the Pasteur Institute of India.

All these items to which I have referred are special items and they account for no less than 78 lakhs. It is relevant to mention that there are other items of non-recurring expenditure of a beneficial character elsewhere in the estimates, e.g., 6 lakhs for general measures for the improvement of the conditions of the poorer population of Old Delhi and 8½ lakhs for irrigation and other development projects in the North-West Frontier Province, Baluchistan and other Minor Administrations.

37. The future efforts of Government to provide money for beneficial and constructive purposes, such as I have specially mentioned, must, of course, depend on the financial position, but I should like to take this opportunity to emphasize my own view that it would be unworthy of this country if Government did not take steps to provide themselves with revenue for meeting obligations of this nature.

#### DEPARTMENTAL TRANSACTIONS, 1929-30.

##### *Railways.*

38. The contribution payable by the Railways to General Revenues will be 6.25 crores, inclusive of 13 lakhs on account of the one-third share of the excess over 3 crores of the amount available for transfer to the Railway Reserve Fund. The total contribution is 79 lakhs more than the revised estimate for the current year.

##### *Posts and Telegraphs.*

39. The prospects of the Indian Posts and Telegraphs Department for next year are more hopeful than is indicated by the revised estimates for 1928-29. Now that the outstanding grievances of the staff in the matter of pay and other conditions of service have been redressed, it is no longer necessary to make heavy provisions for new measures of this kind. With a moderate improvement in the revenues of the Department, it is expected to work at a loss of not more than 8 lakhs. The position is thus more satisfactory, but I regret that it still falls far short of anything which would make a reduction in postal or telegraph rates justifiable.

The Indo-European Telegraph Department is expected to show a loss of 5½ lakhs against a loss of about 7½ lakhs in the current year. The loss in working the two Departments together will thus be about 22 lakhs less than in 1928-29.

*Military expenditure.*

40. Lastly, I have to inform this House of the position as regards military expenditure. Apart from the grant of 10 lakhs to cover the Shea Committee measures in connection with the Territorial Force, to which I shall not refer again, the net demand is 55 crores. Hon'ble Members will not be surprised to see this figure, as it was indicated by Sir Basil Blackett, in introducing the budget last year, that there was no prospect of reduction for some time to come. The general situation which Government had to face in connection with the Army was also explained to this House at length in a statement and in a memorandum laid on the table by my Hon'ble friend, the Army Secretary, on the 5th of September last. I need not therefore enter into an exhaustive examination of the details of this question; but I wish to give this House a short explanation of the present position in my own words.

41. It will be remembered that in the year 1922-23 when Lord Inchcape's Committee conducted their inquiry, the actual net expenditure on Defence amounted to 65½ crores. As a result of that inquiry, the Committee recommended that, in the following year, the scale of military expenditure should not exceed 57½ crores and that, in subsequent years, the estimates should be reduced to about 57 crores. They urged that a close watch should be kept on the details of military expenditure with the object of bringing about a progressive reduction in future, and indicated that, provided a further fall in prices took place, it might be possible to reach the figure of 50 crores.

42. The Committee's recommendations were accepted, subject to certain well-known reservations by Lord Rawlinson, and resulted in a reduction from an actual expenditure of 65½ crores in 1922-23 to 56½ crores in the following year. Slight further reductions have since been effected, and during 1927-28 and 1928-29 the expenditure has been about 55 crores. The substantial fall in prices which the Committee envisaged when they contemplated the possible reduction to 50 crores after some years, has not yet been realised, while Army expenditure to-day includes considerable additional charges due to causes which the Retrenchment Committee could not foresee—principally the necessity of improving the pay of the officers of the Army and granting passage concessions on the scale of Civil officers of Government in accordance with the recommendations of the Lee Commission. Further, the Army now pays customs duty on imported stores, and also pays the cost of all stationery and various other services rendered by other Departments of Government. These additional charges amount to approximately one crore of rupees, and were referred to by His Excellency the Commander-in-Chief in his speech in this House last March.

43. By 1926 it became evident that stringent curtailment in expenditure had produced deficiencies in certain essential equipment, and also that the Army in India was failing to keep pace with modern developments adopted by the British and other armies. For this reason, my predecessor, in introducing the budget for 1927-28, warned the House that only the strictest economy and vigilance would prevent a rise in the military budget. The House will also recollect the situation as regards the efficiency of the Army as explained to the Public Accounts Committee in 1927. Again, in introducing last year's budget, Sir Basil Blackett reiterated his warning of the previous year.

44. The programme for the modernisation of Army equipment which was ultimately worked out was explained in the statement made by the Army Secretary to this House on the 5th September, to which I have already referred. This programme included the expansion of the Air Force by two squadrons and a provision for the modernisation of the equipment of that Force in India; also a provision for measures in connection with anti-aircraft and anti-gas regulations and for the mechanization of the transport and of fighting units together with the repletion of the Reserves. The total cost of the full programme was estimated at 10 crores made up of 8 crores for the specific measures defined above and 2 crores to cover subsidiary requirements not yet exactly defined.

45. The revelation of these needs created a difficult financial problem. Government decided that the military budget could not, in any case, be allowed to exceed the figure of 55 crores, and that the special expenditure required must be found within the limits of that sum. Certain automatic savings were in sight, principally those due to the reduction in the pay of

British troops, amounting altogether to a saving of more than one crore ; and over and above these savings, the Army authorities undertook to carry out a special economy campaign in order to provide the additional money that was required.

46. Accordingly, it was possible to devise a plan which provides that if the Army budget is maintained at a figure of 55 crores for four years—starting with the year 1928-29—then, apart from any abnormal or unforeseen circumstances, the necessary special expenditure will be found within the limits of this sum. As it is impossible to forecast exactly the rate at which the new equipment will be provided and as it is important to avoid fluctuations in the military budget from year to year, it is proposed to adopt the procedure of transferring to a Suspense Account any sum within the limit of 55 crores not spent in any particular year, on the understanding that this Suspense Account can be drawn upon in subsequent years. This is really a logical corollary to the system of net grants with liberty to reappropriate savings to meet expenditure on essential new services—a system the advantage of which, as a temporary arrangement at any rate, was recognised by the Public Accounts Committee in 1927.

47. Provided that a close check is kept throughout by the Finance Department on all expenditure, it may be claimed that there are considerable advantages in an arrangement on these lines, for it has the effect of removing all inducement to the Army authorities to rush through expenditure before the end of a financial year in order to avoid the lapsing of a particular grant. I think, indeed, that in the carrying out of such a programme of re-equipment as I have explained above, it is essential to have some provision of this nature for equalizing the actual appropriations over a period of years. A further advantageous result which, according to my information, the experience of the working of the arrangement since last summer has demonstrated, is that it results in the whole-hearted co-operation between the Army authorities and the Finance Department in the search for all possible economies, for the Army authorities know that the completion of the programme of re-equipment is dependent on the discovery of such economies. I am glad to be able to take this opportunity of testifying to the helpful attitude adopted by the Army authorities in this matter.

48. In order to show how the arrangement is actually working out, I may state that for the current year, 1928-29, the expenditure on normal standing charges of the Army will be 53½ crores, leaving approximately 1½ crores which will have been devoted to the special programme. It is further estimated for 1929-30 that the ordinary maintenance charges in the Army will amount to 52·94 crores, leaving a margin of 2·06 crores for expenditure on the special programme.

49. The normal cost of the standing military charges is thus being steadily cut down and it is, therefore, possible to hold out a very definite hope that when the four years' programme of re-equipment is completed, that is to say, after the year 1931-32, the total military budget will, apart from any circumstances which cannot at present be foreseen, be substantially reduced. It would be unwise for me at present to commit Government to promising a definite figure, but I can assure the House that the Finance Department will exercise the closest scrutiny of the execution of the programme.

50. Although these ultimate savings are in sight, I am fully conscious that the House must share with me, as a Finance Member on the threshold of his term of office, a feeling of disappointment that no immediate relief for the budget can be obtained from the economies which are really being effected in the standing military charges of the Army. It will, however, at least be something of an achievement if an important programme for modernising the equipment of the Army, costing about 10 crores, can be carried through in 4 years without an increase in the budgetary provision. Moreover, it can be definitely stated that when the programme is completed, the country will be provided with a more efficient force at a smaller cost. To give the country better value for its money must indeed be the key-note of our policy. To this extent at least, I hope that all can agree that the programme which I have outlined is a move in the right direction—a direction in which future progress must constantly and energetically be sought.

51. I wish to make it clear that, in giving the explanation which I have just completed, my object has been to lay the facts as fully as possible before this House and to

indicate to them the programme which Government have in mind. At the same time, there will be no change in the existing system of financial control, while Government are under no binding obligation in the matter. Unforeseen circumstances, such as an acute financial crisis, or constitutional changes occurring before the programme is completed, might modify its execution. If, however, circumstances remain normal, it is the settled intention of Government to work upon the lines which I have explained.

*Summary.*

52. The more important variations from the revised estimate may now be summarised as follows :—

		(In lakhs of rupces.)	
		Better.	Worse.
Revenue from Customs	.. .. .	40	..
Revenue from Salt	.. .. .	..	1,30
Revenue from Opium	.. .. .	..	42
Revenue from Currency	.. .. .	36	..
Expenditure on account of Civil Administration	.. .. .	..	1,18
Net contributions from Railways	.. .. .	79	..
Loss on the working of the Posts and Telegraphs Department	.. .. .	22	..
Other heads	.. .. .	..	7
Total		1,77	2,97
Net		1,20	

The net result for 1929-30 is therefore 1,20 lakhs worse than for 1928-29, or in other words, instead of the surplus of 30 lakhs, which the revised estimates show for the current year, we shall have to make up a balance of 90 lakhs in 1929-30 from other sources.

53. If it had not been for the fact that 1928-29 has gained 65 lakhs from salt revenue at the expense of 1929-30, the latter would actually have shown, on balance, an improvement of 10 lakhs over 1928-29, and the amount required to balance next year's budget would have been no more than 25 lakhs. Taking this into consideration, and in view also of the fact that the Civil Administration estimates this year contain a number of special items to which I have already referred and some of which need not necessarily be repeated, I have, as already explained, thought it justifiable to provide the necessary balance from the Revenue Reserve Fund and to defer any question of imposing new taxation. The Revenue Reserve Fund, as already explained, is expected to stand at 1,04 lakhs on the 31st March 1929, so that, by providing from this source the sum of 90 lakhs which is required to balance the budget for 1929-30, there will still remain a balance of 14 lakhs left in the Fund at the close of that year.

*New taxation.*

54. I have dealt so far with the normal budgetary situation and have left one particular proposal till the end. The Finance Bill, which I shall very shortly beg leave to introduce, contains a provision, necessitated by the recommendations of the Indian Road Development Committee, for the increase, from 4 to 6 annas per gallon, of the import and excise duties on motor spirit. The additional revenue expected to be realized on this account is 6 lakhs in the current year and 83 lakhs in the next. These amounts have, accordingly, to be added to the estimates of customs revenue which I have already mentioned to the House. But there will also be a corresponding addition to the charges under the Civil Works head, representing block grants of the same amounts, which will be credited to a Road Development Fund from which disbursements will be made from time to time to Provincial Governments and others on the general lines recommended by the Committee. I have to make it clear that this is a measure of taxation which is not designed for the advantage of the general revenues of the Central Government but for a specific purpose which has been unanimously

recommended by the Committee, and which, I have no doubt, will be welcomed by this House. The Committee, as I might remind Hon'ble Members, was appointed in consequence of a resolution moved in the Council of State. It consisted of 14 members of the two Chambers including representatives of all parties and of the Government, and it was presided over by my Hon'ble and learned friend, Mr. Jayakar, to whom I should like to take this opportunity of expressing my sincere admiration for the manner in which he accomplished his task. The subject is of great importance for the economic, social and political progress of the country generally and of the rural population in particular. It is a subject on which many divergent views are held, and it is complicated by the constitutional relations of the Central and Provincial Governments. Nevertheless, the Committee has submitted unanimous recommendations which appear to be generally acceptable, practical in their immediate application, and charged with far-reaching possibilities of future development.

The report has an added, though indeed a sad, interest in that it was signed by the late Lalā Lajpat Rai, who gave much time and labour, in co-operation with representatives of all other parties and of Government, to this constructive effort for the welfare of the country.

#### *Final result.*

55. The main figures of the budget, after allowing for the transfers to and from the Revenue Reserve Fund and for the additional taxation and its disposal just referred to, stand as follows :—

		(In crores of rupees.)	
		Revised.	Budget.
Revenue	.. .. .	1,31.20	1,34.06
Expenditure	.. .. .	1,31.20	1,34.06

#### WAYS AND MEANS.

##### *Review of the past.*

56. I must now turn to a review of the ways and means position, and before I give any detailed account of the probable results for the current year and of my forecast of requirements for the forthcoming year, I wish to attempt some general review of the situation. It would be natural for me to do this at the commencement of my term of office. But, quite apart from this, I think the time has arrived when it is necessary to take stock of our position—to stand back and take a view of the progress over the past years and of the course upon which we are set.

57. The dominating feature that strikes the eye when one turns to review the course of past years is the great amount of capital development which has been achieved with a comparatively small increase in the public debt of Government.

58. Let me give certain figures illustrating the position. In the five years from the 1st April 1923 to the 31st March 1928, Government undertook capital expenditure amounting to about Rs. 1,20 crores and about £49½ millions. As against this sum, they raised, by way of loans to the public, a net amount (by which expression I mean the net proceeds of the new loans less the amount of old loans and treasury bills paid off) of about Rs. 12 crores and about £13 millions. That is to say, during these five years, sums of no less than 1,08 crores and £36½ millions were provided from sources other than an increase in what is generally known as the public debt. Of the total amount of the capital expenditure to which I have referred, by far the greater part is accounted for by expenditure on the railways, the amount here being Rs. 69 crores and £48½ millions. Other capital works account for Rs. 12 crores and about £1 million; and Advances to the Provincial Loans Fund, Rs. 39 crores.

59. The question which Hon'ble Members will naturally ask is, from what sources the rest of this money has been provided and whether it is possible to rely on these sources to the same extent in the future.

To give figures which are exact in every detail would involve a very long and complicated statement. It will be sufficient for my present purpose to give approximate figures of the main headings which I may state as follows:—

	Crores.
Post Office Cash Certificates and Post Office Savings Bank deposits ..	37
Other Savings Bank deposits .. .. .	19½
Revenue surpluses (including those in Revenue Reserve Fund) ..	12
Provision for reduction or avoidance of debt .. .. .	22½
Other appropriations from revenue .. .. .	3
Reduction in opening cash balance in India .. .. .	16½
Depreciation and Reserve Funds .. .. .	25½
Provident Fund balances from Railway companies .. .. .	9
Gain by Exchange .. .. .	7½

These items together amount to 1,52½ crores, and out of this sum the balance of 1,08 crores to which I have already referred, has been found, leaving a surplus of 44½ crores. The balance of sterling capital expenditure of £36½ millions to which I have already referred, has been found by the remittance of this surplus of 44½ crores supplemented by a reduction of £4½ millions in the sterling balances.

60. These results indicate a remarkable achievement and a very great strengthening of the intrinsic position of the country and the security which it can offer for future loans. The provision which has been made from revenue, and even the utilization of the Railway Reserve and Depreciation Funds, to which I shall have occasion to refer again, represent a process which, to use a commercial expression, amounts to the "putting back of surplus earnings into the business" which is the process by which most sound and prosperous undertakings are built up.

61. At the same time, an examination of the figures which I have quoted does force one, in giving consideration to the future, to ask whether the resources which have thus been relied on in the past to supplement borrowing, will be available in the same measure in the future. It is clear that, to some extent at least, this cannot be the case. Government balances have been reduced to the lowest reasonable level; budget surpluses for the future can hardly be counted on to the same extent; the sale of cash certificates shows a progressive diminution year by year, though, as far as this is concerned, the result does not necessarily indicate that the money that was provided through this channel may not be available for investment in Government securities in some other form, now that the yield on such other securities has improved relatively to that on cash certificates. As regards the use of Railway Reserve and Depreciation Funds, and the maintenance of the accretions to the funds on the same scale, this of course raises debatable issues into which I cannot fully enter now, but which must be further discussed during the examination of the Railway Convention which is to take place this year.

For my present purpose, it is sufficient to draw, from the review which I have given, the conclusion that Government must be prepared in the future for having to raise a larger proportion of their capital expenditure in the form of public loans. There is an obvious corollary to this, *viz.*, that we must keep our capital expenditure under effective control and be watchful to limit it in accordance with the amounts which we can provide without overstraining the credit of Government in the open market.

62. I shall have something more to say later on the general policy affecting Government loans, but before doing this, I wish to explain the ways and means position for the current year and next year. An examination of the position for these two years confirms the conclusion to which my survey up to this point has led me.

In 1928-29, it was already necessary to resort to borrowing on a larger scale and the forecast that was presented with the budget for the year proved to have under-estimated the needs in this direction.

*Summary.*

63. I have prepared a summary, in the usual form, of the ways and means position for the current year and next year :—

								(In crores of rupees.)		
								Revised,	Budget,	
								1928-29.	1929-30.	
<i>Liabilities.</i>										
Railway capital outlay (construction)	..	..	..	..	..	..	..	26.0	26.5	
Purchase of Railways	..	..	..	..	..	..	..	4.0	7.0	
Other Capital outlay	..	..	..	..	..	..	..	1.7	2.1	
Provincial Governments' transactions	..	..	..	..	..	..	..	12.1	7.2	
Discharge of public debt (net)	..	..	..	..	..	..	..	19.9	3.9	
Other transactions (net)	..	..	..	..	..	..	..	.4	1.4	
Total								..	64.1	48.1
<i>Resources.</i>										
Rupee loan (net)	..	..	..	..	..	..	..	33.8	18.0	
Sterling loan (net)	..	..	..	..	..	..	..	12.1	7.0	
Postal Cash Certificates and Savings Bank	..	..	..	..	..	..	..	3.7	5.3	
Other unfunded debt	..	..	..	..	..	..	..	4.9	4.9	
Debt redemption	..	..	..	..	..	..	..	5.6	6.0	
Depreciation and Reserve Funds	..	..	..	..	..	..	..	6.3	5.8	
Reduction of cash balances	..	..	..	..	..	..	..	2.3	1.1	
Total								..	64.1	48.1

*Current year.*

64. Dealing with the current year, the following are the main items of interest. The opening balance, taking India and England together, turned out to be 4 crores less than estimated a year ago. This was because actual issues of treasury bills in March last were  $1\frac{1}{2}$  crores less, and railway capital expenditure was  $2\frac{1}{2}$  crores more, than contemplated. The position during the year has also worked out worse than was anticipated. First, railway capital expenditure again threatened substantially to exceed the original estimate, and, in spite of an application of the brake in August, is likely to amount to 26 crores instead of 24 crores as estimated; secondly, the net receipts from cash certificates have latterly shown signs of falling off as I have already explained; lastly, the weather conditions referred to at the outset of my speech have resulted in considerably larger drawings by certain Provinces. All these factors combined made it necessary to strengthen the position temporarily by the issue of sterling bills in August for £6 millions and eventually to provide for a more permanent reinforcement by the issue of a  $4\frac{1}{2}$  per cent. loan in January last in London for £10 millions at 91. The proceeds of this loan will be directly used to pay off the sterling bills and to meet the purchase price for the Burma Railways.

65. Apart from this transaction, events followed closely the course anticipated. The rupee loan issued in July was successfully launched in the form of a  $4\frac{1}{2}$  per cent., 1955-60 Loan and  $4\frac{1}{2}$  per cent. 1934 Bonds, which brought in 9.06 crores (nominal) and 25.98 crores (nominal) respectively, or a net total of 33.8 crores. It will be seen from what I have said that the current year has already provided an illustration of the need for increased borrowing, if a programme of capital expenditure on the present scale is to be continued. But there are certain special points to which attention should be called.

First, the capital expenditure included 4 crores for the purchase of the Burma Railways which may be regarded in a sense as an artificial addition to normal needs; secondly,

even for this year with its larger sterling and rupee loans, the net amount borrowed from the public in India and England together in the form of loans and treasury bills, after allowing for discharges and conversions, has only been 26 crores as against an aggregate capital outlay of just under 44 crores for Central Government's capital expenditure and drawings by Provinces. The treasury bills outstanding with the public, which, according to the budget estimates of the current year, should have stood at 9 crores, are now expected to be reduced to 6.95 crores at the close of the current year. It will be my endeavour further to reduce the outstandings of treasury bills so that these do not remain a permanent feature in the local money market conditions.

On the whole, it may, I think, fairly be claimed that Government, in spite of difficulties, find themselves at the close of the current year in a stronger position than they held at the beginning.

*Next year.*

66. I can now turn to consider the prospects for 1929-30. The task with which I found myself faced was this. The Railways—our chief consumers of capital—were in the course of executing a large programme containing many projects. Their organisation for carrying out new construction had been developed to a point at which they could get on expeditiously with all the work in hand, in fact so expeditiously that for the current year and the two preceding years they had substantially overspent their allotment. On top of this, notice had been given that Government would exercise their right to purchase the Southern Punjab Railway on the 31st December 1929, which meant finding £5½ millions in sterling payments. Further, the Provinces were likely to require their normal ration of capital, with a prospect that this might have to be increased in order to provide for loans to cultivators in those areas where the crops had failed. The chief question which those responsible for the finances of the country had to ask themselves in these circumstances, was whether it was desirable to attempt any sudden and drastic restriction in the capital programme of the Railways. A close examination of the position revealed that this would be, on almost every ground, undesirable. A programme of railway development, once it has got under way, cannot suddenly be interrupted without great waste. One commitment leads to another. New branch lines bring more traffic and this means that trunk lines have to be strengthened. Heavier trains must be drawn, which means re-laying with heavier rails, rebuilding or strengthening bridges, purchasing heavier locomotives. The heavier locomotives bring the need for remodelling or rebuilding repair shops. And so it goes on. If the programme is not carried to completion, the full economic value of the work in the first stages is lost.

67. Apart from this, it seemed to me very undesirable that, at a time when the general state of industry and trade in the country is at least somewhat below par, public expenditure on work which gives a great deal of local employment should be suddenly and drastically cut down.

68. On the other hand, I have kept constantly before me the conclusions which my earlier review of the situation has revealed, and, in framing a programme for next year, my guiding rule of policy has been this—that, while avoiding hasty action or serious dislocation of current work, we must get the course of capital expenditure well under control so that its pace can be regulated according to financial conditions, and so that, in case of difficulty, it can be slowed down without involving any damaging jar to the machine.

69. In the end, we have provided, as has been indicated in the figures which I have already given, for a capital expenditure of 26½ crores on the railways—a substantial sum—but the real feature in the programme is this; that the bulk of the money is to go on the execution of current work and that new commitments have been cut down to a minimum. There could thus, if necessary, be a substantial reduction in 1930-31, while measures have been adopted to ensure that the allotment for 1929-30 will not be overspent. On the other hand, work is being continued on a scale which avoids the necessity of any general dismissal of construction staff, so that, if at the beginning of 1930, prospects are not unfavourable, new projects can again expeditiously be put in hand. The working off of old commitments which is taking place this year, will mean that, if anything like the same amount of capital can be



provided next year, a far larger proportion will be available for taking up fresh projects for new lines.

70. The result of the whole programme as now settled is that, allowing for a reduction in Public Debt of just under 4 crores—in treasury bills and sterling obligations—we shall require to raise a total new loan of 18 crores. On top of this there is the £5½ millions to be found for the purchase of the Southern Punjab Railway, and as this represents the taking over of a sterling obligation which is already in existence, I have shown in my forecast that it will be met by a sterling loan. The situation, however, as far as concerns next year, is really better than I have shown, because, according to the agreement with the Southern Punjab Railway, although the purchase price becomes due on the 31st December 1929, the actual payment can be postponed for another four months at 3 per cent. interest. It is therefore not at all improbable that this obligation will not affect our ways and means position until 1930-31. As regards the 18 crores to which I have referred, the question whether the whole of this sum will be found by the issue of a rupee loan in India or whether a part, large or small, will be raised in the form of a sterling loan in England is one which will be settled in the way which best suits India's interests, having regard to the conditions which are found to prevail. If there has been any apprehension lest Government's needs for borrowing next year might have a seriously disturbing effect on the market for Government securities, I think this forecast should allay it. The raising of a total sum of 18 crores, either here or in London, should, with normal conditions, offer no difficulties. These considerations bring me to the much larger question of the whole borrowing policy of Government, on which I feel it important to make some general remarks in order to clear away misunderstandings.

But before embarking on this wider issue, I will complete my account of the particular transactions for the current year and for next year.

#### *Home remittances.*

71. A year ago it was estimated that we should require to remit £36 millions to London in 1928-29. Imports of sovereigns from South Africa, which were presented at our Currency offices between the 15th November 1928 and the 15th January 1929 amounted to about £1.8 millions, and, apart from this, imports of treasure have, on the whole, been on a somewhat larger scale than during last year. This has affected our power to remit the full amount by means of sterling purchases in the open market. The raising of a sterling loan in January, which I have already referred to, has reduced the amount which must be remitted in the current year to £29½ millions, of which up to the 20th of February we have succeeded in remitting just under £26 millions. On the assumption that the sterling payment for the Southern Punjab Railway will be met by means of a sterling loan next year, the amount required to be remitted to London in order to enable the Secretary of State to close with a normal working balance is now estimated at £35½ millions.

#### *Borrowing policy.*

72. I must now revert to a general review of Government's borrowing policy. I have recently read numerous Press criticisms on this matter and many exhortations from well-wishers who have offered me guidance as to my tasks and opportunities. I read all these with interest and some with gratitude, for even those that are couched in unpleasant language are at least stimulating. But when I am told that the Government of India must abstain altogether from borrowing, I can only feel that such advice ignores realities.

73. In considering policy on this matter, there are two main questions to answer. First, are Government to continue to encourage an active policy of economic development? Secondly, how is the necessary money to be raised?

74. I can hardly imagine that anyone could answer the first question with an unqualified negative. Capital expenditure which has been undertaken in the past five years, particularly on railway development or irrigation, has proved remunerative and greatly to the benefit of the country. Such a policy, provided the schemes are wisely chosen and well executed, must help towards the result which we all desire and on which the prosperity of

India can be most firmly founded, namely, the improvement of the power of production and of the standard of life for the vast rural population of this country, which must be the basis and foundation for prosperity in the industrial centres also. Quite apart from this, as I have already said, it would be particularly unfortunate if works of this kind had to be drastically cut down during the present period of depression of which we have heard so much in debates during this session. But, while I would press forward a wise development policy with the greatest keenness, I must also recall the words of warning which I have already used, and avoid any course which might overstrain the credit of the country. The future requires the difficult combination of enterprise and caution; enthusiasm and self-control.

*Sterling borrowing.*

75. On the second question, as to how the necessary money should be raised, I entirely agree in principle with the policy which was advocated by my predecessor, that Government finance should be based as far as possible on attracting rupee capital in India. It is only in so far as money cannot be raised from the investing public in India that I should ever consider having recourse to sterling borrowing. I wish to leave no shadow of doubt on this matter. How far it is possible to follow out this policy depends almost entirely on the people of India. If all the money which now goes to the import of treasure was to be made available for investment in productive undertakings, India's needs for foreign capital might well disappear. Even in the forthcoming year, with a large capital expenditure programme, we need to raise only 18 crores from the public against which may be set the fact that the average net imports of treasure since the war, excluding the abnormally high figures for 1924-25, have been more than twice as large in value.

76. This is a well-worn subject and I do not wish to dwell on it further. It calls for action rather than words. I fully recognize the difficulties, and that Government cannot expect to get the small men all over India to invest their savings except as a result of a steady course of education and the provision of better facilities. This is a matter on which I hope our Banking Enquiry will throw light. In any case, it is one of our main tasks for the future. If I can do anything in this respect, I shall only be following in the footsteps of my predecessor, and, if I might pay him a tribute, I would say that perhaps his greatest work in a wonderful record of achievement was the stimulus which he gave to the fruitful employment of the savings of the Indian public in the development of India's resources. But however enthusiastic one may be about this idea, one must face practical realities. Conditions cannot be changed in a day, and if there are times when the whole capital required to continue a reasonable policy of development cannot be raised in India, then I can see no valid reason for refusing to have recourse to moderate loans abroad. It would, in my opinion, be a far greater evil to hold up the proper development of the country merely for the sake of avoiding all sterling borrowing, however moderate the amount. It seems to me, judging by comments which have appeared in the Press and from remarks which have fallen from Hon'ble Members opposite in the course of debates during this session when the general condition of the country was under discussion, that there is a good deal of misapprehension on the subject. It has been implied, for example, that the policy involves India in borrowing at ruinous rates for the sole advantage of England. There could be no greater misapprehension. We can still borrow at very reasonable rates, while, so far as advantage to British interests is concerned, it must be remembered that the total amount that can be raised on the London market is strictly limited, so that, if India did not appear as a borrower, her place would easily be filled. In fact, the difficulty lies rather on the other side, namely, how to find room, in the limited number of issues that can be permitted, for all those who want to provide themselves with funds.

77. In all business relations it is desirable that there should be mutual advantage; but I am quite certain that in this particular relation, the balance of advantage lies on the side of India in that she has so privileged a position among the borrowers who seek funds in the London market.

78. A second misapprehension which also appears prevalent is that it is derogatory to the dignity of a country, or evidence of a weakness of its position, that it should have recourse to external loans. But this is an essential condition of any country in the early

stages of its development, and, in this sense, India still is in the early stage of her economic development.

Even a wealthy and highly-developed country like the United States until the Great War got large sums of investors' money from the London market for financing railway development projects and other enterprises of this kind. It has been estimated that in 1914 British investments in the United States, chiefly in railways, amounted to something like £760 millions. Moreover, all the great Dominions are constant borrowers in the London market. A large proportion of the railways of South America have been built with capital raised in England, while Japan, whose political and economic progress is ever held up as an example, has been a large borrower both in London and in New York, and, I might add, has her loans quoted on a 6 per cent. basis in London, and a 6½ per cent. basis in New York, as compared with the 5 per cent. rate at which India gets her money.

79. Further, I think that there is a good deal of misapprehension as to the extent to which India's sterling indebtedness has had to be increased during the past years. In an earlier part of my speech, I gave some figures as to borrowings in the five years ending the 31st March 1928. Let me carry these figures down to the end of the current year, so as to include a year of comparatively heavy borrowing. In the six years ending with the 31st March 1929, capital expenditure abroad will have amounted to £60 millions. Against this, loans producing net amounts of £18 millions in 1923-24, of £6,862,500 at the end of 1927 and of £9,100,000 in the last loan issued in January have been raised on the London market. But on the other side, permanent sterling debt has been discharged regularly each year over this whole period in the form of railway annuities and otherwise. The final result is that, although according to the figures which I have just given, a capital expenditure of £60 millions has been undertaken, the net balance raised by the increase of sterling funded debt has only been just under £20 millions. This sum must be still further reduced when it is taken into account that the sterling expenditure includes the purchase of the Burma Railways at £3 millions. By this transaction, sterling securities were cancelled so that the net amount of foreign capital on which India as a whole has to find interest in foreign currency has really only been increased to the extent of the loans necessary to raise £17 millions.

80. In order to complete the picture, it is necessary also to take into account any reduction which has taken place in sterling resources. Sterling treasury balances were reduced during this period by about £4½ millions, while transfers of sterling from the Paper Currency Reserve amounted on balance, during the same period, to about £3½ millions.

I think it is no small achievement and demonstrates the strength of the rupee exchange position that this very large amount of capital expenditure abroad has been effected with so small an increase of external indebtedness.

81. I must also add a few words on one more heading in connection with this matter. Even if the amount of our borrowing had been much larger, it would not have been out of proportion to the undertaking for which the Government of India are responsible, seeing that they have to finance practically the whole railway and port system of this vast continent which contains one-fifth of the population of the world, and also to provide money for irrigation and other development projects. Government borrowing may cover many purposes, and in some cases it may be a sign of weakness. But the borrowing by the Government of India, of which I have been speaking, and which we have to contemplate for the future, indicates rather an increase in strength. For whatever is borrowed will be more than covered by sound productive investments producing a larger revenue than is required to meet the interest charges. This leads me to the consideration that it may be desirable for the future to devise some means for so presenting our demands for new money as to demonstrate more clearly to the public the purposes for which the money is to be applied and the inherent strength of the position.

82. While this may indicate one important line for future consideration, our main task must still be to seek for every possible means to educate and provide opportunities for the people of this country so that they may let their savings flow into productive channels. There is room for much effort still in this direction and even a moderate success may elimi-

nate the need for external borrowing. But if, before this goal is reached, some such borrowing is necessary, I trust that Hon'ble Members will help me in this matter by taking a view of the situation uncoloured by political prejudices.

*Prices of Government securities.*

83. I have only a few more words to say as to the debt position. Following the practice of previous years, I quote the market prices of certain typical securities of the Government of India in India.

Market price on the 20th February.

	1923.		1924.		1925.		1926.		1927.		1928.		1929.	
	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.
5 per cent. Tax-free loan, 1945-														
55 .. .. .	89	8	97	12	97	15	101	4	107	2	106	11	103	15
3½ per cent. rupee loan	58	0	65	14	66	9	71	6	77	7	76	1	72	6

Prices, of course, are now much lower than the peak figure of 1927. But they are still substantially higher than in 1926 or the earlier years, and I think the review which I gave earlier in my speech will show that prices which ruled in 1927 and the beginning of 1928 were, in a sense, an artificial result of the abnormal abstention from borrowing which had been possible in the preceding years. The process of decline is always unpleasant, but there is at least this to be said, that the higher prices of two years ago drove some investors to seek better yields abroad, and that, taking a broad view, we may be now on a healthier level.

*Debt statistics.*

84. I must also refer to debt statistics. My predecessor used to embody in his budget speech a statement showing the debt of India outstanding at the close of a series of years. I find, from the general discussions which took place in this House last year on the budget, that a desire was expressed that the figures might be shown in a somewhat different form, and I have this year endeavoured to produce a statement of a more comprehensive nature. To the list of obligations I have added the Depreciation and Reserve Funds and those portions of provincial balances which bear interest. To the list of productive assets shown in previous years I have added the interest-bearing loans made to the public. At the same time, in order to give as complete a picture as possible, I have added the amounts of cash, bullion and securities held on Treasury account. Although I have tried to meet Hon'ble Members' wishes in this matter, I must warn them that it is extremely difficult to compile any statement which gives a complete picture of the situation. The statement which I have given makes no claim to be a complete balance-sheet. Moreover, there are many special factors which tend to confuse the picture. For example, if a loan to raise £9,100,000 is brought out on a 4½ per cent. basis at 91, the figure for our obligations in the table is shown as £10 millions. Had a loan to raise the same amount taken the form of a 5 per cent. loan brought out at par, the increase in our debt would only have appeared as £9,100,000. Further, although I have now included among Government's obligations the balances which they hold from the Railways on account of the Reserve and Depreciation Funds, these are, in reality, obligations of a different type from Government's obligations on account of loans raised from the public. Although the Railways can be regarded as something separate from Government, nevertheless, in the case of the Reserve Fund, for example, this is really, in a sense, held for the benefit of Government in order to ensure the payment of the railway contribution in bad years.

85. I mention these facts merely to show Hon'ble Members that it is difficult to provide a statement which is not open to some criticism on one side or the other. I can only say that it is my desire that they should be provided with the fullest possible information; and if there is any difficulty in understanding the tables which I have given or in reconciling the particular table to which I am referring with the summaries which I have given in the

earlier part of my speech, I should be willing to give further explanations. The table, as it stands, at least reveals that behind the public debt of India, there is being built up an ever-increasing backing of valuable security.

*Exchange.*

86. Sir, my course which, I fear, has been a very long one, is nearly run. I have only one more obstacle to negotiate and then I can take a straight run home. I feel that Hon'ble Members would think I was shirking a part of my task if I did not refer to the ratio question, for I must do those who have raised the question in recent debates in this House at least the honour of taking them seriously. At this late hour I want to be brief and I wish also to avoid saying anything which will provoke controversial retorts. Therefore, I leave unsaid much that I could say with force and conviction and will confine myself to one simple aspect of the matter.

87. I am fully conscious that there are those in this Assembly who honestly and honourably advocated the view that the rupee ought to be stabilized at 1s. 4d. when the issue was still an open one, and the country in a sense had a free choice before it. I do not seek to convince any of those who took this course that they were wrong—though this involves no admission on my part, and is, as the lawyers say, entirely "without prejudice." I would put to them a much simpler question: Can it seriously be proposed, as a practical course, that after working on a basis of 1s. 6d. for several years—a basis actually fixed by statute since 1927—that this Government could deliberately decide to devalue its currency by 11 per cent.? I shun all forms of over-statement, but I can hardly conceive the possibility of any more disastrous course. It would cause injustice to thousands of individuals who had entered into previous contracts, among whom perhaps the most important are the workers, manual or otherwise, whose wages and pay have been fixed on a different basis, and it would strike a blow at the credit of India in the eyes of the world from which it could hardly recover. For, what guarantee would other countries have that a word once broken would not be broken again? All the arguments which are used for advocating drop from 1s. 6d. to 1s. 4d. could be used with equal force for further inflation and further depreciation of the currency.

88. I have never seen any practical suggestion made as to how such a change could be brought about; but I feel sure that any man who really understands the working of these matters will realise that whether it were to be done by a stroke of the pen over-night, or allowed to take place as a result of a long period of weakness on the part of Government, the results would be equally dislocating and disastrous.

89. I sympathise whole-heartedly with those who, like my Hon'ble friend, Pandit Madan Mohan Malaviya, have expressed, in terms of great eloquence, their burning desire to improve the economic condition of the people. But I would say to him that the only way in which that can be done is by the constant and combined effort of Government and all those who can influence public opinion, directed to the extension of education and credit facilities, to the encouragement of hard work and thrift, and to an increase in real wealth by the introduction of improved methods of cultivation and communications. Anything else is no more than a quack remedy.

90. I do not deny that if Government were to adopt a deliberate policy of inflation and depreciation of the currency, that might act as a temporary stimulant, for it would induce a period of rising internal prices which is always encouraging to trade and it would also bring about a reduction in real wages which would benefit employers of labour making goods for export. But experience in many countries since the war is available to illustrate how dangerous is the use of such a stimulant and what disastrous reactions it may produce. For it cannot go on for ever, and it is only during the period when currency values are falling that the stimulant works. When a fixed level is reached again, prices must eventually adjust themselves and the plodding task of normal business has to be resumed once more.

91. Some of those who have spoken on this subject have likened the present financial conditions of India to the state of a sick man, who needs some remedy. It may be said, I suppose, that upon myself as directing to some degree the finances of the country, there falls

the heavy responsibility of the doctor. The doctor's calling is a noble and difficult one and perhaps its duties have never been better put than in the words of the oath which Hippocrates, the Greek philosopher and scientist, who lived more than two thousand years ago, made his disciples swear. Let me repeat some of its words:—

“ I swear by all gods and goddesses that I will, according to my power and judgment, make good this oath and covenant that I sign. I will use all ways of medical treatment that shall be for the advantage of the sufferers, according to my power and judgment, and will protect them from injury and injustice. Nor will I give to any man, though I be asked to give it, any deadly drug ; nor will I consent that it should be given ; but purely and holily I will keep guard on my life and my art.”

Sir, I would willingly accept no less binding vows, but, if I were to listen to those who advocate inflation and depreciation of the currency as a remedy for the present state of this country, I should be untrue to such an oath. Then, indeed, should I be administering a deadly drug.

92. But let me ask : Is the country really suffering from any sudden and new disease ? Are we not really in danger of exaggeration when such words are used ? Judged by all ordinary standards—figures of foreign trade, railway returns, etc.—India is more than keeping her place in comparison with other countries. Depression in trade is prevalent throughout the world and I venture to say that there is distress in other countries to-day, equal to, or greater than, that which is felt in India and attributable, like much of India's trouble, to world causes. I fully accept the statement which I have heard in this House that the standard of living among the rural population of India is miserably low, and I yield to no Member on the other side in my keenness to take a hand in a joint effort to remedy it. But this is no sudden and new phenomenon. No one can point to the particular date when the rupee was stabilized at 1s. 6d. and say truthfully : “ This is the date when it began ; before this we all lived in a golden age.”

93. Sir, there is one condition above all others which is requisite for commercial prosperity and that is a condition of security. If this talk about reducing the ratio is taken seriously, it can only produce a feeling of uncertainty and insecurity and, amongst other unfortunate results, it must tend to induce those who can do so, to invest their money abroad.

94. I cannot believe that it really is taken seriously by the bulk of the business world, but still, talk by responsible Members of this House cannot be without some effect. Therefore, I would appeal to those who have urged a contrary course and say to them : “ You have done your best for what you thought right. Whether the course actually taken was right or wrong, it would be a far greater evil now to alter it and Government are bound to use all the resources at their command to prevent its alteration. The time has come therefore to look to the future in which the interests of the country demand, above everything, that we should pull together to work out our salvation on the present level.” Response to such an appeal would bring honour to all who accorded it.

95. There is another ground on which I would urge on all those that have the public interest at heart to make an end of this talk which ascribes every evil to the 1s. 6d. rupee and holds out a 1s. 4d. rupee as the magic remedy which would bring prosperity to all. Such talk is harmful because it diverts men's minds from efforts to pursue the hard path to any real improvement. Let us rather unite to forge our way along this path, and, for my part, I promise to spare no effort and to reject no sound suggestions which can help to clear it.

#### *Conclusion.*

96. Sir, I have tried to present to-day a plain and unvarnished statement of facts—disguising none of the difficulties and exaggerating none of the favourable features. The note which I have wished to strike in my speech and to embody in my budget proposals is that we must look at the state of the country with a broad vision and not rush into sudden measures on the influence of what may be only a temporary condition.

If one looks back over the past six years, one cannot fail to be struck by the great inherent strength exhibited in the position. On the side of capital expenditure, I have quoted figures to show how enormously the productive assets of the country have been increased in proportion to the loan liabilities incurred. A broad view of the revenue position is also encouraging. When one considers all the revenue which has been sacrificed by the Central Government in the past six years in order to give greater latitude to the Provinces or to provide some economic advantage to the country—nearly 10 crores of provincial contributions given up, and in taxation 1½ crores on cotton excise, 85 lakhs on machinery, 1½ crores on opium, to mention only the most important cases—and when one then realizes how the other sources of revenue have moved towards filling the gap, I think one is justified in feeling confidence as to the future. It might perhaps be said that the rate of capital expenditure has recently shown tendencies to acquire too great an acceleration or rather, to put the matter in another way, Government have not increased their fixed capital (that is to say, money at their disposal from long-term loans) quite sufficiently in proportion to the expansion of the business. Possibly also, sacrifices of revenue have been based on expectations which, for the moment, may prove too optimistic. With these possibilities in mind, I would say that we are passing through a period which needs a steady hand on expenditure and the careful conservation of our credit and that, combined with this, there is also needed some broadening of the basis on which the capital, which is required for the development of this vast continent, is to be provided. These objects will be my chief concern and I shall pursue them with all the more confidence and enthusiasm because of my firm conviction that the financial position of this country is fundamentally sound and that there can be no country in the world which has better security to offer for its loans.

97. Sir, I have only one more word to say. I have expressed in my last sentences the confidence which I feel in the economic foundations of this country. But there is one thing on which those foundations must rest, and that is political stability. I have deliberately refrained from disturbing my account of the economic position up to this point by any extraneous considerations, nor do I wish to appear as preaching to this Assembly on a subject which might be held to be outside my sphere. But I have set myself the task of describing the situation exactly as I see it, and this task I must complete. India till now has had one priceless possession in her credit with the outside world. I believe, for such reasons as I have tried to make clear to-day, that the economic advancement of the country depends on the maintenance and use of this credit both within and without. Fears of political disturbance cannot but shake it, and to do this is to endanger the structure on which the material welfare of the millions of this country depends. I pray that this vital consideration may not be forgotten. Having said this, let me close, as I began, on a personal note. Though it is my fate to deal with finance and the production of wealth, I do not, any more than many Hon'ble Members opposite, place materialistic objects above all other ends in this world. Nevertheless, an adequate measure of material well-being is a necessary condition of happiness in any state. I trust that even those whose thoughts are mainly concentrated on political objectives which may range them at times against the Government of which I am a member, will not forget this fact, and will find in the economic sphere some common ground on which we can co-operate for the material advancement of the Indian people. Is it too much to hope that such co-operation may have its reactions also in wider spheres? The money with which I have to deal suffers from the material limitation that what is spent is gone, but goodwill is inexhaustible and the more that is expended, the greater will be the supply.

GEORGE SCHUSTER.

*The 28th February 1929.*

Statement showing the interest-bearing obligations of the Government of India, outstanding at the close of each financial year.

	31st March 1923.	31st March 1924.	31st March 1925.	31st March 1926.	31st March 1927.	31st March 1928.	31st March 1929.
<i>In India :</i>							
		(In crores of rupees.)					
Loans (a) .. .. .	339·83	358·81	370·38	368·29	374·44	372·25	390·61
Treasury Bills in the hands of the public .. .. .	21·59	2·12	..	..	..	7·59	6·95
Treasury Bills in the Paper Currency Reserve .. .. .	49·65	49·65	49·65	49·65	41·47	31·94	39·15
Other Obligations—							
Post Office Savings Banks ..	23·20	24·79	25·64	27·23	29·51	32·67	34·74
Cash Certificates .. .. .	3·13	8·42	13·12	20·96	26·68	30·70	32·30
Provident Funds, etc. .. .. .	36·17	39·00	42·39	46·36	51·02	55·82	60·42
Depreciation and Reserve Funds ..	..	..	9·08	15·45	20·10	25·48	31·85
Provincial Balances (b) .. .. .	2·86	4·17	4·83	11·87	10·49	10·48	8·09
Total Loans, etc. .. .. .	411·07	410·58	420·03	417·94	415·91	411·78	436·71
Total Other Obligations .. .. .	65·36	76·38	95·06	121·87	137·80	155·15	167·40
Total in India .. .. .	476·43	486·96	515·09	539·81	553·71	566·93	604·11
<i>In England :</i>							
		(In millions of £.)					
Loans (a) .. .. .	222·92	244·53	263·39	266·35	265·09	272·32	282·05
War Contribution .. .. .	19·71	19·27	18·81	18·32	17·81	17·28	16·72
Capital value of liabilities undergoing redemption by way of terminable railway annuities ..	61·31	60·10	58·84	57·53	56·19	54·79	53·35
Provident Funds, etc. .. .. .	·04	·13	·16	·21	·27	·19	·42
Total in England .. .. .	303·98	324·03	341·20	342·41	339·36	344·58	352·54
Equivalent at 1s. 6d. to the Rupee ..	405·31	432·04	454·93	456·55	452·48	459·44	470·05
Total Interest-bearing obligations ..	881·74	919·00	970·02	996·36	1,006·19	1,026·37	1,074·16
Productive assets held against the above obligations :							
(i) Capital advanced to Railways ..	517·22	537·02	(d) 578·05	(f) 605·61	635·46	668·60	698·60
(ii) Capital advanced to other Commercial Departments ..	19·43	20·07	22·00	17·77	19·16	20·60	21·75
(iii) Capital advanced to Provinces ..	87·49	97·56	106·43	114·60	120·17	126·34	136·95
(iv) Capital advanced to Indian States and other interest-bearing loans .. .. .	8·90	8·93	10·16	11·84	12·11	13·91	15·43
Total Productive assets .. .. .	633·04	663·58	716·64	749·82	786·90	829·45	872·73
Cash, bullion and securities held on Treasury account .. .. .	44·80	50·47	57·35	51·96	37·48	24·26	30·57
Balance of total obligations not covered by above assets .. .. .	203·90	204·95	196·03	194·58	181·81	172·66	170·86

- (a) These figures represent the nominal amounts of loans outstanding and also include comparatively small amounts of expired loans which do not bear interest.
- (b) The figures represent those portions of provincial balances which bear interest either because they form part of the old Famine Insurance Fund or the present Famine Relief Fund or because they have been placed with the Government of India on fixed deposit.
- (c) Includes the liability assumed by the Secretary of State for East Indian Railway Debenture Stock, aggregating £18½ millions, on the termination of the contract with that Railway on the 1st January 1925. It therefore does not represent any increase in the foreign indebtedness of the country as a whole.
- (d) Includes 27·07 crores on account of the liability referred to in (c) above.
- (e) Includes the liability assumed by the Secretary of State for the Great Indian Peninsula Railway Debenture Stock, aggregating £3½ millions, on the termination of the contract with that Railway on the 1st July 1925. *Vide* also last sentence under (c) above.
- (f) Includes 4·88 crores on account of the liability referred to in (e) above.



**Report for the year 1928.**

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*Section V.*

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**DOCUMENTS AND STATISTICS.**



## LIST OF CONTENTS:

No. of Table.	Name of Table.	PAGE No.
1.	Spindles set up in India, U.S.A., Great Britain, Germany, China and Japan ..	391
2.	Looms .. .. .	392
3.	Progress of Cotton Mill Industry of India .. .. .	393
4.	World's cotton crops, 1912-13 to 1927-28 .. .. .	394
5.	Production and consumption of raw cotton in India .. .. .	395
6.	Statement showing the stocks of raw cotton held by Indian mills on 1st August 1928 and 1st February 1929 .. .. .	395
7.	Statement showing the cotton arrivals in Bombay during the season 1927-28 compared with nine previous seasons .. .. .	396
8.	Statement showing the weekly prices of cotton in Bombay .. .. .	397
9.	Statement showing the stocks of yarn and cloth held by Bombay mills ..	398
10.	Current quotations for Bombay mill-made piecegoods and yarn .. ..	399—401
11.	Exchange fluctuations and the price of silver .. .. .	402
12.	Statement showing the quantity of yarn spun in India for the last 20 years ..	403
13.	Statement showing the quantity of yarn spun in Bombay City and Island during the last 20 years .. .. .	404
14.	Statement showing the quantity of cloth produced in Indian mills during the last 20 years .. .. .	405
15.	Statement showing the quantity of cloth produced in Bombay City and Island mills during the last 20 years .. .. .	406
16.	Statement showing the imports of cotton yarn into India during the last 20 years .. .. .	407
17.	Statement showing the imports of cotton yarn into Bombay during the last 20 years .. .. .	408
18.	Statement showing the imports of piecegoods into India during the last 20 years .. .. .	409
19.	Statement showing the imports of piecegoods into Bombay during the last 20 years .. .. .	410
20.	Summary of imports of cotton yarn into India in 1928 compared with two previous years .. .. .	411
21.	Detailed statement of imports of cotton yarn into India in 1928 compared with two previous years .. .. .	412
22.	Summary of imports of cotton yarn into Bombay in 1928 compared with two previous years .. .. .	413
23.	Detailed statement of imports of cotton yarn into Bombay in 1928 com- pared with two previous years .. .. .	414
24.	Detailed statement of exports from India of Indian-made yarn by sea ..	415
25.	Detailed statement of exports from Bombay of Indian-made yarn by sea ..	416
26.	Summary of imports of cotton piecegoods into British India in 1928 com- pared with two previous years .. .. .	417

No. of Table.	Name of Table.	PAGE No.
27.	Detailed statement of imports of cotton piecegoods into British India in 1928 compared with two previous years .. .. .	418—19
28.	Detailed statement of imports of cotton piecegoods into Bombay in 1928 compared with two previous years .. .. .	420—21
29.	Summary of imports of cotton piecegoods into Bombay in 1928 compared with two previous years .. .. .	422
30.	Detailed statement of exports of Indian-made piecegoods by sea from British India .. .. .	423
31.	Detailed statement of exports of Indian-made piecegoods by sea from Bombay .. .. .	424
32.	Statement showing the re-exports of foreign-manufactured piecegoods and yarn from British India .. .. .	425
33.	Statement showing the re-exports of foreign manufactured piecegoods and yarn from Bombay .. .. .	425
34.	Statement showing the approximate yardage of piecegoods available for consumption in India .. .. .	426
35.	Statement showing the approximate poundage of yarn available for consumption in India .. .. .	426
36.	Statement showing the progress of Japan cotton mills during the last 16 years .. .. .	427
37.	Statement showing Japan's cotton consumption during the last 25 years .. .. .	428
38.	Statement showing Japan's cotton yarn production and exports during the last 25 years .. .. .	429
39.	Statement showing Japan's cloth production and exports during the last 25 years .. .. .	430
40.	Statement showing the imports of cotton piecegoods and yarn from United Kingdom into the chief Presidency ports of India .. .. .	431
STATISTICS OF COTTON SPINNING & WEAVING IN INDIAN COTTON MILLS .. .. .		432—449

## STATISTICS.

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As was stated in the preliminary portion of the report for 1926, the tables printed in the following pages show considerable variations from those published prior to 1926. The tables now given represent an attempt to give in an easily comprehensible form essential information of a statistical nature regarding the textile trade of India as a whole. In addition, information will also be found in certain tables concerning the textile trade of Bombay City and Island which is the largest individual centre of the cotton trade in India.

A number of interesting tables are also included concerning the textile trade of Japan, India's keenest competitor in the home and export markets.

Most of the tables are self-explanatory and no notes regarding their interpretation are necessary. The following notes are only intended to assist in arriving at correct conclusions regarding the progress of the Indian textile trade during the last few years.

*Table 3.*—Progress of Cotton Mill Industry in India. The temporary fall in the production of yarn and cloth in the years 1923-24 and 1925-26 are accounted for by the fact that in these two years there were general strikes in Bombay City and Island extending over periods of 2 months and 2½ months respectively.

*Table 7.*—Statement showing the cotton arrivals into Bombay during the season 1927-28 as compared with 9 previous seasons. A noteworthy feature of this table is the comparatively small importation of American cotton last year.

*Tables 16 and 17.*—Statements showing the imports of cotton yarn into India and Bombay during the last 20 years. Notable features of the tables are the large imports of artificial silk and mercerized yarn during the last few years.

*Tables 18 and 19.*—Statements showing the imports of cotton piecegoods into India and Bombay during the last 20 years. The figures for the calendar year 1928 indicate a considerable revival in the piece-goods import trade into India when compared with 1927.

*Table 20.*—Summary of imports of cotton yarn into India in 1928 as compared with two previous years. This table shows the shares of the import trade in yarn held by the chief importing countries.

*Table 21.*—Detailed statement of imports of cotton yarn into India in 1928 as compared with two previous years. This table shows in detail the counts and types of yarn imported into India from the various countries.

*Tables 22 and 23.*—Summary and Details of imports of cotton yarn into Bombay in 1928 as compared with two previous years. These tables give information similar to that contained in Tables 20 and 21, but for the Port of Bombay.

*Table 26.*—Summary of imports of cotton piecegoods into India in 1928 as compared with two previous years. This table gives at a glance the quantities of the main classifications of piecegoods imported into India from the chief importing countries. Table 27 gives the information contained in Table 26 in very much greater detail.

*Tables 28 and 29.*—Details and Summary of imports of cotton piecegoods into Bombay in 1928 as compared with two previous years. These tables contain information similar to that contained in Tables 27 and 26 respectively but for the Port of Bombay.

*Table 30.*—Detailed statement of exports of Indian-made piecegoods from India. When perusing this table the footnote explaining the exact areas covered by the territories mentioned should be carefully studied. The preponderance of coloured goods in the total piecegoods export trade is very striking.

*Table 31* contains information similar to that given in *Table 30* but for the Port of Bombay. It might be noted that the great bulk of piece goods exported from the Port of Bombay are manufactured in the mills of Bombay City and Island.

*Tables 32 and 33.*—Statements showing the re-exports of piecegoods and yarn from India and Bombay respectively. The figures show that the bulk of the re-export in cotton piecegoods passes through Bombay.

*Tables 34 and 35.*—Statements showing the quantities of cloth and yarn available for consumption in India. These tables are among the most interesting and instructive statistics ever published concerning the extent of the Indian market for yarn and piecegoods. The figures showing the balance of yarn available for consumption in India to some extent give an indication as to the importance of the handloom weaving industry of India.

*Tables 36 to 39* (both inclusive) contain information extracted from the publications issued by the Japan Cotton Spinners' Association and indicate very clearly the phenomenal progress made by the Japanese Cotton Textile Industry during the last decade.

*Table 40* is extracted from the statistics published by the British Board of Trade and indicates the relative importance of the three chief Presidency Ports of India in the yarn and piecegoods import trade. It should be noted that the figures for the Port of Bombay as given in this table are not strictly comparable with the Government of India statistics for that port on which all other tables relating to Bombay in this section are based.

Statistics relating to Spinning and Weaving of Cotton Mills in India are extracted from the "Monthly Statistics of Cotton Spinning and Weaving in Indian Mills" published by the Department of Commercial Intelligence and Statistics.

TABLE NO. I.  
SPINDLES AND LOOMS SET UP IN INDIA, THE UNITED STATES OF AMERICA, GREAT BRITAIN, GERMANY, CHINA AND JAPAN.

The following figures have been obtained from various sources and may be taken as being approximately correct. In order, however, to make the record as complete as possible, the Committee of the Association will be obliged, if members and others who have any additional particulars available will kindly forward them to the Secretary for inclusion in any future statements that may be published:—

## SPINDLES.

Year.	India	United States of America.	Great Britain.	Germany.	Japan.	China.
1876	1,100,112	....	....	....	....	....
1877	1,244,206	....	....	....	....	....
1878	1,289,706	....	....	....	....	....
1879	1,452,794	....	....	....	....	....
1880	1,461,590	10,653,435	....	....	....	....
1881	1,513,096	....	....	....	....	....
1882	1,620,814	....	....	....	30,000	....
1883	1,790,388	....	....	....	....	....
1884	2,001,667	....	43,000,000	....	....	....
1885	2,145,846	....	43,000,000	....	....	....
1886	2,261,561	....	42,700,000	....	....	....
1887	2,421,290	....	42,740,000	....	....	....
1888	2,488,851	....	43,000,000	....	....	....
1889	2,762,518	....	43,500,000	....	....	....
1890	3,274,196	14,384,180	43,750,000	....	....	....
1891	3,351,694	14,640,000	44,750,000	....	....	....
1892	3,402,232	15,200,000	45,270,000	....	385,314	....
1893	3,575,917	15,700,000	45,270,000	....	381,781	....
1894	3,649,736	16,100,000	45,190,000	....	530,074	....
1895	3,809,929	16,650,000	45,400,000	6,571,332	580,945	....
1896	3,932,946	17,333,396	44,900,000	....	692,384	....
1897	4,065,618	18,228,991	44,500,000	....	768,328	....
1898	4,259,720	18,434,244	44,900,000	7,115,500	1,027,817	....
1899	4,728,333	19,329,092	45,600,000	....	1,170,337	....
1900	4,945,783	19,472,232	45,600,000	8,031,400	1,274,000	550,000
1901	5,006,936	20,196,835	46,100,000	8,434,601	1,234,976	....
1902	5,006,965	20,907,212	49,727,107	....	1,230,697	....
1903	5,043,297	21,212,827	49,700,000	....	1,381,306	....
1904	5,118,121	22,197,522	49,500,000	....	1,345,585	....
1905	5,163,486	22,861,043	50,964,874	8,832,016	1,426,594	....
1906	5,279,595	24,628,379	52,796,230	9,121,259	1,472,253	....
1907	5,333,275	25,681,509	52,585,362	9,730,209	1,540,452	750,000
1908	5,756,020	26,133,442	55,218,024	9,850,209	1,795,879	....
1909	6,053,231	27,914,085	57,026,422	10,162,872	1,954,892	....
1910	6,195,671	28,299,482	57,731,829	10,200,000	2,099,764	....
1911	6,357,460	29,064,492	58,002,435	10,480,090	2,170,796	831,000
1912	6,463,929	29,962,713	58,140,220	10,725,732	2,176,748	833,112
1913	6,596,862	30,579,000	58,481,000	10,920,426	2,414,499	947,406
1914	6,778,895	32,227,840	59,317,187	10,162,872	2,657,174	1,000,000
1915	6,848,744	32,400,792	59,905,000	10,163,000	2,807,514	....
1916	6,839,877	32,653,164	59,811,222	....	2,875,904	1,029,218
1917	6,738,697	33,535,000	60,973,000	....	3,060,478	1,126,568
1918	6,653,871	34,219,156	57,685,841	....	3,227,678	....
1919	6,689,680	34,648,928	59,182,683	....	3,488,262	1,416,556
1920	6,763,076	34,946,721	60,079,394	8,262,872	3,813,680	1,585,300
1921	6,870,804	35,632,193	60,053,246	8,693,221	4,161,126	1,650,000
1922	7,331,219	36,584,487	58,712,303	9,400,000	4,517,612	1,888,348
1923	7,927,938	37,397,000	59,819,000	9,605,000	4,197,966	3,581,214
1924	8,313,273	37,924,000	59,511,000	10,060,000	4,870,232	3,569,440
1925	8,510,683	37,823,000	59,903,000	10,060,000	5,292,040	3,414,062
1926	8,714,168	37,650,000	60,285,000	10,300,000	5,586,027	3,558,483
1927	8,702,760	37,483,000	60,466,000	10,900,000	5,679,852	....
1928	8,704,172	36,824,000	60,356,000	11,020,000	6,116,266	....

Note.—The figures for India are taken from the Association's Mill Statement.  
The figures for Japan are taken from the half-yearly publication of the Japan Cotton Spinners' Association.  
The rest of the figures are taken from the Comtelbuo Year Book.

TABLE NO. 2.  
LOOMS.

Year.	India.	United States of America.	Great Britain.	Germany.	Japan.	China.
1876	9,139	.....	.....	.....	.....	.....
1877	10,385	.....	.....	.....	.....	.....
1878	10,533	.....	.....	.....	.....	.....
1879	13,018	.....	.....	.....	.....	.....
1880	13,502	.....	.....	.....	.....	.....
1881	13,707	.....	.....	.....	.....	.....
1882	14,172	.....	.....	.....	.....	.....
1883	15,373	.....	.....	.....	.....	.....
1884	16,262	.....	.....	.....	.....	.....
1885	16,537	.....	561,000	.....	.....	.....
1886	17,455	.....	.....	.....	.....	.....
1887	18,536	.....	.....	.....	.....	.....
1888	19,496	.....	.....	.....	.....	.....
1889	21,561	.....	.....	.....	.....	.....
1890	23,412	.....	.....	.....	.....	.....
1891	24,531	.....	.....	.....	.....	.....
1892	25,444	.....	660,000	.....	.....	.....
1893	28,164	.....	.....	.....	.....	.....
1894	31,154	.....	.....	.....	.....	.....
1895	35,338	362,067	606,585	245,000	5,000	.....
1896	37,270	354,358	.....	.....	.....	.....
1897	37,584	379,341	.....	.....	2,852	.....
1898	38,013	384,745	.....	240,000	2,798	.....
1899	39,069	392,690	.....	.....	2,757	.....
1900	40,124	439,465	648,820	211,818	5,045	.....
1901	41,180	411,106	.....	211,818	.....	.....
1902	42,584	477,072	.....	.....	.....	.....
1903	44,092	488,760	684,000	.....	5,043	.....
1904	45,337	503,027	.....	.....	5,085	.....
1905	50,139	515,006	704,357	230,200	8,140	.....
1906	52,668	525,630	704,357	230,200	9,601	.....
1907	58,436	536,815	725,221	.....	9,462	.....
1908	67,920	546,160	736,325	.....	11,146	.....
1909	76,898	555,398	739,382	.....	13,813	.....
1910	82,725	625,719	741,197	230,200	17,702	.....
1911	85,352	633,909	741,260	.....	20,431	.....
1912	88,951	671,873	758,712	.....	21,898	3,738
1913	94,136	709,255	786,205	.....	24,224	4,755
1914	104,179	696,387	805,452	230,200	25,443	.....
1915	108,009	689,840	808,145	.....	30,068	.....
1916	110,268	719,358	808,796	.....	31,295	4,755
1917	114,621	725,366	807,543	.....	36,181	5,853
1918	116,484	712,426	787,679	.....	40,391	.....
1919	118,221	700,620	790,936	.....	44,401	7,193
1920	119,012	708,079	798,083	190,200	50,583	7,680
1921	123,783	719,120	790,399	190,200	54,994	.....
1922	134,620	707,469	799,000	190,200	60,893	10,814
1923	144,794	744,686	795,244	240,700	64,460	22,477
1924	151,485	760,625	791,674	240,700	68,579	21,644
1925	154,202	762,808	788,197	240,700	73,381	25,934
1926	159,464	760,133	786,309	240,700	74,193	.....
1927	161,952	745,520	767,524	250,000	77,043	.....
1928	166,532	747,379	754,940	250,000	78,352	.....

(Please see foot-note to previous table.)





TABLE NO. 4.

THE WORLD'S COTTON CROPS, 1911-12 to 1927-28 (TODD'S).  
(Bales approximately 500 lbs.)  
(000's omitted.)

Years.	America (Linters included.)	India*.	Egypt.	Russia.	China.	Others.	Total.	Percentage on 1914-15
1911-12	16,251	3,288	1,485	873	2,552	1,058	25,507	91
1912-13	14,313	4,610	1,507	892	2,298	1,160	24,780	88
1913-14	14,795	5,066	1,537	980	2,303	1,287	25,968	92
1914-15	16,992	5,209	1,298	1,164	2,363	1,154	28,180	100
1915-16	12,123	3,738	961	1,407	2,057	984	21,270	76
1916-17	12,781	4,489	1,022	1,110	1,714	1,027	22,143	79
1917-18	12,428	4,000	1,262	603	1,863	1,086	21,242	76
1918-19	12,970	3,972	964	420	2,203	1,298	21,827	78
1919-20	12,029	5,796	1,114	274	1,914	1,485	22,612	81
1920-21	13,880	3,600	1,206	121	1,667	1,400	21,880	78
1921-22	8,351	4,485	972	57	1,263	1,311	16,439	59
1922-23	10,370	5,073	1,243	50	1,884	1,500	20,120	71
1923-24	10,808	5,161	1,306	214	1,744	1,746	20,979	74
1924-25	14,525	6,088	1,455	466	1,882	2,065	26,481	95
1925-26	17,219	6,215	1,593	715	1,796	2,148	29,686	106
1926-27 *	18,911	5,025	1,727	798	1,483	2,212	30,380	108
1927-28 †	13,905	5,871	1,280	946	1,950	2,000	25,952	92

\*400-lb. bales.

‡Estimates.

NOTE:—Figures taken from the tables published in the "Bombay Cotton Annual" issued by the East India Cotton Association.

TABLE No. 5.  
PRODUCTION AND CONSUMPTION OF RAW COTTON IN INDIA.

(*Indian Trade Journal* dated 21st February 1929.)

The following statement compares the estimates of the total outturn of cotton in India for the last two years with the sum of exports and internal consumption. The figures of mill consumption are those supplied by the Indian Central Cotton Committee and refer in the case of mills in British provinces to Indian cotton alone. The estimate of mill consumption in Indian States refers to all cotton,\* but it has been ascertained from the Indian Central Cotton Committee that the amount of foreign cotton consumed in Indian States is negligible. Import figures have not therefore been taken into consideration for the purposes of the comparison set forth below. A conventional estimate has as usual been made for extra-factory or local consumption. It should be borne in mind that estimates of the "Carry-over" from one year to another have not been taken into account owing to complete information not being available regarding stocks.\*

	YEAR ENDING 31ST AUGUST	
	1928.	1927.
	Thousand bales (400 lbs.)	Thousand bales (400 lbs.)
Exports to United Kingdom .. .. .	215	85
.. to Continent (Europe excluding United Kingdom) ..	1,277	832
.. to Far East .. .. .	1,614	1,872
.. to Other Countries .. .. .	34	41
Total ..	3,140	2,830
Home Consumption—		
Mills† .. .. .	1,765	2,044
Extra—factory or local‡ .. .. .	750	750
Total ..	2,515	2,794
Approximate crop .. .. .	5,655	5,624
Estimated in forecast .. .. .	5,593	5,024
Excess (+) or deficit (—) neglecting carry-over .. .. .	+62	+600

\* Stocks of cotton in Bombay were 437,000 bales on 31st August 1927 and 1,011,000 bales on 31st August 1928.

† The figure of mill consumption is that compiled by the Indian Central Cotton Committee Bombay mainly on the basis of returns made under the Indian Cotton Cess Act.

‡ Conventional estimates.

TABLE No. 6.  
STATEMENT SHOWING THE STOCKS OF COTTON HELD BY INDIAN MILLS ON  
1ST AUGUST 1928 AND ON 1ST FEBRUARY, 1929.  
(In bales regardless of weight).

	Bombay City and Island.		All-India.	
	1-8-28.	1-2-29.	1-8-28.	1-2-29.
<b>COTTON MILL STOCKS.</b>				
(In actual bales regardless of weight).				
(a) American (Linters and waste not included) .. .. .	55,375	32,143	63,242	40,977
(b) East India .. .. .	214,846	172,391	863,826	667,239
(c) Egyptian .. .. .	960	302	2,054	1,283
(d) Sundries .. .. .	21,405	14,476	35,220	13,466
Total .. .. .	292,586	219,312	964,342	722,965

Figures from the Cotton Census taken at the instance of the International Federation of Master Cotton Spinners' and Manufacturers' Associations.

(Figures are approximations.)

TABLE No. 7.

The following Table gives details of cotton arrivals into Bombay during the 1927-28 season compared with the total of the nine previous years.

(Actual weight converted into bales of 3½ cwis. each.) (Season ending 31st August in each case.)

NOTE:—The following figures are extracted from the daily returns issued by the Bombay Chamber of Commerce.

	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.
Khandeish .. .. .	196,138	363,057	252,352	355,071	361,633	340,771	297,806	292,847	315,141	307,449
Central India .. .. .	176,068	219,617	262,329	226,427	313,158	302,050	351,654	386,999	318,827	299,680
Barsi Naggar and Hyderabad Gaorani .. .. .	200,550	333,811	133,521	373,985	346,392	310,279	308,365	299,702	274,592	437,799
Berar .. .. .	449,838	632,578	415,881	763,045	666,233	647,314	574,520	479,843	578,454	730,789
Central Provinces .. .. .	217,606	268,287	270,833	267,147	272,560	268,766	259,870	247,023	233,578	310,327
Dholleras .. .. .	67,987	271,785	198,353	317,414	440,075	184,907	316,809	285,748	215,377	384,608
N. W. Provinces .. .. .	86,449	182,894	166,729	170,053	84,929	122,536	133,887	131,256	59,570	65,213
Rajputana .. .. .	56,558	53,379	95,012	153,576	135,270	90,203	84,216	117,015	66,045	56,155
Sind-Punjab .. .. .	479,636	388,316	281,170	220,121	276,592	310,881	365,478	296,512	119,098	137,416
Broach .. .. .	201,794	275,393	240,822	222,630	414,378	307,772	486,985	313,681	241,163	269,272
Compta Dharwar .. .. .	159,725	186,918	252,996	147,400	132,693	187,493	222,650	168,007	142,453	145,150
Western Northern .. .. .	152,221	160,318	112,046	63,574	85,340	93,010	126,862	117,182	75,183	53,777
Coconada .. .. .	14,653	10,925	17,493	8,365	4,182	2,888	2,403	3,302	495	7
Tinnevely and Cambodia .. .. .	65,978	57,957	63,857	64,238	47,384	30,322	41,369	68,875	50,161	37,082
Persians .. .. .	2,649	2,841	292	3,226	5,737	9,764	6,904	5,627	5,719	5,770
Americans .. .. .	1,265	.....	81,105	23,058	1,632	2	9,649	28,130	379,120	102,910*
Egyptians .. .. .	121	.....	2,699	2,050	1,421	3,718	648	638	3,462	2,199
East Africans .. .. .	.....	.....	.....	.....	51,060	77,932	74,289	88,569	85,988	78,119
Comilla, Burmah and Other Sorts .. .. .	13,797	18,948	31,226	81,099	603	877	3,513	3,700	916	275
<b>TOTAL</b> .. .. .	<b>2,543,033</b>	<b>3,427,024</b>	<b>2,878,716</b>	<b>3,462,479</b>	<b>3,641,287</b>	<b>3,291,494</b>	<b>3,667,877</b>	<b>3,334,656</b>	<b>3,165,642</b>	<b>3,423,757</b>

\* Or 80,252 original bales of American cotton.

TABLE NO. 8.

STATEMENT SHOWING THE WEEKLY PRICES OF COTTON IN BOMBAY  
(IN RUPEES PER CANDY OF 78½ lbs.)

The figures are extracted from the Weekly Statistics of the East India Cotton Association, Ltd.

Week ending.	BENGAL F. G.		BROACH.		OOMRA FINE.	
	Price.	Delivery.	Price.	Delivery.	Price.	Delivery.
6th January 1928.	313	Spot.	382	Apl./May.	350	Spot.
13th "	309	"	375	"	346	"
20th "	307	"	368	"	343	"
27th "	307	"	359	"	343	"
3rd February	279	"	340	"	310	"
10th "	294	"	353	"	323	"
17th "	297	"	350	"	328	"
24th "	308	"	366	"	339	"
2nd March	308	"	360	"	339	"
9th "	300	"	361	"	333	"
16th "	309	"	363	"	335	"
23rd "	319	"	376	"	351	"
30th "		Market		closed.		
10th April	313	Spot.	370	Spot.	341	"
13th "	320	"	376	"	344	"
20th "	317	"	373	"	342	"
27th "	320	"	381	"	348	"
4th May	320	"	400	"	357	"
11th "	330	"	407	"	371	"
18th "	324	"	399	"	361	"
25th "	326	"	395	"	362	"
1st June	326	"	391	"	358	"
8th "		Market		closed.		
15th "		Market		closed.		
22nd "	330	Spot.	403	Spot.	369	Spot.
30th "		No		quotations.		
6th July	347	Spot.	415	Spot	385	"
13th "	348	"	416	"	390	"
20th "	331	"	403	"	381	"
27th "	307	"	380	"	360	"
3rd August	287	"	301	"	339	"
10th "	287	"	305	"	340	"
17th "	265	"	340	"	311	"
24th "	290	Dec./Jan.	343	"	324	Dec./Jan.
1st September	282	"	338	"	315	"
10th "		Market		closed.		
14th "		Market		closed.		
21st "	260	Dec./Jan.	320	Apl./May.	292	Dec./Jan.
28th "	282	"	349	"	316	"
5th October	286	"	353	"	322	"
12th "	284	"	350	"	318	"
19th "	300	"	309	"	338	"
26th "	294	Spot.	361	"	330	"
2nd November	286	"	353	"	317	"
9th "	276	"	337	"	300	Spot.
16th "	290	"	355	"	319	"
23rd "	291	"	361	"	322	"
30th "		Market		closed.		
7th December	286	Spot.	366	Apl. May.	327	Spot.
14th "	283	"	365	"	327	"
21st "	277	"	359	"	320	"
28th "	274	"	358	"	319	"

TABLE No. 9.

## STOCKS OF YARN AND CLOTH HELD BY BOMBAY MILLS.

The following table shows the stocks of Yarn and Cloth held by Bombay Mills compiled from returns received by the Association :—

Date of Returns.	YARN STOCKS IN BALES.			CLOTH STOCKS IN BALES.		
	Approximation of stocks for all Bombay Mills.			Approximation of stocks for all Bombay Mills.		
	Sold but delivery not taken.	Unsold.	Total unclear- ed.	Sold but delivery not taken.	Unsold.	Total unclear- ed.
1925.						
January 31st	13,000	28,000	41,000	42,000	85,000	127,000
February 28th	16,000	30,000	46,000	45,000	90,000	135,000
March 31st	23,000	26,000	49,000	45,000	105,000	150,000
April 30th	20,000	33,000	53,000	43,000	107,000	150,000
May 31st	16,000	40,000	56,000	47,000	114,000	161,000
June 30th	13,000	45,000	58,000	45,000	131,000	176,000
July 31st	20,000	36,000	56,000	59,000	126,000	185,000
August 31st	14,000	36,000	50,000	59,000	117,000	176,000
September 30th	14,000	32,000	46,000	56,000	103,000	159,000
October 31st	8,000	23,000	31,000	48,000	69,000	117,000
November 30th	5,000	16,000	21,000	30,000	54,000	84,300
December 31st	8,000	14,000	22,000	22,000	53,000	75,000
1926.						
January 31st	11,000	17,000	28,000	25,000	58,000	83,000
February 28th	13,000	25,000	38,000	27,000	52,000	79,000
March 31st	13,000	32,000	45,000	26,000	61,000	87,000
April 30th	11,000	39,000	50,000	31,000	68,000	99,000
May 31st	13,000	33,000	46,000	29,000	80,000	109,000
June 30th	18,000	30,000	48,000	36,000	91,000	127,000
July 31st	20,000	22,000	42,000	46,000	98,000	144,000
August 31st	17,000	26,000	43,000	58,000	101,000	159,000
September 30th	14,000	26,000	40,000	50,000	95,000	145,000
October 31st	13,000	31,000	44,000	44,000	88,000	132,000
November 30th	13,000	27,000	40,000	38,000	80,000	118,000
December 31st	9,000	25,000	34,000	32,000	89,000	121,000
1927.						
January 31st	15,000	20,000	35,000	41,000	77,000	118,000
February 28th	17,000	13,000	30,000	42,000	67,000	109,000
March 31st	17,000	15,000	32,000	39,000	72,000	111,000
April 30th	17,000	21,000	38,000	39,000	80,000	119,000
May 31st	15,000	23,000	38,000	46,000	83,000	129,000
June 30th	15,000	23,000	38,000	62,000	88,000	150,000
July 31st	18,000	20,000	38,000	77,000	81,000	158,000
August 31st	17,000	15,000	32,000	80,000	73,000	153,000
September 30th	17,000	13,000	30,000	65,000	73,000	138,000
October 31st	16,000	20,000	36,000	55,000	83,000	138,000
November 30th	17,000	20,000	37,000	49,000	94,000	143,000
December 31st	16,000	23,000	39,000	47,000	105,000	152,000
1928.						
January 31st	13,000	20,000	33,000	53,000	91,000	144,000
February 29th	10,000	21,000	31,000	47,000	107,000	154,000
March 31st	11,000	19,000	30,000	47,000	117,000	164,000
April 30th	10,000	13,000	23,000	43,000	116,000	159,000
May 31st	5,000	10,000	15,000	33,000	101,000	134,000
June 30th	3,000	7,000	10,000	41,000	68,000	109,000
July 31st	2,000	6,000	8,000	32,000	54,000	86,000
August 31st	1,000	6,000	7,000	27,000	47,000	74,000
September 30th	1,000	4,000	5,000	18,000	39,000	57,000
October 31st	2,000	3,000	5,000	16,000	37,000	53,000
November 30th	3,000	2,000	5,000	17,000	32,000	49,000
December 31st	4,000	2,000	6,000	19,000	31,000	50,000

NOTE :—The approximate monthly production of yarn in Bombay Mills is about 73,000 bales of 400 lbs. each of which about 50,000 bales are used in the production of cloth.

The rapid reduction in the cloth and yarn stocks at the end of 1925 and 1928 was due to the fact that all the mills in the City and Island were closed down.

TABLE NO. 10  
AVERAGE WHOLESALE PRICES OF PIECEGOODS AND YARN  
PRODUCED BY BOMBAY MILLS.

Date.	** PIECEGOODS.			YARN.	
	Longcloth.	T. Cloths.	Chadars.	Twist. No. 10's.	Twist. No. 20's.
	As.	As.	As.	As.	As.
Year ending December 31st, 1905 ..	9.39	9.56	9.30	5 29/32	7.0
Year ending December 31st, 1906 ..	9.46	9.45	9.38	5 29/32	7 5/16
Year ending December 31st, 1907 ..		Not Available.			
Year ending December 31st, 1908 ..	9 7/16	9 1/16	8 15/16	5 3/32	6 1/4
Year ending December 31st, 1909 ..		Not Available.			
Year ending December 31st, 1910 ..	9 15/16	9 3/16	9 3/16	6 27/32	7 13/16
Year ending December 31st, 1911 ..		Not Available.			
Year ending December 31st, 1912 ..	10 13/16	10 1/8	9 7/8	7 5/32	8 1/8
Year ending December 31st, 1913 ..		Not Available.			
Year ending December 31st, 1914 ..	9 1/8	9 3/16	9 5/16	5 1/8	6 23/32
Year ending December 31st, 1915 ..	9 1/16	8 7/16	8 7/16	5	6 1/32
Year ending December 31st, 1916 ..	11 1/8	11 1/8	10 3/8	6 7/16	8 9/32
Year ending December 31st, 1917 ..	17 1/8	16 3/16	14 15/16	9 7/16	12 29/32
Year ending December 31st, 1918 ..	29 1/8	26 3/8	25 1/8	16 29/32	20 31/32
Year ending December 31st, 1919 ..	26 3/8	24 9/16	24 1/8	16 19/32	21 3/16
Year ending December 31st, 1920 ..	29 1/8	27 1/8	27 9/16	16 11/16	24 1/8
Year ending December 31st, 1921 ..	26 3/16	24 1/8	24 5/16	12 9/32	17
Year ending December 31st, 1922 ..	25 11/32	22 1/8	23 1/8	12 1/8	16 15/16
Year ending December 31st, 1923 ..	21 1/8	19 15/16	19 13/16	12 1/16	15 19/32
Year ending December 31st, 1924 ..	22 1/8	21 1/8	20 9/16	14 1/8	17 11/32
Year ending December 31st, 1925 ..	19 1/8	18 9/16	18 1/8	12 3/32	13 31/32

TABLE NO. 10—contd.

AVERAGE WHOLESALE PRICES OF GREY UNBLEACHED PIECEGOODS IN 1928.

	Longcloth Standard Quality 37 × 37½ × 9 Per lb.	Shirtings 35 × 38 × 9 Per lb.	Dhoties (up to ½" Nakhi border.) 32 × 9 × 14½ Per lb.	Drills 29½ × 40 × 13½ Per lb.	T-cloths 30 × 24 × 6 Per lb.	Domestics 24 × 48 × 10 Per lb.	Domestics 26 × 61 × 11 Per lb.	Salita 40 × 66 × 25 Per lb.	Chadars 50 × 60 × 21 Per lb.	Khadi 28 × 24 × 7½ Per lb.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Year ending 31st December 1926 .. .. .	1 0 5	0 15 5	1 0 5	0 14 0	0 14 10	0 15 2	0 14 9	0 15 2	0 15 6	0 11 4
Year ending 31st December 1927 .. .. .	0 15 1	0 14 6	0 15 4	0 12 7	0 13 0	0 14 7	0 13 10	0 13 10	0 14 4	0 11 1
Fortnight ending:—										
6th January, 1928 .. .. .	0 15 0	0 14 6	0 15 3	0 12 6	0 13 9	0 11 0	0 14 0	0 14 0	0 14 0	0 11 0
20th January, 1928 .. .. .	0 15 0	0 14 9	0 15 9	0 13 0	0 14 0	0 11 9	0 14 0	0 14 3	0 14 9	0 11 0
3rd February, 1928 .. .. .	0 15 3	0 14 9	0 15 9	0 12 9	0 14 0	0 14 9	0 14 0	0 14 3	0 14 6	0 11 0
17th February, 1928 .. .. .	0 15 0	0 14 6	0 15 6	0 12 9	0 13 6	0 14 6	0 14 0	0 14 0	0 14 3	0 10 9
2nd March, 1928 .. .. .	0 15 0	0 14 6	0 15 3	0 12 9	0 13 9	0 14 9	0 14 3	0 14 0	0 14 3	0 10 9
16th March, 1928 .. .. .	0 15 0	0 14 6	0 15 6	0 12 6	0 14 0	0 14 6	0 14 0	0 14 0	0 14 3	0 11 0
30th March, 1928 .. .. .	0 15 0	0 14 3	0 15 6	0 12 3	0 14 3	0 14 3	0 14 0	0 14 0	0 14 3	0 11 0
13th April, 1928 .. .. .	0 15 0	0 14 3	0 15 6	0 12 6	0 14 3	0 14 3	0 13 9	0 14 0	0 14 3	0 11 0
27th April, 1928 .. .. .	0 15 0	0 14 3	0 15 3	0 12 3	0 14 0	0 14 3	0 14 0	0 14 0	0 14 3	0 11 0
11th May, 1928 .. .. .	0 15 0	0 14 6	0 15 6	0 12 6	0 14 6	0 14 6	0 14 3	0 14 3	0 14 6	0 11 0
25th May, 1928 .. .. .	0 15 3	0 14 9	0 15 6	0 12 9	0 14 6	0 14 6	0 14 3	0 14 3	0 14 6	0 11 3
8th June, 1928 .. .. .	0 15 6	0 14 9	0 15 9	0 12 9	0 14 6	0 14 9	0 14 6	0 14 3	0 14 9	0 11 3
22nd June, 1928 .. .. .	0 15 6	0 14 9	0 15 9	0 12 9	0 14 0	0 14 6	0 14 9	0 14 3	0 14 9	0 11 6
6th July, 1928 .. .. .	0 15 9	0 15 0	1 0 0	0 13 6	0 14 6	0 15 0	0 15 0	0 14 6	0 15 0	0 12 0
20th July, 1928 .. .. .	0 15 9	0 15 3	1 0 3	0 13 3	0 14 9	0 15 3	0 15 3	0 14 9	0 15 6	0 12 3
3rd August, 1928 .. .. .	0 15 9	0 15 3	1 0 3	0 13 3	0 14 9	0 15 3	0 15 3	0 14 9	0 15 0	0 12 3
19th August, 1928 .. .. .	0 15 9	0 15 0	1 0 0	0 13 6	0 15 0	0 15 0	0 15 0	0 14 9	0 15 0	0 12 0
31st August, 1928 .. .. .	0 15 6	0 15 0	0 15 9	0 13 3	0 14 9	0 15 0	0 14 9	0 14 9	0 14 9	0 11 9
14th September, 1928 .. .. .	0 15 6	0 14 9	0 15 9	0 13 0	0 14 6	0 15 0	0 14 9	0 14 9	0 14 6	0 11 9
28th September, 1928 .. .. .	0 15 6	0 14 9	0 15 6	0 13 0	0 14 6	0 14 9	0 14 6	0 14 6	0 14 3	0 11 9
12th October, 1928 .. .. .	0 15 3	0 14 9	0 15 3	0 13 3	0 14 6	0 15 0	0 14 6	0 14 6	0 14 6	0 11 9
26th October, 1928 .. .. .	0 15 9	0 15 0	1 0 6	0 13 0	0 14 9	0 15 0	0 14 9	0 14 9	0 15 0	0 12 0
9th November, 1928 .. .. .	0 15 6	0 15 0	0 15 9	0 13 3	0 14 6	0 15 0	0 14 9	0 14 9	0 15 0	0 11 9
23rd November, 1928 .. .. .	0 15 6	0 15 0	1 0 3	0 13 3	0 15 0	0 15 0	0 14 9	0 14 9	0 5 0	0 11 9
7th December, 1928 .. .. .	0 15 9	0 15 3	1 0 6	0 13 3	0 14 9	0 15 9	0 15 3	0 15 9	0 15 3	0 11 9
21st December 1928 .. .. .	0 15 9	0 15 3	1 0 3	0 13 6	0 14 6	0 15 0	0 15 3	0 14 9	0 5 3	0 11 9

NOTE:—Figures extracted from the current quotations issued by the Association.





TABLE NO. II.  
EXCHANGE VARIATIONS IN 1928 FOR TELEGRAPHIC TRANSFERS AND THE  
PRICE OF SILVER.

1928.	Bombay/ London. Selling Price of Ready.	Bombay/ New York	Bombay/ Shanghai.	Bombay/ Hongkong.	Bombay/ Yokohama.	Price in Bombay for 100 tolas (of ready silver).
		Per 100 dollars. Selling D.D.	Per 100 taels. Selling D.D.	Per 100 dollars. Selling D.D.	Per 100 yens. Selling T.T.	
	s.	Rs.	Rs.	Rs.	Rs.	Rs. a. p.
January .. .. .	1/6 1/16	275	175½	138½	128	59 5 0
February .. .. .	1/6	274½	174½	137½	128½	59 9 0
March .. .. .	1/5 31/32	273½	174½	137	129½	59 13 0
April .. .. .	1/5 31/32	273½	175½	137½	130½	60 5 6
May .. .. .	1/6	273½	184½	141½	127½	63 9 6
June .. .. .	1/5 29/32	274	185½	140½	128	62 12 0
July .. .. .	1/5 7/8	275½	182½	139	126½	62 9 6
August .. .. .	1/5 29/32	275½	180½	138½	124½	61 9 0
September .. .. .	1/5 31/32	275½	177½	137½	126½	59 12 0
October .. .. .	1/6 1/32	274½	177½	138	128½	60 7 0
November .. .. .	1/6 1/32	273½	177	138	126½	60 1 6
December .. .. .	1/6 1/32	273½	175½	137½	126½	59 8 6

(Averages of the highest and lowest quotations.)

NOTE:—These figures were supplied by Messrs. Premchand Roychand & Sons, Exchange Brokers, Bombay.



TABLE NO. 13.

## STATEMENT SHOWING THE QUANTITY OF YARN SPUN IN BOMBAY ISLAND.

(In thousands of pounds.)

Descriptions.	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.
	Nos. 1 to 10..	92,973	81,141	81,453	95,429	89,352	88,219	97,875	73,500	71,167	55,970	56,406	58,242	71,274	74,226	56,123	61,164	56,982	75,498	66,995
Nos. 11 to 20..	176,312	171,214	170,706	188,102	186,217	162,658	197,320	198,700	186,330	151,433	173,435	183,839	175,505	171,828	125,910	156,150	116,959	152,442	142,755	58,298
Nos. 21 to 30..	55,413	63,046	70,050	74,851	74,751	66,553	77,108	77,501	90,910	90,604	81,274	94,134	94,753	95,406	79,538	98,955	79,114	102,169	110,397	48,697
Nos. 31 to 40..	4,322	4,314	4,552	4,421	3,831	4,017	3,832	4,824	6,991	6,669	5,161	5,178	6,000	5,587	6,605	7,961	5,885	8,858	11,290	8,024
Above 40 . . .	974	650	795	837	822	600	557	1,226	1,847	1,447	1,405	921	989	1,028	1,338	3,212	2,503	3,834	5,306	2,769
Wastes, etc. . .	55	62	106	41	52	106	51	58	32	67	38	143	173	24	73	101	520	1,085	1,204	628
TOTAL ..	330,079	320,427	327,641	303,681	355,025	322,153	370,743	355,890	357,289	306,190	317,719	342,457	348,694	348,099	269,587	327,543	261,963	343,887	337,948	146,853

\* Please see foot-note to table 12 regarding strikes in Bombay Mills in 1923-24 and 1925-26 and 1928.

TABLE NO. 14.

## DETAILED STATEMENT OF THE QUANTITY AND DESCRIPTION OF WOVEN GOODS PRODUCED IN INDIAN MILLS.

## GRAND TOTAL, INDIA (British India and Indian States).

(In thousands of yards.)

Description.		1909-10.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.
<b>GREY AND BLEACHED PIECE-GOODS</b>																					
Chadars .. .. .	Yards ..	51,041	56,089	68,177	75,396	89,870	85,803	75,183	67,761	54,049	37,914	69,093	59,194	59,428	63,262	58,003	61,614	62,078	65,106	66,659	66,660
Dhutis .. .. .	Yards ..	249,574	253,246	268,460	291,476	281,770	258,974	323,640	370,949	325,017	369,357	337,602	340,128	455,637	431,145	396,214	458,404	516,394	590,425	614,199	551,131
Drills and Jeans .. .. .	Yards ..	22,084	25,604	27,567	28,931	27,813	30,789	46,329	56,503	78,811	54,284	80,845	74,905	60,452	56,306	54,074	77,191	74,150	80,076	90,872	73,668
Cambrics and Lawns .. .. .	Yards ..	4,088	4,171	6,326	7,053	5,053	3,545	5,701	6,379	8,277	5,195	8,473	5,951	7,347	5,554	3,649	5,395	8,167	3,135	4,988	5,204
Printers .. .. .	Yards ..	33,003	33,469	26,399	29,450	30,384	28,007	26,903	31,599	26,593	23,067	29,837	29,284	35,622	39,073	34,831	32,777	35,872	22,511	20,976	21,690
Shirtings and Longcloth .. .. .	Yards ..	244,896	287,568	313,053	332,624	292,489	320,705	419,825	427,753	450,633	393,779	444,501	436,240	487,034	470,549	443,848	525,524	521,126	587,363	612,076	466,134
T-cloth, Domestics and Sheetings ..	Yards ..	140,593	139,438	142,107	148,095	128,969	134,289	151,401	192,132	137,396	110,511	122,402	97,388	84,117	81,002	68,075	77,742	74,073	83,806	96,233	72,057
Teat Cloth .. .. .	Yards ..	5,780	5,963	6,062	5,782	5,814	8,962	11,844	17,181	24,550	36,870	5,671	7,598	7,256	6,588	6,573	9,894	9,005	7,907	5,960	6,791
Khadi, Dungree or Khaddar ..	Yards ..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	87,153	87,408	96,625	118,738	88,226
Other Sorts .. .. .	Yards ..	20,460	23,645	25,229	25,384	27,286	29,627	34,264	35,913	35,899	45,733	66,649	60,886	87,859	118,371	128,468	46,675	41,035	43,406	43,252	33,573
TOTAL ..	Yards ..	771,517	829,197	883,381	914,191	872,446	880,502	1,094,867	1,138,179	1,141,022	1,076,711	1,164,073	1,129,883	1,284,752	1,271,790	1,197,654	1,382,368	1,414,304	1,580,962	1,675,653	1,374,083
Coloured Piece-goods .. .. .	Yards ..	192,352	213,545	252,771	306,251	291,846	255,206	346,847	441,982	473,105	374,015	475,706	450,987	446,822	453,494	503,920	588,078	540,157	645,153	695,996	488,149
Grey and Coloured Goods other than Piece-goods .. .. .	Dozens.	429	486	417	415	638	512	653	669	706	721	659	707	629	1,213	614	611	956	1,074	956	781
Cotton Goods mixed with Silk or Wool .. .. .	Pounds ..	.....	.....	.....	.....	.....	.....	.....	43	253	307	204	227	178	165	207	272	708	1,878	4,278	3,448
Grand Total	{ Pounds ..	.....	.....	.....	.....	.....	.....	.....	43	253	307	204	227	178	165	207	272	708	1,878	4,278	3,448
	{ Yards ..	963,869	1,042,742	1,136,152	1,220,443	1,164,292	1,135,708	1,441,515	1,578,133	1,614,128	1,459,726	1,639,779	1,580,850	1,731,573	1,725,284	1,701,574	1,970,447	1,954,461	2,225,515	2,371,849	1,860,232
	{ Dozens ..	429	486	417	415	638	512	653	669	706	721	659	707	629	1,213	614	611	956	1,074	956	781

Until the year 1924-25, Khadi, Dungree or Khaddar production was included in 'other sorts.' Similarly, mixed cotton goods were not shown separately until 1916-17.

Previous to 1st April 1926, the actual production figures of cloth were not recorded, the figures given in the tables relate to the quantities on which excise duty had become payable. (See Cotton Duties Act of 1896 for detailed interpretation of the term 'manufactured'.)

**TABLE No. 15.**  
**DETAILED STATEMENT OF THE QUANTITY AND DESCRIPTION OF WOVEN GOODS PRODUCED IN BOMBAY MILLS.**  
(In thousands of yards.)

Description of Goods.		1909-10.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.
<b>GREY AND BLEACHED GOODS—</b>																					
Chadars .. .. .	Yds.	34,777	33,640	39,831	39,726	35,962	28,819	33,336	31,655	27,816	14,820	29,010	25,102	28,248	25,239	24,318	25,734	26,795	29,995	31,057	13,644
Dhuties .. .. .	"	56,700	52,385	54,207	54,701	56,703	46,726	61,727	48,341	65,429	88,605	78,919	77,547	121,793	102,025	97,624	110,997	115,412	145,998	170,800	80,484
Drills and Jeans .. .. .	"	10,469	12,566	14,109	14,865	14,838	17,567	29,660	36,452	55,596	33,292	50,170	46,034	35,504	31,523	33,294	49,907	38,408	49,323	58,202	36,514
Cambrics and Lawns .. .. .	"	2,508	2,479	4,252	5,951	3,636	2,831	3,476	4,075	5,269	3,190	3,897	2,470	4,448	2,186	1,560	2,443	1,449	340	1,856	2,216
Printers .. .. .	"	310	157	78	123	278	79	116	122	61	314	449	376	1,479	1,674	280	165	1,041	927	..	..
Shirtings and Longcloths .. .. .	"	173,587	195,809	219,009	198,955	189,617	201,048	269,383	236,283	297,201	233,227	255,628	270,724	311,600	289,340	278,940	326,482	306,776	371,738	380,759	179,243
T-Cloths, Domestics & Sheetings .. .. .	"	102,004	98,545	96,057	92,935	78,322	84,275	108,768	144,514	93,344	64,672	82,792	66,848	53,722	48,427	39,457	45,034	36,195	42,230	46,105	18,233
Tent Cloth .. .. .	"	1,520	1,343	1,631	1,684	1,535	3,103	5,642	7,189	8,820	21,026	2,745	2,924	2,499	1,924	1,488	2,261	2,205	2,399	1,330	1,626
Khadi, Dungri or Khaddar .. .. .	"	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	30,574	27,514	46,721	55,340	18,332
Other Sorts .. .. .	"	4,859	5,752	7,472	6,792	7,941	7,418	7,773	6,662	9,644	12,669	14,827	12,313	26,633	44,980	45,897	11,549	10,302	10,898	13,595	8,179
<b>TOTAL .. .. .</b>	<b>"</b>	<b>386,736</b>	<b>402,676</b>	<b>436,646</b>	<b>415,732</b>	<b>388,834</b>	<b>391,867</b>	<b>519,881</b>	<b>515,292</b>	<b>563,180</b>	<b>471,814</b>	<b>518,436</b>	<b>504,339</b>	<b>585,926</b>	<b>547,318</b>	<b>522,859</b>	<b>605,145</b>	<b>566,007</b>	<b>700,581</b>	<b>759,044</b>	<b>358,472</b>
<b>COLOURED PIECE-GOODS .. .. .</b>	<b>Yds.</b>	<b>145,489</b>	<b>160,549</b>	<b>185,805</b>	<b>226,370</b>	<b>203,531</b>	<b>170,456</b>	<b>251,385</b>	<b>314,893</b>	<b>369,958</b>	<b>286,090</b>	<b>344,856</b>	<b>332,168</b>	<b>336,001</b>	<b>322,966</b>	<b>333,024</b>	<b>380,883</b>	<b>305,744</b>	<b>386,085</b>	<b>409,377</b>	<b>186,974</b>
<b>GREY AND COLOURED GOODS other THAN PIECE-GOODS .. .. .</b>	<b>Doz.</b>	<b>344</b>	<b>366</b>	<b>308</b>	<b>246</b>	<b>478</b>	<b>348</b>	<b>478</b>	<b>532</b>	<b>581</b>	<b>616</b>	<b>486</b>	<b>503</b>	<b>420</b>	<b>487</b>	<b>349</b>	<b>429</b>	<b>721</b>	<b>784</b>	<b>656</b>	<b>427</b>
<b>COTTON GOODS MIXED with SILK OR WOOL .. .. .</b>	<b>Lbs.</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>15</b>	<b>96</b>	<b>113</b>	<b>58</b>	<b>113</b>	<b>64</b>	<b>99</b>	<b>139</b>	<b>115</b>	<b>468</b>	<b>1,140</b>	<b>2,105</b>	<b>847</b>
<b>GRAND TOTAL .. .. .</b>	<b>Yds.</b>	<b>532,225</b>	<b>563,225</b>	<b>622,451</b>	<b>642,102</b>	<b>592,365</b>	<b>562,323</b>	<b>771,266</b>	<b>830,185</b>	<b>933,138</b>	<b>757,904</b>	<b>863,292</b>	<b>836,507</b>	<b>921,927</b>	<b>870,285</b>	<b>855,883</b>	<b>986,028</b>	<b>871,841</b>	<b>1,087,666</b>	<b>1,168,421</b>	<b>545,446</b>
	<b>Doz.</b>	<b>344</b>	<b>366</b>	<b>308</b>	<b>246</b>	<b>478</b>	<b>348</b>	<b>478</b>	<b>532</b>	<b>581</b>	<b>616</b>	<b>486</b>	<b>503</b>	<b>420</b>	<b>487</b>	<b>349</b>	<b>429</b>	<b>721</b>	<b>784</b>	<b>656</b>	<b>427</b>
	<b>Lbs.</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>15</b>	<b>96</b>	<b>113</b>	<b>58</b>	<b>113</b>	<b>64</b>	<b>99</b>	<b>139</b>	<b>115</b>	<b>468</b>	<b>1,140</b>	<b>2,105</b>	<b>847</b>

406

NOTE :—Until the year 1924-25, Khadi, Dungree or Khaddar production was included in 'other sorts.' Similarly, mixed cotton goods were not shown separately until 1916-17. Previous to 1st April 1926, the actual production figures of cloth were not recorded, the figures given in the tables relate to the quantities on which excise duty had become payable of 1896 for detailed interpretation of the term 'manufactured.' (See Cotton Duties Act)

See footnote to Table 12 for strikes in Bombay Mills.

TABLE NO. 16.  
**IMPORTS OF COTTON YARN INTO INDIA.**  
 (Quantities in thousands of pounds.)

Classifications of Yarn.	'09-10.	'10-11.	'11-12.	'12-13.	'13-14.	'14-15.	'15-16.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.
<b>GREY SINGLES—</b>																				
18 to 108	146	82	68	180	97	79	113	29	16	99	41	216	91	89	107	99	80	85	354	17
118 to 158	224	48	45	108	43	46	60	99	63	99	114	148	55	36	102	81	22	26	551	30
168 to 208	382	75	79	816	511	68	131	614	70	7,600	182	6,993	6,555	12,652	6,377	6,620	4,201	2,008	1,069	748
218 to 258	66	38	25	406	227	34	71	5	23	..	32	128	900	449	231	168	136	140	357	127
268 to 308	3,066	1,359	2,908	2,540	2,845	4,732	3,587	884	446	1,927	531	3,436	4,063	4,650	893	677	415	202	348	127
318 to 408	10,035	6,745	9,797	10,665	8,833	9,255	8,454	4,800	2,255	12,805	2,079	13,885	19,035	21,061	12,943	21,383	28,680	20,924	25,049	13,826
418 to 508	2,070	2,066	2,350	2,585	3,062	2,892	2,731	1,580	1,413	3,316	1,001	1,429	2,517	2,131	2,078	1,983	1,288	2,031	1,324	1,118
Above 508	4,217	3,210	3,498	3,926	3,476	2,886	2,997	2,117	1,346	2,718	..	(See classifications below)	& note.	..	..	..	..	..	..	..
518 to 608	..	..	..	..	..	..	..	..	..	..	767	1,776	2,708	1,772	2,490	3,123	2,883	3,559	3,010	4,357
618 to 1008	..	..	..	..	..	..	..	..	..	..	1,143	851	2,742	1,957	2,463	1,997	1,750	2,000	1,705	1,901
Above 1008	..	..	..	..	..	..	..	..	..	..	50	37	135	123	137	114	242	165	117	137
GREY TWO FOLDS (Doubles)	..	..	..	..	..	..	..	..	..	..	840	3,183	4,974	4,063	3,434	5,023	5,222	5,799	6,656	3,815
WHITE (BLEACHED)	..	..	..	..	..	..	..	..	..	..	1,077	2,040	2,520	1,894	2,650	3,427	3,751	4,112	4,985	4,555
<b>COLOURED SINGLES.—</b>																				
18 to 208	880	568	707	1,204	603	283	519	562	205	132	120	234	260	292	271	361	469	293	415	266
218 to 258	718	790	625	1,433	669	305	436	583	355	461	308	304	319	352	242	309	375	396	220	248
268 to 308	837	702	857	909	842	617	739	497	155	136	136	321	174	58	100	257	160	199	114	78
318 to 408	12,263	10,867	14,760	17,275	14,825	14,238	12,834	11,218	7,810	3,980	4,773	8,958	7,705	5,596	6,864	6,305	4,614	4,165	4,167	2,176
418 to 508	438	532	526	999	451	521	904	587	403	221	92	455	221	5	68	84	232	87	52	270
Above 508	895	819	751	1,258	876	722	880	602	408	480	478	473	558	235	503	391	433	533	459	270
COLOURED TWO FOLDS (Doubles)	..	..	..	..	..	..	..	..	..	..	448	1,060	772	490	598	810	973	694	579	498
MERCERISED COTTON YARN	..	..	..	..	..	1,819	1,175	1,742	1,135	902	470	1,280	794	1,320	2,019	2,664	2,845	4,165	5,181	3,895
UNSPECIFIED DESCRIPTION	4,049	4,601	4,957	5,724	6,818	4,368	4,788	3,609	3,297	3,161	353	127	24	49	4	57	29	29	76	27
SEWING THREAD	1,345	1,452	1,715	1,772	1,705	1,191	1,920	2,384	1,755	1,360	1,705	1,496	1,004	1,230	1,534	1,660	2,154	2,135	2,387	2,085
ARTIFICIAL SILK YARN	..	..	..	..	..	..	..	..	..	51	168	74	71	225	406	1,171	2,671	4,012	8,478	6,927
<b>TOTAL.</b>	<b>41,645</b>	<b>33,956</b>	<b>43,674</b>	<b>51,807</b>	<b>45,876</b>	<b>44,055</b>	<b>42,347</b>	<b>31,914</b>	<b>21,155</b>	<b>39,506</b>	<b>16,970</b>	<b>48,903</b>	<b>58,200</b>	<b>60,729</b>	<b>46,515</b>	<b>58,738</b>	<b>56,513</b>	<b>57,900</b>	<b>67,509</b>	<b>47,570</b>

NOTE:—Before the year 1919-20 all yarns above 50 Counts were grouped as "above 50s." It was only in 1920 that Government introduced the three additional classifications viz. 51s to 608s, 618 to 1008s, and above 1008s. Before 1919-20 Greyfolds (doubles), white bleached, and Coloured two folds were not separately shown. The same remark applies to mercerised yarn prior to 1914-15 and artificial silk yarn prior to 1918-19; previously they were included in the general heading "unspecified descriptions."

TABLE NO. 17.  
IMPORTS OF COTTON YARN INTO BOMBAY.  
(Quantities in thousands of pounds.)

Classifications of Yarn.	'09-10.	'10-11.	'11-12.	'12-13.	'13-14.	'14-15.	'15-16.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.
<b>GREY SINGLES—</b>																				
18 to 108	65	40	20	..	64	22	2	..	1	97	40	110	49	80	73	17	30	..	260	16
118 to 158	134	2	..	..	..	..	..	..	..	42	71	29	8	..	..	4	4	5	541	13
168 to 208	150	27	16	669	420	10	41	491	6	6,265	144	5,295	4,716	8,445	4,003	2,044	1,365	299	226	6
218 to 258	29	29	13	322	196	1	25	1	19	..	8	73	737	300	41	37	..	6	3	228
268 to 308	2,468	1,230	2,404	1,940	2,135	4,008	3,205	779	436	1,384	451	2,362	3,354	4,486	833	574	397	152	210	89
318 to 408	4,170	2,555	3,613	3,635	3,650	3,154	4,128	1,671	953	8,208	1,046	7,510	10,300	11,244	8,238	11,933	12,874	12,250	15,820	6,075
418 to 508	1,146	810	971	1,382	1,378	1,464	1,466	1,044	867	3,089	775	682	1,673	1,482	1,372	1,358	743	884	856	521
Above 508	2,642	1,312	1,420	1,515	1,822	1,301	1,214	1,103	734	1,864	..	(See classifications below)	& footnote.							
518 to 608	..	..	..	..	..	..	..	..	..	..	564	784	912	343	207	627	926	665	649	1,132
618 to 1008	..	..	..	..	..	..	..	..	..	..	509	381	1,178	838	888	803	385	654	427	321
Above 1008	..	..	..	..	..	..	..	..	..	..	8	22	33	13	17	39	127	41	51	19
GREY TWO FOLDS (Doubles)	..	..	..	..	..	..	..	..	..	..	839	3,089	3,948	3,564	2,888	3,954	4,123	5,521	5,323	3,124
WHITE (BLEACHED)	..	..	..	..	..	..	..	..	..	..	587	1,234	1,482	1,060	1,585	1,916	1,990	2,217	2,25	2,144
<b>COLOURED SINGLES.—</b>																				
18 to 208	230	8	17	52	52	1	40	34	1	..	2	24	2	7	3	36	3	..	1	..
218 to 258	5	180	4	7	9	5	5	4	3	..	..	13	1	2	..	..	..	1	..	2
268 to 308	168	76	137	181	238	174	182	133	44	30	49	91	72	35	8	61	22	4	13	16
318 to 408	1,070	1,184	1,860	2,336	2,077	1,719	2,241	1,874	871	445	630	1,172	1,146	443	892	753	376	330	254	171
418 to 508	103	40	20	19	7	1	198	183	10	79	71	100	211	..	58	31	57	62	86	43
Above 508	256	69	50	48	74	59	33	37	13	17	5	16	25	1	6	13	27	8	..	2
COLOURED TWO FOLDS (Doubles)	..	..	..	..	..	..	..	..	..	..	306	2,743	566	242	385	487	463	430	213	121
MERCERISED COTTON YARN	..	..	..	..	..	1,530	1,020	1,612	1,047	874	453	1,209	770	1,286	1,964	2,607	2,731	4,076	5,162	3,799
UNSPECIFIED DESCRIPTION	2,571	2,377	2,794	3,147	3,480	1,437	1,413	895	1,048	707	..	..	..	..	..	22	11	2	6	27
SEWING THREAD	416	445	587	534	504	384	695	1,383	906	642	412	545	384	465	601	681	721	664	822	721
ARTIFICIAL SILK YARN	..	..	..	..	..	..	..	..	..	51	168	69	63	201	356	870	2,002	3,367	7,295	4,981
<b>TOTAL</b>	<b>16,523</b>	<b>10,392</b>	<b>13,930</b>	<b>15,785</b>	<b>16,106</b>	<b>15,268</b>	<b>15,908</b>	<b>11,245</b>	<b>6,962</b>	<b>23,794</b>	<b>7,139</b>	<b>25,559</b>	<b>31,631</b>	<b>34,535</b>	<b>24,509</b>	<b>28,875</b>	<b>29,376</b>	<b>31,647</b>	<b>40,743</b>	<b>23,573</b>

(See footnote to Table 16.)







TABLE NO. 20.  
SUMMARY OF IMPORTS OF COTTON YARN INTO INDIA.  
(In thousands of pounds.)

Description of Yarn.	United Kingdom.			Japan.			U. S. of America.			Italy.			Belgium.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.			
	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	
Grey Singles .. ..	11,352	10,460	10,971	19,327	12,299	2,215	36	1	11	7	17	41	2	..	..	..	..	..	5	..	..	..	..	..	..	407	10,897	9,439	31,135	33,673	22,678
Coloured Singles ..	3,821	4,006	2,317	192	28	54	..	..	1	245	393	214	27	21	..	605	523	132	868	440	283	23	80	32	66	1	57	5,819	5,492	3,090	
White Bleached ..	3,378	3,824	4,220	727	1,074	313	..	..	..	7	4	12	..	..	..	..	1	..	..	..	1	..	72	..	..	11	7	4,112	4,965	4,556	
Grey Folded .. ..	1,639	1,530	2,261	4,073	4,246	606	..	37	..	72	49	168	..	..	..	..	..	..	..	..	..	..	..	..	..	15	793	780	5,799	6,656	3,815
Coloured Folded ..	668	552	493	12	1	2	..	..	..	..	4	..	..	..	1	..	..	..	11	19	1	2	3	..	..	..	..	694	579	498	
Mercerised .. ..	297	310	352	3,852	4,871	3,516	8	..	..	..	..	..	..	..	..	..	..	..	..	..	8	..	..	..	..	..	..	27	4,185	5,181	3,865
Artificial Silk ..	476	2,199	1,745	2	..	..	..	..	10	2,566	4,526	2,863	81	52	222	302	491	682	286	383	314	147	186	435	153	640	654	4,012	8,478	6,927	
Unspecified Descriptions	16	58	27	12	10	..	..	7	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	29	76	27
Rope .. ..	825	794	779	10	18	1	100	16	10	10	1	..	..	..	..	1	1	..	..	..	..	1	2	..	22	7	1	971	839	790	
Sewing Thread ..	1,776	1,973	1,758	44	15	9	..	1	..	3	1	1	42	53	24	100	112	168	..	..	..	27	16	5	142	216	119	2,135	2,387	2,085	
<b>TOTAL</b>	<b>24,249</b>	<b>25,707</b>	<b>24,924</b>	<b>28,223</b>	<b>22,561</b>	<b>6,717</b>	<b>144</b>	<b>62</b>	<b>32</b>	<b>2,910</b>	<b>4,997</b>	<b>3,301</b>	<b>152</b>	<b>127</b>	<b>247</b>	<b>1,007</b>	<b>1,128</b>	<b>982</b>	<b>1,171</b>	<b>841</b>	<b>600</b>	<b>208</b>	<b>359</b>	<b>473</b>	<b>806</b>	<b>12,564</b>	<b>11,083</b>	<b>58,871</b>	<b>68,347</b>	<b>48,390</b>	

TABLE No. 21.  
 DETAILED IMPORTS OF COTTON YARN INTO INDIA.  
 (In thousands of pounds.)

Description of Yarn.	United Kingdom.			Japan.			U. S. of America.			Italy.			Belgium.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.			
	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	
<b>SINGLE GREY:—</b>																															
1 to 10 ..	..	12	1	..	3	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	85	339	15	85	354	17	
11 to 20 ..	499	527	743	1,518	162	22	..	16	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	929	11	2,033	1,620	778	
21 to 30 ..	284	381	354	54	107	191	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	338	488	484	
31 to 40 ..	4,100	3,710	2,343	16,475	11,704	2,053	20	..	..	3	6	31	..	2	..	..	..	..	5	..	..	..	..	..	320	9,629	9,384	20,924	25,049	13,828	
41 to 50 ..	1,292	1,169	1,098	736	144	..	..	..	..	2	11	10	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	10	2,031	1,324	
51 to 60 ..	3,028	2,839	4,343	529	179	..	..	..	..	2	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	8	3,559	3,019	
Above 60 ..	2,149	1,822	2,089	15	..	10	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,165	1,822	
<b>SINGLE COLOURED:—</b>																															
1 to 20 ..	198	431	266	87	12	..	..	..	..	..	1	..	..	..	1	..	..	..	4	..	..	5	..	..	..	..	..	..	293	445	286
21 to 30 ..	520	308	313	2	..	..	..	..	..	25	8	..	..	..	..	..	..	..	48	17	11	..	1	..	..	..	..	2	595	334	326
31 to 40 ..	2,478	2,822	1,497	..	9	54	..	..	..	219	358	205	25	21	..	551	462	110	610	419	272	17	75	21	65	1	16	4,165	4,167	2,176	
41 to 50 ..	155	83	82	73	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4	..	..	..	..	..	..	..	..	232	87	82
Above 50 ..	472	362	189	..	6	..	..	..	..	..	1	26	..	9	..	..	..	..	..	3	..	..	..	..	..	..	..	..	39	533	459
White Bleached ..	3,378	3,824	4,220	727	1,074	313	..	..	..	7	4	12	..	2	..	54	61	21	..	2	..	1	..	..	..	..	..	..	4,112	4,985	4,555
Grey Folded ..	1,683	1,531	2,261	4,073	4,246	606	..	37	..	72	49	168	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	15	793	780	
Coloured Folded ..	668	652	493	12	1	2	..	..	..	..	4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	694	579	498
Mercerised ..	297	310	352	3,852	4,871	3,516	7	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	27	4,165	5,181
Artificial Silk ..	476	2,199	1,745	2	..	..	..	..	10	2,566	4,527	2,863	81	62	222	302	491	682	286	383	314	147	186	435	153	640	655	4,012	6,478	6,927	
Unspecified Sorts ..	16	58	27	12	10	..	..	7	..	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	29	76	27
Rope ..	825	794	779	10	18	1	100	16	10	10	1	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	971	839	790
Sewing Thread ..	1,776	1,973	1,758	44	15	9	..	1	..	3	1	1	42	53	24	100	112	169	..	..	..	27	16	5	142	216	118	2,135	2,367	2,086	
<b>TOTAL ..</b>	<b>24,249</b>	<b>25,707</b>	<b>24,924</b>	<b>28,223</b>	<b>22,562</b>	<b>6,717</b>	<b>144</b>	<b>62</b>	<b>32</b>	<b>2,910</b>	<b>4,997</b>	<b>3,301</b>	<b>152</b>	<b>127</b>	<b>247</b>	<b>1,007</b>	<b>1,128</b>	<b>962</b>	<b>1,171</b>	<b>841</b>	<b>600</b>	<b>208</b>	<b>369</b>	<b>473</b>	<b>806</b>	<b>12,564</b>	<b>11,982</b>	<b>56,871</b>	<b>68,347</b>	<b>48,360</b>	

TABLE NO. 22.  
SUMMARY OF IMPORTS OF COTTON YARN INTO BOMBAY.  
(In thousands of pounds.)

Description of Yarn.	United Kingdom.			Japan.			U. S. of America.			Italy.			Belgium.			Netherlands.			Switzerland.			Germany.			* Other Countries.			Total.		
	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928
Grey Singles ..	4,289	4,099	3,392	10,433	7,872	813	20	..	10	..	11	10	2	..	..	..	..	5	..	..	..	..	..	207	7,063	3,995	14,956	19,044	8,420	
Coloured Singles	288	199	164	6	4	..	..	..	1	3	17	..	1	1	..	..	30	114	103	62	2	..	5	1	..	2	415	353	234	
White Bleached	1,633	1,626	1,938	577	822	194	..	..	..	7	4	12	..	..	..	..	..	..	..	1	..	72	..	..	1	..	2,217	2,525	2,144	
Grey Folded ..	1,479	1,350	1,971	3,955	3,541	510	..	..	..	72	49	168	..	..	..	..	..	..	..	..	..	..	..	15	382	475	5,521	5,323	3,124	
Coloured Folded	416	192	120	..	1	..	..	..	..	..	..	..	..	..	1	..	..	9	19	2	5	2	..	..	..	..	430	219	123	
Mercerised ..	256	292	341	3,804	4,870	3,456	8	..	..	..	..	..	..	..	..	..	..	..	..	..	8	..	..	..	..	1	4,076	5,162	3,709	
Artificial Silk ..	414	1,617	818	..	..	..	..	..	..	2,318	4,322	2,356	18	52	85	181	270	492	244	366	292	74	150	345	119	517	593	3,367	7,295	4,981
Unspecified ..	1	6	27	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	2	6	27	
Rope ..	686	628	659	7	1	1	100	16	10	10	1	..	..	..	..	1	1	..	..	..	..	1	..	..	22	4	..	827	651	670
Sewing Thread ..	511	611	546	6	1	..	..	..	..	..	1	..	8	12	2	77	94	127	..	..	..	16	2	2	56	102	45	664	822	721
TOTAL ..	9,963	10,619	10,174	18,789	17,110	4,974	128	16	21	2,409	4,408	2,546	30	65	88	259	395	619	372	488	357	105	226	352	420	8,070	5,112	32,474	41,394	24,243

TABLE NO. 23.  
 DETAILED IMPORTS OF COTTON YARN INTO BOMBAY.  
 (In thousands of pounds.)

Description of Yarn.	United Kingdom.			Japan.			U. S. of America.			Italy.			Belgium.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.									
	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928	1926	1927	1928							
<b>SINGLE GREY:—</b>																																					
1 to 10	..	..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	260	14	..	260	16		
11 to 20	45	..	7	259	114	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	653	12	305	767	19			
21 to 30	136	106	186	22	107	131	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	154	213	317			
31 to 40	2,180	2,232	1,422	9,837	7,436	682	20	..	4	..	3	2	2	..	..	..	..	..	..	..	5	..	..	..	..	..	..	..	..	206	6,150	3,944	12,250	15,820	6,075		
41 to 50	847	715	514	37	133	..	..	..	..	..	8	7	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	884	858	521			
51 to 60	402	568	1,121	263	82	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	5	665	649	1,132		
Above 60	679	478	340	15	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	695	478	340		
<b>SINGLE COLOURED:—</b>																																					
1 to 20	1	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	1	..	
21 to 30	5	9	13	..	..	..	..	..	..	..	4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	5	13	18
31 to 40	224	108	107	..	3	..	..	..	..	3	14	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	379	254	171	
41 to 50	52	82	43	6	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	62	96	43
Above 50	7	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1
White, Bleached	1,633	1,626	1,938	577	822	194	..	..	..	7	4	12	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Gray, Folded	1,479	1,350	1,971	3,955	3,541	510	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Coloured, Folded	416	192	120	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Mercerised	256	292	341	3,804	4,870	3,458	8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Artificial Silk	414	1,617	818	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Unspecified sorts	1	6	27	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Ropes	698	628	659	7	1	1	100	16	10	10	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Sewing Thread	501	611	546	6	1	..	..	..	..	..	1	..	..	8	12	2	77	94	127	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
<b>TOTAL</b>	<b>9,863</b>	<b>10,619</b>	<b>10,174</b>	<b>18,789</b>	<b>17,110</b>	<b>4,974</b>	<b>128</b>	<b>16</b>	<b>21</b>	<b>2,409</b>	<b>4,436</b>	<b>2,546</b>	<b>30</b>	<b>65</b>	<b>88</b>	<b>259</b>	<b>395</b>	<b>619</b>	<b>372</b>	<b>488</b>	<b>357</b>	<b>105</b>	<b>226</b>	<b>352</b>	<b>420</b>	<b>8,070</b>	<b>5,112</b>	<b>32,474</b>	<b>41,394</b>	<b>24,241</b>							

TABLE No. 24:  
DETAILED EXPORTS FROM INDIA OF INDIAN-MADE YARN BY SEA.  
(In thousands of pounds.)

Description.	European Countries.			China including Hongkong.			Egypt and North Africa.			Red Sea Ports.			East Africa.			Levant and Black Sea Ports.			Ceylon and Straits.			Persian Gulf.			South Africa.			Other Countries.			Total.			
	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.				
<b>GREY YARN:—</b>																																		
1 to 10 .. ..	1,310	958	732	5,809	220	323	558	1,192	428	1,529	1,418	1,389	60	57	49	819	1,095	601	442	371	438	635	1,076	677	52	243	33	29	23	24	11,282	6,652	4,694	
11 to 20 .. ..	394	350	281	7,744	300	530	2,982	3,113	2,491	1,056	1,091	1,591	105	63	87	2,108	2,120	1,352	1,652	1,601	1,424	3,963	4,077	3,703	1	2	2	8	2	..	20,011	12,717	11,462	
21 to 30 .. ..	..	3	..	..	..	..	..	10	..	68	17	10	3	..	1	..	5	..	373	324	320	83	23	10	..	..	..	..	..	..	..	528	381	341
31 to 40 .. ..	..	..	..	..	..	..	..	..	..	2	6	4	..	..	2	..	..	..	25	5	12	10	29	17	..	..	..	..	..	..	..	97	40	35
Above 40 .. ..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
<b>TOTAL GREY</b> .. ..	<b>1,695</b>	<b>1,311</b>	<b>1,014</b>	<b>13,553</b>	<b>520</b>	<b>854</b>	<b>3,540</b>	<b>4,314</b>	<b>2,956</b>	<b>2,657</b>	<b>2,531</b>	<b>2,914</b>	<b>168</b>	<b>120</b>	<b>139</b>	<b>2,954</b>	<b>3,220</b>	<b>1,953</b>	<b>2,492</b>	<b>2,300</b>	<b>2,194</b>	<b>4,611</b>	<b>5,205</b>	<b>4,417</b>	<b>54</b>	<b>245</b>	<b>35</b>	<b>38</b>	<b>25</b>	<b>24</b>	<b>31,841</b>	<b>19,791</b>	<b>16,581</b>	
<b>COLOURED YARN:—</b>																																		
1 to 20 .. ..	..	4	..	..	..	..	..	1	1	141	58	48	9	4	11	12	9	1	33	24	34	31	34	8	..	..	..	..	..	..	..	..	..	..
21 to 40 .. ..	..	..	..	..	..	..	..	..	..	35	28	18	4	1	3	..	..	..	111	71	55	9	7	1	..	..	..	..	..	..	..	..	..	..
Above 40 .. ..	..	..	..	..	..	..	..	..	..	..	..	2	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<b>Total Coloured</b> .. ..	<b>..</b>	<b>4</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>1</b>	<b>1</b>	<b>176</b>	<b>87</b>	<b>70</b>	<b>14</b>	<b>5</b>	<b>14</b>	<b>12</b>	<b>9</b>	<b>1</b>	<b>144</b>	<b>96</b>	<b>89</b>	<b>40</b>	<b>42</b>	<b>9</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>
White Bleached .. ..	..	5	1	..	..	..	807	509	84	56	49	115	1	1	..	203	66	28	17	39	46	124	143	71	..	..	..	..	..	..	..	..	..	..
Grey Doubles .. ..	710	1,128	764	4,231	752	700	335	1,162	627	235	1,589	900	..	31	10	467	1,142	819	341	409	238	146	272	178	..	..	..	..	..	..	..	..	..	..
Coloured Doubles .. ..	..	14	13	..	..	..	..	..	..	9	3	1	..	..	..	..	..	2	11	..	14	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified Descriptions .. ..	..	..	1	..	..	29	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sewing Thread .. ..	3	1	2	..	..	..	..	..	..	16	15	13	98	101	106	..	..	..	23	27	34	75	102	88	4	5	4	..	..	..	..	..	..	
<b>GRAND TOTAL</b> .. ..	<b>2,408</b>	<b>2,464</b>	<b>1,795</b>	<b>17,784</b>	<b>1,272</b>	<b>1,582</b>	<b>4,682</b>	<b>5,986</b>	<b>3,669</b>	<b>3,149</b>	<b>4,274</b>	<b>4,099</b>	<b>281</b>	<b>257</b>	<b>270</b>	<b>3,637</b>	<b>4,437</b>	<b>2,803</b>	<b>3,061</b>	<b>2,907</b>	<b>2,663</b>	<b>5,077</b>	<b>5,763</b>	<b>4,769</b>	<b>57</b>	<b>251</b>	<b>58</b>	<b>44</b>	<b>51</b>	<b>35</b>	<b>40,181</b>	<b>27,661</b>	<b>21,743</b>	

NOTE:—“Egypt and North Africa” include Tripoli and Tunis.  
“Red Sea Ports” include Anglo-Egyptian Sudan, Abyssinia, British Somaliland, French Somaliland, Somaliland Protectorate, and Aden and Dependencies.  
“East Africa” includes Italian East Africa, Somaliland and Eritrea, Kenya, Uganda, Tanganyika Territory, Portuguese East Africa, Zanzibar and Pemba and Seychelles.  
“Levant and Black Sea Ports” include Palestine, Syria, Smyrna and Asiatic Turkey.  
“Ceylon and Straits Settlements and beyond” include Labuan, Java, Siam, Indo-China, Federated Malay States, Maldives Islands, Fiji Islands, Sumatra, Dutch Borneo, Celebes, Philippines and Formosa.  
“Persian Gulf” includes Mesopotamia, Muscat Territory, and Trucial Oman, other Native States in Arabia, Persia and Bahrein Islands.  
“South Africa” includes Natal, Transvaal, Cape of Good Hope, Mauritius and Madagascar.  
“Other Countries” include Japan, America, Reunion Islands, New Zealand, Canada, British Guiana, and Australia.





TABLE No. 26.  
SUMMARY OF IMPORTS OF COTTON PIECEGOODS INTO INDIA.  
(Quantities in thousands of Yards.)

	United Kingdom.			Japan.			U.S. of America.			Italy.			Belgium.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.		
	1926.	1927.	1928.	1926	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926	1927.	1928.	1926.	1927.	1928.
Grey Plain .. ..	154,873	166,240	124,217	118,350	184,130	173,893	2,241	3,655	1,516	3	48	1	..	..	1	39	..	1	..	4	..	67	..	6	2,740	7,079	5,535	277,713	360,568	305,162
Grey Bordered .. ..	481,483	475,018	422,673	27,651	33,238	32,039	..	..	..	..	..	..	..	..	..	10	..	..	..	..	..	18	..	..	31	5	2	509,193	508,260	454,764
White Bleached .. ..	525,837	542,669	535,040	3,483	5,511	4,314	307	467	1,096	1,715	1,099	1,992	91	193	110	5,801	7,631	8,198	7,462	10,382	11,822	213	158	166	872	1,029	2,573	545,781	568,848	565,315
Printed .. ..	147,285	182,201	187,763	8,118	19,662	26,834	219	375	375	6,430	15,054	23,891	241	235	30	1,295	1,207	5,681	423	593	563	1,236	916	576	2,556	3,304	2,188	167,802	223,602	247,928
Dyed .. ..	113,531	111,151	127,407	24,228	32,125	20,843	674	1,118	2,652	2,186	2,944	5,473	93	140	123	3,812	4,434	3,481	1,548	1,237	1,707	466	316	469	616	1,087	1,416	147,153	154,550	163,573
Woven Coloured .. ..	46,373	42,604	45,415	50,146	56,897	48,531	75	131	266	5,250	5,364	6,863	1,620	1,260	2,181	7,956	6,471	1,749	769	737	611	1,529	1,327	1,296	718	485	312	114,435	115,283	107,226
Fents of all descriptions .. ..	9,952	12,596	13,242	18	14	182	11,770	21,177	22,931	13	27	33	8	..	2	27	13	2	56	131	203	32	52	80	8	23	71	21,883	34,032	36,773
Towels in the piece .. ..	9	9	3	11	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	..	20	11	3
Piecegoods of Cotton and Artificial Silk .. ..	14,182	13,268	16,206	31	642	2,114	214	223	846	11,774	13,493	20,645	847	716	962	73	77	108	5,336	8,726	9,488	2,058	4,192	3,328	1,314	3,262	5,157	35,830	44,598	58,855
Canvas .. ..	729	556	609	29	57	130	4	..	..	171	306	429	..	..	1	..	..	1	8	..	..	46	29	60	18	22	5	1,005	971	1,336
<b>TOTAL .. ..</b>	<b>1,494,264</b>	<b>1,546,312</b>	<b>1,472,574</b>	<b>232,065</b>	<b>332,278</b>	<b>308,930</b>	<b>15,504</b>	<b>26,857</b>	<b>29,674</b>	<b>27,542</b>	<b>33,337</b>	<b>59,327</b>	<b>2,899</b>	<b>2,594</b>	<b>3,461</b>	<b>19,014</b>	<b>19,841</b>	<b>19,238</b>	<b>15,602</b>	<b>21,514</b>	<b>24,391</b>	<b>5,664</b>	<b>6,990</b>	<b>5,981</b>	<b>8,273</b>	<b>16,296</b>	<b>17,261</b>	<b>1,811,317</b>	<b>2,010,719</b>	<b>1,940,840</b>









TABLE No. 29.

## SUMMARY OF IMPORTS OF COTTON PIECEGOODS INTO BOMBAY.

(Quantities in thousands of yards.)

	United Kingdom.			Japan.			U.S. of America.			Italy.			Belgium.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.			
	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	
Grey Plain .. ..	26,233	32,812	39,632	61,509	84,467	75,428	1,112	1,638	1,125	..	19	..	..	..	2	..	..	..	4	..	65	..	6	1,375	5,462	2,129	90,298	124,403	118,320		
Grey Bordered ..	5,225	5,887	10,088	1,127	1,816	1,456	..	..	..	..	..	..	..	..	..	..	..	..	..	..	18	..	..	28	1	1	6,799	7,504	11,553		
White Bleached ..	80,568	100,529	122,861	504	1,106	889	227	380	708	1,031	303	755	65	167	107	1,979	2,209	3,621	5,039	6,506	6,728	162	98	128	306	180	366	89,880	111,488	136,163	
Printed .. ..	50,634	68,195	86,404	2,828	7,386	10,316	202	252	136	1,786	4,047	6,354	36	..	1	11	2	20	264	371	277	33	17	42	9	58	143	55,403	80,327	108,695	
Dyed .. ..	46,331	43,467	58,323	4,358	4,946	4,531	338	579	1,073	921	1,183	2,322	48	19	69	67	12	..	1,060	605	856	202	134	171	218	230	195	53,543	51,074	68,439	
Woven Coloured ..	9,131	7,883	12,076	11,649	16,188	21,809	15	109	53	1,722	1,897	3,409	909	634	1,263	107	81	142	347	427	226	655	611	712	97	85	67	24,631	27,894	39,758	
Fents of all descriptions ..	8,656	11,196	11,803	18	14	182	11,359	20,681	21,844	10	26	33	8	..	2	7	..	..	50	131	201	21	26	24	4	21	66	20,133	32,096	84,156	
Towels in the piece ..	2	1	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	1	1
Piece-goods of Cotton and Artificial Silk ..	7,865	6,374	8,654	4	36	892	202	222	815	5,124	5,425	10,333	670	519	719	39	4	8	4,618	7,638	8,729	1,461	2,432	1,978	675	2,153	3,354	21,058	24,804	83,787	
Canvas .. ..	395	240	316	23	33	54	4	..	..	129	200	295	..	..	..	..	..	1	8	..	..	34	15	15	7	..	..	600	486	681	
<b>TOTAL .. ..</b>	<b>235,039</b>	<b>276,264</b>	<b>353,468</b>	<b>82,020</b>	<b>115,992</b>	<b>115,557</b>	<b>13,459</b>	<b>23,872</b>	<b>26,653</b>	<b>10,723</b>	<b>13,100</b>	<b>23,502</b>	<b>1,735</b>	<b>1,399</b>	<b>2,160</b>	<b>2,211</b>	<b>2,308</b>	<b>3,791</b>	<b>11,588</b>	<b>15,861</b>	<b>17,017</b>	<b>2,651</b>	<b>3,333</b>	<b>3,077</b>	<b>2,920</b>	<b>8,191</b>	<b>6,326</b>	<b>362,345</b>	<b>460,069</b>	<b>548,553</b>	

TABLE No. 30.

EXPORTS OF COTTON PIECEGOODS OF INDIAN MANUFACTURE FROM BRITISH INDIA.

(In thousands of yards.)

Description.	European Countries.			China.			Egypt and North Africa.			Red Sea Ports.			East Africa.			Levant and Black Sea Ports.			Ceylon and Straits.			Persian Gulf.			South Africa.			Other Countries.			Total.		
	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.
<b>GREY (UNBLEACHED):—</b>																																	
Chadars and Dhutis	..	..	..	..	..	..	3	..	2	136	285	497	2,883	3,344	1,747	2	..	..	448	340	566	78	68	70	4	3	1	..	..	..	3,554	4,040	2,889
Drills and Jeans	..	..	17	71	..	..	160	21	3	17	5	23	62	128	108	134	147	48	102	78	133	310	14	5	6	6	..	..	..	791	418	394	
T-cloths and Domestics	..	..	..	..	..	..	..	17	17	1,134	1,475	1,870	410	368	180	..	..	6	..	..	110	102	38	43	..	..	..	..	..	..	1,647	1,897	2,225
Shirtings	..	..	..	..	..	..	..	..	241	73	321	271	140	293	1,008	7	..	58	4	24	141	115	98	140	84	590	3	..	..	..	423	1,327	1,903
Other Sorts	236	174	88	..	..	..	565	1,820	227	841	1,298	783	6,460	7,392	4,224	259	479	123	892	526	283	3,314	1,186	384	599	194	951	..	2	25	13,171	12,874	6,488
<b>TOTAL GREY</b>	236	195	166	1	..	..	728	1,658	490	2,201	3,384	3,445	9,956	11,525	7,267	402	626	235	1,447	969	1,233	3,918	1,404	641	692	794	387	2	2	23	19,566	20,537	13,900
<b>WHITE (BLEACHED):—</b>																																	
Chadars and Dhutis	1	..	..	..	..	..	6	..	..	6	13	14	2	21	130	..	..	..	43	73	68	17	..	14	1	..	..	..	..	..	76	108	227
Drills and Jeans	..	..	..	..	..	..	..	..	..	4	2	..	2	15	12	..	35	..	34	20	19	17	20	55	24	22	7	..	1	..	81	114	94
T-cloths and Domestics	..	..	..	..	..	..	..	..	..	..	..	..	..	1	1	..	..	..	26	28	18	..	..	..	..	1	2	..	..	..	26	30	21
Shirtings	..	..	..	..	..	..	..	..	..	7	..	3	..	11	32	..	..	..	30	24	12	10	4	5	..	..	14	..	..	..	48	39	66
Other Sorts	4	27	..	2	1	..	386	426	..	146	37	73	137	186	218	22	38	4	306	358	317	81	299	142	..	5	28	..	..	4	1,084	1,397	788
<b>TOTAL WHITE</b>	5	27	..	2	1	1	392	426	..	163	72	90	141	235	393	22	73	4	440	503	434	124	322	216	26	27	51	..	1	4	1,913	1,688	1,196
<b>COLOURED, PRINTED OR DYED:—</b>																																	
Lungis and Saris	..	..	..	..	..	..	..	42	2	1,101	1,967	2,291	68	181	259	..	3	..	31,961	26,090	26,969	140	226	309	147	155	103	..	..	..	33,417	28,664	29,935
Drills and Jeans	29	113	10	24	22	36	388	344	5	54	34	21	222	620	442	172	202	..	173	260	256	825	656	1,946	47	94	71	1	2	..	1,935	2,346	2,783
Other Sorts	130	329	254	81	20	149	1,118	1,292	53	4,195	5,099	3,828	24,470	25,272	23,515	2,448	1,236	214	18,642	21,825	16,785	68,859	75,152	54,609	3,049	3,540	1,685	76	51	67	123,067	133,817	101,159
<b>TOTAL COLOURED, PRINTED OR DYED</b>	158	442	264	105	42	185	1,506	1,678	62	5,350	7,101	6,141	24,760	26,073	24,216	2,620	1,441	214	50,775	48,175	44,011	69,825	76,034	56,865	3,243	3,789	1,859	77	53	67	158,420	164,828	139,882

423

See foot-note to Table 24.





TABLE NO. 32.  
RE-EXPORTS OF FOREIGN MANUFACTURED PIECEGOODS AND YARN FROM BRITISH INDIA.

	YARN (In thousand pounds)												PIECEGOODS (In thousand yards).														
	Twist & Yarn.			Rope.			Sewing Thread.			Total.			Grey.			White.			Coloured, etc.			Fents.			Total.		
	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.
	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.
European Countries ..	6	3	4	..	..	..	..	4	1	6	7	5	74	49	..	13	34	13	73	69	89	57	1	14	197	149	85
China & Hongkong ..	..	..	..	..	..	..	..	..	..	..	..	..	2	..	..	..	2	10	10	56	71	..	..	..	12	58	83
Egypt & North Africa ..	4	27	10	..	..	..	..	1	..	4	28	10	263	4	70	3	..	..	..	2	1	..	..	..	266	6	71
Red Sea Ports ..	75	81	47	..	..	..	1	2	..	76	83	47	808	1,961	1,281	405	570	233	750	677	479	5	12	9	1,969	3,219	2,003
East Africa ..	19	9	14	..	..	..	40	40	47	59	49	60	2,846	3,127	2,158	289	373	284	1,954	1,613	1,576	5	..	1	5,093	5,119	4,019
Levant & Black Sea Ports ..	71	36	22	..	..	..	..	..	..	71	36	22	330	479	224	..	..	..	..	..	..	6	..	..	336	479	224
Ceylon & Straits ..	8	7	6	..	..	..	4	1	1	12	8	7	771	453	524	1,048	890	830	631	835	1,002	..	4	2	2,450	2,172	2,354
Persian Gulf ..	675	938	527	1	3	..	12	11	6	688	952	533	6,394	8,653	6,357	3,489	2,827	3,269	8,284	8,867	10,228	11	..	15	18,178	20,367	19,969
South Africa ..	..	..	..	..	..	..	13	9	18	13	9	18	18	14	17	248	302	145	146	440	194	..	..	..	412	757	356
Other countries ..	50	..	..	..	..	..	..	..	..	50	..	..	14	5	4	..	..	..	8	3	69	29	4	32	61	12	105
TOTAL ..	908	1,102	631	1	4	..	70	66	73	980	1,173	704	11,520	14,745	10,636	5,495	4,988	4,783	11,857	12,571	13,659	93	22	74	28,965	32,325	29,132

TABLE NO. 33.  
RE-EXPORTS OF FOREIGN MANUFACTURED PIECEGOODS AND YARN FROM BOMBAY.

Countries	YARN (In thousand pounds)												PIECEGOODS (In thousand yards).														
	Twist & Yarn.			Rope.			Sewing Thread.			TOTAL.			Grey.			White.			Coloured.			Fents.			TOTAL.		
	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.
	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.	1926.	1927.	1928.
European Countries ..	2	..	..	..	..	..	..	9	1	2	3	1	64	49	..	7	32	13	34	47	35	31	1	14	136	129	61
China and Hongkong ..	..	..	..	..	..	..	..	..	..	..	..	..	2	..	..	..	2	10	10	56	71	..	..	..	12	58	61
Egypt and North Africa ..	4	27	10	..	..	..	..	1	..	4	28	10	263	4	70	..	..	..	..	1	..	..	..	..	263	4	71
Red Sea Ports ..	75	81	47	..	..	..	1	2	..	76	83	48	808	1,909	1,277	393	540	161	749	653	475	..	12	9	1,951	3,115	1,923
East Africa ..	19	9	14	..	..	..	40	40	47	59	49	60	2,846	3,126	2,158	286	366	272	1,948	1,609	1,574	5	..	1	5,085	5,103	4,005
Levant and Black Sea Ports ..	71	36	22	..	..	..	..	..	..	71	36	22	330	479	224	..	..	..	..	..	..	6	..	..	336	479	224
Ceylon and Straits ..	8	7	6	..	..	..	4	1	1	12	8	7	307	196	157	665	594	480	501	632	787	..	..	2	1,473	1,422	1,427
Persian Gulf ..	675	938	527	1	3	..	12	10	6	687	952	533	6,248	8,594	6,285	2,978	2,476	2,789	6,329	6,842	8,186	11	..	15	15,566	17,913	17,275
South Africa ..	..	..	..	..	..	..	13	9	17	13	9	18	18	14	17	82	41	2	142	438	188	..	..	..	242	494	207
Other Countries ..	50	..	..	..	..	..	..	..	..	50	..	..	..	..	..	..	..	..	8	3	18	29	4	90	37	7	47
TOTAL ..	904	1,099	628	1	4	..	69	65	73	975	1,108	701	10,888	14,371	10,189	4,411	4,052	3,728	9,721	10,281	11,335	82	16	71	25,100	28,722	25,322

**TABLE No. 34.**  
**TABLE SHOWING THE APPROXIMATE YARDAGE OF PIECEGOODS AVAILABLE FOR CONSUMPTION IN INDIA.**  
(In millions of Yards.)

	'09-10.	'10-11.	'11-12.	'12-13.	'13-14.	'14-15.	'15-16.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	'26-27.	'27-28.
Total Indian Mill Production .. .. .	963	1,043	1,136	1,220	1,164	1,136	1,441	1,578	1,614	1,451	1,640	1,581	1,732	1,725	1,792	1,970	1,954	2,259	2,357
Less—Exports by Sea .. .. .	94	100	81	87	89	67	113	204	189	149	197	146	161	157	105	181	165	107	100
Exports by Land .. .. .	32	34	37	38	41	43	48	45	45	38	42	24	26	29	36	49	68*	83*†	88*†
Balance .. .. .	837	909	1,018	1,095	1,034	1,026	1,280	1,269	1,380	1,264	1,401	1,411	1,545	1,539	1,591	1,740	1,721	1,970	2,100
Imports .. .. .	2,193	2,308	2,438	3,023	3,197	2,446	2,148	1,934	1,556	1,212	1,081	1,510	1,090	1,593	1,486	1,823	1,564	1,788	1,973
Total .. .. .	3,030	3,217	3,456	4,118	4,231	3,472	3,428	2,203	2,936	2,476	2,482	2,921	2,635	3,132	3,077	3,563	3,285	3,767	4,073
Less—Exports by Sea .. .. .	52	68	76	67	62	35	41	97	85	114	89	61	74	75	61	54	35	29	34
Exports by Land .. .. .	71	78	100	108	93	83	88	65	65	53	56	44	36	51	51	59	116*	131*†	118*†
Total quantity of Piecegoods available for consumption in India .. .. .	2,907	3,071	3,280	3,943	4,076	3,354	3,299	2,041	2,786	2,309	2,337	2,816	2,525	3,006	2,965	3,450	3,134	3,607	3,921

From 1909-10 to 1924-25 the figures in both the tables are taken *en bloc* from the "Notes on Hand Loom Weaving" by Mr. R. D. Bell.

NOTE:—With effect from 1st April 1925, the Government of India discontinued the publication of "Accounts relating to the trade by land of British India with other countries." Since then, the statistics in question are published in Special Supplements to the *Indian Trade Journal* in an abbreviated form. The revised form does not affect the above table materially but in Table 35 it has not been possible to separate the land export figures for Indian and foreign yarn. This, however, does not affect the approximate accuracy of the figure showing the balance of yarn available for consumption in India.

† Maunds converted into lbs. and lbs. converted into yds: 1 Maund=82½ lbs; 1 lb.=4.27 yds.

**TABLE No. 35.**  
**TABLE SHOWING THE APPROXIMATE POUNDAGE OF YARN AVAILABLE FOR CONSUMPTION IN INDIA.**  
(In millions of Lbs.)

	'09-10.	'10-11.	'11-12.	'12-13.	'13-14.	'14-15.	'15-16.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	'26-27.	'27-28.
Total Indian Mill Production .. .. .	627	610	625	688	682	652	722	681	660	615	636	660	693	706	617	719	686	807	809
Less—Exports by Sea .. .. .	227	183	151	204	198	134	160	169	122	64	152	83	81	57	39	37	32	42	25
Exports by Land .. .. .	7	8	10	11	9	9	8	9	8	8	9	6	7	7	7	9	7*	8*†	5*†
Balance .. .. .	393	419	464	473	475	509	554	503	530	543	475	571	605	642	571	673	647	757	779
Imports .. .. .	40	33	42	50	44	43	40	30	19	38	15	47	57	59	45	56	52	49	52
Total .. .. .	433	452	506	523	519	552	594	533	549	581	490	618	662	701	616	729	699	806	831
Less—Export by Sea .. .. .	1	1	1	1	1	1	1	2	1	1	3	..	1	2	2	1	1	1	1
Exports by Land .. .. .	5	4	7	9	7	8	8	5	6	5	4	3	3	5	4	4	..	..	..
Quantity of Yarn available for consumption in India .. .. .	428	446	499	514	511	543	586	526	543	574	483	615	658	692	610	724	698	805	830
Cloth produced in India in millions of pounds. Approximate equivalent in Yarn (taking 100 lbs. of yarn=112 lbs. of piece goods.) .. .. .	229	246	267	285	274	277	352	377	381	350	384	367	403	405	402	459	465	539	568
Real balance of Yarn available for sale in India .. .. .	224	227	261	260	267	296	272	189	203	262	141	287	298	335	251	314	283	324	323

\*Includes re-exports also.

† Maunds converted into lbs. at the rate of 82½ lbs.=1 Maund.

See foot-note to Table 12 regarding strikes in Bombay mills.

TABLE No. 36.

## PROGRESS OF JAPAN COTTON MILLS DURING THE LAST 16 YEARS.

(The information is extracted from the half-yearly statistics published by the Japan Cotton Spinners' Association.)

Term.	No. of Companies.	Capital.		Reserve Funds.	No. of Mills.	Spindles		Doubling Spindles.	Looms.
		Authorised.	Paid up.			Ring.	Mule.		
Half-year ending		Yen.	Yen.	Yen.					
June, 1912	31	86,465,150	62,942,492	25,526,124	139	2,105,760	52,868	304,572	20,002
December, 1912	41	105,136,400	72,866,495	28,533,314	147	2,125,000	51,748	317,324	21,893
June, 1913	44	115,536,400	82,522,909	31,217,859	150	2,237,904	49,360	308,672	23,784
December, 1913	44	113,036,401	86,444,059	33,808,119	152	2,365,094	49,405	320,812	24,224
June, 1914	43	114,036,400	88,710,272	35,454,288	154	2,526,172	51,170	330,384	25,325
December, 1914	42	109,676,400	85,820,424	36,639,349	157	2,606,004	51,170	348,766	25,443
June, 1915	42	109,226,400	85,211,327	37,348,858	159	2,724,452	48,530	348,730	28,487
December, 1915	41	110,176,400	86,011,677	38,663,064	161	2,754,124	53,390	358,318	30,068
June, 1916	39	108,426,400	86,033,187	39,806,107	160	2,764,588	51,450	365,566	30,562
December, 1916	40	137,290,150	99,641,818	48,952,381	161	2,825,944	49,960	370,681	31,295
June, 1917	39	152,730,150	108,186,750	56,847,311	163	2,890,760	51,170	375,306	33,040
December, 1917	43	162,830,150	115,623,020	70,037,275	170	3,008,568	51,910	383,458	36,181
June, 1918	41	176,202,650	127,055,220	71,457,603	170	3,064,922	51,910	383,074	37,607
December, 1918	43	192,877,650	138,494,595	92,426,047	177	3,175,768	51,910	384,872	40,391
June, 1919	48	202,177,650	147,157,670	110,447,795	184	3,282,754	52,330	400,307	42,400
December, 1919	54	221,927,650	165,758,695	139,073,867	190	3,435,932	52,330	410,690	44,401
June, 1920	56	315,427,650	248,180,420	153,923,042	198	3,637,310	52,330	434,736	49,826
December, 1920	56	394,327,650	276,535,896	165,697,053	198	3,761,250	52,330	466,460	50,583
June, 1921	58	410,017,650	286,789,308	172,110,853	201	3,939,534	49,370	492,204	51,761
December, 1921	61	429,577,650	295,648,358	182,040,774	217	4,116,616	44,510	533,384	54,994
June, 1922	67	472,807,650	319,612,328	194,010,558	232	4,338,759	44,510	573,486	59,693
December, 1922	64	462,107,650	317,148,075	202,774,376	235	4,472,112	45,500	602,032	60,765
June, 1923	62	468,427,650	321,654,393	209,984,818	235	4,618,946	48,470	635,212	62,205
December, 1923	70*	530,277,650	376,272,935	217,407,870	241	4,422,428	14,370	510,031	64,460
June, 1924	69*	559,750,000	396,081,600	213,411,662	245	4,832,552	17,340	581,583	66,283
December, 1924	69*	575,302,500	398,163,443	219,043,315	247	5,100,546	25,150	685,995	68,579
June, 1925	64*	570,612,500	394,567,318	223,098,069	242	5,266,000	26,040	723,824	71,702
December, 1925	64*	551,362,500	382,714,817	223,531,448	243	5,413,094	34,090	759,632	73,381
June, 1926	65*	558,416,650	394,488,167	228,827,952	247	5,551,607	34,420	780,404	74,193
December, 1926	64*	539,237,500	391,305,247	231,149,181	247	5,644,772	35,080	780,688	77,043
June, 1927	64*	539,527,500	390,703,307	233,953,175	247	5,892,620	36,994	788,916	76,163
December, 1927	64*	535,077,500	391,550,767	238,367,331	257	6,079,272	36,994	787,490	78,352
June, 1928	68*	562,002,500	426,376,017	243,987,627	258	6,230,512	41,674	792,138	79,777

\* Including non-members of the Japan Cotton Spinners' Association.

TABLE No. 37.  
**JAPAN'S COTTON CONSUMPTION.**  
 (Figures extracted from the half-yearly publication of the Japan Cotton Spinners' Association.)

Years.	Indian.	American.	Chinese.	Egyptian and African.	Annam and Saigon.	Korean.	Sundries.	Total.
	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.
1903	220,058,084	66,841,125	81,711,917	8,308,958	7,206,191	..	6,116,958	390,243,233
1904	145,470,175	37,289,983	127,976,550	7,346,125	6,290,700	..	4,452,475	328,826,008
1905	215,531,242	124,278,875	70,662,350	7,365,525	2,621,333	..	2,831,175	423,290,500
1906	213,902,368	119,326,058	97,386,216	6,718,950	2,688,083	..	4,251,825	444,273,500
1907	265,737,875	111,216,408	67,479,692	7,008,467	5,027,208	..	3,645,008	460,114,658
1908	230,701,058	95,674,700	76,140,575	9,406,175	7,154,158	..	4,166,275	423,242,941
1909	306,535,475	105,293,050	53,332,225	13,087,891	6,366,292	..	4,787,692	489,402,625
1910	372,808,800	69,456,508	79,219,308	11,374,717	4,823,683	..	5,909,009	543,592,025
1911	297,798,250	111,540,908	110,200,125	13,506,525	1,837,833	..	4,321,184	539,204,825
1912	368,062,933	214,251,250	31,654,633	15,086,558	3,735,384	..	3,441,058	636,231,816
1913	434,685,666	202,441,016	46,621,309	16,699,942	7,547,250	..	4,143,508	712,138,691
1914	549,868,658	170,397,933	36,528,292	15,161,483	4,742,225	..	7,158,842	783,857,433
1915	559,320,525	209,035,492	18,389,108	13,436,266	2,641,083	..	4,998,742	807,821,216
1916	593,978,108	235,615,875	29,506,075	16,421,546	9,069,166	6,744,540	4,251,590	895,586,900
1917	590,521,080	242,144,925	42,305,808	14,717,091	3,715,905	8,194,558	4,344,308	905,943,675
1918	453,072,641	280,374,975	83,091,375	14,769,342	3,187,334	11,790,775	6,941,733	853,228,175
1919	376,648,588	355,589,221	130,970,193	15,588,908	2,265,292	11,454,470	5,037,182	897,553,824
1920	482,881,416	310,370,393	30,684,616	11,558,208	2,041,258	9,412,820	5,367,604	852,316,315
1921	521,998,441	304,763,617	3,037,340	14,600,500	3,923,158	8,744,408	3,479,358	860,546,824
1922	615,242,183	389,759,225	3,626,017	19,652,842	5,563,967	8,354,600	5,680,941	1,047,879,775
1923	652,798,508	296,423,592	25,836,858	22,140,542	2,519,492	12,054,233	7,929,408	1,019,702,633
1924	563,969,233	282,197,025	58,888,450	36,176,192	1,461,775	20,443,692	5,877,333	969,013,700
1925	637,749,440	378,526,322	47,050,425	34,567,864	2,712,025	18,994,691	9,742,440	1,129,343,210
1926	664,655,716	486,464,350	19,956,425	43,557,383	1,011,383	12,512,942	8,763,400	1,236,921,599
1927	551,571,275	562,091,700	15,841,558	39,414,575	2,958,633	9,768,591	7,474,050	1,189,120,382
1928*	226,068,517	253,158,435	47,088,117	18,848,042	1,422,058	5,988,892	3,026,058	555,600,119

428

\* Half-year ending 30th June.

NOTE:—Korean cotton before 1916 is totalled under "Sundries."

TABLE No. 38.  
JAPAN'S COTTON YARN PRODUCTION AND EXPORTS.

YEAR.	Average Working Spindles.	Production. (Bales of 400 lbs.)				Exports. (Bales of 400 lbs.)						
		10s. warp.	20s. weft.	Others.	Total.	China.	Hongkong.	British India.	Philippine Islands.	Korea.	Other countries.	Total.
1903	1,297,966	330,667.5	175,843.0	295,227.5	801,738.0	279,274	17,742	5	1,233	8,945	4	307,203
1904	1,249,086	251,867.0	157,048.0	286,297.5	695,212.5	215,159	22,749	..	1,512	17,840	47	257,308
1905	1,329,404	309,173.0	209,816.0	386,547.5	905,536.5	232,666	7,384	90	2,311	24,867	64	267,383
1906	1,404,714	323,664.0	227,628.0	393,873.5	945,165.5	243,219	6,253	15	2,277	15,462	121	267,348
1907	1,458,020	341,433.0	218,665.0	423,384.5	983,482.5	190,868	7,829	396	2,215	25,073	93	226,475
1908	1,367,631	224,897.5	209,475.0	444,198.0	878,570.5	134,267	6,511	41	2,645	21,807	2,573	167,843
1909	1,569,080	295,802.0	229,703.5	499,678.5	1,025,244.5	236,102	3,389	15	1,524	14,725	3,123	258,878
1910	1,741,168	338,175.0	253,412.5	538,193.0	1,134,780.5	301,535	17,953	701	3,503	19,825	4,118	347,635
1911	1,784,064	295,065.5	262,298.5	571,903.0	1,129,267.0	234,324	12,918	1,809	3,076	22,828	10,054	285,009
1912	1,984,191	346,844.5	335,821.0	669,544.0	1,352,209.5	304,199	29,091	989	3,625	21,034	15,994	374,933
1913	2,167,926	396,645.5	371,522.5	749,814.0	1,517,982.0	389,297	34,031	3,258	3,296	15,237	23,620	468,739
1914	2,369,801	388,992.0	439,672.5	837,516.0	1,666,181.0	455,124	66,124	3,144	4,791	19,020	21,787	569,990
1915	2,463,376	393,027.0	443,040.5	884,197.0	1,720,264.5	493,921	65,241	1,565	3,629	26,688	14,848	575,892
1916	2,757,299	409,053.0	497,291.0	1,019,234.5	1,925,579.0	440,158	50,381	11,744	1,889	26,137	16,839	547,148
1917	2,850,637	359,623.0	528,603.0	1,035,615.5	1,923,841.5	356,576	58,405	9,313	3,260	27,597	15,702	470,853
1918	2,936,495	228,818.5	511,538.0	1,003,509.5	1,803,866.0	231,689	62,598	79,426	5,685	13,053	29,062	421,513
1919	3,179,568	204,486.6	539,748.0	1,176,548.0	1,920,782.5	156,261	35,638	4,753	693	16,047	16,945	230,337
1920	3,191,753	196,928.5	191,141.5	1,128,906.0	1,816,976.0	166,711	58,349	47,615	2,548	5,535	24,167	304,925
1921	3,162,353	215,632.5	436,629.5	1,159,038.0	1,811,350.0	174,584	56,211	37,164	1,418	..	22,884	292,261
1922	3,967,265	205,489.5	746,731.0	1,276,025.5	2,228,246.0	212,862	83,394	68,319	2,896	..	26,591	394,062
1923	4,079,855	170,357.0	680,708.0	1,320,088.0	2,171,153.0	121,568	40,108	58,937	2,267	..	28,778	248,325
1924	4,115,692	135,844.0	631,476.0	1,305,497.5	2,072,817.5	96,536	61,493	80,840	1,799	..	29,692	270,361
1925	4,669,753	142,796.0	779,203.5	1,514,784.0	2,436,783.5	132,778	58,788	87,172	3,176	..	28,888	310,801
1926	5,002,932	146,983.0	795,170.0	1,665,599.5	2,607,746.5	72,640	29,286	72,283	3,201	..	28,140	205,530
1927	4,831,429	140,924.0	784,673.0	1,605,095.5	2,530,692.5	28,762	12,887	54,508	1,922	..	19,577	117,656
1928*	4,794,094	27,445.5	356,679.0	802,950.0	1,187,083.5	18,734	10,084	7,065	622	..	5,428	39,833

\* Half year ending 30th June.

TABLE NO. 39.  
JAPAN'S CLOTH PRODUCTION AND EXPORTS.

Year.	Average Working looms.	Production of cotton piece goods.	Yarn consumed.*
		Yards.	lbs.
1903	4,963	72,702,213	20,771,345
1904	4,891	80,947,348	22,484,284
1905	6,420	114,908,132	36,454,146
1906	8,491	{ 137,773,415 { Doz. 32,784	40,702,848
1907	9,245	{ 135,253,029 { Doz. 02,533	44,262,958
1908	9,496	147,443,838	47,676,427
1909	11,585	181,976,972	57,388,586
1910	14,911	226,313,958	71,197,654
1911	17,884	289,039,671	82,498,136
1912	20,208	342,584,684	93,562,721
1913	23,299	416,725,357	11,159,616
1914	24,911	454,901,674	126,863,966
1915	27,687	502,076,621	124,632,631
1916	30,116	560,181,108	136,413,408
1917	31,920	594,649,419	142,770,758
1918	36,365	656,935,420	160,301,569
1919	40,960	739,390,012	179,788,560
1920	44,635	762,037,360	189,651,320
1921	44,100	700,697,985	179,427,501
1922	51,033	869,327,652	214,327,505
1923	52,972	1,000,708,890	240,979,975
1924	56,351	1,030,905,658	241,319,095
1925	62,976	1,179,524,733	274,472,668
1926	65,609	1,277,726,954	294,334,545
1927	66,733	1,294,668,822	293,166,913
1928†	68,601	668,146,357	145,127,792

\* Sub-work by spinners' only.

Sub-work by spinners means that the table in question was prepared from the reports of the weaving companies which are affiliated to the Japan Cotton Spinners' Association.

† Half-year ending 30th June.



**STATISTICS OF COTTON SPINNING AND WEAVING IN INDIAN MILLS** in the twelve months April to March (1928-29), as compared with 1927-28 and 1926-27.

*No. 1.—ABSTRACT STATEMENT of the QUANTITY (in pounds) of YARN Spun.*

[NOTE.—The statistics of yarn represent the quantities of all yarn actually spun in the mills whether they are subsequently woven in the mills or not.]

	TWELVE MONTHS, APRIL TO MARCH.		
	1926-27.	1927-28.	1928-29.
<b>BRITISH INDIA.</b>			
Bombay .. .. .	512,021,482	491,839,977	329,855,906
Madras .. .. .	64,497,984	68,747,894	69,016,343
Bengal .. .. .	31,537,438	34,347,044	30,009,250
United Provinces	68,795,209	66,611,123	60,328,347
Ajmer-Merwara .. .. .	4,513,436	4,230,410	4,992,240
Punjab .. .. .	3,173,617	3,780,455	3,016,355
Delhi .. .. .	10,309,660	12,106,954	14,319,170
Central Provinces and Berar .. .. .	38,895,493	42,860,080	44,057,064
Burma .. .. .	480,113	63,975	2,047,814
<b>TOTAL ..</b>	<b>734,224,432</b>	<b>724,587,912</b>	<b>557,662,489</b>
<b>FOREIGN TERRITORY.</b>			
Indian States of Indore, Mysore, Baroda, Nandgaon, Bhavnagar, Hyderabad, Wadhwan, Gwalior (Ujjain), Kishangarh, Cambay, Kolhapur, Cochin (a) and the French Settlements at Pondicherry.	72,891,701	84,352,461	90,620,848
<b>GRAND TOTAL ..</b>	<b>807,116,133</b>	<b>808,940,373</b>	<b>648,283,337</b>

(a) Figures for Cochin are being reported from April, 1928.

*No. 2.—ABSTRACT STATEMENT of the QUANTITY of WOVEN GOODS Manufactured.*

[NOTE.—The weight in pounds represents the weight of all woven goods; the measure in yards relates only to grey and coloured piecegoods, and is estimated from the poundage on a conventional basis; the figures in dozens relate to grey and coloured goods other than piecegoods, and to hosiery, the weight of these being estimated mainly on a conventional basis and included in the poundage.]

		TWELVE MONTHS, APRIL TO MARCH.		
		1926-27.	1927-28.	1928-29.
<b>BRITISH INDIA.</b>				
Bombay .. .. .	pounds.	407,282,500	421,590,878	284,057,132
	yards.	1,786,327,396	1,828,517,162	1,293,989,878
	dozens.	829,849	920,817	640,677
Madras .. .. .	pounds.	18,420,584	19,949,135	19,504,266
	yards.	58,198,795	59,964,330	60,021,325
	dozens.	181,190	135,183	150,445
Bengal .. .. .	pounds.	7,495,180	8,307,209	9,958,665
	yards.	31,834,250	35,829,888	43,641,404
	dozens.	98,212	120,672	156,107
United Provinces .. .. .	pounds.	21,943,050	25,114,558	25,698,030
	yards.	76,468,733	92,026,349	98,806,633
	dozens.	90,999	122,601	137,607
Ajmer-Merwara .. .. .	pounds.	3,294,519	3,360,445	3,777,887
	yards.	12,132,202	12,661,010	13,725,916
	dozens.	167	208	162
Punjab .. .. .	pounds.	1,392,673	1,549,076	962,086
	yards.	5,513,265	5,863,767	3,618,708
	dozens.	35	17	.....
Delhi .. .. .	pounds.	8,311,931	10,205,350	12,161,761
	yards.	26,121,704	33,946,750	41,376,787
	dozens.	41,631	18,673	22,596
Central Provinces and Berar .. .. .	pounds.	19,057,630	19,216,550	20,265,066
	yards.	70,663,758	71,948,054	77,779,723
	dozens.	20,981	24,315	24,797
<b>TOTAL ..</b>	pounds.	<b>487,198,067</b>	<b>509,293,201</b>	<b>376,384,893</b>
	yards.	<b>2,067,260,103</b>	<b>2,140,757,310</b>	<b>1,632,960,374</b>
	dozens.	<b>1,263,064</b>	<b>1,342,486</b>	<b>1,132,391</b>
<b>FOREIGN TERRITORY.</b>				
Indian States of Indore, Mysore, Baroda, Nandgaon, Bhavnagar, Hyderabad, Wadhwan, Gwalior (Ujjain), Cambay, Budhgaon (a), Kolhapur, Cochin (b) and the French Settlements at Pondicherry..	pounds.	51,571,296	58,512,844	69,143,613
	yards.	191,455,962	215,807,495	260,308,281
	dozens.	95,403	87,878	102,426
<b>GRAND TOTAL ..</b>	pounds.	<b>538,769,353</b>	<b>567,806,045</b>	<b>445,528,506</b>
	yards.	<b>2,258,716,065</b>	<b>2,356,564,805</b>	<b>1,893,268,655</b>
	dozens.	<b>1,358,467</b>	<b>1,430,364</b>	<b>1,234,817</b>

(a) Sri Luxmi Mill, Budhgaon, remained closed.

(b) Figures for Kolhapur and Cochin are being reported from June 1927 and April 1928, respectively.



No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun.

## BOMBAY PRESIDENCY.

## BOMBAY ISLAND.

Count or Number.	12 MONTHS, APRIL TO MARCH.			Count or Number.	12 MONTHS, APRIL TO MARCH.		
	1926-27.	1927-28.	1928 29.		1926-27.	1927-28.	1928 29.
1	6,144,191	8,928,060	3,192,240	1	5,738,798	8,288,267	2,468,521
2	7,971,010	5,345,416	4,246,291	2	6,673,987	4,130,997	3,178,090
3	2,377,239	1,618,588	747,539	3	2,311,136	1,545,917	634,729
4	6,482,040	6,287,998	4,507,455	4	4,796,873	4,797,040	2,927,587
5	401,848	477,316	146,899	5	399,673	468,457	118,241
6	7,121,000	6,294,871	3,925,948	6	6,836,334	6,012,740	3,552,069
7	14,392,973	12,920,012	7,322,684	7	12,925,275	11,459,725	6,036,176
8	8,577,168	8,626,565	3,860,216	8	8,471,939	8,557,877	3,768,894
9	9,622,975	8,524,815	4,624,646	9	7,531,849	6,475,140	3,329,819
10	19,459,235	12,228,511	8,318,946	10	17,102,661	9,993,116	6,421,818
TOTAL, Nos. 1 to 10	82,549,679	71,252,152	40,892,870	TOTAL, Nos. 1 to 10	72,797,525	61,759,076	32,435,744
11	17,187,277	8,474,181	7,422,976	11	15,239,106	6,049,295	4,944,313
12	17,844,510	15,112,262	9,142,385	12	15,467,482	13,545,035	6,897,179
13	12,603,011	10,850,175	7,982,779	13	8,894,201	7,028,329	4,256,339
14	17,740,651	17,793,553	10,921,381	14	14,649,022	14,871,562	6,546,237
15	8,995,286	8,325,773	4,197,734	15	7,743,619	6,545,595	3,010,997
16	16,533,131	14,424,870	8,877,772	16	11,918,414	9,713,744	5,301,544
17	6,361,656	7,746,046	4,313,074	17	5,510,072	6,302,321	2,947,882
18	13,502,621	11,599,129	6,813,016	18	11,125,019	9,725,845	4,390,299
19	3,500,890	3,168,131	2,731,474	19	1,651,870	1,283,719	616,168
20	111,813,868	107,221,063	70,153,600	20	61,156,278	55,958,159	27,985,928
TOTAL, Nos. 11 to 20	226,172,901	204,715,178	131,986,181	TOTAL, Nos. 11 to 20	153,361,083	131,023,571	61,896,946
21	39,894,914	41,411,849	27,055,400	21	21,225,848	23,858,934	10,989,425
22	31,868,734	39,150,257	26,687,464	22	26,862,545	28,587,809	12,876,002
23	2,942,615	4,336,318	2,713,124	23	1,348,034	2,184,389	547,939
24	36,584,270	37,166,780	18,654,333	24	29,773,074	30,103,373	12,392,479
25	875,736	812,824	819,951	25	786,412	761,674	499,079
26	7,950,659	6,717,257	4,540,550	26	4,157,913	4,368,149	1,539,453
27	4,163,491	3,949,350	1,775,244	27	2,718,500	2,353,170	1,205,741
28	8,277,518	7,856,457	6,172,270	28	4,369,881	3,959,396	1,666,378
29	1,970,942	2,185,141	1,953,802	29	590,195	512,238	370,215
30	34,213,606	35,115,672	30,080,685	30	9,215,757	10,813,099	4,972,077
TOTAL, Nos. 21 to 30	171,682,487	178,701,900	121,302,856	TOTAL, Nos. 21 to 30	104,049,359	107,482,226	47,058,788
31	1,444,454	1,266,495	2,183,249	31	465,148	293,878	114,015
32	6,232,325	8,249,061	8,071,406	32	2,878,051	3,482,843	2,084,173
33	1,442,430	1,623,572	872,355	33	558,290	889,139	400,424
34	1,378,305	1,479,864	1,435,255	34	686,809	687,979	471,276
35	336,787	85,328	78,081	35	100,436	8,503	5,562
36	1,507,554	2,518,174	1,236,763	36	727,930	605,974	420,154
37	32,699	24,718	192,709	37	.....	.....	.....
38	251,037	318,430	175,531	38	93,642	167,271	50,170
39	.....	14,026	54,304	39	.....	14,026	54,304
40	7,080,082	10,035,316	10,914,106	40	3,685,115	6,130,081	4,956,623
TOTAL, Nos. 31 to 40	19,683,693	25,606,084	25,213,767	TOTAL, Nos. 31 to 40	9,201,370	12,379,694	8,566,651
Above 40	10,676,230	10,380,870	8,797,467	Above 40	4,306,868	5,028,497	3,133,697
Wastes, etc.	1,256,492	1,173,798	682,712	Wastes, etc.	1,142,796	1,173,798	661,027
GRAND TOTAL	512,021,482	491,839,977	329,855,906	GRAND TOTAL	344,850,030	318,746,662	153,752,689

NOTE.—The suburb of Coorla, in the Thana district, is treated for statistical purposes as part of the Island of Bombay.

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued.

## AHMEDABAD.

## MADRAS.

Count or Number.	12 MONTHS, APRIL TO MARCH.			Count or Number.	12 MONTHS, APRIL TO MARCH.		
	1926-27.	1927-28.	1928-29.		1926-27.	1927-28.	1928-29.
1	224,776	450,163	513,685	1	....	....	....
2	147,257	....	17,591	2	617,654	509,302	408,190
3	24,995	4,247	6,469	3	871	....	....
4	1,110,386	1,030,314	1,201,307	4	504,008	580,584	558,817
5	....	....	20,904	5	279	9,779	2,241
6	629	2,305	1,710	6	650,766	862,025	982,682
7	551,966	643,253	452,192	7	580,927	407,338	668,670
8	3,785	5,525	802	8	304,318	405,323	384,531
9	173,703	129,003	140,604	9	55,227	65,852	215,617
10	319,208	59,665	54,833	10	550,316	693,860	441,572
TOTAL, Nos. 1 to 10.	2,559,688	2,324,475	2,409,957	TOTAL, Nos. 1 to 10.	3,264,386	3,528,063	3,612,100
11	76,613	89,868	56,013	11	1,604,492	1,403,940	1,431,904
12	1,235,330	436,054	905,604	12	1,396,485	1,728,383	1,431,794
13	1,650,170	1,526,982	1,320,212	13	371,130	514,671	660,127
14	1,073,095	1,206,243	2,183,526	14	714,381	928,055	11,12,646
15	707,814	1,252,429	516,243	15	4,147,618	4,260,152	3,824,704
16	1,372,691	1,267,769	1,024,571	16	250,918	816,756	778,980
17	358,208	779,417	382,360	17	777,507	51,025	6,178
18	851,560	403,699	411,271	18	1,788,242	1,835,716	2,123,161
19	1,489,114	1,490,165	1,751,108	19	4,341,997	4,572,471	3,988,627
20	31,189,063	31,456,733	30,858,274	20	12,317,875	13,713,829	12,821,146
TOTAL, Nos. 11 to 20.	40,001,658	39,908,359	39,409,182	TOTAL, Nos. 11 to 20.	27,700,655	29,814,977	27,631,247
21	11,072,438	12,771,807	11,296,202	21	8,332,600	8,201,898	6,744,530
22	4,828,991	6,384,742	11,132,408	22	4,439,389	4,965,985	5,192,167
23	1,534,971	1,999,336	1,951,286	23	1,027,758	689,768	582,080
24	3,667,001	5,185,700	4,066,281	24	6,146,177	6,007,948	6,173,485
25	68,656	26,142	181,050	25	1,056,132	1,780,900	1,483,204
26	1,568,832	719,636	909,277	26	2,441,546	2,307,906	2,677,142
27	1,204,368	1,594,126	519,034	27	28,303	26,961	....
28	3,397,450	3,706,948	3,674,446	28	3,435,837	3,642,661	4,178,539
29	1,351,681	1,482,075	1,382,138	29	....	....	....
30	21,565,599	21,841,683	23,082,286	30	2,033,118	2,517,210	3,201,461
TOTAL, Nos. 21 to 30.	50,259,987	55,662,155	58,194,408	TOTAL, Nos. 21 to 30.	28,940,860	30,461,447	30,164,608
31	920,708	861,164	1,272,957	31	....	....	....
32	2,332,821	3,381,333	4,437,131	32	3,046,158	3,780,382	4,336,014
33	880,439	732,265	471,931	33	....	661	....
34	686,771	766,334	936,946	34	1,656	573	42
35	236,351	67,934	50,079	35	....	....	....
36	674,791	653,472	403,779	36	2,369	1,626	....
37	32,699	24,718	191,457	37	....	....	....
38	94,156	64,808	21,455	38	....	....	950
39	154,627	....	....	39	....	....	....
40	2,268,050	3,070,423	4,851,180	40	669,836	376,281	1,664,366
TOTAL, Nos. 31 to 40.	8,261,613	9,622,451	12,639,915	TOTAL, Nos. 31 to 40.	3,960,022	4,158,523	6,201,372
Above 40.	4,824,932	3,595,276	4,064,964	Above 40.	123,719	27,348	105,686
Wastes, etc.	....	....	....	Wastes, etc.	508,342	757,536	1,301,680
GRAND TOTAL ..	105,907,878	111,112,716	116,718,430	GRAND TOTAL ..	64,497,984	68,747,894	69,036,343

No. 3--DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun--continued.

## UNITED PROVINCES.

## BENGAL.

Count or Number.	12 MONTHS. APRIL TO MARCH.			Count or Number.	12 MONTHS. APRIL TO MARCH.		
	1926-27.	1927-28.	1928-29.		1926-27.	1927-28.	1928-29.
1	....	....	....	1	....	....	33,556
2	166,888	184,898	355,398	2	347,858	397,790	362,892
3	....	....	59,795	3	22,915	26,074	103
4	656,670	774,685	619,784	4	....	....	....
5	1,757,350	2,209,857	2,072,594	5	37	....	....
6	638,138	972,309	1,329,999	6	87,728	42,021	36,685
7	2,063,630	2,535,967	2,204,041	7	543,144	457,782	202,253
8	78,411	134,875	100,279	8	200,691	129,775	21,676
9	298,106	260,172	428,903	9	387,043	500,899	342,083
10	1,362,064	1,137,002	1,121,825	10	640,552	540,550	862,583
<b>TOTAL, Nos. 1 to 10</b>	<b>7,021,317</b>	<b>8,209,365</b>	<b>8,292,618</b>	<b>TOTAL, Nos. 1 to 10</b>	<b>2,230,028</b>	<b>2,094,681</b>	<b>1,861,831</b>
11	14,097,851	11,692,044	8,715,515	11	4,754,152	5,110,810	2,165,087
12	2,538,724	2,574,362	1,857,548	12	1,165,814	1,020,817	950,833
13	4,480,835	4,552,586	3,910,342	13	2,202,819	1,490,541	1,425,189
14	7,087,395	6,025,569	4,194,342	14	855,988	1,018,615	921,535
15	1,366,609	1,039,816	790,468	15	2,656,678	3,229,336	2,191,202
16	6,898,330	6,004,036	6,773,031	16	2,590,463	2,809,616	2,398,174
17	6,392,069	5,267,493	4,229,608	17	2,401,301	2,002,965	1,650,865
18	4,244,301	4,465,813	3,984,925	18	100,967	271,410	167,961
19	2,810,728	2,109,573	2,620,684	19	1,057,319	1,317,227	742,704
20	806,542	991,540	808,204	20	3,398,255	2,253,388	2,037,476
<b>TOTAL, Nos. 11 to 20</b>	<b>50,531,504</b>	<b>45,311,641</b>	<b>37,884,662</b>	<b>TOTAL, Nos. 11 to 20</b>	<b>21,143,756</b>	<b>20,519,717</b>	<b>15,151,026</b>
21	1,151,122	1,151,574	1,289,016	21	1,513,607	2,266,768	3,058,296
22	2,289,083	3,042,899	3,431,135	22	1,663,980	2,002,094	2,182,466
23	1,987,623	2,529,903	2,378,584	23	126,896	6,208	45,554
24	2,627,529	2,709,876	2,523,616	24	1,423,521	2,230,699	1,599,676
25	....	4,828	47,903	25	....	39,243	9,076
26	1,062,073	956,283	859,119	26	158,222	391,340	654,967
27	768,128	971,824	1,100,310	27	12,416	1,588	16,193
28	75,946	9,951	36,601	28	118,745	79,822	159,503
29	56,873	....	60,488	29	....	....	353
30	441,121	550,671	527,600	30	873,820	928,099	1,114,215
<b>TOTAL, Nos. 21 to 30</b>	<b>10,459,196</b>	<b>11,927,889</b>	<b>12,254,372</b>	<b>TOTAL, Nos. 21 to 30</b>	<b>5,791,207</b>	<b>7,898,156</b>	<b>8,840,319</b>
31	....	33	....	31	....	....	....
32	117,570	263,247	419,005	32	653,146	420,191	532,950
33	....	....	38	33	....	5,119	....
34	11,893	10,807	....	34	....	72,905	180,761
35	....	....	....	35	....	....	....
36	320,027	2,969	1,102	36	....	89,517	5,775
37	....	....	87,315	37	....	....	....
38	....	8,526	....	38	....	....	....
39	....	....	....	39	....	....	....
40	77,268	471,481	886,190	40	15,467	22,568	327,266
<b>TOTAL, Nos. 31 to 40</b>	<b>526,758</b>	<b>757,133</b>	<b>1,343,700</b>	<b>TOTAL, Nos. 31 to 40</b>	<b>668,613</b>	<b>610,300</b>	<b>1,046,794</b>
Above 40.	184,710	395,999	426,282	Above 40.	180,582	67,161	236,598
Wastes, etc.	69,424	109,216	126,719	Wastes, etc.	1,473,252	3,179,029	2,872,742
<b>GRAND TOTAL</b>	<b>68,793,209</b>	<b>66,611,123</b>	<b>60,328,347</b>	<b>GRAND TOTAL</b>	<b>31,537,438</b>	<b>34,347,044</b>	<b>30,009,250</b>

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued.

## AJMER-MERWARA.

## PUNJAB.

Count of Number.	12 MONTHS, APRIL TO MARCH.			Count of Number	12 MONTHS, APRIL TO MARCH.		
	1926-27.	1927-28.	1928-29.		1926-27.	1927-28.	1928-29.
1	.....	.....	.....	1	.....	.....	.....
2	.....	.....	.....	2	.....	398	.....
3	.....	.....	.....	3	.....	.....	.....
4	.....	.....	.....	4	.....	.....	464
5	.....	.....	.....	5	.....	2,077	829
6	.....	.....	.....	6	.....	.....	8,360
7	201,894	100,142	105,256	7	47,563	104,719	115,200
8	244,924	220,093	369,595	8	98,213	109,890	341,831
9	598,743	366,674	850,827	9	248,662	511,454	288,304
10	267,615	320,330	254,309	10	196,938	141,200	493,765
TOTAL, Nos. 1 to 10.	1,308,176	1,007,289	1,580,067	TOTAL, Nos. 1 to 10.	591,376	869,706	1,248,673
11	123,824	53,204	79,604	11	718,303	742,513	608,976
12	423,385	580,989	1,183,994	12	57,487	29,109	105,012
13	307,263	285,328	194,174	13	728,891	735,278	156,319
14	412,062	440,244	222,686	14	101,930	231,768	88,268
15	27,737	27,145	5,521	15	4,080	46,713	184,683
16	209,745	157,385	146,378	16	3,695	6,895	67,701
17	34,134	6,069	.....	17	18,887	51,710	25,712
18	.....	.....	.....	18	.....	1,573	129,576
19	.....	.....	.....	19	63,327	857	7,689
20	954,894	973,522	985,582	20	584,758	761,298	122,192
TOTAL, Nos. 11 to 20.	2,493,044	2,523,886	2,817,949	TOTAL, Nos. 11 to 20.	2,281,358	2,629,708	1,551,076
21	50,294	32,498	13,591	21	.....	.....	1,832
22	.....	.....	.....	22	15,733	2,646	47,289
23	.....	.....	.....	23	161,431	168,474	144,296
24	.....	.....	90	24	.....	542	5,666
25	824	.....	.....	25	.....	.....	.....
26	807	.....	65	26	116,387	107,912	7,841
27	807	.....	.....	27	.....	5	26
28	1,180	.....	.....	28	.....	899	4,174
29	1,337	.....	.....	29	.....	.....	.....
30	624,352	653,830	573,765	30	.....	563	209
TOTAL, Nos. 21 to 30.	679,601	686,328	587,511	TOTAL, Nos. 21 to 30.	293,551	281,041	211,352
31	.....	.....	.....	31	.....	.....	2
32	10,380	.....	.....	32	.....	.....	195
33	.....	.....	.....	33	.....	.....	1,782
34	.....	.....	.....	34	.....	.....	.....
35	.....	.....	.....	35	.....	.....	.....
36	.....	.....	.....	36	.....	.....	3,075
37	.....	.....	.....	37	.....	.....	.....
38	.....	.....	.....	38	.....	.....	.....
39	.....	.....	660	39	.....	.....	.....
40	12,676	12,957	6,053	40	.....	.....	.....
TOTAL, Nos. 31 to 40.	23,056	12,957	6,715	TOTAL, Nos. 31 to 40.	.....	.....	5,054
Above 40	6,184	.....	.....	Above 40.	.....	.....	.....
Wastes, etc.	3,375	.....	.....	Wastes, etc.	7,332	.....	.....
GRAND TOTAL	4,513,436	4,230,410	4,992,210	GRAND TOTAL	3,173,617	3,780,455	3,016,265

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued.

DELHI.

CENTRAL PROVINCES &amp; BERAR.

Count or Number.	12 MONTHS, APRIL TO MARCH.			Count or Number.	12 MONTHS, APRIL TO MARCH.		
	1926-27.	1927-28.	1928-29.		1926-27.	1927-28.	1928-29.
1	....	....	....	1	93,219	58,508	132,759
2	412,599	598,504	694,951	2	434,577	459,812	576,322
3	....	....	....	3	145,020	166,003	171,568
4	....	....	578	4	421,469	373,145	370,574
5	....	....	....	5	20,138	60,876	26,104
6	2,998	5,398	14,664	6	387,340	504,398	380,049
7	....	....	1,189	7	3,660,328	2,913,696	3,441,602
8	311,451	68,169	207,732	8	156,384	255,478	278,222
9	....	248,924	11,478	9	3,669,772	3,588,760	3,460,898
10	1,186,798	1,251,221	1,388,892	10	679,471	826,086	670,434
<b>TOTAL Nos. 1 to 10.</b>	<b>1,893,799</b>	<b>2,167,233</b>	<b>2,817,474</b>	<b>TOTAL Nos. 1 to 10.</b>	<b>9,668,712</b>	<b>8,983,890</b>	<b>9,668,626</b>
11	2,348,404	2,689,634	3,035,148	11	2,332,485	2,311,565	2,484,288
12	345,821	7,053	1,688	12	4,317,846	4,717,814	3,518,793
13	2,266,418	2,749,028	3,790,581	13	2,372,702	2,905,684	3,168,152
14	191,773	104,699	41,699	14	1,182,156	1,866,694	2,067,917
15	324,572	305,849	100,991	15	1,359,827	2,063,469	2,398,420
16	683,409	248,550	221,970	16	2,490,993	2,219,343	2,966,027
17	68,326	5,901	300	17	957,653	2,089,283	1,495,385
18	166,111	1,188,836	2,405,776	18	627,169	1,169,247	1,275,745
19	10,028	42,502	....	19	882,517	609,634	42,342
20	1,283,896	1,569,971	1,078,008	20	4,986,746	4,759,877	5,182,869
<b>TOTAL, Nos. 11 to 20.</b>	<b>7,776,858</b>	<b>8,992,012</b>	<b>10,587,081</b>	<b>TOTAL, Nos. 11 to 20.</b>	<b>21,469,534</b>	<b>24,712,950</b>	<b>23,589,998</b>
21	....	6,899	....	21	1,035,445	1,859,760	2,465,610
22	499	....	19,312	22	1,165,227	1,376,681	1,732,728
23	43,950	....	....	23	....	10,688	....
24	13,236	300,719	1,275,666	24	2,721,953	3,212,548	3,407,075
25	54	12,427	204	25	161,872	149,642	38,936
26	594,400	699,747	69,654	26	683,767	415,198	699,797
27	....	....	9,292	27	6,365	294	6,175
28	....	....	6,940	28	348,121	387,099	393,085
29	....	....	....	29	1,411	13,945	....
30	5,843	2,994	6,951	30	250,749	298,082	301,418
<b>TOTAL, Nos. 21 to 30.</b>	<b>667,362</b>	<b>992,745</b>	<b>1,388,011</b>	<b>TOTAL, Nos. 21 to 30.</b>	<b>6,392,610</b>	<b>7,618,686</b>	<b>8,974,833</b>
31	....	....	....	31	....	....	....
32	....	687	....	32	439,012	861,277	640,184
33	....	....	....	33	....	....	....
34	....	....	....	34	329,434	327,106	276,586
35	....	....	....	35	....	4,996	....
36	....	....	1,969	36	32,346	79,361	114,933
37	....	....	....	37	....	....	....
38	....	....	....	38	....	656	....
39	....	....	....	39	6,096	....	....
40	....	....	....	40	75,051	63,035	108,366
<b>TOTAL Nos. 31 to 40</b>	<b>....</b>	<b>687</b>	<b>1,969</b>	<b>TOTAL, Nos. 31 to 40:</b>	<b>675,940</b>	<b>839,781</b>	<b>1,140,039</b>
Above 40.	....	....	....	Above 40.	154,387	188,188	204,647
Wastes, etc.	11,921	44,275	24,695	Wastes, etc.	304,200	511,368	488,661
<b>GRAND TOTAL ..</b>	<b>10,309,660</b>	<b>12,108,984</b>	<b>14,319,170</b>	<b>GRAND TOTAL ..</b>	<b>38,995,493</b>	<b>42,860,080</b>	<b>44,057,064</b>

No. 3.—*DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued.*

**BURMA.**

Count or Number.						12 MONTHS, APRIL TO MARCH.		
						1926-27.	1927-28.	1928-29
1	..	..	..	..	..	....	....	....
2	..	..	..	..	..	....	....	....
3	..	..	..	..	..	6,368	....	....
4	..	..	..	..	..	8,077	....	25
5	..	..	..	..	..	....	....	18,415
6	..	..	..	..	..	3,878	....	....
7	..	..	..	..	..	8,690	....	32,949
8	..	..	..	..	..	....	....	....
9	..	..	..	..	..	....	....	....
10	..	..	..	..	..	....	....	....
TOTAL, Nos. 1 to 10						27,013	....	51,389
11	..	..	..	..	..	349,150	13,775	1,180,625
12	..	..	..	..	..	....	....	....
13	..	..	..	..	..	60,475	2,150	197,600
14	..	..	..	..	..	....	....	....
15	..	..	..	..	..	32,375	46,900	505,600
16	..	..	..	..	..	....	....	....
17	..	..	..	..	..	11,100	1,150	72,600
18	..	..	..	..	..	....	....	....
19	..	..	..	..	..	....	....	....
20	..	..	..	..	..	....	....	....
TOTAL, Nos. 11 to 20						453,100	68,975	1,996,425
21	..	..	..	..	..	....	....	....
22	..	..	..	..	..	....	....	....
23	..	..	..	..	..	....	....	....
24	..	..	..	..	..	....	....	....
25	..	..	..	..	..	....	....	....
26	..	..	..	..	..	....	....	....
27	..	..	..	..	..	....	....	....
28	..	..	..	..	..	....	....	....
29	..	..	..	..	..	....	....	....
30	..	..	..	..	..	....	....	....
TOTAL, Nos. 21 to 30						....	....	....
31	..	..	..	..	..	....	....	....
32	..	..	..	..	..	....	....	....
33	..	..	..	..	..	....	....	....
34	..	..	..	..	..	....	....	....
35	..	..	..	..	..	....	....	....
36	..	..	..	..	..	....	....	....
37	..	..	..	..	..	....	....	....
38	..	..	..	..	..	....	....	....
39	..	..	..	..	..	....	....	....
40	..	..	..	..	..	....	....	....
TOTAL, Nos. 31 to 40						....	....	....
Above 40						....	....	....
Wastes, etc.						....	....	....
GRAND TOTAL..						480,113*	68,975†	2,047,814

\* Represents production during the four months April to July 1926 only, the mill being closed from August 1926.

† Represents production in March 1928.

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and  
the COUNTS (or numbers) of YARN Spun—concluded.

**TOTAL OF BRITISH INDIA.**

Count or Number.	12 MONTHS, APRIL TO MARCH.		
	1926-27.	1927-28.	1928-29.
1	6,237,404	8,984,566	3,358,561
2	9,950,556	7,485,188	6,644,044
3	2,553,413	1,004,665	7,970,905
4	8,072,264	8,016,412	6,057,697
5	2,179,652	2,760,005	2,267,082
6	8,891,956	8,481,022	6,628,681
7	21,499,149	19,439,606	14,063,904
8	9,971,560	9,944,685	5,564,082
9	14,910,528	14,067,380	10,222,856
10	24,288,004	17,138,800	13,749,936
<b>TOTAL, Nos. 1 to 10</b>	<b>108,554,486</b>	<b>98,122,329</b>	<b>69,535,848</b>
11	43,436,068	32,485,686	27,659,122
12	28,079,582	25,770,753	18,192,992
13	25,393,514	24,125,645	21,395,207
14	28,296,336	28,404,191	18,970,482
15	18,918,782	19,367,123	14,199,323
16	29,799,614	27,285,453	21,301,013
17	17,037,663	17,219,882	11,793,722
18	20,429,411	20,521,724	16,930,160
19	12,556,806	11,769,595	10,081,470
20	136,116,934	132,244,487	92,672,077
<b>TOTAL, Nos. 11 to 20</b>	<b>360,064,710</b>	<b>339,194,239</b>	<b>253,195,568</b>
21	51,980,982	54,991,201	40,633,295
22	44,362,615	50,440,562	41,182,561
23	6,289,703	7,741,349	5,843,637
24	49,516,686	51,689,407	33,639,649
25	2,094,318	2,799,864	2,349,276
26	13,007,861	11,705,641	9,509,155
27	4,917,708	4,950,102	2,907,240
28	12,255,347	11,977,089	10,888,122
29	2,029,568	2,199,086	2,014,643
30	38,442,611	40,062,121	35,756,314
<b>TOTAL, Nos. 21 to 30</b>	<b>224,897,394</b>	<b>238,556,422</b>	<b>184,723,892</b>
31	1,444,454	1,266,528	2,183,251
32	10,532,591	13,074,845	13,999,704
33	1,442,430	1,629,352	874,175
34	1,719,288	1,882,415	1,892,644
35	336,787	90,324	78,083
36	1,862,298	2,688,647	1,363,703
37	32,699	24,718	230,024
38	251,057	327,912	176,481
39	6,095	14,026	54,964
40	8,110,383	10,980,648	14,106,339
<b>TOTAL, Nos. 31 to 40</b>	<b>25,738,082</b>	<b>31,979,415</b>	<b>34,959,368</b>
<b>Above 40</b>	<b>11,335,722</b>	<b>10,960,264</b>	<b>9,771,300</b>
<b>Wastes, etc.</b>	<b>3,634,038</b>	<b>5,775,243</b>	<b>5,476,513</b>
<b>GRAND TOTAL</b>	<b>734,224,432</b>	<b>724,587,912</b>	<b>557,662,489</b>

No. 4.—DETAILED STATEMENT of the QUANTITY (in pounds  
and the COUNTS (or numbers) of YARN Spun.

INDIAN STATES (a)

Count or Number.	12 MONTHS, APRIL TO MARCH.		
	1926-27.	1927-28.	1928-29.
1	157,470	220,839	152,522
2	99,446	88,028	71,336
3	271,356	332,606	382,738
4	324,728	554,414	555,606
5	58,043	3,236	54,499
6	960,029	1,248,080	1,774,206
7	845,237	917,299	1,266,927
8	257,800	548,733	1,039,415
9	1,124,355	1,396,649	1,298,927
10	1,993,780	2,550,970	2,756,710
TOTAL, Nos. 1 to 10	6,090,244	7,860,854	9,351,886
11	1,693,460	1,879,328	1,311,175
12	2,405,677	3,323,944	3,561,427
13	1,666,160	2,045,889	1,453,934
14	4,962,259	4,944,381	4,622,405
15	3,347,494	3,730,942	3,636,588
16	4,655,992	6,078,704	7,286,216
17	1,255,344	1,391,052	797,810
18	2,824,208	3,783,577	4,832,904
19	2,556,214	2,865,374	2,677,166
20	15,604,607	19,579,464	19,761,290
TOTAL, Nos. 11 to 20	40,971,415	49,622,655	49,940,312
21	5,683,533	4,249,121	4,599,190
22	1,617,175	2,556,078	2,437,547
23	2,821,503	1,774,946	1,607,068
24	3,105,288	5,229,599	6,106,323
25	872,850	761,081	776,105
26	2,371,057	2,944,434	3,290,303
27	1,340,984	515,147	681,952
28	1,938,848	2,472,863	2,802,674
29	410,875	179,616	314,080
30	3,251,368	3,829,828	4,703,902
TOTAL, Nos. 21 to 30	23,418,481	24,514,713	28,289,344
31	314,627	323,506	84,815
32	550,175	270,358	680,529
33	11,371	25,563	2,745
34	81,296	52,325	124,440
35	125,952	79,109	56,687
36	62,825	41,032	11,420
37	452	...	21,898
38	4,674	77,467	3,250
39	...	...	17,656
40	767,398	906,322	1,531,999
TOTAL, Nos. 31 to 40	1,918,771	1,777,682	2,528,829
Above 40	195,736	181,557	257,748
Wastes, etc.	302,054	395,000	252,729
GRAND TOTAL	72,891,701	84,352,461	90,620,848

(a) See notes at foot of Table No. 1.



*or 5.—DETAILED STATEMENT of the QUANTITY (in pounds)  
and the COUNTS (or numbers) of YARN Spun—concluded.*

**GRAND TOTAL, INDIA (British India and Indian States).**

Count or Number.							12 MONTHS, APRIL TO MARCH.		
							1926-27.	1927-28.	1928-29.
1	..	..	..	..	..	..	6,394,874	9,206,408	3,511,083
2	..	..	..	..	..	..	10,050,002	7,573,216	6,715,380
3	..	..	..	..	..	..	2,824,769	2,137,271	1,361,743
4	..	..	..	..	..	..	8,396,992	8,570,826	6,613,303
5	..	..	..	..	..	..	2,235,695	2,763,241	2,321,581
6	..	..	..	..	..	..	9,851,985	9,729,102	8,402,887
7	..	..	..	..	..	..	22,344,386	20,356,905	15,830,831
8	..	..	..	..	..	..	10,229,360	10,493,418	6,603,497
9	..	..	..	..	..	..	16,084,883	15,464,029	11,821,783
10	..	..	..	..	..	..	26,281,784	19,689,770	16,505,646
TOTAL, Nos. 1 to 10							114,644,730	105,983,183	78,887,734
11	..	..	..	..	..	..	45,129,528	34,365,014	28,970,297
12	..	..	..	..	..	..	30,485,259	29,094,697	21,754,419
13	..	..	..	..	..	..	27,059,674	26,171,534	22,849,141
14	..	..	..	..	..	..	33,268,595	33,348,572	23,592,887
15	..	..	..	..	..	..	22,266,276	23,098,065	17,835,906
16	..	..	..	..	..	..	34,455,606	33,364,157	28,587,229
17	..	..	..	..	..	..	18,293,007	18,610,634	12,591,532
18	..	..	..	..	..	..	23,253,619	24,305,301	21,762,464
19	..	..	..	..	..	..	15,113,020	14,634,969	12,758,638
20	..	..	..	..	..	..	151,721,541	151,823,951	112,433,367
TOTAL, Nos. 11 to 20							401,036,125	388,816,894	303,135,880
21	..	..	..	..	..	..	57,664,515	59,240,322	45,232,485
22	..	..	..	..	..	..	45,979,790	52,998,640	44,820,108
23	..	..	..	..	..	..	9,111,206	9,516,296	7,460,705
24	..	..	..	..	..	..	52,621,974	56,919,006	39,743,972
25	..	..	..	..	..	..	2,967,168	3,560,945	3,125,381
26	..	..	..	..	..	..	15,378,918	14,650,075	12,769,458
27	..	..	..	..	..	..	6,258,692	5,465,249	3,589,192
28	..	..	..	..	..	..	14,194,195	14,449,952	13,690,996
29	..	..	..	..	..	..	2,440,438	2,378,792	2,328,723
30	..	..	..	..	..	..	41,693,979	43,891,949	40,460,216
TOTAL, Nos. 21 to 30							248,310,875	263,071,135	213,013,236
31	..	..	..	..	..	..	1,759,081	1,590,034	2,268,066
32	..	..	..	..	..	..	11,082,766	13,345,203	14,680,233
33	..	..	..	..	..	..	1,453,801	1,654,915	876,920
34	..	..	..	..	..	..	1,800,584	1,934,740	2,017,084
35	..	..	..	..	..	..	462,739	169,433	128,770
36	..	..	..	..	..	..	1,925,129	2,729,679	1,379,123
37	..	..	..	..	..	..	33,152	24,718	251,912
38	..	..	..	..	..	..	255,731	405,379	179,731
39	..	..	..	..	..	..	8,995	14,026	72,620
40	..	..	..	..	..	..	8,877,781	11,888,970	15,637,738
TOTAL, Nos. 31 to 40							27,656,853	33,757,097	37,488,197
Above 40							11,531,458	11,141,821	10,029,048
Wastes, etc.							3,936,092	6,170,243	5,729,242
GRAND TOTAL							807,116,133	808,940,373	648,283,337

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured.

**BOMBAY PRESIDENCY.**

Description.	12 MONTHS, APRIL TO MARCH.			
	1926-27.	1927-28.	1928-29.	
<i>Grey and bleached piecegoods—</i>				
Chadars .. .. .	pounds ..	17,223,446	18,155,705	12,789,880
	yards ..	47,395,079	47,508,824	37,254,696
Dhutis .. .. .	pounds ..	89,840,887	94,512,703	75,742,951
	yards ..	442,322,423	460,323,541	383,770,679
Drills and jeans .. .. .	pounds ..	13,368,689	15,985,056	11,548,052
	yards ..	54,602,831	63,963,885	46,112,775
Cambrics and lawns .. .. .	pounds ..	351,348	723,189	541,829
	yards ..	1,891,812	4,079,196	3,656,597
Printers .. .. .	pounds ..	2,078,208	1,918,181	1,897,842
	yards ..	9,328,499	8,357,886	9,034,406
Shirtings and longcloth .. .. .	pounds ..	109,517,079	113,833,182	76,578,876
	yards ..	479,505,505	509,663,607	344,238,179
T-cloth, domestics and sheetings .. .. .	pounds ..	16,994,871	15,949,252	10,108,813
	yards ..	71,168,250	63,184,014	43,075,407
Tent-cloth .. .. .	pounds ..	1,341,117	764,282	881,647
	yards ..	2,727,043	1,618,657	1,892,467
Khadi, Dungri or Khaddar .. .. .	pounds ..	21,327,840	23,411,564	11,032,510
	yards ..	57,778,717	64,512,078	35,399,204
Other sorts .. .. .	pounds ..	5,628,774	5,638,125	5,603,950
	yards ..	23,294,549	25,809,715	24,660,185
TOTAL .. .. .	pounds ..	277,672,259	290,891,219	206,734,350
	yards ..	1,190,014,508	1,249,016,403	929,094,505
<i>Coloured piecegoods .. .. .</i>				
	pounds ..	121,786,023	120,625,507	71,119,378
	yards ..	596,312,883	579,500,759	364,895,283
<i>Grey and coloured goods, other than piecegoods .. .. .</i>				
	pounds ..	2,635,365	2,757,542	1,854,164
	dozens ..	710,489	752,338	510,443
<i>Hosiery .. .. .</i>				
	pounds ..	273,303	371,854	476,865
	dozens ..	119,360	168,479	130,234
<i>Miscellaneous .. .. .</i>				
	pounds ..	2,899,827	3,452,374	1,877,310
<i>Cotton goods mixed with silk or wool .. .. .</i>				
	pounds ..	2,015,723	3,492,382	1,995,065
GRAND TOTAL .. .. .	pounds ..	407,282,500	421,590,878	284,057,132
	yards ..	1,786,327,396	1,828,517,162	1,293,988,878
	dozens ..	829,849	920,817	640,677

**BOMBAY ISLAND.**

Description.	12 MONTHS, APRIL TO MARCH.			
	1926-27.	1927-28.	1928-29.	
<i>Grey and bleached piecegoods—</i>				
Chadars .. .. .	pounds ..	11,795,224	12,550,347	5,027,632
	yards ..	30,274,912	31,155,037	13,521,071
Dhutis .. .. .	pounds ..	28,058,433	31,596,967	15,242,704
	yards ..	150,181,287	168,795,029	86,508,559
Drills and jeans .. .. .	pounds ..	12,228,709	14,908,659	9,854,444
	yards ..	49,819,626	59,248,069	37,535,637
Cambrics and lawns .. .. .	pounds ..	74,625	389,142	233,262
	yards ..	351,516	2,395,462	1,802,004
Printers .. .. .	pounds ..	36	..	..
	yards ..	144	..	..
Shirtings and longcloth .. .. .	pounds ..	84,777,861	82,775,680	36,856,287
	yards ..	373,986,861	378,052,903	167,969,563
T-cloth, domestics and sheetings .. .. .	pounds ..	12,477,070	11,073,194	4,984,709
	yards ..	48,612,917	39,400,503	17,729,822
Tent-cloth .. .. .	pounds ..	1,155,235	653,473	826,773
	yards ..	2,338,562	1,380,882	1,772,414
Khadi, Dungri or Khaddar .. .. .	pounds ..	18,543,591	18,343,332	6,476,078
	yards ..	50,845,763	50,709,244	19,329,069
Other sorts .. .. .	pounds ..	3,183,552	3,273,434	2,212,354
	yards ..	11,264,084	13,050,214	8,458,376
TOTAL .. .. .	pounds ..	172,294,336	175,564,228	81,714,243
	yards ..	717,675,672	744,187,343	354,626,515
<i>Coloured piecegoods .. .. .</i>				
	pounds ..	86,481,599	82,769,681	37,023,144
	yards ..	417,344,843	387,333,489	182,776,275
<i>Grey and coloured goods, other than piecegoods .. .. .</i>				
	pounds ..	2,542,467	2,681,078	1,561,502
	dozens ..	656,743	714,399	413,794
<i>Hosiery .. .. .</i>				
	pounds ..	67,772	120,724	77,255
	dozens ..	66,178	102,918	49,937
<i>Miscellaneous .. .. .</i>				
	pounds ..	2,362,079	2,710,576	1,000,706
<i>Cotton goods mixed with silk or wool .. .. .</i>				
	pounds ..	1,371,405	2,090,649	700,977
GRAND TOTAL .. .. .	pounds ..	265,119,658	265,936,936	122,077,827
	yards ..	1,135,020,515	1,131,520,832	537,402,780
	dozens ..	722,921	817,317	463,731

Note.—The suburb of Cooria, in the Thana District, is treated for statistical purposes as part of the Island of Bombay.

No. 6.—*DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS*  
*Manufactured—continued.*

**AHMEDABAD.**

Description.	TWELVE MONTHS, APRIL TO MARCH.		
	1926-27.	1927-28.	1928-29.
<i>Grey and bleached piecegoods—</i>			
Chadars .. .. .	pounds .. 4,240,830	4,183,315	5,994,435
	yards .. 14,412,111	13,020,976	18,298,996
Dhutis .. .. .	pounds .. 50,573,946	50,363,845	50,072,489
	yards .. 241,892,750	236,511,151	248,126,319
Drills and jeans .. .. .	pounds .. 321,371	251,766	760,327
	yards .. 1,436,987	1,135,086	3,719,460
Cambrics and lawns .. .. .	pounds .. 268,915	328,451	293,299
	yards .. 1,477,037	1,645,418	1,782,533
Printers .. .. .	pounds .. 1,080,244	910,561	896,944
	yards .. 4,606,663	3,912,701	4,348,922
Shirtings and longcloth .. .. .	pounds .. 18,417,412	23,727,176	32,472,713
	yards .. 88,868,357	109,353,266	152,023,117
T-cloth, domestics and sheetings	pounds .. 3,532,459	3,647,797	3,727,833
	yards .. 18,141,238	18,607,174	19,776,728
Tent-cloth .. .. .	pounds .. 21,114	59,163	2,860
	yards .. 71,082	128,350	8,800
Khadi, Dungri or Khaddar .. .. .	pounds .. 750,640	1,091,696	2,080,941
	yards .. 2,007,236	3,170,310	7,095,164
Other sorts .. .. .	pounds .. 1,431,865	1,480,868	2,167,481
	yards .. 8,287,471	8,445,945	11,283,775
<b>TOTAL</b> .. .. .	pounds .. 80,638,796	86,044,138	98,469,272
	yards .. 379,200,932	395,930,377	466,463,814
<i>Coloured piecegoods</i> .. .. .	pounds .. 22,628,635	23,066,517	20,770,596
	yards .. 128,075,038	129,861,028	121,824,310
<i>Grey and coloured goods, other than piecegoods.</i>	pounds .. 18,492	16,208	116,734
	dozens .. 14,448	13,057	29,760
<i>Hosiery</i> .. .. .	pounds .. 205,531	251,130	399,610
	dozens .. 53,184	65,561	80,297
<i>Miscellaneous</i> .. .. .	pounds .. 481,901	653,211	798,846
<i>Cotton goods mixed with silk or wool</i>	pounds .. 627,327	1,377,509	1,277,793
<b>GRAND TOTAL</b> .. .. .	pounds .. 104,600,682	111,408,713	121,832,851
	yards .. 507,275,970	525,791,405	588,288,124
	dozens .. 67,632	78,618	110,057

**MADRAS.**

Description.	TWELVE MONTHS, APRIL TO MARCH.		
	1926-27.	1927-28.	1928-29.
<i>Grey and bleached piecegoods—</i>			
Chadars .. .. .	pounds .. 319,021	263,443	316,184
	yards .. 739,131	637,147	747,880
Dhutis .. .. .	pounds .. 1,826,113	1,634,141	1,478,708
	yards .. 9,180,982	8,419,715	8,060,227
Drills and jeans .. .. .	pounds .. 695,464	727,126	640,846
	yards .. 1,990,873	2,003,144	1,719,652
Cambrics and lawns .. .. .	pounds .. 28,915	.....	.....
	yards .. 79,760	.....	.....
Printers .. .. .	pounds .. .. .	.....	82,066
	yards .. .. .	.....	385,394
Shirtings and longcloth .. .. .	pounds .. 3,221,294	3,406,983	2,730,783
	yards .. 12,273,587	13,129,481	10,616,814
T-cloth, domestics and sheetings	pounds .. 52,238	49,616	34,868
	yards .. 196,713	180,350	127,527
Tent-cloth .. .. .	pounds .. 4,241	1,708	68
	yards .. 6,902	2,595	131
Khadi, Dungri or Khaddar .. .. .	pounds .. 700,175	886,768	1,473,721
	yards .. 1,319,250	1,534,624	2,609,073
Other sorts .. .. .	pounds .. 224,813	334,657	112,716
	yards .. 624,439	672,249	176,046
<b>TOTAL</b> .. .. .	pounds .. 7,072,274	7,304,442	6,869,960
	yards .. 26,411,637	26,579,305	24,442,744
<i>Coloured piecegoods</i> .. .. .	pounds .. 10,331,383	10,980,516	11,222,796
	yards .. 31,787,158	33,385,025	35,578,581
<i>Grey and coloured goods other than piecegoods.</i>	pounds .. 713,873	474,757	465,544
	dozens .. 153,923	101,320	107,106
<i>Hosiery</i> .. .. .	pounds .. 73,225	95,977	110,858
	dozens .. 27,267	33,863	43,339
<i>Miscellaneous</i> .. .. .	pounds .. 11,984	15,991	9,428
<i>Cotton goods mixed with silk or wool</i>	pounds .. 217,845	1,097,452	825,680
<b>GRAND TOTAL</b> .. .. .	pounds .. 18,420,584	19,949,135	19,504,266
	yards .. 58,198,795	59,964,330	60,021,925
	dozens .. 181,190	135,183	150,445

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured—continued.

**BENGAL.**

Description.	12 MONTHS, APRIL TO MARCH.			
	1926-27.	1927-28.	1928-29.	
<i>Grey and bleached piecegoods—</i>				
Chadars .. .. .	pounds ..	386,635	207,053	284,353
	yards ..	1,729,587	615,338	888,991
Dhutis .. .. .	pounds ..	3,469,981	4,565,915	5,264,710
	yards ..	17,949,552	23,350,959	27,119,642
Drills and jeans .. .. .	pounds ..	17,236	.....	714
	yards ..	142,279	.....	2,261
Cambrics and lawns .. .. .	pounds ..	.....	.....	.....
	yards ..	.....	.....	.....
Printers .. .. .	pounds ..	32,517	.....	.....
	yards ..	143,910	.....	.....
Shirtings and longcloth .. .. .	pounds ..	2,298,287	1,657,407	2,131,833
	yards ..	9,221,456	7,086,743	9,542,615
T-cloth, domestics and sheetings .. .. .	pounds ..	.....	17,067	13,492
	yards ..	.....	99,517	51,608
Tent-cloth .. .. .	pounds ..	1,126	.....	.....
	yards ..	4,173	.....	.....
Khadi, Dungri or Khaddar .. .. .	pounds ..	81,275	413,016	357,799
	yards ..	463,333	1,140,974	1,091,727
Other sorts .. .. .	pounds ..	414,070	16,093	1,319
	yards ..	1,161,172	147,876	6,768
TOTAL .. .. .	pounds ..	6,701,107	6,876,551	8,044,119
	yards ..	30,815,462	32,440,507	36,693,647
<i>Coloured piecegoods</i> .. .. .	pounds ..	229,893	723,168	1,023,608
<i>Grey and coloured goods other than piecegoods.</i> .. .. .	yards ..	1,018,788	3,369,381	4,947,767
<i>Hosiery</i> .. .. .	pounds ..	.....	.....	.....
	dozens ..	.....	.....	.....
<i>Miscellaneous</i> .. .. .	pounds ..	346,073	468,041	604,525
	dozens ..	98,212	120,672	156,107
<i>Cotton goods mixed with silk or wool</i> .. .. .	pounds ..	153,697	173,860	258,719
	dozens ..	64,910	65,609	27,694
GRAND TOTAL .. .. .	pounds ..	7,495,180	8,307,209	9,958,665
	yards ..	31,834,250	35,829,868	43,641,404
	dozens ..	98,212	120,672	156,107

**UNITED PROVINCES.**

Description.	12 MONTHS, APRIL TO MARCH.			
	1926-27.	1927-28.	1928-29.	
<i>Grey and bleached piecegoods—</i>				
Chadars .. .. .	pounds ..	1,285,478	1,367,794	1,226,163
	yards ..	3,084,417	2,832,005	2,704,247
Dhutis .. .. .	pounds ..	8,437,083	9,960,700	11,170,986
	yards ..	34,502,722	43,630,883	43,987,477
Drills and jeans .. .. .	pounds ..	943,665	1,043,183	1,169,323
	yards ..	2,767,905	3,325,945	3,592,613
Cambrics and lawns .. .. .	pounds ..	73,815	104,516	66,419
	yards ..	334,140	473,002	270,338
Printers .. .. .	pounds ..	774,512	729,892	468,871
	yards ..	2,478,570	2,511,843	1,700,417
Shirtings and longcloth .. .. .	pounds ..	2,925,895	2,237,174	2,449,998
	yards ..	10,762,429	9,070,922	9,652,543
T-cloth, domestics and sheetings .. .. .	pounds ..	3,264,827	4,992,846	5,161,651
	yards ..	10,048,616	16,036,133	17,201,625
Tent cloth .. .. .	pounds ..	693,622	709,368	799,320
	yards ..	1,521,817	1,503,409	1,778,674
Khadi, Dungri or Khaddar .. .. .	pounds ..	141,224	65,641	390,647
	yards ..	490,241	132,605	857,240
Other sorts .. .. .	pounds ..	1,642,209	1,511,436	420,512
	yards ..	5,710,996	6,023,254	2,124,523
TOTAL .. .. .	pounds ..	20,182,330	22,732,250	23,308,929
	yards ..	71,791,353	85,542,001	91,937,114
<i>Coloured piecegoods</i> .. .. .	pounds ..	1,278,320	1,684,591	1,680,218
<i>Grey and coloured goods other than piecegoods.</i> .. .. .	yards ..	4,767,380	6,484,348	6,899,519
<i>Hosiery</i> .. .. .	pounds ..	355,135	544,656	576,841
	dozens ..	68,346	91,839	110,247
<i>Miscellaneous</i> .. .. .	pounds ..	59,832	68,138	64,237
	dozens ..	22,658	20,762	27,360
<i>Cotton goods mixed with silk or wool</i> .. .. .	pounds ..	72,422	77,982	66,279
	dozens ..	1,011	6,951	1,576
GRAND TOTAL .. .. .	pounds ..	21,943,050	25,114,558	25,698,690
	yards ..	76,468,733	92,926,349	96,806,633
	dozens ..	90,999	122,601	137,607

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds) and their equivalent (in yards) and DESCRIPTION of WOVEN GOODS Manufactured—continued.

## AJMER-MERWARA.

Description.	12 MONTHS, APRIL TO MARCH.			
	1926-27.	1927-28.	1928-29.	
<i>Grey and bleached piecegoods—</i>				
Chadars .. .. .	pounds..	125,442	109,836	120,181
	yards..	258,194	217,318	216,066
Dhutis .. .. .	pounds..	1,284,776	1,119,237	862,235
	yards..	5,612,204	4,950,033	3,868,103
Drills and jeans .. .. .	pounds..	7	1,131	.....
	yards..	16	4,623	.....
Cambrics and lawns .. .. .	pounds..	.....	.....	.....
	yards..	.....	.....	.....
Printers .. .. .	pounds..	82,606	88,965	82,428
	yards..	269,562	301,335	267,704
Shirtings and longcloth .. .. .	pounds..	416,475	549,539	664,503
	yards..	1,754,605	2,386,672	3,138,204
T-cloth, domestics and sheetings .. .. .	pounds..	159,232	200,335	165,475
	yards..	659,077	869,628	774,706
Tent-cloth .. .. .	pounds..	.....	.....	.....
	yards..	.....	.....	.....
Khadi, Dungri or Khaddar .. .. .	pounds..	1,056,558	1,157,105	1,748,755
	yards..	3,374,766	3,911,976	5,431,641
Other sorts .. .. .	pounds..	133,676	81,689	85,410
	yards..	180,178	.....	.....
TOTAL .. .. .	pounds..	3,258,772	3,307,837	3,728,987
	yards..	12,108,602	12,641,615	13,696,424
<i>Coloured piecegoods .. .. .</i>				
.. .. .	pounds..	6,163	4,887	4,674
	yards..	23,600	19,395	29,492
<i>Grey and coloured goods other than piece-goods</i>				
.. .. .	pounds..	1,288	1,086	615
	dozens..	167	208	162
<i>Hosiery .. .. .</i>				
.. .. .	pounds..	.....	.....	.....
	dozens..	.....	.....	.....
<i>Miscellaneous .. .. .</i>				
.. .. .	pounds..	19,779	.....	77
	yards..	8,517	46,635	43,534
<i>Cotton goods mixed with silk or wool .. .. .</i>				
.. .. .	pounds..	.....	.....	.....
	yards..	.....	.....	.....
GRAND TOTAL .. .. .	pounds..	3,294,519	3,360,445	3,777,887
	yards..	12,132,202	12,661,010	13,725,916
	dozens..	167	208	162

## PUNJAB.

Description.	12 MONTHS, APRIL TO MARCH.			
	1926-27.	1927-28.	1928-29.	
<i>Grey and bleached piecegoods—</i>				
Chadars .. .. .	pounds..	165,721	166,022	172,389
	yards..	499,006	504,034	512,514
Dhutis .. .. .	pounds..	184,670	169,692	25,217
	yards..	625,419	546,519	88,522
Drills and jeans .. .. .	pounds..	7,935	160	1,849
	yards..	24,404	460	5,680
Cambrics and lawns .. .. .	pounds..	558	.....	.....
	yards..	1,240	.....	.....
Printers .. .. .	pounds..	.....	.....	.....
	yards..	.....	.....	.....
Shirtings and longcloth .. .. .	pounds..	263,939	270,948	.....
	yards..	1,681,273	1,624,296	.....
T-cloth, domestics and sheetings .. .. .	pounds..	31,957	.....	42
	yards..	176,279	.....	162
Tent-cloth .. .. .	pounds..	.....	.....	.....
	yards..	.....	.....	.....
Khadi, Dungri or Khaddar .. .. .	pounds..	690,907	864,487	664,892
	yards..	2,288,825	2,805,744	2,490,833
Other sorts .. .. .	pounds..	35,409	47,243	44,712
	yards..	149,835	199,196	192,707
TOTAL .. .. .	pounds..	1,381,096	1,518,552	909,101
	yards..	5,446,281	5,680,249	3,290,418
<i>Coloured piecegoods .. .. .</i>				
.. .. .	pounds..	11,442	30,455	52,985
	yards..	66,984	183,518	328,290
<i>Grey and coloured goods other than piecegoods</i>				
.. .. .	pounds..	135	69	.....
	dozens..	35	17	.....
<i>Hosiery .. .. .</i>				
.. .. .	pounds..	.....	.....	.....
	dozens..	.....	.....	.....
<i>Miscellaneous .. .. .</i>				
.. .. .	pounds..	.....	.....	.....
	yards..	.....	.....	.....
<i>Cotton goods mixed with silk or wool .. .. .</i>				
.. .. .	pounds..	.....	.....	.....
	yards..	.....	.....	.....
GRAND TOTAL .. .. .	pounds..	1,392,673	1,549,076	962,086
	yards..	5,513,265	5,863,767	3,618,708
	dozens..	35	17	.....

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured—continued.

## DELHI.

Description.	12 MONTHS, APRIL TO MARCH.			
	1926-27.	1927-28.	1928-29.	
<i>Grey and bleached piecegoods—</i>				
Chadars .. .. .	pounds ..	1,387,416	1,757,585	1,837,517
	yards ..	3,550,320	4,625,788	4,586,249
Dhutis .. .. .	pounds ..	1,949,613	2,006,475	2,659,987
	yards ..	7,371,371	7,370,354	9,910,930
Drills and jeans .. .. .	pounds ..	41,324	217,530	143,418
	yards ..	130,176	777,896	563,540
Cambrics and lawns .. .. .	pounds ..	21,963	.....	.....
	yards ..	132,300	.....	.....
Printers .. .. .	pounds ..	.....	.....	343
	yards ..	.....	.....	3,358
Shirtings and longcloth .. .. .	pounds ..	350,482	1,220,810	1,533,067
	yards ..	1,381,452	5,056,083	6,555,588
T-cloth, domestics and sheetings .. .. .	pounds ..	194,348	74,566	124,425
	yards ..	734,592	226,626	306,161
Tent-cloth .. .. .	pounds ..	763,588	437,816	501,237
	yards ..	1,622,965	1,112,165	1,197,346
Khadi, Dungri or Khaddar .. .. .	pounds ..	2,895,046	3,657,585	4,103,394
	yards ..	8,567,901	11,150,786	12,991,101
Other sorts .. .. .	pounds ..	369,425	273,238	305,041
	yards ..	1,082,618	742,773	806,271
TOTAL .. .. .	pounds ..	7,973,225	9,645,605	11,208,429
	yards ..	24,573,695	31,062,471	36,920,544
<i>Coloured piecegoods</i> .. .. .				
Grey and coloured goods other than piecegoods.	pounds ..	324,281	517,326	904,357
	yards ..	1,548,009	2,884,279	4,456,243
Hosiery .. .. .	pounds ..	13,934	36,879	47,932
	dozens ..	41,631	18,673	22,596
Miscellaneous .. .. .	pounds ..	.....	258	.....
	yards ..	.....	5,282	1,043
Cotton goods mixed with silk or wool .. .. .	pounds ..	491	.....	.....
	yards ..	.....	.....	.....
GRAND TOTAL .. .. .	pounds ..	8,311,931	10,205,350	12,161,781
	yards ..	26,121,704	33,946,750	41,376,787
	dozens ..	41,631	18,673	22,596

## CENTRAL PROVINCES AND BERAR.

Description.	12 MONTHS, APRIL TO MARCH.			
	1926-27.	1927-28.	1928-29.	
<i>Grey and bleached piecegoods—</i>				
Chadars .. .. .	pounds ..	964,820	704,936	936,739
	yards ..	2,372,101	1,791,549	2,343,788
Dhutis .. .. .	pounds ..	6,756,325	6,177,894	6,301,095
	yards ..	28,438,567	26,218,427	27,115,640
Drills and jeans .. .. .	pounds ..	1,952,199	1,284,824	961,608
	yards ..	6,810,284	4,929,937	3,721,117
Cambrics and lawns .. .. .	pounds ..	137,217	6,363	8,328
	yards ..	623,550	43,859	22,756
Printers .. .. .	pounds ..	324,028	394,547	386,763
	yards ..	1,647,958	1,978,949	2,045,141
Shirtings and longcloth .. .. .	pounds ..	2,449,174	1,705,110	1,533,471
	yards ..	10,017,122	7,488,881	6,344,049
T-cloth, domestics and sheetings .. .. .	pounds ..	368,476	632,756	987,205
	yards ..	1,544,696	2,697,990	4,156,002
Tent-cloth .. .. .	pounds ..	158,719	414,380	300,381
	yards ..	328,921	961,521	674,875
Khadi, Dungri or Khaddar .. .. .	pounds ..	1,380,521	2,149,995	1,896,259
	yards ..	3,973,515	6,304,959	5,563,005
Other sorts .. .. .	pounds ..	173,766	329,955	328,082
	yards ..	825,094	1,532,699	1,485,344
TOTAL .. .. .	pounds ..	14,665,245	13,800,760	13,619,931
	yards ..	56,581,808	53,957,771	53,471,717
<i>Coloured piecegoods</i> .. .. .				
Grey and coloured goods other than piecegoods.	pounds ..	3,676,229	4,548,427	5,786,151
	yards ..	14,081,950	17,990,243	24,308,006
Hosiery .. .. .	pounds ..	373,116	377,067	333,588
	dozens ..	20,981	24,315	24,797
Miscellaneous .. .. .	pounds ..	.....	.....	.....
	yards ..	.....	.....	.....
Cotton goods mixed with silk or wool .. .. .	pounds ..	338,195	488,471	504,624
	yards ..	4,845	1,825	772
GRAND TOTAL .. .. .	pounds ..	19,057,630	19,216,550	20,265,086
	yards ..	70,663,758	71,948,054	77,779,723
	dozens ..	20,981	24,315	24,797

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured—concluded.

TOTAL OF BRITISH INDIA.

Description.	12 MONTHS, APRIL TO MARCH.			
	1926-27.	1927-28.	1928-29.	
<i>Grey and bleached piecegoods—</i>				
Chadars .. .. .	pounds ..	21,857,979	22,752,374	17,693,306
	yards ..	59,627,835	58,732,033	49,254,431
Dhuti .. .. .	pounds ..	113,749,448	120,146,757	103,494,988
	yards ..	546,003,240	574,818,531	511,991,620
Drills and jeans .. .. .	pounds ..	17,026,519	19,259,010	14,484,810
	yards ..	66,468,568	75,005,890	55,717,658
Cambrics and lawns .. .. .	pounds ..	613,836	834,048	606,576
	yards ..	3,062,802	4,596,057	3,949,686
Printers .. .. .	pounds ..	3,291,871	3,131,285	2,938,313
	yards ..	13,868,499	13,145,013	13,436,420
Shirtings and longcloth .. .. .	pounds ..	121,442,605	124,881,153	87,617,431
	yards ..	526,597,429	555,506,685	390,088,014
T-cloth, domestics and sheetings .. .. .	pounds ..	21,065,949	21,916,438	16,615,871
	yards ..	84,528,223	83,294,258	65,693,193
Tent-cloth .. .. .	pounds ..	2,962,413	2,327,554	2,482,653
	yards ..	6,211,321	5,198,347	5,540,493
Khadi, Dungri or Khaddar .. .. .	pounds ..	28,273,546	32,596,161	21,608,017
	yards ..	78,256,548	91,493,746	66,423,824
Other sorts .. .. .	pounds ..	8,622,142	8,232,436	6,901,741
	yards ..	33,028,881	35,129,762	29,451,864
TOTAL .. .. .	pounds ..	338,906,308	356,077,216	274,443,706
	yards ..	1,417,653,346	1,496,920,322	1,191,547,203
<i>Coloured piecegoods</i> .. .. .				
	pounds ..	137,643,234	139,094,857	91,794,167
	yards ..	649,608,757	643,836,988	441,413,171
<i>Grey and coloured goods other than piecegoods.</i>				
	pounds ..	4,092,846	4,192,056	3,278,734
	dozens ..	995,572	988,710	775,351
<i>Hosiery</i> .. .. .				
	pounds ..	746,423	1,004,010	1,256,485
	dozens ..	267,492	352,776	357,040
<i>Miscellaneous</i> .. .. .				
	pounds ..	3,495,904	4,208,926	2,716,437
<i>Cotton goods mixed with silk or wool</i> .. .. .				
		2,313,342	4,716,136	2,895,364
GRAND TOTAL .. .. .	pounds ..	487,198,067	509,293,201	376,364,893
	yards ..	2,067,260,103	2,140,757,310	1,632,960,374
	dozens ..	1,263,064	1,342,486	1,132,391

No. 7.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS

Manufactured.

INDIAN STATES (a)

Description.		12 MONTHS, APRIL TO MARCH.		
		1926-27.	1927-28.	1928-29.
<i>Grey and bleached piecegoods—</i>				
Chadars .. .. .	{ pounds ..	2,279,352	3,027,428	2,877,648
	{ yards ..	5,927,179	8,092,267	7,426,656
Dhutis .. .. .	{ pounds ..	9,372,057	9,599,582	11,767,586
	{ yards ..	39,702,024	41,127,855	52,162,250
Drills and jeans .. .. .	{ pounds ..	3,150,512	3,653,941	4,802,236
	{ yards ..	13,234,936	16,191,754	20,618,691
Cambrics and lawns .. .. .	{ pounds ..	50,311	152,226	137,879
	{ yards ..	323,133	883,067	651,540
Printers -- -- .. .. .	{ pounds ..	1,564,391	1,477,224	1,831,470
	{ yards ..	7,030,749	7,100,947	9,034,800
Shirtings and longcloth .. .. .	{ pounds ..	13,328,999	15,950,328	20,083,652
	{ yards ..	53,939,061	64,520,939	84,133,474
T-cloth, domestics and sheetings	{ pounds ..	2,614,295	2,713,581	3,083,243
	{ yards ..	8,786,380	8,869,575	9,794,622
Tent-cloth -- .. .. .	{ pounds ..	204,314	290,725	463,892
	{ yards ..	520,798	865,776	1,394,822
Khadi, Dungri or Khaddar .. .. .	{ pounds ..	7,536,003	8,889,152	9,967,011
	{ yards ..	20,414,346	24,625,007	27,265,164
Other sorts -- .. .. .	{ pounds ..	2,704,823	1,641,486	1,667,053
	{ yards ..	9,705,822	5,814,074	5,563,330
TOTAL	{ pounds ..	42,805,057	47,390,643	56,481,670
	{ yards ..	159,584,428	178,091,261	218,045,349
<i>Coloured piecegoods</i> -- .. .. .	{ pounds ..	7,677,242	9,202,764	10,381,731
	{ yards ..	31,871,534	37,716,234	42,262,932
<i>Grey and coloured goods, other than piecegoods.</i>	{ pounds ..	58,456	13,091	52,226
	{ dozens ..	10,976	3,397	10,657
<i>Hosiery</i> .. .. .	{ pounds ..	236,875	109,860	224,508
	{ dozens ..	84,427	84,481	91,769
<i>Miscellaneous</i> .. .. .	pounds ..	793,238	1,618,620	1,687,082
<i>Cotton goods mixed with silk or wool</i> .. .. .	" ..	418	77,866	316,398
GRAND TOTAL	{ pounds ..	51,571,286	58,512,844	69,143,613
	{ yards ..	191,455,962	215,807,495	260,308,281
	{ dozens ..	95,403	87,878	102,426

(a) See note at foot of Table No. 2.



No. 8.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured.

GRAND TOTAL, INDIA (British India and Indian States)

Description.	12 MONTHS, APRIL TO MARCH.			
	1926-27.	1927-28.	1928-29.	
<i>Grey and bleached piecegoods—</i>				
Chadars .. .. .	{ pounds ..	24,137,331	25,774,802	20,570,954
	{ yards ..	65,555,014	66,824,306	56,681,087
Dhutis .. .. .	{ pounds ..	123,121,505	129,746,309	115,262,574
	{ yards ..	585,705,264	615,946,386	564,153,870
Drills and jeans .. .. .	{ pounds ..	20,177,081	22,912,951	19,087,046
	{ yards ..	79,703,504	91,197,644	76,336,349
Cambrics and lawns .. .. .	{ pounds ..	664,147	986,274	744,455
	{ yards ..	3,385,935	5,479,124	4,601,226
Printers .. .. .	{ pounds ..	4,856,262	4,608,509	4,769,783
	{ yards ..	20,899,248	20,245,960	22,471,220
Shirtings and longcloth .. .. .	{ pounds ..	134,771,604	140,831,481	107,701,083
	{ yards ..	580,536,490	620,027,624	474,221,488
T-cloth, domestics and sheetings .. .. .	{ pounds ..	23,680,244	24,630,019	19,699,114
	{ yards ..	93,314,603	92,163,833	75,487,815
Tent-cloth .. .. .	{ pounds ..	3,166,727	2,618,279	2,946,545
	{ yards ..	6,732,119	6,064,123	6,935,315
Khadi, Dungri or Khaddar .. .. .	{ pounds ..	35,809,549	41,485,313	31,575,028
	{ yards ..	98,670,894	116,118,753	93,688,988
Other sorts .. .. .	{ pounds ..	11,326,965	9,873,922	8,568,794
	{ yards ..	42,734,703	40,943,836	35,015,194
TOTAL .. .. .	{ pounds ..	381,711,365	403,467,859	330,925,376
	{ yards ..	1,577,237,774	1,675,011,583	1,409,592,552
<i>Coloured piecegoods</i> .. .. .				
.. .. .	{ pounds ..	145,320,476	148,297,621	102,175,898
	{ yards ..	681,478,291	681,553,222	483,675,103
<i>Grey and coloured goods, other than piecegoods.</i>				
.. .. .	{ pounds ..	4,151,302	4,205,147	3,330,960
	{ dozens ..	1,006,548	992,107	786,008
<i>Hosiery</i> .. .. .	{ pounds ..	983,308	1,213,870	1,480,991
	{ dozens ..	351,919	438,257	448,809
<i>Miscellaneous</i> .. .. .	pounds ..	4,289,142	5,827,546	4,403,519
<i>Cotton goods mixed with silk or wool</i> .. .. .	.. .. .	2,313,760	4,794,002	3,211,762
GRAND TOTAL .. .. .	{ pounds ..	538,769,353	587,806,045	445,528,506
	{ yards ..	2,258,716,065	2,356,564,805	1,893,268,655
	{ dozens ..	1,358,467	1,430,364	1,234,817

**Report for the year 1928.**

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*Section VI.*

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**RULES AND REGULATIONS.**

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**Rules for the Registration of Trade Marks.**

**Rules for Arbitration on Piecegoods. Standard Contract Form.  
Provident Fund Rules, Etc.**

## RULES AND REGULATIONS.

*Revised and adopted down to the Annual General Meeting held on  
3rd March 1927.*

1. The Association shall be called the Bombay Millowners' Association. Name.
2. The Office of the Association will be situate in Bombay.
3. The objects of the Association are :— Objects of  
the Associa-  
tion.
  - (a) To encourage friendly feeling and unanimity amongst Millowners and users of steam, water and/or electric power on all subjects connected with their common good.
  - (b) To secure good relations between members of the Association.
  - (c) To promote and protect the trade, commerce and manufactures of India in general and of the cotton trade in particular.
  - (d) To consider questions connected with the trade, commerce and manufactures of its members.
  - (e) To collect and circulate statistics and to collect, classify and circulate information relating to the trade, commerce and manufactures of its members.
  - (f) To take all steps which may be necessary for promoting, supporting or opposing legislative and other measures affecting the trade, commerce or manufactures of its members.
  - (g) To make representations to Local, Central and Imperial authorities on any matter connected with the trade, commerce and manufactures of its members.
  - (h) To arbitrate in the settlement of disputes arising out of transactions in piece-goods and yarn between parties willing or agreeing to submit to arbitration in accordance with the arbitration rules of the Association.
  - (i) To advance and promote commercial and technical education connected with the trade and commerce of its members.
  - (j) To undertake special inquiries and initiate or support any action for securing the redress of legitimate grievances connected with the trade or commerce of its members.
  - (k) To take any action which may be conducive to the extension of the trade and commerce of its members or incidental to the attainment of this object.
  - (l) To subscribe, to become a member of and co-operate with any other Association whether incorporated or not whose objects are altogether or in part similar to those of this Association and to procure from or communicate to any such Association such information as may be likely to forward the objects of this Association.
  - (m) To establish or aid in the establishment of funds to benefit employees of the Association or the dependents of such persons and to subscribe, donate or guarantee money for charitable or benevolent purposes at the discretion of the Association.
  - (n) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Association directly or indirectly.

**Persons eligible for membership.** 4. Any individual, firm or Company owning one or more mill or mills or one or more press or presses or one or more ginning or other factory or factories actuated by steam, water, electric and/or other power shall be eligible for membership of the Association.

**Definition of the term "member."** 5. The expression "Member" in these rules shall ordinarily mean the person, firm or Company, as the case may be, by whom or by which any such mill or mills, press or presses, or factory or factories as last aforesaid is or are actually owned, but shall where the context so requires or permits also mean and include the person or persons for the time being entitled or empowered in accordance with these rules to act and vote on behalf of any member of the Association.

**Voting Power of members.** 6. At any General Meeting of members of the Association every member shall be entitled to one vote for every complete sum of Rs. 50/- paid by him as annual subscription under Rule 35 hereof.

7. Each individual, who, as an individual, shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled either to act and vote on his own behalf or to empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign his name per procuracy, to act and vote on his behalf.

8. Every partner in any firm, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of his firm, and the firm may also empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign the name of the firm per procuracy, to act and vote on behalf of the firm.

9. Every Director of a Joint Stock Company, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company, and the Agent, Secretary or Manager, as the case may be, of such Company, and every partner in any firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, and likewise any one or more persons, who shall have been duly authorized by the Agent, Secretary or Manager, as the case may be, of such Company, or by the firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, to sign either the name of such Agent, Secretary or Manager or the name of such firm, per procuracy, shall also, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company.

10. The name of every person entitled or empowered to act and vote on behalf of any member of the Association, whether such person be the member himself or any other person, shall be notified in writing by such member to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned, and if more than one person shall be entitled or empowered to act and vote on behalf of any member, such member shall notify in writing to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned, the order of precedence in which such persons shall be entitled to act and vote on behalf of such member.

11. When any member shall notify to the Secretary of the Association that any one or more persons, other than the member himself, is entitled or empowered to act and vote on behalf of such member, such member shall, in such notification, state the capacity in which such person or each of such persons is so entitled or empowered to vote, that is to say, either as a member of a firm or as a Director or Agent or Secretary or Manager of a Company or as the holder of a power to sign per procuracy or otherwise as the case may be.

12. If the name of any person shall be notified as a person empowered to act and vote on behalf of a member by virtue of being the holder of a power to sign per procuracy, the notification shall be accompanied by the document authorizing such person to sign per procuracy, in order that the same may be registered by the Secretary, and the Secretary shall, after registering the document, return it to the person who sent it.

13. The Association shall provide a Register, to be called " Register of members and of persons entitled to act and vote for members " (hereinafter in these rules referred to as " the said Register "), and the names of all members of the Association shall be entered in the said Register together with the name of each person entitled or empowered, in accordance with these rules, to act and vote for such members, so soon as the name of such persons and all particulars regarding him and all formalities shall have been duly notified and observed in accordance with these rules, and when the name of more than one person shall have been notified as entitled to act and vote for any one member of the Association, the names of such persons shall be numbered in the order of precedence in which such persons are entitled to act and vote for such member.

14. No person shall be entitled to act or vote on behalf of any member of the Association unless and until his name shall have been entered in the said Register as a person entitled to act and vote for such member.

15. If two or more persons, who shall be entitled to act and vote on behalf of one and the same member of the Association, shall be present at any meeting of the Association, that one, who takes priority in the order of precedence in the said Register, shall alone be entitled to vote at such meeting.

16. If any one person shall, according to these rules, be entitled to act and vote for more than one member of the Association, such person shall be entitled to act and to exercise the right of voting, according to these rules, for each member, on whose behalf he is so entitled to act and vote.

17. Members of the Association shall be elected by ballot in the manner hereinafter mentioned. Mode of  
electing  
members.

18. Every candidate for election as a member of the Association must be proposed by one member of the Association and seconded by another, and a letter of proposal signed by the proposer or seconder must be sent to the Managing Committee of the Association (hereinafter called " the Committee ").

19. After the receipt by them of a proposal duly made and seconded according to these rules of a candidate for election as a member of the Association, the Committee shall fix a day for the commencement of the ballot for the election of such candidate.

20. Not less than seven days before the day so fixed as aforesaid for the commencement of the ballot for the election of any candidate, notice in writing shall be given by the Committee to all members of the Association of the name of the candidate and of his proposer and seconder and of the date so fixed as aforesaid for the commencement of the ballot for the election of such candidate.

21. The Committee shall, before the day appointed for the commencement of the ballot for the election of a candidate for membership of the Association, appoint a scrutineer for such election.

22. The Association shall, for the purposes of all elections by ballot, provide a ballot-box with a lock and key and with an aperture sufficiently large to admit of the deposit therein of voting papers.

23. Before the time appointed under these rules for the commencement of the ballot for the election of any candidate for membership of the Association, the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same, and the same shall not be opened until after the expiration of the full time appointed for such ballot.

24. The Committee shall provide voting papers for the election of a member of the Association in such form as they shall, from time to time, think fit and shall send one of such voting papers to each member of the Association, not less than seven days before the

Persons  
eligible for  
membership.

4. Any individual, firm or Company owning one or more mill or mills or one or more press or presses or one or more ginning or other factory or factories actuated by steam, water, electric and/or other power shall be eligible for membership of the Association.

Definition  
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5. The expression "Member" in these rules shall ordinarily mean the person, firm or Company, as the case may be, by whom or by which any such mill or mills, press or presses, or factory or factories as last aforesaid is or are actually owned, but shall where the context so requires or permits also mean and include the person or persons for the time being entitled or empowered in accordance with these rules to act and vote on behalf of any member of the Association.

Voting  
Power of  
members.

6. At any General Meeting of members of the Association every member shall be entitled to one vote for every complete sum of Rs. 50/- paid by him as annual subscription under Rule 35 hereof.

7. Each individual, who, as an individual, shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled either to act and vote on his own behalf or to empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign his name per procuration, to act and vote on his behalf.

8. Every partner in any firm, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of his firm, and the firm may also empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign the name of the firm per procuration, to act and vote on behalf of the firm.

9. Every Director of a Joint Stock Company, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company, and the Agent, Secretary or Manager, as the case may be, of such Company, and every partner in any firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, and likewise any one or more persons, who shall have been duly authorized by the Agent, Secretary or Manager, as the case may be, of such Company, or by the firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, to sign either the name of such Agent, Secretary or Manager or the name of such firm, per procuration, shall also, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company.

10. The name of every person entitled or empowered to act and vote on behalf of any member of the Association, whether such person be the member himself or any other person, shall be notified in writing by such member to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned, and if more than one person shall be entitled or empowered to act and vote on behalf of any member, such member shall notify in writing to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned, the order of precedence in which such persons shall be entitled to act and vote on behalf of such member.

11. When any member shall notify to the Secretary of the Association that any one or more persons, other than the member himself, is entitled or empowered to act and vote on behalf of such member, such member shall, in such notification, state the capacity in which such person or each of such persons is so entitled or empowered to vote, that is to say, either as a member of a firm or as a Director or Agent or Secretary or Manager of a Company or as the holder of a power to sign per procuration or otherwise as the case may be.

12. If the name of any person shall be notified as a person empowered to act and vote on behalf of a member by virtue of being the holder of a power to sign per procuration, the notification shall be accompanied by the document authorizing such person to sign per procuration, in order that the same may be registered by the Secretary, and the Secretary shall, after registering the document, return it to the person who sent it.

13. The Association shall provide a Register, to be called " Register of members and of persons entitled to act and vote for members " (hereinafter in these rules referred to as " the said Register "), and the names of all members of the Association shall be entered in the said Register together with the name of each person entitled or empowered, in accordance with these rules, to act and vote for such members, so soon as the name of such persons and all particulars regarding him and all formalities shall have been duly notified and observed in accordance with these rules, and when the name of more than one person shall have been notified as entitled to act and vote for any one member of the Association, the names of such persons shall be numbered in the order of precedence in which such persons are entitled to act and vote for such member.

14. No person shall be entitled to act or vote on behalf of any member of the Association unless and until his name shall have been entered in the said Register as a person entitled to act and vote for such member.

15. If two or more persons, who shall be entitled to act and vote on behalf of one and the same member of the Association, shall be present at any meeting of the Association, that one, who takes priority in the order of precedence in the said Register, shall alone be entitled to vote at such meeting.

16. If any one person shall, according to these rules, be entitled to act and vote for more than one member of the Association, such person shall be entitled to act and to exercise the right of voting, according to these rules, for each member, on whose behalf he is so entitled to act and vote.

17. Members of the Association shall be elected by ballot in the manner hereinafter mentioned.

Mode of  
electing  
members.

18. Every candidate for election as a member of the Association must be proposed by one member of the Association and seconded by another, and a letter of proposal signed by the proposer or seconder must be sent to the Managing Committee of the Association (hereinafter called " the Committee ").

19. After the receipt by them of a proposal duly made and seconded according to these rules of a candidate for election as a member of the Association, the Committee shall fix a day for the commencement of the ballot for the election of such candidate.

20. Not less than seven days before the day so fixed as aforesaid for the commencement of the ballot for the election of any candidate, notice in writing shall be given by the Committee to all members of the Association of the name of the candidate and of his proposer and seconder and of the date so fixed as aforesaid for the commencement of the ballot for the election of such candidate.

21. The Committee shall, before the day appointed for the commencement of the ballot for the election of a candidate for membership of the Association, appoint a scrutineer for such election.

22. The Association shall, for the purposes of all elections by ballot, provide a ballot-box with a lock and key and with an aperture sufficiently large to admit of the deposit therein of voting papers.

23. Before the time appointed under these rules for the commencement of the ballot for the election of any candidate for membership of the Association, the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same, and the same shall not be opened until after the expiration of the full time appointed for such ballot.

24. The Committee shall provide voting papers for the election of a member of the Association in such form as they shall, from time to time, think fit and shall send one of such voting papers to each member of the Association, not less than seven days before the

day fixed according to these rules for the commencement of the ballot for the election of any candidate for membership of the Association.

25. If any person entitled or empowered to vote concerning the election of a candidate for membership of the Association shall desire to exercise his right of voting he shall fill up a voting paper in accordance with the directions contained therein stating whether he votes for or against the election of such candidate and shall sign the paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

26. Voting papers may be deposited in the ballot-box in accordance with these rules at any time between the hours of 10-30 a.m. and 4 p.m. on the day appointed for the commencement of the ballot or on any one of the six succeeding days, exclusive of Sundays or Gazetted Holidays.

27. The ballot-box shall, at 4 p.m. on the seventh of the days appointed for the election of any candidate for membership, be opened by the Secretary in the presence of the scrutineer, and the votes shall be counted and scrutinized by the scrutineer, and the scrutineer shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

28. No candidate for election as a member shall be deemed to have been elected unless the number of votes recorded is greater than one-fourth of the total number of the votes which would have been recorded if all members had voted. One adverse vote in every six votes recorded shall exclude. The result of every election shall be recorded in the Minutes of the Proceedings of the Committee.

29. If any candidate for election as a member of the Association shall not be elected, his proposer shall be informed of his non-election by the Secretary.

30. Particulars of the voting for the election of any candidate for election as a member of the Association shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to anyone whomsoever.

31. A candidate, who shall have been proposed for election as a member of the Association and shall not have been elected, shall not be again eligible for election as a member of the Association until after the expiration of six months from the date of the election at which he shall not have been elected.

32. If a candidate for election as a member of the Association be elected, his election shall be notified in writing by the Secretary to his proposer and likewise to the candidate himself, and a copy of the last annual report of the Association and also a copy of the Rules of the Association, together with a bill for the entrance fee payable by such member on election and the amount of the annual subscription payable in accordance with these rules shall be sent to him by the Secretary.

Membership  
subscription. 33. Every member who shall after the date on which these rules shall come into force be elected a member of the Association shall pay on election an entrance fee of Rs. 100.

34. Every member who shall after the date on which these rules shall come into force be elected a member of the Association after the 1st January but before the 1st October in any year shall in addition to the entrance fee pay such proportion of the annual subscription for that year as shall be attributable to the period between the date of election and the 31st December of that year. Every member similarly elected after the 30th September in any year shall pay in addition to the entrance fee one-quarter of the annual subscription for that year.

35. Each member of the Association shall pay the annual subscription to the Association which may from time to time be determined by the Committee. Provided that the resolution of the Committee determining such annual subscription shall be passed by a



majority of not less than two-thirds of the members of the Committee present at a special meeting called for the purpose of determining such subscription.

36. Annual subscriptions shall be payable in advance on the 1st January in each year in respect of the period from the 1st January to the 31st December in that year, and a member shall not be entitled to exercise any of the privileges of membership if his subscription is more than two calendar months in arrear.

37. A member who shall fail to pay his subscription for a period of three calendar months after it has become payable shall, *ipso facto*, cease to be a member of the Association and his name shall forthwith be removed from the said Register. Provided that the Committee may, for good cause shown for such non-payment of the subscription as to which the decision of the Committee shall be final and binding upon the member in default, and upon payment of the subscription in arrear, revoke the cancellation of membership and order the name of such member to be reinstated in the said Register. Subscriptions in arrear shall be treated as a debt due to and recoverable by the Association.

38. Each member shall, on election to the Association, sign a form of adherence to the rules of the Association in the form from time to time approved by the Committee and until such form shall have been signed a member shall not be entitled to exercise any of the privileges of membership.

Form of adherence to be signed by members.

39. Every member of the Association shall have power to terminate his membership thereof by giving not less than three calendar months' previous notice in writing (expiring at any time) to the Secretary of the Association of his desire to terminate such membership and upon the expiration of any such notice such member shall cease to be a member of the Association and his name shall forthwith be removed from the said Register.

Mode of resigning from membership.

40. The affairs and funds of the Association shall be managed by a Managing Committee hereinbefore and hereinafter called "the Committee" to be constituted as hereinafter mentioned.

The Committee, its constitution and mode of election.

41. The members of the Association shall, in each year between the 1st and the 31st day of January, elect the Committee from amongst the list of persons whose names appear in the said Register as persons entitled to act and vote for members

42. The Committee shall consist of a Chairman, a Deputy Chairman and not more than eighteen ordinary members, making a maximum of twenty members in all.

43. The Committee, holding office for the time being, shall appoint a day between the 1st and the 31st day of January in each year for the election of the Chairman, the Deputy Chairman and the eighteen ordinary members of the Committee for the ensuing year, and shall cause notice of the day so appointed for such election as aforesaid to be advertised in at least one English and one Vernacular newspaper published in Bombay.

44. The Secretary of the Association shall also give to each member of the Association not less than seven days' notice in writing of the day appointed for the said elections and of the names of all authorized representatives of members who are eligible for election as members of the Committee.

45. The members of the Committee shall be elected by ballot.

46. The Committee shall, before the day appointed for the said election, appoint a scrutineer for each of the said elections.

47. Before the time appointed under these rules for the commencement of the ballot upon the day appointed for the said elections the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same and the same shall not be opened until 4 p.m. upon that day.

48. The Committee shall provide separate voting papers for—

- (a) the election of a Chairman of the Committee,
- (b) the election of a Deputy Chairman of the Committee,
- (c) the election of eighteen ordinary members of the Committee,

in such form as they shall, from time to time, think fit and shall send to each member of the Association not less than seven days before the day fixed for the said elections, one voting paper in respect of the election of the Chairman, one voting paper in respect of the election of the Deputy Chairman and one voting paper in respect of the election of the ordinary members of the Committee.

49. On the day appointed for the said elections voting shall commence at 10-30 a.m. and terminate at 4 p.m.

50. If any person entitled or empowered to vote concerning the election of the members of the Committee shall desire to exercise his right of voting, he shall, in the case of the election of a Chairman, write on a voting paper relative to the election of a Chairman the name of the person representing a member of the Association whom he desires should be appointed such Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of a Deputy Chairman, write on a voting paper relative to the election of a Deputy Chairman the name of the person representing a member of the Association whom he desires should be appointed such Deputy Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of the eighteen ordinary members of the Committee, write on a voting paper relative to the election of the ordinary members of the Committee, the names of the eighteen persons representing members of the Association whom he desires should be appointed as ordinary members of the Committee as aforesaid and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

51. Voting papers regarding the elections of a Chairman, Deputy Chairman and the ordinary members of the Committee may be deposited in the ballot-box in accordance with these rules between the hours of 10-30 a.m. and 4 p.m. on the day which shall have been appointed under these rules for such elections.

52. At 4 p.m. on the day appointed for the said elections the ballot-box shall be opened by the Secretary of the Association in the presence of the scrutineer and the votes shall be counted and scrutinized by the scrutineer, who shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

53. Particulars of the voting for the election of the members of the Committee shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to anyone whomsoever.

54. Those persons in whose favour the largest number of votes shall have been cast for the respective appointments of Chairman, Deputy Chairman and ordinary members of the Committee shall be deemed to have been appointed Chairman, Deputy Chairman and ordinary members of the Committee respectively.

55. Two representatives of any one member entitled under Rule 6 to ten votes or less shall not be on the Committee at the same time, and if two representatives of any one such member shall be elected to serve on the Committee at the same time, the election of that representative who obtains the lesser number of votes shall be void. In case of an equality of votes, the Chairman of the retiring Committee shall have a casting vote.

56. No member of the Association shall vote for more than one Chairman, one Deputy Chairman and eighteen ordinary members of the Committee.

57. If any person who shall have been elected according to these rules either as Chairman of the Committee or as Deputy Chairman of the Committee shall decline to

accept the appointment there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be.

58. If any person who shall have been elected in accordance with these rules as an ordinary member of the Committee shall decline to accept the appointment the person who shall have received the next largest number of votes shall be considered to have been elected, and if there shall be no such person then the vacancy shall be filled by the retiring Committee.

59. If in any ballot for a Chairman or Deputy Chairman of the Committee there shall be an equality of votes for the appointment, there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be. If in any ballot for the election of the eighteen ordinary members of the Committee there shall be an equality of votes for the eighteenth appointment, the Chairman of the retiring Committee shall have a casting vote.

60. The new Committee shall take office upon the conclusion of the first Annual General Meeting of the members of the Association held after their election, and shall continue to hold office until the conclusion of the next Annual General Meeting of the members of the Association, when they shall retire but shall be eligible for re-election.

61. If any member of the Committee shall be absent from the regular meetings of the Committee for more than three consecutive months he shall, unless he shall have previously obtained leave of absence from the Committee, be deemed to have vacated his office.

62. When any vacancy other than a vacancy in the office of Chairman or Deputy Chairman shall occur in the Committee, the members of the Committee shall have power to appoint any duly qualified person to fill such vacancy who shall hold office until the conclusion of the next Annual General Meeting of the members of the Association when he shall retire but shall be eligible for re-election. Similarly if any member of the Committee shall have previously obtained leave of absence from the General Meetings of the Committee, the members of the Committee shall have power to appoint any duly qualified person to act as a member of the Committee during the absence of such member.

63. If any vacancy other than a temporary vacancy shall occur in the office of Chairman or Deputy Chairman of the Committee, such vacancy shall be filled by the election according to these rules by the members of the Association of any duly qualified person. A temporary vacancy may be filled by the members of the Committee from their own number.

64. The Chairman of the Committee shall, if present, preside at all meetings of the Committee held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and failing both, the chair shall be taken by one of the members of the Committee who shall be appointed by the other members of the Committee present at such meeting.

The procedure to be adopted by the Committee in conducting business.

65. In case of a tie in voting in Committee the Chairman for the time being shall have a casting vote in addition to his own vote.

66. Five members of the Committee shall constitute a quorum.

67. The Committee shall meet at least once in every month.

68. The Committee shall have power to require from any member an explanation as to any act done or conduct pursued by such member which in the opinion of the Committee shall be in contravention of the rules of the Association or to the detriment or discredit of the Association or shall be injurious to the welfare and interests of the Association. If any such explanation shall be refused or having been given shall be deemed unsatisfactory, the Committee shall cause a Special General Meeting of the Association to be convened to consider the acts and conduct of such member, and the Association shall have power if a

Powers of the Committee.

quorum be present at such Special General Meeting to resolve by a majority of not less than two-thirds of the votes cast at the meeting to declare that such member is expelled from the Association.

69. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association and shall not be entitled to claim any refund on account of subscription which may have already been paid.

70. Previous to each Annual General Meeting of the members of the Association, the Committee shall prepare a report of the proceedings of the Association during the year prior to such General Meeting and shall cause the same to be printed and shall send at least one printed copy thereof to each member of the Association not less than seven days prior to the date fixed for the said Annual General Meeting. The Committee may also, if they see fit to do so, send any one or more copies of the said report to any individual or Corporation or Association to whom or to which they may think it desirable in the interests of the Association to send the same.

71. The Committee shall have authority to appoint Solicitors to the Association and the Committee may consult them whenever they deem it expedient to do so.

72. At the first meeting of the Committee held after the holding of the Annual General Meeting of the members of the Association in each year, the Committee shall appoint three or more of their number to form a Sub-Committee for the purpose of deciding questions other than arbitrations, arising under the rules of the Association relating to the registration of trade marks, and the decision of such Sub-Committee on such questions shall have the same effect as if given by the entire Committee. Any vacancy which may from time to time occur in any such Sub-Committee shall be filled by the Committee by the appointment thereto of another member of the Committee.

73. The Committee may from time to time appoint a Sub-Committee to investigate and to report upon any matter whatsoever and may invite any member of the Association not being a member of the Committee to serve on any such Sub-Committee, or may consult any outside authority if for any special reason such a course may seem to them advisable.

74. Sub-Committees other than a Sub-Committee appointed under Rule 72 shall have no executive or substantive power or authority, and the duty of every Sub-Committee shall be to report to the Committee the result of its investigations, deliberations or other proceedings.

Duties of  
Secretary &  
Assistant  
Secretary.

75. A Secretary of the Association shall be appointed and his remuneration shall be fixed by the Committee. The Secretary shall devote himself entirely to the business and affairs of the Association except in cases where he has received the special permission of the Committee. He shall have charge of all correspondence and shall keep an account of the funds of the Association and of funds connected with or in any way controlled by the Association. He shall have the care of the rooms, furniture, library, pictures and of all documents belonging to the Association. He shall give notice as desired by the Chairman or Deputy Chairman of all meetings of the Association, of the Committee, of the Departmental Committees and Sub-Committees of the Association and of all Associations working in connection with the Association. He shall duly notify members of their election, collect all dues from members of the Association or from any Committee or any Association working in connection with the Association. He shall prepare the Annual Report of the Association and the reports of all Committees and of all Associations connected with the Association under the guidance of the Chairman and the Committee and generally shall perform all such duties as are incidental to his office and generally act under the orders of the Chairman or in his absence of the Deputy Chairman and the Committee. In all matters appertaining to the detailed duties of his office as above enumerated he shall follow the policy and instructions laid down by the Chairman or in the absence of the Chairman by the Deputy Chairman.

76. An Assistant Secretary of the Association may be appointed, and if so appointed, his remuneration shall be fixed by the Committee. The Assistant Secretary shall during any temporary absence of the Secretary owing to sickness or any other cause or during the absence of the Secretary on leave perform all or any of the duties of the Secretary as may be assigned to him.

77. Minutes of all proceedings of the Committee shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time. Minute Book of the Committee.

78. A general meeting of the members of the Association to be called the Annual General Meeting shall be held in each year at such time as the Committee may appoint. General Meetings of members.

79. The Committee may also at any time call a General Meeting should it seem to them expedient to do so.

80. If any four members of the Association shall by a requisition in writing signed by the said four members respectively addressed to the Committee and containing a statement of their reasons for the requisition request the Committee to call a General Meeting of the members of the Association the Committee shall call such General Meeting to be held within fourteen days after the receipt by the Committee of the said requisition, and if the Committee shall refuse or neglect to call such General Meeting to be held within the time aforesaid, the said four members who shall have signed the said requisition, shall have power themselves to call such General Meeting to be held on such day as they themselves shall appoint.

81. Seven clear days' notice of every Annual General Meeting shall be given by advertisement in at least one English and one vernacular newspaper published in Bombay and seven clear days' notice shall also be given to members of every Special General Meeting, except Urgent General Meetings specially convened by the Chairman or the Committee.

82. No business shall be transacted at any General Meeting unless a quorum according to these rules shall be present at such meeting.

83. At any General Meeting a quorum shall be constituted if the number of votes of the members represented at the meeting shall exceed 25 per cent. of the total number of votes of all the members for the time being of the Association.

84. If on the day originally appointed for holding a General Meeting a quorum according to these rules shall not, within thirty minutes of the time appointed for the commencement of the meeting, be present, the meeting shall be adjourned to such time on such day not being less than 10 days thereafter as the Committee may determine and if a quorum shall not, within fifteen minutes after the time appointed for the commencement of such adjourned meeting, be present, the members then present shall constitute a quorum and may transact the business for which the meeting was convened.

85. Whenever any meeting shall be adjourned under Rule 84 on the ground that a quorum was not present within the prescribed time, seven clear days' notice shall be given by the Committee by advertisement in at least one English and one vernacular newspaper published in Bombay of the day and time to which such meeting shall have been adjourned.

86. The Chairman of the Committee shall, if present, preside at all General Meetings of the members of the Association held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and, failing both of these, the Chair shall be taken by one of the members of the Committee, who shall be appointed by the other members of the Committee, present at such meeting.

87. The voting at any General Meeting shall be in the first instance, by show of hands, but this shall not preclude any member present from demanding a poll. If a poll is demanded the number of votes to which each member shall be entitled shall be calculated in accordance with Rule 6. The result of a poll shall supersede a vote taken by show of hands. In the

case of a tie in voting at any General Meeting the Chairman for the time being of the meeting shall have a casting vote.

88. Minutes of all proceedings at every General Meeting of the members of the Association shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time.

89. Every resolution which shall have been duly passed according to these rules at any General Meeting of the members of the Association shall be binding upon all the members of the Association.

Special General Meeting for concerted general action. 90. All proposals or recommendations for concerted general action respecting the mills which the Committee of the Association may consider to be concerned in respect to a strike, lockout, short-time working or organized lessening of production, payment of bonus, increases or reductions in wages, or any other matter whatsoever, shall only be adopted if passed by a majority of not less than 85 per cent. of the votes cast at a Special General Meeting duly called for the purpose of considering such proposals or recommendations.

Expulsion of members for contravening resolutions adopted at the General Meeting. 91. Any member of the Association who shall contravene the terms of any proposal which has been approved and adopted by the members of the Association under Rule 90 hereof shall be liable to be summarily expelled from the Association by a resolution of the Committee declaring that such member is expelled; provided that such resolution shall be passed by a majority of not less than three-fourths of the members of the Committee present at a Special Meeting called for the purpose of considering such contravention.

92. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association, and shall not be entitled to claim from the Association any refund on account of subscription which may have already been paid.

93. A firm or Joint Stock Company or other Corporation which shall be expelled under the last preceding rule shall be eligible for re-election after the expiry of six months from the date of expulsion provided not less than three members in addition to the proposer and seconder concur in the proposal for re-election.

Funds and properties of the Association. 94\*. The control of the funds of the Association shall be vested in the Committee, who in addition to the powers expressly conferred on them by these rules may exercise all such powers, and do all such acts and things as may be exercised or done by the Association and are not hereby or by law expressly directed or required to be exercised or done by the Association in General Meeting, and in particular may from time to time at their discretion raise or borrow or secure the repayment of any sum or sums of money in all respects as they think fit.

95. If at any time during the year the funds at the disposal of the Committee are insufficient or are likely to be insufficient to defray the estimated expenditure for the remaining portion of the year, then the Committee shall, in such case, call a General Meeting of the members of the Association and lay the accounts of the Association before such meeting.

96. The Committee shall cause proper books of account to be kept of the transactions of the Association and of the assets, credits and liabilities thereof, which books of account shall be kept at the office of the Association or at such place or places, and in the charge of such person or persons as the Committee may from time to time direct.

97. At least seven days previous to each Annual General Meeting of members of the Association the Committee shall send to each member of the Association a duly audited income and expenditure account, and a balance-sheet, containing a summary of the property and liabilities of the Association and made up to the 31st December of the year immediately preceding the meeting, and such account and balance-sheet shall be laid before the members at the Annual General Meeting of the Association in each year.

\* Amended at the Annual General Meeting held on 3rd March 1927.

98. The Committee for the time being shall have power to invest and deal with any of the moneys of the Association not immediately required for the purposes thereof in such securities and in such manner as they may think fit and from time to time to vary or realize such investments.

99. The Committee shall have the power to determine the manner in which bills, loans, receipts, acceptances, endorsements, cheques, releases, contracts and documents shall be signed or executed by and on behalf of the Association.

100. There shall be two Trustees of the Association and the first Trustees shall be Mr. H. P. Mody and Mr. Ratansi D. Morarji. Subsequent Trustees shall be appointed by resolution of the Committee. Any person for the time being entitled to act and vote for a member shall be eligible as a Trustee. Any Trustee who shall cease to be entitled to act and vote for a member shall *ipso facto* cease to be a Trustee. Any Trustee may be removed by a majority of three-fourths of the members of the Association present at a meeting duly convened for the purpose of considering such removal.

101. All the funds and properties of the Association shall be vested in the Trustees who shall have the custody of all securities and documents of title relating thereto and shall deal with and dispose of the same and the income thereof in accordance with the written directions from time to time given to them by the Committee for the time being.

102. Neither the Chairman, Deputy Chairman, nor any ordinary member of the Committee nor the Secretary nor any Trustee shall be answerable for anything other than his own acts or defaults, nor shall he be answerable for any act done by him for the sake of conformity only, nor for any moneys of the Association other than such as shall come into his own hands, nor for any collector or receiver of moneys appointed by the Committee, nor for any misfortune, loss or damage happening to the Association by reason of any deed done or executed by him as a Chairman, Deputy Chairman or ordinary member of the Committee or as Secretary or Trustee, nor by reason of any error in judgment or mere indiscretion on his part in the performance of his duties, nor otherwise on any account, except for wilful negligence or fraud. Every person being Chairman, Deputy Chairman, or an ordinary member of the Committee or Secretary or Trustee of the Association, his heirs, executors or administrators shall at all times be indemnified and saved harmless out of the funds of the Association from and against all costs, losses, damages and expenses whatsoever incurred or sustained by him in the execution of his power or duties, and every person having been or being a Chairman, Deputy Chairman, or ordinary member of Committee or Secretary or Trustee of the Association, his heirs, executors and administrators shall be indemnified and saved harmless out of the funds of the Association against all actions, suits, claims and demands whatsoever brought or made against him or them in respect of any engagement of the Association save such as may be incurred by his own personal wilful neglect or default.

103. These rules shall come into force on the First day of March 1925 on which date the present rules shall stand cancelled. No alterations in these rules shall be made and except by a majority of not less than three-fourths of the votes cast at a General Meeting of the members of the Association duly convened and held for the purpose of considering such alteration, the terms of which shall have been fully set forth in the notice convening the meeting.

Responsibility of the Chairman, Deputy Chairman, Secretary & members of the Committee.

The date when the rules come into force & the mode of altering the rules.

## RULES FOR THE REGISTRATION OF TRADE MARKS.

*Revised and adopted down to the Annual General Meeting of the Association  
held on 3rd March 1927.*

Interpretation. 1. Throughout all these rules the following words shall bear and include the following meanings :—

- (a) 'The Association' means the Bombay Millowners' Association.
- (b) 'Member' means a member of the Bombay Millowners' Association.
- (c) 'The Secretary' means the Secretary of the Bombay Millowners' Association.
- (d) 'The Managing Committee' means the Managing Committee of the Bombay Millowners' Association.
- (e) 'Trade mark' includes 'ticket' and 'stamp.'
- (f) 'Colourable imitation' includes a trade mark, which is likely to become known by or to acquire the same name as that by which another trade mark is already known or which such other trade mark has already acquired.

Essentials of a registrable trade mark. 2. For the purposes of these rules a registrable trade mark must consist of a distinctive mark, device or design not being a name, signature or word or words (invented or otherwise) either alone or in combination with one or more of the following :—

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

Provided—

- (1) that any trade mark registered in the Permanent Register of the Association prior to the 31st March 1924 shall be registrable as a trade mark under this rule ;
- (2) that no trade mark shall be accepted for registration which contains or consists of any scandalous design, or any matter the use of which would by reason of its being calculated to deceive or otherwise be disentitled to protection in a Court of Justice, or would be contrary to law or morality ;
- (3) that no trade mark shall be accepted for registration which contains or consists of a representation of the Royal Arms (or Arms so closely resembling the Royal Arms as to be calculated to deceive), or of a photograph or photographs of any member or members of the Royal Family.

Classification of goods. 3. All goods to which these rules apply shall be divided into the following classes :—

*Class 1.*—Cotton yarns and threads being either grey or bleached.

*Class 2.*—Cotton yarns and threads being coloured either in whole or in part.

*Class 3.*—Cotton piecegoods of all kinds.

Registers. 4. The Association shall keep two registers, one of which shall be called 'The Permanent Register' and the other 'The Suspense Register.'



5. Every member shall send to the Secretary an application in writing addressed to the Secretary and signed by the member or by some person duly authorized to sign the same on behalf of the member, to register with the Association every trade mark, not already registered by such member with the Association, which is or is to be the property of such member and which such member desires to apply to any produce of the mill or mills, factory or factories, owned by such member.

Duty of members to register trade marks and mode of applying to register same.

6. Every such application shall specify the name by which the trade mark to which the application relates is intended to be known and the class or classes of goods to which the trade mark is intended to be applied and shall be accompanied by one copy of the trade mark for the use of the Association and also by such further number of copies thereof as the Managing Committee may from time to time prescribe in that behalf, regard being had to the total number of members.

7. Every member shall send to the Secretary such number of copies of every trade mark which is the property of a dealer dealing with such member, and which such member intends to apply to any produce of the mill or mills, factory or factories, owned by such member as the Managing Committee may from time to time prescribe in that behalf, regard being had to the total number of members, accompanied by a statement in writing specifying the name by which any such trade mark is intended to be known, and the class or classes of goods to which the trade mark is intended to be applied. The Secretary shall so soon as may be after the receipt thereof send to every member a copy of such trade mark together with a copy of such statement.

8. The Secretary shall forthwith on receipt of an application for registration of a trade mark with the Association made in conformity with these rules enter the said trade mark in the 'Suspense Register' for use on goods of the class or classes specified in the application.

Secretary to enter every trade mark which a member shall apply to register in the Suspense Register.

9. The Secretary shall so soon as may be after any application shall have been made for the registration of any trade mark with the Association, send to every member a copy of such application with an intimation of the date when it was made and that such trade mark has been entered in the Suspense Register and shall also send with such intimation one copy of such trade mark, and also if the application shall have been accompanied by a notification in conformity with Rule 21 that the member, who shall have made the application, is not willing to refer to arbitration any matter relating to the application, one copy of such notification and shall after the expiration of three weeks from the date of the despatch of such intimation send a reminder to each member who shall not in the interval have acknowledged the receipt of such intimation or otherwise intimated that such intimation has been received by such member.

Notice of every application to register a trade mark to be sent to every member.

10. The entry of a trade mark in the Suspense Register shall not confer upon the member upon whose application the same shall have been so entered any right against any other member in respect of the trade mark so entered save and except a right to apply for the removal of any other trade mark from the Suspense Register as in Rule 11 hereinafter set forth.

Effect of entry of trade mark in Suspense Register.

11. Any member may apply that any trade mark which has been entered in the Suspense Register may be removed therefrom on the ground that it is an imitation colourable or otherwise of another trade mark which at the time of the entry of the trade mark objected to was then already in the Suspense Register and had been entered therein on application of the member applying for such removal and was intended to be applied to the same class or classes of goods as the class or classes to which the trade mark objected to is intended to be applied.

Applications for removal of trade mark from the Suspense Register.

12. Every application for removal of a trade mark from the Suspense Register shall be made in writing addressed to the Secretary and signed by the applicant or by some person duly authorized to sign on behalf of the applicant and shall set forth the ground on which the same is made.

13. Every application for removal of a trade mark from the Suspense Register shall be determined, in the manner hereinafter prescribed ; and if, when the same shall have been so determined, the application shall be upheld, the trade mark for the removal of which the application shall have been made, shall forthwith be removed from the Suspense Register.

Objections to entry of a trade mark in the Permanent Register.

14. Any member may object to any trade mark being entered in the Permanent Register on the ground that such trade mark is an imitation colourable or otherwise of a trade mark which has already, on the application of such objecting member, been entered in the Permanent Register for use on goods of a class or classes similar to the class or classes of goods to which the trade mark, in respect of which an application has been made, is intended to be applied, and that such trade mark, so already entered, is habitually applied by such objecting member to such class or classes of goods.

15. Every such objection shall be made within one month after the application to register the trade mark objected to shall have been made and shall be in writing addressed to the Secretary and signed by the objecting member or by some person duly authorized to sign on behalf of the objecting member and shall set forth the grounds of objection.

16. Any member may within three calendar months from the date of his becoming a member for the first time apply that any trade mark which shall have been registered in the Permanent Register, at any time before the expiration of the said period of three months, shall be removed therefrom on the ground—

That the trade mark so already registered in the Permanent Register is an imitation colourable or otherwise of a trade mark for the registration of which such member has applied for use on goods of a class or classes similar to the class or classes of goods to which the trade mark so already registered in the Permanent Register is applied, and that such trade mark for the registration of which such newly joined member has so applied as aforesaid has been habitually applied by such newly joined member to the said class or classes of goods.

17. When any member being the owner of a mill shall have ceased to be a member for any reason, other than expulsion, and shall subsequently again become a member by virtue of the ownership of the same mill, or, when any mill, being the property of a member, shall have passed to a new owner and such new owner shall become a member by virtue of the ownership of the said mill, such member, who shall have again become a member, may at any time, within one month from the date of his having so again become a member or such new owner, who shall have become a member, may at any time within one month from the date of his becoming a member apply—

(a) That a trade mark which shall have been entered in the Permanent Register subsequent to the date on which such member shall have ceased as aforesaid to be a member but prior to the date of the application under this rule or subsequent to the date when such mill as aforesaid passed to such new owner as aforesaid but prior to the date of the application under this rule, as the case may be, shall be removed from the Permanent Register ;

or

(b) That if any trade mark shall have been or shall be entered in the Permanent Register in compliance with an application for the registration of the same which has been made subsequent to the date on which such member shall have ceased as aforesaid to be a member but prior to the date of the application under this rule, or subsequent to the date when such mill as aforesaid passed to such new owner as aforesaid but prior to the date of the application under this rule, as the case may be, the said trade mark shall be removed from the Permanent Register, on the ground either in the case (a) or in the case (b)—

That the said trade mark is an imitation colourable or otherwise of a trade mark previously registered with the Association by the member who shall have so ceased to be a member as aforesaid or by the member who was for the time being the owner of the mill which has so passed to a new owner as aforesaid for use on goods of a class or classes similar to the class or classes of goods for use on which the trade mark so objected to shall have been registered and that a fresh application for the registration of the mark so previously registered as aforesaid has been made by the applicant.

18. Every application for removal of a trade mark from the Permanent Register shall be made in writing addressed to the Secretary and signed by the applicant or by some person duly authorized to sign on behalf of the applicant and shall set forth the grounds on which the same is made.

19. Every application under Rules 16 and 17 for removal of a trade mark from the Permanent Register shall be accompanied by twelve or such other number of copies as the Managing Committee may from time to time prescribe of the trade mark said by the applicant to have been previously registered with the Association.

20. If any member, being the owner of a trade mark which shall have been registered in the Permanent Register shall so alter the trade mark as in the opinion of a majority of the Trade Marks Sub-Committee to render it likely to deceive, or materially different, either in name or design, from the registered trade mark, and shall use the mark so altered on goods of a class or classes similar to the class or classes of goods for use on which registration of the original mark was obtained, the member concerned may be required to apply in the manner prescribed for registration of the altered trade mark as a new trade mark and in default of compliance with any such requisition within one month after receipt thereof by the member concerned, the altered trade mark shall be deemed an unregistered trade mark.

21. Notwithstanding anything contained in these rules or in the Form of Adherence prescribed under Rule 36 of the Rules and Regulations of the Association any member who shall have become a member for the first time may send a notification in writing addressed to the Secretary with any application, made by such member, to register a trade mark, which shall be sent to the Secretary within one month from the date when such member shall have become a member notifying that he is not willing to refer to arbitration any matter relating to the application with which the notification is sent ; and whenever any such notification is sent as aforesaid no member shall in the matter to which the notification relates be bound by the rules relating to arbitration.

Liberty to refuse to refer to arbitration in certain cases

22. In like manner, notwithstanding anything contained in these rules or in the Form of Adherence in Rule 36 mentioned, if any member who shall have received notice of any application to register a trade mark, which shall have been sent to the Secretary, by a member who shall have become a member for the first time, within one month from the date when such member shall have become a member shall object, in the manner prescribed by these rules, to the said trade mark being entered in the Permanent Register on the ground specified in Rule 14, such objecting member may send with such objection, a notification in writing addressed to the Secretary notifying that he is not willing to refer to arbitration any matter relating to such objection to the application of which he shall have so received notice as aforesaid and specifying such application and objection ; and whenever any such notification is sent no member shall in the matter to which such notification relates be bound by the rules relating to arbitration.

Provided always that if a member who shall have become a member for the first time shall prove to the satisfaction of the Managing Committee that for a period of not less than five consecutive years immediately preceding the date when such member shall have become a member he has habitually applied the said trade mark to goods of a class or classes similar to the class or classes of goods to which such objecting member shall have habitually applied the trade mark of which the said trade mark is alleged by such objecting member to be an imitation colourable or otherwise, then such objecting member shall be deemed to have sent to the Secretary such a notification in writing as above mentioned, and the provisions of Rules 37 to 43 (inclusive) so far as the same are applicable shall forthwith operate and have effect.

23. All questions in dispute between two members arising out of or incidental to any

- (a) application to register a trade mark,
- (b) application to remove a trade mark from the Suspense Register,
- (c) application to remove a trade mark from the Permanent Register,

shall, if no such notice, as is permitted by these rules, of unwillingness to refer to arbitration shall have been given in connection with the same, be determined by arbitration in the manner prescribed by the following rules :—

Determination of questions relating to any application to register a trade mark or to any application to remove a trade mark from the Suspense Register or from the Permanent Register, as to which notice of refusal to refer to arbitration has not been given

24. Either member may give the other member notice of the appointment of an arbitrator on behalf of the member giving such notice and may call upon such other member to appoint and to notify to the member who shall give the notice of the appointment of an arbitrator within seven days from the date of the giving of the notice ; and on receipt of such notice such other member must, if he should desire to appoint an arbitrator, appoint him within seven days from the receipt of such notice and notify such appointment within the same time to the member from whom he shall have received the notice to appoint an arbitrator.

25. If the member to whom such notice as in Rule 24 mentioned shall have been given fail to appoint and to notify to the member who shall have given the notice of the appointment of an arbitrator within seven days from the service of the notice upon him the matter in dispute shall stand referred to the arbitrator already appointed as sole arbitrator.

26. If a matter in dispute shall stand referred to an arbitrator as sole arbitrator he shall make his award within fourteen days from the date when the matter in dispute shall first stand referred to him.

27. If two arbitrators shall be duly appointed in accordance with these rules, they shall within 3 days from the date when such one of them as was last appointed shall have been appointed and before proceeding with the reference appoint an umpire.

28. If two arbitrators and an umpire shall have been duly appointed, the two arbitrators shall, if they can agree upon their award, make their award within fourteen days after the appointment of the umpire.

29. If two arbitrators and an umpire shall have been duly appointed but the two arbitrators shall either fail to agree upon their award or fail to make it within fourteen days from the appointment of the umpire, the matter in dispute shall stand referred to the umpire.

30. When a matter in dispute shall stand referred to an umpire he shall make his award within fourteen days from the date when the matter in dispute shall stand referred to him.

31. If

(a) a matter in dispute shall stand referred to a sole arbitrator but such arbitrator shall fail, from any cause whatever, to make his award within fourteen days from the date when the matter in dispute shall first stand referred to him ;

or

(b) two arbitrators shall have been duly appointed but shall fail, from any cause whatever, to appoint an umpire within three days from the date of the appointment of such one of the arbitrators as shall have been last appointed ;

or

(c) a matter in dispute shall stand referred to an umpire but such umpire shall fail, from any cause whatever, to make his award within fourteen days from the date when the matter in dispute shall first stand referred to him ;

the matter in dispute shall in any of such cases stand referred to a referee who shall be appointed by the Managing Committee.

32. When a matter in dispute shall stand referred to a referee he shall make his award within fourteen days from the date when the matter in dispute shall first stand referred to him and it shall be deemed to stand referred to him so soon as he shall have been informed of his appointment by the Managing Committee.

33. The sole arbitrator, two arbitrators, umpire or referee, as the case may be, shall, when he or they make an award, reduce it into writing, sign it and forward it to the Managing Committee who shall file it in a separate file, in which such awards shall alone be filed.

34. Every award, whether made by a sole arbitrator, two arbitrators, an umpire or a referee, which shall be duly made under the authority of and in conformity with these rules, shall be conclusive and binding upon the parties to the arbitration in which the award was made and the Association shall give effect to it.

(a) No person shall be appointed an arbitrator, umpire or referee, under the foregoing rules, who shall not be either a member of the Association or a person entitled to act and vote on behalf of a member of the Association, and any appointment made in contravention of this rule shall be null and void.

35. The following fees on arbitrations shall be chargeable by the Association to members :— Fees on arbitrations.

- (a) In cases where there is a sole arbitrator, Rs. 15, which shall be paid by the member who has failed to appoint an arbitrator within the time prescribed by these rules.
- (b) In cases where each party has appointed one arbitrator, the sum of Rs. 30, whereof each member, a party to the arbitration, shall pay Rs. 15.
- (c) In cases where an umpire is appointed, Rs. 15, whereof each member, a party to the arbitration, shall pay Rs. 7-8-0.
- (d) In cases where a referee is appointed, Rs. 15, whereof each member, a party to the arbitration, shall pay Rs. 7-8-0.

The sole arbitrator, two arbitrators, umpire or referee, as the case may be, shall have power to direct by any award made by him or them under these rules that any fee paid by any member, a party to the arbitration in which such award shall have been made, shall be refunded to him by the other member, a party to the said arbitration.

36. The Association shall, whether the fees payable under these rules in connection with any arbitration shall have been duly paid to it or not, pay to each arbitrator, umpire and referee who shall have acted in such arbitration a fee of Rs. 15.

37. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, make Procedure when any application made to register a trade mark, or any objection made to register a trade mark as to which notice of refusal to refer to arbitration has been given.

- (a) any application to register a trade mark,
- or
- (b) any objection to a trade mark being entered in the Permanent Register,

accompanied by a notification that the member is not willing to refer to arbitration any matter relating to the application or objection, as the case may be, with which the notification is sent, no steps shall be taken by the Association in the matter of the application or objection specified in such notification for a period of two months from the receipt by the Secretary of such notification.

38. Any member, who shall have made any such application or objection as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, may, at any time during the said period of two months in the said Rule 37 mentioned, institute legal proceedings either to establish the right of such member to the trade mark to which such application or objection relates or to restrain any other member from using such trade mark or to procure the punishment of such member for using the same and such proceedings may be taken either in a Civil or a Criminal Court.

39. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, have made any such application as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, and at the expiration of the said period of two months in the said Rule 37 mentioned, no such legal proceedings as in Rule 38 mentioned shall have been instituted in connection with the trade mark to which the application relates, the said application shall be rejected and the said trade mark be removed from the Suspense Register and shall not be entered in the Permanent Register.

40. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, have made any such objection as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, and at the expiration of the said period of two months in the said Rule 37 mentioned, no such legal proceedings as in Rule 38 mentioned shall have been instituted in connection with the trade mark to which the objection relates, the said objection shall be rejected, and the application to register the trade mark, to which such objection relates, shall be dealt with under these rules, as if no such notification had been given.

41. If, within the said period of two months in Rule 37 mentioned, such legal proceedings as in Rule 38 mentioned shall have been instituted, no steps shall be taken in the matter of the application or objection concerning the trade mark to which such legal proceedings relate until such legal proceedings shall have been finally determined.

42. When such legal proceedings as in Rule 38 mentioned shall have been finally determined, if it shall have been held by the Court—

- (a) That a trade mark, to register which an application shall have been made, or in respect of which an objection to the same being entered in the Permanent Register shall have been made, is an imitation colourable or otherwise of another trade mark, the trade mark so held to be an imitation colourable or otherwise shall not be registered ;

or, if it shall have been held by the Court—

- (b) That a trade mark, to register which an application shall have been made, or in respect of which an objection to the same being entered in the Permanent Register shall have been made, is not an imitation colourable or otherwise of another trade mark, the same shall, if it be in the opinion of the Managing Committee a proper mark to be registered as a trade mark, be entered therein.

43. The production to the Managing Committee of a certified copy of a decree passed by a Civil Court of competent jurisdiction in British India from which no appeal lies or in respect of which the time for appealing has expired or the production of a certified copy of a judgment of a Criminal Court from which no appeal lies, or in respect of which the time for appealing has expired, shall be conclusive evidence of everything therein appearing to have been held, decided or found, and the Managing Committee shall act in accordance therewith.

All trade marks registered with the Association on or before the First day of April 1912 to be entered in the Permanent Register.

44. All trade marks which shall have been registered with the Association on or before the First day of April 1912 either under the Rules for Primary Registration or under the Rules for Secondary Registration, which were in force prior and down to the said First day of April 1912, shall be entered in the Permanent Register and shall be deemed respectively to have been entered therein as of the respective dates on which the same were originally registered with the Association.

Effect of entry of trade mark in Permanent Register.

45. Registration of a trade mark in the Permanent Register under these rules for use on goods of the class or classes specified in the entry in such register shall, *prima facie*, be held to secure to the said member an exclusive right as against all other members to the use of the said trade mark on goods of the class or classes so specified.

46. These rules shall come into force on the First day of April 1924 on which date they shall supersede all other rules relating to the Registration of Trade Marks.

## BOMBAY MILLOWNERS' ASSOCIATION.

### RULES FOR ARBITRATIONS ON PIECEGOODS.

WHEREAS it has been represented to the Bombay Millowners' Association, hereinafter called the Association, that it is desirable that disputes and differences between members and merchants should be more speedily and economically settled, and whereas it is considered desirable that judgments should be framed by competent practical authorities on Indian piecegoods, the following Arbitration Rules have been framed as a means to these ends :—

*Rule 1.*—There shall be appointed triennially by the Committee of the Association a panel of Arbitrators consisting of thirty members. <sup>Panel of Arbitrators.</sup> Fifteen Arbitrators shall be selected from amongst the representatives of members of the Association, and the remaining fifteen Arbitrators shall be selected by the Committee of the Association from amongst the dealers in Indian-made piecegoods.

*Rule 2.*—From amongst the panel of Arbitrators elected in accordance with Rule 1, the Committee of the Association shall elect triennially six <sup>Panel of Umpires.</sup> persons, who shall be eligible to act as Umpires in any disputes submitted to the Association for arbitration.

The Secretary or Acting Secretary for the time being of the Association shall be, and is hereby appointed to act as Secretary in all arbitrations conducted by the Association in accordance with these rules. <sup>Secretary.</sup>

He shall also keep a record in the form, from time to time prescribed by the Committee of the Association, of all arbitrations conducted by the Association, receive all fees in connection therewith and keep the necessary books of account, and shall diligently perform all other duties prescribed by, or necessary under these rules.

*Rule 3.*—In all cases in which any dispute has arisen in relation to a piecegoods contract which provides for a decision thereon by the Association, or in relation to any piecegoods contract in respect of which the parties thereto have subsequently agreed in writing to submit to such a decision, each party to the dispute shall appoint an Arbitrator to act on his behalf. <sup>Appointment of Arbitrators.</sup> The Arbitrators so appointed shall in all cases be chosen from the panel of Arbitrators elected in accordance with Rule 1.

*Rule 4.*—The appointment of Arbitrators in accordance with Rule 3 shall be made in writing addressed to the Secretary upon Form I prescribed by the Association, and shall be signed by both parties to the dispute or persons duly authorized to sign on their behalf.

Appointment of Arbitrator by one party.

*Rule 5.*—Where a dispute has arisen or differences exist with reference to a contract which provides for arbitration in accordance with these rules, then, notwithstanding anything in Rules 3 and 4, either party to the dispute may, by notification to the Secretary on Form II, appoint an Arbitrator to act on his behalf, such Arbitrator to be chosen from the panel of Arbitrators elected in accordance with Rule 1.

Notification to other party.

*Rule 6.*—Upon receipt of a notification of the appointment of an Arbitrator by one party in accordance with Rule 5, the Secretary shall give written notice to the other party to the dispute of the appointment of an Arbitrator by the first party and shall call on the second party to appoint an Arbitrator.

Reference to sole Arbitrator, if second Arbitrator is not appointed after 15 days.

*Rule 7.*—Upon receipt of a written notice in accordance with Rule 6, the notified party shall within fifteen days appoint an Arbitrator, selected from the panel of Arbitrators, to act on his behalf. The appointment of an Arbitrator under this rule shall be made upon Form III and sent to the Secretary of the Association.

If, after due notice as aforesaid, the party fails to appoint an Arbitrator to act on his behalf, the dispute shall stand referred to the Arbitrator appointed by the other party under Rule 5 as sole Arbitrator, and any award which he may make shall be final and binding upon both parties.

*Rule 8.*—Before proceeding to adjudicate in any dispute in which two Arbitrators have been appointed in accordance with the preceding rules, the Arbitrators shall select an Umpire and communicate the name of the Umpire so selected to the Secretary of the Association. The Umpire so chosen shall be selected from the panel of Umpires appointed in accordance with Rule 2 and his name shall not be communicated to the Secretary unless he has consented to act.

*Rule 9.*—If the Arbitrators are unable to agree as to their Umpire, they shall notify the Association of their disagreement and shall request the Committee of the Association to appoint an Umpire from the panel of Umpires. Upon receipt of a notification that an Umpire has been appointed and has consented to act, the Arbitrators shall thereupon proceed with the hearing of the reference.

*Rule 10.*—If for any reason the Arbitrators fail to agree they shall within one month of entering upon the reference or within such extended time as is permitted by Rule 17 or Rule 18, refer the dispute for adjudication by the Umpire.

*Rule 11.*—No Umpire shall be appointed to adjudicate in any dispute to which he or his employers are a party.

Arbitrators to be disinterested.

*Rule 12.*—In selecting Arbitrators the parties to the dispute shall ensure that no person is selected or shall adjudicate in any dispute in which he or his employers are interested, and that not more than one person from the same firm shall be appointed as an Arbitrator.



**Rule 13.**—If an Arbitrator or Umpire dies or for any reason becomes incapable of acting, a new Arbitrator or Umpire shall forthwith be appointed. Death of an Arbitrator or Umpire.

**Rule 14.**—The Arbitrators shall appoint a time and place for hearing of the reference and within seven days of the notice in that behalf the parties to the dispute shall prepare and submit written statements of their respective cases. Submission.

**Rule 15.**—If after a notice in accordance with Rule 14 a party to a dispute fails to submit a statement, the Arbitrators may without further notice proceed with the adjudication of the dispute at the time and on the date fixed for the hearing on the basis of the statement submitted by the other party. Submission by one party.

**Rule 16.**—If separate statements are put forward by each party, the Arbitrators may at their discretion cause a copy of each statement, with or without accompanying enclosures or extracts therefrom, to be submitted to the opposing party for information and remark if desired. Submission available for inspection by other party.

**Rule 17.**—The Arbitrators may, at their discretion, extend the time for the submission of a written statement but shall not be bound to receive or consider any written statement of either party, tendered after the expiration of the original or the extended time as the case may be.

**Rule 18.**—The Arbitrators or the Umpire shall have general authority to require from either or both of the parties to the dispute such further verbal or written statements, explanations, and other information, evidence and materials as they or he may consider necessary for the adjudication of the dispute and may, in such instances, by endorsement on the reference paper, extend the time for making an award by a period not exceeding one English calendar month. Power to call for extra or verbal evidence.

**Rule 19.**—The Arbitrators or the Umpire may proceed with the reference in the absence of any party who shall after due notice refuse or neglect to attend without having satisfied the Arbitrators or the Umpire, as the case may be, that good and sufficient reason exists for such neglect or refusal. Hearing in absence of one party.

**Rule 20.**—At the time appointed for the reference the parties shall have ready at the rooms of the Association or elsewhere as directed the sale samples duly attested, and if required sample packages or complete bales. Samples, packages or bales so sent will be at the sender's risk and must be accompanied by a peon in charge and by a cooper to open the packages. Sample for inspection.

**Rule 21.**—The Arbitrators or the Umpire, as the case may be, may, with the consent of both parties, before making a final award, and at the expense of the parties to the dispute, consult and adopt the advice of Advice of counsel.

solicitors or counsel on any question of law, evidence, practice or procedure arising in the course of the reference. In such instances the time for making an award may be extended by a period not exceeding one English calendar month.

Award to be made in certain time. *Rule 22.*—When a dispute stands referred to two Arbitrators they shall make their award in writing in Form V, within one month of first entering upon their reference, or within the extended period allowed by them under Rule 17 or Rule 18.

Award of sole Arbitrator. *Rule 23.*—When a dispute stands referred to a sole Arbitrator he shall make his award in writing on Form VI, within one month of first entering upon the reference, or within the extended period allowed by him under Rule 17 and Rule 18.

Umpire's award. *Rule 24.*—When a dispute stands referred to an Umpire he shall make his award in writing on Form VII within fourteen days of entering upon the reference or within the extended time allowed under Rule 17 or Rule 18.

Award to bear appropriate stamps. *Rule 25.*—The award in Forms V, VI or VII bearing stamps to the value laid down under the provisions of the Stamp Duties Act for the time being in force, shall be lodged with the Secretary and shall state clearly the liability of each party in respect of the fees, charges and expenses in connection with the arbitration.

Copies of award to disputants. *Rule 26.*—When completed a signed copy of the award shall be sent by the Secretary to each of the parties to the dispute, for compliance with the terms thereof.

Extent of award. *Rule 27.*—The Arbitrators or the Umpire may by their or his award determine what they or he shall think fit to be done by either of the parties concerned, respecting the matters referred.

Award binding on all parties. *Rule 28.*—The parties shall in all things abide by and obey the award which shall be binding on the parties and on their respective representatives notwithstanding death or legal disability occurring to any party before or after the making of the award, and so that death or legal disability shall not operate as revocation of the submission.

Setting aside award. *Rule 29.*—No objection shall be taken or be entertained to any application to file an award except and unless such objection is made upon the grounds laid down in Section 14 of the Indian Arbitration Act, 1899.

Further award. *Rule 30.*—Whenever an award directs that a certain act or thing shall be done by one party to the reference and such party fails to comply with the award, the party in whose favour the award was made may make an application for a further award determining the amount of damages or compensation payable by reason of such failure, and the Committee of the Association on receipt of such application shall proceed to appoint

Arbitrators or an Umpire who may or may not be the same persons or person who made the first award. The arbitration on the said application shall then proceed in accordance with these rules and the award thereon may be filed separately or together with the original award.

*Rule 31.*—Neither party to a dispute which has been submitted to arbitration as provided in these rules shall bring or prosecute any suit or proceedings whatsoever against the Arbitrators, or the Umpire, or the Secretary for the time being of the Association, for or in respect of any suit or proceedings save for the enforcement of the award against the other party. Immunity of Arbitrators.

*Rule 32.*—The provisions of the Indian laws relating to arbitration in so far as they are not inconsistent with these rules, shall apply in the conduct of all arbitrations conducted by the Association. Application of Indian arbitration laws.

*Rule 33.*—In respect of any arbitration conducted in accordance with these rules fees shall be paid in accordance with the following Schedule :— Fees.

#### SCHEDULE.

Rs. 15 for each Arbitrator.

Rs. 30 for any Umpire appointed in accordance with these rules.

Rs. 10 as fees due to the Association for clerical duties in connection with the arbitration and filing of the award.

*Rule 34.*—A bill showing the amount due in respect of fees, stamp duties, etc., due to the Arbitrators, the Umpire, and the Association, by each party to the dispute shall accompany any copy of the award sent in accordance with Rule 26, and shall be paid within seven days of the receipt thereof. Recovery of fees.

*Rule 35.*—In addition to the fees mentioned in Rule 33 the parties to the dispute shall pay as and when demanded by the Secretary, and as set out in the award, all other fees or charges incurred during the arbitration in accordance with Rule 20.

*Rule 36.*—All notices required by these rules to be given shall be in writing and shall be sufficiently given if left at the last known place of abode or business of the party to whom the notice is addressed, or if sent by post prepaid addressed to him by name at such place of abode or business, and not returned through the post as undelivered before the completion of the award in Forms V, VI or VII, and shall if sent by post be considered to have been given at the time at which the letter would in the ordinary course be delivered. Notices.

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**NOTE :—**All the Forms mentioned in these rules may be had on application from the Secretary of the Bombay Millowners' Association.

## STANDARD CONTRACT FORM.

No. \_\_\_\_\_

Bombay, \_\_\_\_\_ 192

We, the undersigned (hereinafter called "the Buyers"), hereby agree to purchase from \_\_\_\_\_ (hereinafter called "the Company"), the undermentioned goods upon the \*following terms and conditions, that is to say :—

Quality No.	Description.	Dimensions.			No. of Bales.	Pieces in each Bale.	Total pieces.	Total lbs.	Rate nett at Mills.			Per	Quality as.	Finish as.	Fold.	Border.	Headings.	Designs.	Assortment of designs in each Bale.	Ticket or Stamps.	
		In.	yds.	lbs.					Rs.	a.	p.										

\* Please see next page.

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THE TERMS AND CONDITIONS OF THE STANDARD  
CONTRACT FORM.

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1. The quality of the goods shall accord with the recognized standard quality cloth manufactured by the Company.

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1-a. The quality of the goods shall accord with the sample submitted to and approved by the Buyers.

2. The Company does not guarantee, except where a particular assortment is specially stipulated, any fixed assortment in the deliveries of goods of various dimensions and patterns and bearing different numbers, and in such cases the Buyers shall take delivery of and pay as herein agreed for all bales (not exceeding the contract quantity) from time to time ready for delivery regardless of the assortment.

3. The Buyers agree to accept at the price herein fixed an assortment of bales to the extent of 10 per cent. more or less than the contract quantity, but as regards such limit the Buyers shall not be obliged to take up more than 5 bales more or less of each sort, including any loose pieces of each sort.

4. In the case of goods sold at a fixed rate per pound the Buyers shall not raise any objection or claim compensation for short weight so long as the average weight per bale in each lot delivered does not vary from the invoice weight by more than 7 lbs. per bale. The Company does not guarantee the weight of any goods sold by the piece.

5. The Buyers shall not be entitled to any allowance or compensation for any deficiency in the width of Dyed, Bleached and/or Calendered goods when such deficiency does not exceed one inch.

6. In the case of a sale of ready goods, payment therefor shall be made and delivery thereof taken by the Buyers within eight days of sale.

7. In the case of a sale of goods for future delivery, the Buyers shall on the last day of each English Calendar month take delivery and pay for in cash against delivery of as many bales as shall have been made ready during that month and either at the mill premises or at the godown of the Company as the Company may direct; PROVIDED that in the case of bales of which delivery is required in Bombay, and of which delivery is given according to the practice of the Company to the selling agents of the Company in the market, the Company shall not be liable to a claim by the Buyers for late delivery if the bales were ready for delivery at the mill premises or the godowns of the Company on the last day of the aforesaid month.

8. The Company shall as far as possible, but without being under any obligation to do so, notify the Buyers of the number and particulars of the bales ready for delivery at the end of each Calendar month, and shall also furnish to the Buyers if requested by the Buyers in writing so to do the number and particulars of the bales ready for delivery from time to time during the month. Any such notification or furnishing of particulars by the Company as aforesaid shall not imply or be deemed to imply an obligation or undertaking on the part of the Company to give any further notification, or to furnish any further particulars, except upon the written request of the Buyers, it being the duty of the Buyers to ascertain the number and particulars of the bales ready for delivery from time to time and to pay for and take delivery thereof.

9. In the event of the Buyers requesting the Company to despatch the goods either by rail, road or sea, and the Company acceding to such request, the goods shall be at the risk in all respects of the Buyers, from the time they leave the mill premises or the godowns of the Company, as the case may be, including the risk of delay in delivery due to the non-booking of the goods by the Railway or Shipping Company for which the Company takes no responsibility.

10. Where goods are to be delivered in lots or by instalments, this contract shall be deemed and construed as a separate contract in respect of each lot or instalment, and the rights and liabilities of the Company and the Buyers respectively shall be the same as though a separate contract had been made in respect of each lot or instalment.

11. All goods of which delivery shall not be taken by the Buyers in accordance with the terms of this contract, shall, as from the date on which delivery thereof ought to have been taken, be deemed to have been appropriated to this contract and the Buyers shall be deemed to have assented to such appropriation without any further consent on their part than is evidenced by their being parties to and signing this contract. From the date of such appropriation the said goods shall be held by the Company for the account of the Buyers and at their sole risk as regards loss, damage, deterioration or otherwise and the price of the goods *plus* all charges shall carry interest in favour of the Company from due date at the rate of 9 per cent. per annum and the Company shall be entitled at its sole discretion and after giving not less than three days' written notice to the Buyers, which shall be deemed to have been duly given if delivered at or sent by registered post to the last known place of business or residence of the Buyers, to sell the said goods on account and at the risk of the Buyers either by public auction and/or private sale and either together or in lots and at such time or times and on such terms and conditions as the Company may think fit. If the net sale proceeds of the goods shall be less than the amount due to the Company for the price of the goods *plus* interest and all charges, the Buyers shall pay the deficiency to the Company on demand.

12. The Company shall have a general lien on all goods of the Buyers for the time being in the possession of the Company (including goods already paid for but of which delivery may not have been taken by the Buyers) for the total amount due to the Company for the time being under this contract and also for any amount due to the Company under any other contract with the Buyers either alone or jointly with another or others.

13. In respect of all goods of which delivery shall not be taken by the Buyers three months after the due date the Buyers agree to pay to the Company on demand annas 8 per bale per month or any part of a month for godown rent and annas 4 per bale per month or any part of a month for insurance calculated from the expiry of three months to the date on which actual delivery shall be taken by the Buyers.

14. If any goods while in the possession of the Company shall be destroyed and/or damaged from any cause whatsoever after the due date for delivery thereof to the Buyers, any sum recovered from the insurance of such goods against such destruction and/or damage may be applied by the Company in satisfaction in whole or in part, as the case may be, of the price of the said goods *plus* interest and all charges, and if the sum so recovered shall be less than the price of the said goods *plus* interest at 9 per cent. and all charges the Buyers shall pay the deficiency to the Company on demand, and on the other hand if the sum so recovered shall be greater than the price of the said goods *plus* interest at 9 per cent. and all charges, the Sellers shall pay the excess so recovered to the Buyers on demand.

15. If the Company shall be unable to deliver the whole or any part of any goods sold for future delivery by the time specified for delivery thereof by reason of the mills working short time, or its being expedient to stop the mills temporarily or by reason of fire, war, stoppage or hindrance in the supply of raw materials or fuel, explosion, accident, strike, riot, lock-out or other disorganization of labour or transport, breakdown of machinery, or any inevitable or unforeseen event beyond human control directly or indirectly interfering with the working or the full working of the mills, the Buyers shall take delivery of such bales as the Company may be in a position to deliver (if any) and the time for completing the contract shall, as regards the bales not ready by the specified time, be extended for such time as the Company may reasonably require to make up for the delay caused by stoppage, hindrance to or interference with the working of the mills or any other events or circumstances before mentioned, PROVIDED ALWAYS that should the inability to deliver be continuous during the period of three consecutive English calendar months, then the Buyers shall be entitled by notice in writing of their intention to do so, to cancel the contract in respect of any bales then remaining to be manufactured.

16. If for any reason other than those mentioned in the last preceding clause any portion of the contract goods is not ready for delivery by the specified time, it shall be lawful for the Buyers at their option either to cancel the contract in so far as it relates to the balance of the goods not then ready for delivery, or to extend the time of delivery for such period as the Company may reasonably require, not exceeding one month, PROVIDED ALWAYS that if the Buyers shall elect to cancel the contract it shall be incumbent upon them to give to the Company within seven days after the due date for delivery of the goods not then ready notice in writing of their intention to cancel, and in default of such notice within the time aforesaid the Buyers shall be precluded from cancelling the contract and the time for delivery shall be deemed to have been extended for such period as the Company may reasonably require, not exceeding one month, to make ready for delivery the balance of the goods then undelivered.

17. In any of the cases provided for in the last two preceding clauses the Buyers shall not be entitled to make any claim for damages, allowance, compensation or otherwise in respect of such non-delivery or late delivery and shall pay for the goods delivered a price which shall bear the same proportion to the total price of all the goods as the goods delivered bears to all the goods agreed to be delivered, and in the event of the time for delivery being, or being deemed to have been extended, all the provisions of this contract shall apply equally to the extended time as to the time originally specified, including therein the remedies reserved to the Company for failure on the part of the Buyers to pay for and take delivery of the goods when ready within the extended period and including the liability of the Buyers for interest.

18. The Buyers shall not be entitled to make any claim for an allowance or otherwise in regard to the condition of the goods when once the goods have left the mill premises or the godowns, as the case may be, of the Company, unless the Buyers prove that the damage was done at the mills and the claim is lodged within seven days of the delivery of the goods.

19. The Buyers shall not be entitled to make any claim for an allowance or otherwise on the ground that the goods delivered are not in accordance with the contract unless notice in writing of their intention to make such claim shall have been given to the Company within one calendar month after the date of actual delivery of the goods to the Buyers or to a carrier or other agent on behalf of the Buyers. In default of any such notice the goods delivered shall be deemed to be in all respects in accordance with the contract.

20. In the event of any goods the subject of this contract or any portion thereof being destroyed or so damaged by fire, water or other cause beyond the control of the Company as to render them unmerchantable while stored at the mills or godowns of the Company pending due date for delivery, the contract in respect of such goods shall be deemed to have been cancelled by mutual consent and the Buyers shall have no claim whatsoever against the Company in respect of such goods, but if the price of such goods shall have been then paid the Buyers shall be entitled to a refund thereof.

21. All disputes and questions whatsoever which shall arise between the parties hereto out of or in connection with this agreement or as to the construction or application thereof or the respective rights and obligations of the parties hereunder or as to any clause or thing herein contained, or any account or valuation to be made hereunder or as to any other matter in any way relating to these presents, shall be referred to arbitration in accordance with the rules of the Bombay Millowners' Association for the time being in force regulating arbitrations with respect to piecegoods.

22. Notwithstanding any such reference to arbitration as aforesaid the Buyers shall take delivery of the goods the subject of the reference and pay for the same as herein agreed, and unless the arbitration award is to the effect that the goods under dispute are "no tender" the Buyers shall be bound to accept the said goods on payment by the Company of the allowance (if any) awarded to the Buyers. If, however, the arbitration award is to the effect that the goods are "no tender" the Buyers shall be entitled to invoice back the said goods with any penalty the arbitrators may award.

23. Nothing appearing in the contract in any vernacular language, save only the name or signature of the Buyer or his Agent, shall be binding upon the Company.

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## BOMBAY MILLOWNERS' ASSOCIATION.

### PROVIDENT FUND RULES.

- Name.** *Rule 1.*—The Fund shall be called the Bombay Millowners' Association Provident Fund.
- Definitions.** *Rule 2.*—In these rules, unless there is something repugnant in the subject or context—
- “ Association ” means the Bombay Millowners' Association.
- “ Committee ” means the Committee for the time being of the Bombay Millowners' Association.
- “ Trustees ” means the Trustees of the Fund for the time being as hereinafter provided.
- “ Salary ” or “ Pay ” means only the fixed monthly salary received by each employee from the Association and does not include any acting, officiating or personal allowance, bonus, commission or other remuneration or profit whatever uncertain in amount or derived by any employee by any means, outside his fixed ascertained salary.
- “ Fund ” means the Provident Fund constituted hereunder.
- “ Member ” means any person in the service of the Association who is also a subscriber to the Fund.
- “ Service ” means continuous service ; and the test whether service is continuous is the payment to an employee of a salary continuously during the period of service, and dates from the beginning of each employee's service, whether such service begins before, on, or after 1st May, 1924 : Provided that an employee who is granted leave on loss of pay shall not thereby be considered as having broken the continuity of his service. In the case of an employee who may have left the service of the Association for any reason and has been subsequently re-engaged, his service will be reckoned from the date of his re-engagement.
- “ Employee ” means a salaried officer or servant of the Association.
- Object of the Fund.** *Rule 3.*—The object of the Fund shall be to provide every employee, who is a member, with a sum of money, the amount of which will be ascertainable according to these rules, on termination of his service with the Association
- Management of Fund.** *Rule 4.*—The Fund shall be managed by the Committee of the Association for the time being whose decision shall be final and binding upon all members.
- Trustees of Fund.** *Rule 5.*—The Committee shall appoint annually two of their number to be Trustees of the Fund, in whom the Fund shall be vested.
- In the event of a vacancy occurring in any year the Committee shall appoint another of their number to fill the vacancy for the remainder of the year.
- Compulsory contribution.** *Rule 6.*—Contribution to the Fund shall be compulsory on all permanent employees of the Association who are in receipt of pay exceeding Rs. 60 per mensem, but employees whose service with the Association commenced previous to 15th April 1924, shall have the option of joining, such option to be declared by the 15th May 1924.
- Rules binding on all members.** *Rule 7.*—These Rules shall operate to bind every member who shall become a member by exercising his option under Rule 6 in the same way as if he had become a member by entering the service of the Association after the said 15th April 1924.



**Rule 8.**—Every employee who shall be or become a member shall be subject to these rules, and shall sign an agreement in the Form A annexed to these rules. Agreement to be signed.

**Rule 9.**—Every member shall contribute 8½ per cent. of his salary to the Fund, which shall be deducted from his pay on the last day of each month. Scale of member's contributions.

**Rule 10.**—The Association will, on the 30th June and the 31st December, in each year contribute and pay to the Fund a sum which shall be equal to the aggregate contributions of all the members during the half-year preceding each of such days respectively. Association's contributions.

**Rule 11.**—The contribution of any employee absent on leave or furlough shall, during the period of such absence, be assessed on the salary allowed to him during such absence, but any employee shall be at liberty, subject to the consent of the Committee, to contribute on the full amount of his salary if he should so desire, provided notice in writing of such desire shall have been given by him to the Committee prior to the due date for payment of salary next after such employee shall have obtained leave or furlough. Contributions of members during leave.

**Rule 12.**—The Committee from time to time shall pay into the Imperial Bank of India or such other bank as the Committee may select, to the credit of an account to be opened in the names of the Trustees, all moneys received by them. All moneys to the credit of such account shall be dealt with in accordance with these rules and such account shall be operated on only by cheques bearing the signatures of the two Trustees in addition to the signature of the Secretary of the Association. Cheques to be signed by Trustees and Secretary.

**Rule 13.**—The moneys of the Fund not immediately required for the purposes of the Fund shall from time to time, but not later than 12 months after being credited to the Fund, be invested by the Trustees, in their own names, in any security in which trust property may be lawfully invested under the Indian Trusts' Act, 1882. The Trustees shall have power to vary or transpose such investments into or for others, as may at any time be deemed expedient; or such money may be placed in deposit with any bank or banks as the Trustees may think expedient. Available funds to be invested.

**Rule 14.**—The Trustees shall from time to time, upon the written requisition of the Committee, pay to them such sum or sums as may be required for the purposes of these rules and shall if necessary raise the moneys required for the same by a sale of the securities held by the Trustees or of a sufficient part thereof or by a loan on the security of the same. Power to make sale of securities.

**Rule 15.**—A separate account shall be kept in Form B with respect to each member showing the amount of the subscriber's personal contributions, with interest thereon as it becomes due, and also his share of the contributions of the Association, lapses and forfeitures, with interest thereon. Separate account for each member in Form B.

**Rule 16.**—The account of each member will be made up on the 31st December in each year, and interest at 5 per cent. per annum will be allowed on the amount standing to the credit of each member during such year, and the Association will contribute the difference, if any, between the amount of interest realized by the investment and 5 per cent. as aforesaid. Interest allowed.

**Rule 17.**—A statement of account of each member shall be made up in Form C to 31st December of each year, and each member shall be required to certify in writing upon such account that the amount therein shown as standing to his credit is correct. Annual statement to each member.

**Rule 18.**—No member shall be entitled to claim payment of any money out of the Fund except as is by these rules expressly provided.

**Rule 19.**—The full amount standing to a subscriber's credit, including his own and the Association's contributions, together with interest accrued, shall be payable— Total amount payable.

(1) on the death of the subscriber to his nominee or heir under Rule 27 ;

(2) to the subscriber on his retirement from the service of the Association, provided that he has—

(a) completed fifteen years' service ; or,

(b) established to the satisfaction of the Committee that his retirement is necessitated by incapacity for further service.

Committee's  
power to waive  
forfeitures.

*Rule 20.*—A subscriber who leaves the service of the Association without fulfilling the conditions of Rule 19 shall be entitled only to payment of his own accumulated subscriptions, together with the interest which has accrued thereon, provided that the Committee shall have absolute discretion to waive forfeiture of the subscriber's interest in the Association's contributions and the income derived therefrom if this concession is, in their opinion, justified.

Dismissal for  
grave misconduct.

*Rule 21.*—In the event of a subscriber being dismissed from the Association for grave misconduct or dishonesty, of which fact the decision of the Committee shall be final and binding upon the subscriber, the whole of his interest in the Fund may be forfeited for the benefit of the Fund.

Division of for-  
feitures.

*Rule 22.*—Except as provided in Rule 21, and subject to the provisions of Rule 20, any lapse or forfeiture which may accrue during the year shall be divided amongst the members in proportion to the amount of the subscriptions they have contributed during the year and such sums shall be placed to their credit and shall be paid to them if and when they shall respectively become entitled to their shares of the contributions of the Association.

Member's right  
to the amount of  
his own subscrip-  
tion.

*Rule 23.*—A subscriber's contributions to the Fund and the amount credited to his account as income earned thereon, shall be his property funded for his benefit and, save as provided by Rule 21, shall not be forfeitable in any circumstances except as may be provided by law.

Member's right  
to Association's  
contribution.

*Rule 24.*—A subscriber's interest in the contribution made by the Association to the Fund does not commence until he retires from the service of the Association, and qualifies for admission to the benefit of the Association's contribution under these rules.

Advances from  
the Fund.

*Rule 25.*—Advances from the amount standing to their credit on account of their own subscriptions may, at the discretion of the Committee, be granted to subscribers in deserving cases of sickness or other urgent cause, for themselves or for their families ; such advance to be subsequently repaid by instalments to be fixed by the Committee in each case with interest, at such rate and payable at such times and whether simple or compound, as the Committee may direct.

Closing of mem-  
ber's account.

*Rule 26.*—A subscriber's account shall be closed—

(1) when he dies, on the day after the date of his death ;

(2) when he quits the service of the Association, from the day on which he quits it.

When a subscriber's account is closed, such amount, if any, as may be decided by the Committee, shall be added in respect to the portion of the year since the 31st December preceding.

No further contribution and interest shall be credited in respect of any period subsequent to that date.

Procedure on  
withdrawal.

*Rule 27.*—(i) Each subscriber shall, on joining the Fund, furnish a declaration in the Form D annexed showing how he wishes the amount to his credit in the Fund to be disposed of on his death. Such declaration is revocable at any time during the subscriber's lifetime

but a fresh declaration shall be operative only on being received by the Committee. On a subscriber's marriage or re-marriage any declaration previously made will forthwith become null and void. If the nominee is a minor, the subscriber must, at the time of nomination, also appoint a person of full age to whom the amount standing to the subscriber's credit is to be paid on behalf of the minor nominee in the event of the subscriber dying before the minor nominee attains his majority.

If a subscriber fails to make and maintain the required nomination, the amount which would have been credited to his account on account of the Association's contributions and income thereon shall lapse to the Fund, but the Committee, at their absolute discretion, may order such payment in this respect to the deceased's widow or family as they may deem fit.

On the death of a subscriber the full amount standing to his credit shall be paid within three months of the date of death without deduction, either to his nominee as provided or (if his nominee is a minor at the time such amount is payable) to the person for the time being appointed to receive such amount on behalf of the minor nominee irrespective of the period for which the subscriber has served. In the event of no valid nomination being in existence, the amount standing to the deceased subscriber's credit and shown in the Form prescribed in Rule 15 shall be paid to his legal heirs.

(ii) If the withdrawing subscriber be living he shall apply to the Committee for payment of the amount to his credit. The Committee shall thereupon decide the further amounts, if any, which are to be credited to the subscriber's account under these rules and shall cause payment to be made to the subscriber.

(iii) When payment of a subscriber's account to himself or to his nominee (or in cases where no valid nomination was in existence to his legal heirs) has been accepted, no further claim shall lie against the Fund nor shall the Committee's decision as to the amounts credited to the subscriber's account be questioned.

**Rule 28.**—Any loss to the Fund from any cause whatever and all other costs, charges and expenses to which the Committee or the Association shall be put in connection with the Fund for any reason whatsoever shall be borne by and be a charge upon the Fund. Expenses of the Fund.

**Rule 29.**—The accounts of the Fund shall be made up yearly on the 31st December. Annual making up of accounts.

**Rule 30.**—A subscriber's interest in the Fund in respect either of principal or interest shall be strictly personal, and no member shall be entitled to transfer or assign, whether by way of security or otherwise howsoever, his interest or any part thereof in the Fund and no such transfer or assignment shall be valid, and the Trustees or Committee shall not recognize or be bound by notice to them or any of them of any such transfer or assignment, and all moneys standing in the books of the Fund to the credit of any member so transferring or assigning his interest as aforesaid shall forthwith be forfeited as from the date of such transfer or assignment to the use of the Fund and be dealt with accordingly; and, further, if any prohibitory order or attachment or process of a Civil Court be served upon the Trustees or the Committee or any of them or any person on their behalf by which any moneys standing to the credit of any member in the books of the Fund shall be attached or be ordered to be paid into a Civil Court or be ordered to be withheld from such member, such moneys shall forthwith be forfeited to the use of the Fund and be dealt with accordingly; Provided that the Committee shall be at liberty in their uncontrolled discretion at any time thereafter to give such moneys or any part thereof for the benefit of such member or his wife, children or relations and the Trustees shall deal with such moneys accordingly on the written requisition of the Committee. Member not entitled to assign or transfer his interest in the Fund.

**Rule 31.**—If any member shall transfer or assign his interest in the Fund as aforesaid, or if such interest shall be attached or otherwise dealt with or affected as indicated by Rule 30, the Association may forthwith cease all contributions to the Fund in respect of such member and all moneys standing to the credit of such member represented by or referable to contributions by the Association and the interest thereon shall forthwith be transferred by the Trustees from the credit of such member to the credit of a suspense account, and Procedure in case member's interest has been assigned.

if for a period of one year from the date of such transfer the Trustees shall not have received from the Committee written instructions to re-transfer the said moneys and interest, or so much thereof as shall not have formed the subject of any such instructions of the Committee as aforesaid, shall, upon the expiration of the said period of one year, be deemed to be moneys which have lapsed or become forfeited and shall be dealt with in accordance with Rule 22.

Indemnification of Trustees.

Rule 32.—The Association shall hold every Trustee indemnified against all proceedings, costs, and expenses occasioned by any claim in connection with the Fund not arising from his negligence or fraud.

Power to close Fund.

Rule 33.—The Committee shall have the power to close the Fund at any time if considered advisable or necessary, in which event the moneys in the Fund will be distributed among the members in accordance with their accounts.

Certificate as to amount of balance.

Rule 34.—In all cases wherein a certificate shall be required of the amount of the balance standing in the books of the Fund to the credit of a deceased member for the purpose of obtaining, free of stamp duty, a grant of probate or letters of administration or any other purpose, such certificate shall be in the Form E.

Power to make new rules.

Rule 35.—The Committee shall have the power, after one month's notice to members, to make any alterations, amendments or additions which they may consider necessary in or to these rules.

Date of enforcement of rules.

Rule 36.—These rules shall come into force on 1st May, 1924.

BOMBAY MILLOWNERS' ASSOCIATION.

PROVIDENT FUND.

FORM A.

Form of Agreement prescribed in accordance with Rule 8.

I hereby declare that I have read the foregoing rules of the Bombay Millowners' Association Provident Fund and that I agree to be bound by them.

Date day of 19 at

Name in full.....

Date of birth.....

Date of joining appointment.....

Nature of appointment.....

Salary per mensem..... Rupees.

Signature : ..... Address :—.....

Witness (name) : ..... { Address :—..... Occupation :—.....

Witness (name) : ..... { Address :—..... Occupation :—.....

**BOMBAY MILLOWNERS' ASSOCIATION.**

**PROVIDENT FUND.**

**FORM B.**

*Form of Account prescribed by Rule 15.*

Name of Member : \_\_\_\_\_ Joined the service of the Association on \_\_\_\_\_

Name of Nominee : \_\_\_\_\_ Joined the Provident Fund \_\_\_\_\_

Date of Payment.	Amount of salary per mensem.	Membership subscription for the month of	Member's subscription.			Interest on member's subscription.			Association's contribution.			Interest on Association's contribution.			Amount of forfeitures credited to member.			Total amount at credit of member.			REMARKS.
			Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	
Brought forward ..																					
.....																					

XXXX

BOMBAY MILLOWNERS' ASSOCIATION.

PROVIDENT FUND.

FORM C.

Statement showing the sums standing to the credit of Mr.....  
 employed as....., issued solely for his information.

FOLIO NUMBER OF ACCOUNT.....

PARTICULARS.						
	Rs.	a.	p.	Rs.	a.	p.
Member's subscription and interest standing to his credit on 31st December, 192 , as per last Memo..						
Member's subscription and interest credited during the year 192 .. .. .						
Association's contribution with forfeitures and interest standing to the credit of member on 31st December 192 , as per last Memo .. ..						
Association's contribution with forfeitures and interest less expenses credited during the year 192 .. .. .						
Total amount at credit on 31st December, 192 ..						

NOTE.—This Memo cannot be hypothecated nor used in any way as being a security to a third party.

The name of the nominee, as at present registered, is :—

.....

.....

BOMBAY, 31st December 192 .

Secretary.

Certified that the amount shown above as standing to my credit on 31st December 192 , is correct.

BOMBAY, the.....day of..... 192 .

Signature.....

## BOMBAY MILLOWNERS' ASSOCIATION.

## PROVIDENT FUND.

## \*\* FORM D.

*Form of Declaration prescribed in accordance with Rule 27.*

No.....

Folio No.....

I, ....., employed as.....in the service of the Bombay Millowners' Association, hereby declare that in the event of my demise before retirement the sum of money standing to my credit in the Bombay Millowners' Association Provident Fund shall be distributed in the manner shown against their names in the tabular statement below.

The amount due to any nominee named hereunder, who is a minor, at the time of my death, should be paid to the person whose name appears in the corresponding line of column 5 :—

1	2	3	4	5
Name & address of nominee or nominees.	Relationship with the subscriber.	Whether a major or minor. If a minor, date of birth should be stated.	Amount or share of deposit.	Name and address of person to whom payment is to be made on behalf of any minor.

Here state whether married or unmarried :—

Witness.....

Witness.....

Signature.....

Dated.....day of.....19...

*N.B.*—If a member wishes to revoke the above nominations he must endorse it to that effect and make a fresh nomination.

BOMBAY MILLOWNERS' ASSOCIATION.

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PROVIDENT FUND.

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FORM E.

*Certificate prescribed in accordance with Rule 35.*

No.....

It is hereby certified that the balance standing in the books of the Provident Fund of the Bombay Millowners' Association to the credit of..... of.....numbered as above on the..... day of.....was Rupees.....

Dated this.....day of.....19....

Entered..... Examined.....

Trustees :—



RULES FOR THE ELECTION OF REPRESENTATIVES OF  
THE ASSOCIATION ON THE BOARD OF THE VICTORIA  
JUBILEE TECHNICAL INSTITUTE.

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The Association is entitled to elect two members on the Board of the Victoria Jubilee Technical Institute so long as it continues to contribute not less than Rs. 2,000 per annum for the maintenance of the Institute.

1. Any member of the Association shall be eligible to act as Representative of the Association on the Board of the Victoria Jubilee Technical Institute.

2. The period of office of any elected Representative of the Association on the Board of the said Institute shall be one of three years. At the end of such period he shall retire but may be re-elected.

3. The appointment of the Association's Representatives shall be made at a general meeting of the Association and such Representatives shall *ex officio* be members of the Committee of the Association.

4. In the event of the disqualification of any of the Association's Representatives under Section 9 or 10 of the Rules and Regulations of the said Institute, or in the event of the decease or resignation of such Representative, or in the event of his ceasing for any reason to be a member of the Association, the Committee shall appoint a successor, who shall hold office up to that date at which the Representative whom he succeeds would, under Rule 2, have retired.

5. In the event of the absence of any of the Association's Representatives from three or more consecutive meetings of the Board, or in the event of any of the Association's Representatives applying for leave of absence, the Committee may, if they think fit and with the consent of the Board of the said Institute, appoint a substitute who shall hold office until the Representative whom he replaces resumes attendance or up to that date at which the Representative whom he replaces would, under Rule 2, have retired.

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**RULES FOR THE ELECTION OF A REPRESENTATIVE OF  
THE BOMBAY MILLOWNERS' ASSOCIATION TO SERVE  
ON THE IMPROVEMENTS COMMITTEE CONSTITUTED  
UNDER THE PROVISIONS OF THE CITY OF  
BOMBAY IMPROVEMENT TRUST  
TRANSFER ACT, 1926.**

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1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary ten clear days before the day fixed for the election.
  2. The Secretary of the Association shall circulate the names of the applicants four clear days before the election.
  3. The Committee shall appoint two days, which shall be duly advertised, upon which the balloting shall take place. The ballot-box shall be open from 10 A.M. till 6 P.M. on each day.
  4. Votes may be given either in person or through any one duly authorized by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees fifty paid by him as annual subscription to the Association.
  5. The Committee shall appoint two scrutineers, who, at 6 P.M. on the second day of the ballot, shall open the box and declare the result.
  6. The candidate who has the largest number of votes shall be declared duly elected.
  7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.
  8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.
  9. In the event of a casual vacancy the above course shall be followed in the appointment of a substitute.
  10. In the event of the temporary absence of a Representative of the Association on the Improvements Committee, necessitating the appointment of a substitute under Section 13 (2), such appointment shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.
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**RULES FOR THE ELECTION OF A REPRESENTATIVE  
OF THE BOMBAY MILLOWNERS' ASSOCIATION TO  
SERVE ON THE BOARD OF TRUSTEES  
OF THE PORT OF BOMBAY.**

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1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary fifteen clear days before the day fixed for the election.
  2. The Secretary of the Association shall circulate the names of the applicants ten clear days before the election.
  3. The Committee shall appoint a day, which shall be duly advertised, upon which the balloting shall take place. The ballot-box shall be open from 10-30 A.M. till 5 P.M. on that day.
  4. Votes may be given either in person or through any one duly authorized by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees fifty paid by him as annual subscription to the Association.
  5. The Committee shall appoint two scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.
  6. The candidate who has the largest number of votes shall be declared duly elected.
  7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.
  8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.
  9. In the event of a casual vacancy the above course shall be followed in the appointment of a substitute.
  10. In the event of the temporary absence of a Representative of the Association on the Board of Trustees, necessitating the appointment of a substitute, such appointment shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.
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**PROCEDURE IN CONNECTION WITH THE ELECTION  
OF THE REPRESENTATIVES OF THE ASSOCIATION  
ON THE LEGISLATIVE ASSEMBLY AND THE  
BOMBAY LEGISLATIVE COUNCIL.**

*Explanatory Note.*

Prior to November 1920, the date of the first elections to the new Councils constituted under the Reforms Scheme, the Association's Representative on the Bombay Legislative Council had been elected in accordance with the provisions of the Association's Rules for the election of such members. Under the rules framed under the Government of India Act, 1919, however, the Association becomes a Commerce and Industry Constituency and is entitled to elect one member to the Legislative Assembly and one member to the Bombay Legislative Council. Election to these bodies will henceforth be held in accordance with special Rules and Regulations drawn up by the Government of India and the Local Government in that respect. The Rules and Regulations in question have been published in the *Gazettes*, but the following summary of their provisions, so far as they relate to elections in this Constituency, has been prepared for the convenience of members.

*Notes as to the procedure to be followed in connection with the election of Members of the Association for the Bombay Millowners' Association Constituency of the Indian Legislative Assembly and the Legislative Council of the Governor of Bombay.*

*N.B.*—It must be distinctly understood that the following Notes are drawn up merely for the convenience of members and are in no way to be considered as overriding the Rules and Regulations framed under Section 7 of the Government of India Act, 1919.

Rules.  
Part II and  
Part III.      1. Members only of the Bombay Millowners' Association as defined in Rule 4 of the Association's Rules and Regulations will be eligible to vote at elections for, and be eligible for nomination as candidates for election to the above Councils.

The term member includes any person entitled to exercise the rights and privileges of membership on behalf of any person, firm, company, or other corporation registered as such member, provided such person is not disqualified under the provisions of Part II of the Electoral Rules, and has been duly nominated, in accordance with Clause 3 of these Notes by the said member.

Regulations.  
Part I.      2. The Secretary for the time being of the Association will be the Returning Officer for the Constituency.

Regulations.  
Part II.      3. The Secretary will immediately before each election call upon each member to nominate a person, who is duly qualified under Rules 6, 7 or 8 of the Association's Rules and Regulations and who is not otherwise disqualified, for registration on an electoral roll and except as is hereinafter provided, only such person as is so nominated and registered will be eligible to vote on behalf of such member at the ensuing election, and be eligible for nomination as a candidate for election at the ensuing election.

Regulations.  
Part II,  
Clause 1 (3)  
and Clauses  
4 & 5.      4. The Secretary will on or before a date to be fixed by the Local Government publish the Electoral Roll provided for in Clause 3 of these Notes at the Headquarters of the Association, and at the time of publishing the roll will in like manner publish a notice in the form prescribed in Schedule I attached to these Notes.

Regulations.  
Part II,  
Clause 6.      5. On receipt of the orders made by the Revising Authority in regard to any claims or objections that may be raised, the Secretary will make such cancellations in, and will prepare a list of such additions to, the Electoral Roll as may be required in accordance with such orders and will re-publish such amended Electoral Roll and list of additions at the Headquarters of the Association on or before a date to be fixed by the Local Government.

6. The Electoral Roll will come into force from the date of re-publication provided for in Clause 5. Rules, Part III, Clause 9 (4).
7. The Electoral Roll as amended and supplemented by the list of additions will be conclusive evidence for the purpose of determining whether any person is an elector in this Constituency. Regulations, Part II, Clause 7.
8. A fresh Electoral Roll will be prepared for each election in the prescribed manner. Regulations, Part VIII, Clause (j).
9. Any person whose name appears on the Electoral Roll of the Association may be nominated as a candidate for election in the manner hereinafter provided. Rules, Part IV, Clause 11.
10. Nominations will be by means of a nomination paper in Form I appended to the Electoral Regulations and which will be supplied by the Secretary to any member asking for the same. Regulations, Part III, Clause 1(1).
11. Every nomination paper will be subscribed by two members as proposer and seconder and will be signed by the candidate as assenting to the nomination. Regulations, Part III, Clause 1 (2).
12. Where a member subscribes a larger number of nomination papers, those first received up to the number allowed will be deemed to be valid and the remainder invalid. Where in any such case the Secretary is not able to determine which nomination papers were received first, all such papers will be deemed to be invalid. Regulations, Part III, Clause 1 (3).
13. Each candidate will be nominated by a separate nomination paper. Regulations, Part III, Clause 1 (4).
14. Save as provided in Clause 15, every nomination paper will be presented to the Secretary at the Headquarters of the Association by the proposer or seconder on or before a date and at a time, if any, appointed by the Local Government in this behalf. Regulations, Part III, Clause 2 (1).
15. A candidate may be nominated by a nomination sent by post so as to reach the Secretary before the time appointed as aforesaid in Clause 14. The proposer and seconder will append to such nomination paper a certificate from a Gazetted Revenue or Judicial Officer that they have signed the paper in his presence and that they are members of the Association. Regulations, Part III, Clause 2 (2).
16. A candidate who has been duly nominated for election may withdraw his candidature by a written and signed communication delivered to the Secretary not less than fourteen clear days before the date fixed for the recording of votes ; or if the period between the dates fixed for the scrutiny of nomination papers and the recording of votes is less than fourteen clear days, not later than the date fixed for such scrutiny. The Secretary will forthwith publish any such withdrawal in such newspapers as he may select and, where the name of the candidate has been inserted in any voting paper, will cause the same to be cancelled. Regulations, Part III, Clause 3 (1) & (2).
17. A candidate who has withdrawn his candidature will not be allowed to cancel the withdrawal or to be re-nominated as a candidate for the same election. Rules, Part IV, Clause II (3).
18. In the event of the death of a candidate between the date fixed for the presentation of nomination papers and the date fixed for recording votes, all proceedings with reference to such election will be commenced afresh with the exception of proceedings in connection with the drawing up of the Electoral Roll as provided for in Clauses 3 to 6. Fresh dates for the stage of such election will be prescribed by the Local Government. Regulations, Part III, Clause 2 (3).
19. On the date and at the time appointed by the Local Government for the scrutiny of nomination papers, every candidate or his election agent, and his proposer and seconder may attend at the Headquarters of the Association and the Secretary will allow them to examine all nomination papers which have been received by him. Regulations, Part III, Clause 4 (1).

Regulations. 20. The Secretary will examine the nomination papers and will decide all objections  
Part III, which may be made to any nomination paper on the ground that it does not comply with  
Clause 4 (2). the provisions of Clauses 9, 10, 11, 12 and 13, and may reject, either of his own motion, or on  
such objection, any nomination paper on such ground or on the ground that it was not  
received at or before the time appointed for the nomination of candidates ; or that the  
candidate has not complied with the provisions of Clause 22 ; the decision of the Secretary,  
with the reasons therefor, will be endorsed by him on the nomination paper in respect of  
which such decision is given.

Regulations. 21. The Secretary will forthwith publish in such newspapers as he may select the names  
Part III, of the candidates who have been validly nominated, and the order in which the names of the  
Clause 5 (1). candidates will appear in the voting paper.

Rules. 22. On or before the date on which a candidate is nominated the candidate will make  
Part IV, in writing and sign a declaration appointing either himself or some other person who is not  
Clauses 11 and 15. disqualified under the Electoral Rules to be his election agent and no candidate will be deemed  
to be duly nominated unless such declaration has been made

Rules. 23. The appointment of an election agent, whether the election agent appointed be the  
Part IV, candidate himself or not, may only be revoked by a writing signed by the candidate and  
Clause 16 (1). lodged with the Secretary and will operate from the date on which it is so lodged.

Rules. 24. In the event of such a revocation or of the death of any election agent, whether  
Part IV, such event occurs before, during or after the election, then the candidate will appoint forth-  
Clause 16 (2). with another election agent and declare his name in writing to the Secretary.

Rules. 25. Within one month or such longer period as the Governor may allow after the date  
Part IV, of the declaration of the election, every candidate, either personally or through his elec-  
Clause 17 (1). tion agent, will cause to be lodged with the Secretary a return of his election expenses  
containing the particulars specified in Schedule III appended to the Electoral Rules.

Rules. 26. Every such return will contain a statement of all payments made by the candidate  
Part IV, or by his election agent or by any person on behalf of the candidate or in his interests for  
Clause 17 (2). expenses incurred on account of, or in respect of, the conduct and management of the elec-  
tion and further a statement of all unpaid claims in respect of such expenses of which he or  
his election agent is aware.

Rules. 27. The return will be accompanied by declarations by the candidate and his elec-  
Part IV, tion agent which will be in the form contained in Schedule III appended to the Electoral  
Clause 17 (3). Rules, and will be made on oath or affirmation before a Magistrate.

Rules. 28. The Local Government will cause to be prepared in such manner, and maintained  
Part IV, for such time, as it may direct, a record showing the names of all candidates at every  
Clause 17 (4). election under these rules and the date on which the return of election expenses of each  
candidate has been lodged with the Secretary.

Rules. 29. If the number of candidates who are duly nominated and who have not withdrawn  
Part IV, their candidature before such time as the Local Government may fix in this behalf exceeds  
Clause 12 (1). that of the vacancies, a poll will be taken.

Rules. 30. If the number of such candidates is equal to the number of vacancies, all such  
Part IV, candidates will be declared to be duly elected.  
Clause 12 (2).

Rules. 31. If the number of such candidates is less than the number of vacancies, all such  
Part IV, candidates will be declared to be elected and the Governor will, by a notification in the  
Clause 12 (3). *Bombay Government Gazette*, call for fresh nominations for the remaining vacancy or vacancies  
and if any such are received, will call upon the Association to elect a member or members,  
as the case may be.

32. Votes will be given by ballot and no votes shall be received by proxy. The voting paper will be in Form II-A appended to the Electoral Regulations, and the procedure laid down in Parts V and VI of the Electoral Regulations for the recording of votes will be followed. Rules. Part IV, Clause 12 (4), and Regulations, Parts V & VI.
33. Each member shall be entitled to one vote only. Regulations. Part V, Clause 1 (c) and (d).
34. Votes will be counted by or under the supervision of the Secretary, and any candidate or candidates, or in the absence of a candidate, a representative duly authorized by him in writing will have the right to be present at the time of counting. Regulations. Part VI, Clause 1 (1).
35. When the counting has been completed, the Secretary will forthwith declare the candidate to whom the largest number of votes has been given, to be elected. Rules. Part IV, Clause 12 (7).
36. Where any equality of votes is found to exist between any candidates and the addition of one vote will entitle any of the candidates to be declared elected, the determination of the person to whom such one additional vote will be deemed to have been given will be made by lot to be drawn in the presence of the Secretary of the Association and in such manner as he may determine. Rules. Part IV, Clause 12 (8).
37. The Secretary will without delay report the result of the election to the Secretary to the Council, who will publish the name of the candidate elected in the *Bombay Government Gazette*. Rules. Part IV, Clause 12 (9).
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SCHEDULE.

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Regulations. *Notice under Regulation 4, Part II of the Legislative Assembly Electoral*  
Part II, *Regulations and of the Bombay Legislative Council Electoral Regulations.*  
Clauses 4 & 5.

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1. The Electoral Roll of the Bombay Millowners' Association Constituency is hereby published in accordance with Regulation 3, Part II.

2. Any person entered on the roll who objects to any entry in the roll or any person claiming to be entered in the roll should lodge his claim or objection in the following manner :—

- (a) Such claim or objection shall be made in writing and shall specify the Constituency in question, the grounds on which the right of any person to be entered in the roll is asserted or denied, the evidence which the claimant or objector intends to lead, the address of the claimant or objector, his number, if any, in the Electoral Roll and the area in the roll for which he is entered and in the case of an objection, the number in the Electoral Roll of the person to whose entry objection is taken and the area in the roll for which he is entered.
- (b) Four copies of the claim or objection shall be delivered or sent by post so as to reach the office of the Judge authorized to receive the claim or objection under the Regulations on or before the third day from the publication of the roll, excluding the day of such publication.
- (c) A claim or objection which is not lodged in the manner herein prescribed or by a person not entitled to lodge the same, shall be rejected.

3. Claims and objections relating to this roll should be sent to the Chief Judge of the Court of Small Causes, Bombay.

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**RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE  
BOMBAY MILLOWNERS' ASSOCIATION TO SERVE ON THE  
BOMBAY MUNICIPAL CORPORATION.**

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary fifteen clear days before the day fixed for the election.

2. The Secretary of the Association shall circulate the names of the applicants ten clear days before the election.

3. The Committee, in consultation with the Municipal Commissioner, shall appoint a day, which shall be duly advertised, upon which the balloting shall take place. The ballot box shall be open from 11 A.M. till 5 P.M. on that day.

4. Votes may be given either in person or through anyone duly authorized by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees fifty paid by him as annual subscription to the Association.

5. The Committee shall appoint two Scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.

6. The candidate who has the largest number of votes shall be declared duly elected.

7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.

8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.

9. In the event of a casual vacancy, an appointment to fill such vacancy shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

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*Sections of the City of Bombay Municipal Act, III of 1888, as amended by Act IX of 1928,  
pertaining to the Election of Councillors by the Bombay Millowners' Association.*

(1) The Corporation shall consist of one hundred and eight Councillors, as follows, namely:—

Section 5.

Seventy-six Councillors elected at Ward elections ;

Fourteen Councillors appointed by Government ;

Four Councillors elected as follows :—

One by the Bombay Chamber of Commerce,

One by the Indian Merchants' Chamber and Bureau,

One by the Bombay Millowners' Association,

One by Fellows ;

Four Councillors elected by delegates,

and ten co-opted Councillors elected by transferable vote by the Councillors elected and appointed under the preceding clauses of this section;

Section 6. (1) [Repealed by Act XVI of 1895.]

(2) Councillors selected or appointed to succeed retiring Councillors shall come into office on the day for the retirement of the Councillors whom they are to succeed.

Section 7. All members of the Corporation constituted as aforesaid shall retire from office at noon on the first day of April, three years after they take office, which day is in this Act referred to as the day for retirement.

Section 8. Any person who ceases to be a Councillor shall, unless disqualified, be re-eligible.

Section 15. A person shall not be qualified to be elected to be a Councillor at an election by a Chamber or Association mentioned in sub-section (1) of Section 5 or at a Fellows' election, unless he is at the time of the election a member of that Chamber or Association or a person entitled to exercise the rights and privileges of membership on behalf and in the name of any firm, company or corporation registered as a member of such Chamber or Association or a Fellow, as the case may be, and unless, in the case of a Fellow, he resides in the city.

Section 22. (1) General Elections of Councillors shall be fixed by the Commissioner, subject to the provisions of Section 23, to take place triennially on such days in the months of January and February as he shall think fit.

(2) [Repealed by Act XVI of 1895.]

(3) Elections to fill casual vacancies shall be fixed by the Commissioner to take place on such days as he shall think fit, as soon as conveniently may be after the occurrence of the vacancies.

Section 23. The dates for all General Elections shall be fixed in the following order, and with the following intervals, namely :—

*Firstly.*—The Ward elections shall be fixed to take place simultaneously for all the Wards.

*Secondly.*—The day for the election by the Chamber or Association mentioned in sub-section (1) of Section 5 shall be fixed at an interval not exceeding twenty-one days after the day fixed for the Ward elections.

*Thirdly.*—The day for the Fellows' election shall be fixed at an interval not exceeding fourteen days after the day fixed for the elections by the Chamber and Association mentioned in sub-section (1) of Section 5.

*Fourthly.*—The election of co-opted Councillors shall be held on a day fixed by the Commissioner subsequent to the above-mentioned elections and the appointment of Councillors by Government but prior to the day for retirement.

Section 31. (1) Elections of Councillors by the Chamber and Association mentioned in sub-section (1) of Section 5 shall be made by the members for the time being of the said Chamber or Association subject to the provisions of Section 15, in such manner as shall from time to time be determined at a meeting of the said Chamber or Association convened in accordance with the rules at the time in force in this behalf.

(2) The Secretary to the said Chamber or Association shall make a return in duplicate to the Commissioner setting forth the name in full of every person so elected.

Section 32. (1) The result of every election shall be declared by fixing, as soon as may be after the election, in some conspicuous place in the Chief Municipal Office, a notice certifying the names of the persons, if any, elected, and in the case of a contested election the number of votes recorded for each candidate.

(2) The said notice shall be signed in the case of a Ward election, and in the case of an election by Councillors, by the Commissioner, and in the case of an election by a Chamber or Association mentioned in sub-section (1) of Section 5, by the Secretary of such Chamber or Association, and in the case of a Fellows' election by the Registrar of the University of Bombay.

## BOMBAY MILLOWNERS' ASSOCIATION.

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